

Harry C. McClellan to be postmaster at Arlington, Nebr., in place of J. C. Badger. Incumbent's commission expires June 4, 1924.

NEW HAMPSHIRE

Maurice R. Wright to be postmaster at North Hampton, N. H., in place of M. R. Wright. Office became third class July 1, 1923.

NEW YORK

Ettie M. Babcock to be postmaster at Canaan, N. Y., in place of R. A. Weir, resigned.

NORTH DAKOTA

Michael Coyne to be postmaster at Starkweather, N. Dak., in place of Michael Coyne. Incumbent's commission expired April 23, 1924.

Myron B. Fallgatter to be postmaster at Kintyre, N. Dak., in place of M. B. Fallgatter. Office became third class April 1, 1924.

OHIO

Jerome Goodhart to be postmaster at Brewster, Ohio, in place of J. H. C. Goodhart. Incumbent's commission expired May 10, 1924.

OKLAHOMA

John H. Durnil to be postmaster at Picher, Okla., in place of E. H. Barrett. Incumbent's commission expired November 19, 1923.

PENNSYLVANIA

Martin T. Weaver to be postmaster at Strasburg, Pa., in place of J. F. Johnston. Incumbent's commission expired August 5, 1923.

Paul L. Boyd to be postmaster at Mars, Pa., in place of M. M. Little. Incumbent's commission expired May 18, 1924.

SOUTH CAROLINA

Wallace H. Meng to be postmaster at Johnsonville, S. C., in place of Chivas Prosser, resigned.

Andrew R. Barrett to be postmaster at Rock Hill, S. C., in place of E. E. Poag. Incumbent's commission expired February 20, 1924.

SOUTH DAKOTA

Sidney H. Dains to be postmaster at Marion, S. Dak., in place of S. H. Dains. Incumbent's commission expired April 13, 1924.

TENNESSEE

Samuel W. Ingersoll to be postmaster at Decherd, Tenn., in place of J. L. Haynes. Incumbent's commission expired September 5, 1923.

TEXAS

Hal M. Knight to be postmaster at Sterling City, Tex., in place of H. M. Knight. Incumbent's commission expired May 6, 1924.

VIRGINIA

Hugh H. Slemph to be postmaster at Big Stone Gap, Va., in place of G. E. Gilly. Incumbent's commission expired August 15, 1923.

WASHINGTON

Trygve Lien to be postmaster at Stanwood, Wash., in place of William Rouse. Incumbent's commission expired August 29, 1923.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 22 (legislative day of May 20), 1924

MEMBERS OF THE FEDERAL FARM LOAN BOARD

Lewis J. Pettijohn. Merton L. Corey.
Elmer S. Landes. Edward E. Jones.

CHIEF JUSTICE OF COURT OF APPEALS OF THE DISTRICT OF COLUMBIA

George E. Martin to be chief justice of the court of appeals, District of Columbia.

MEMBERS OF RENT COMMISSION OF THE DISTRICT OF COLUMBIA

William F. Gude. Oliver Metzgerott.
Richard S. Whaley. Thomas E. Peeney.
Mrs. Clara Sears Taylor.

POSTMASTERS

MAINE

Alvin H. Perley, Charleston.
Arthur Donkus, Lisbon.

MASSACHUSETTS

Fred W. Trasher, Marblehead.

VIRGINIA

Emmitt A. Collins, Appalachia.
James O. Fant, Brandy (late Brandy Station).
Sam P. Bowen, Duffield.
Charles C. Peery, North Tazewell.
Herbert C. Bolton, St. Paul.

HOUSE OF REPRESENTATIVES

THURSDAY, May 22, 1924

The House met at 11 o'clock a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Almighty God, as we wait at the threshold of duty, impress us with a solemn sense of our most sacred obligations. May it be a most serious thought with us that only through righteous and conscientious service to our country can our Republic live in honor and power and be a blessing to all men. Make it appear unto us, O Lord, that it is divinely wonderful to work and toil for others and thus influence and direct human destiny. We bless and praise Thee with un murmuring faith for all Thy condescending mercies and for all Thy gracious providences. Through Christ. Amen.

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

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Welch, one of its clerks, announced that the Senate had passed with amendments joint resolution (H. J. Res. 237) directing the Secretary of the Interior to withhold his approval of the adjustment of the Northern Pacific land grants, and for other purposes, in which the concurrence of the House of Representatives was requested.

The message also announced that the Senate had agreed to the amendment of the House of Representatives to the joint resolution (S. J. Res. 89) authorizing and permitting the State of Arkansas to construct, maintain, and use permanent buildings, rifle ranges, and utilities at Camp Pike, Ark., as are necessary for the use and benefit of the National Guard of the State of Arkansas.

The message also announced that the Senate had insisted upon its amendments to the bill (H. R. 7877) making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1925, and for other purposes, disagreed to by the House of Representatives, had agreed to the conference asked by the House on the disagreeing votes of the two Houses thereon, and had appointed Mr. WADSWORTH, Mr. JONES of Washington, Mr. SPENCER, Mr. FLETCHER, and Mr. HARRIS as the conferees on the part of the Senate.

The message also announced that the Senate had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6820) making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1925, and for other purposes, had agreed to the amendments of the House of Representatives to the amendments of the Senate Nos. 8, 25, 28, 40, 43, 48, 50, 51, 52, 53, 54, and 60 to the foregoing bill.

The message also announced that the Senate had passed with amendments the bill (H. R. 9192) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1924, and for other purposes; in which the concurrence of the House of Representatives was requested.

DEFICIENCY BILL

Mr. MADDEN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 9192, just messaged over from the Senate, to agree to amendments Nos. 1 and 2 and disagree to No. 3.

The SPEAKER. The gentleman from Illinois asks unanimous consent to take from the Speaker's table the deficiency appropriation bill. Is there objection? [After a pause.] The Chair hears none. The Clerk will report the bill by title.

The Clerk read as follows:

H. R. 9192. An act making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1924, and for other purposes.

The SPEAKER. The Clerk will report the first amendment. The Clerk read as follows:

Senate amendments: Page 1, line 2, insert: "District courts. Supreme Court, District of Columbia: For fees of jurors, \$16,000; 60 per cent of said sum shall be paid out of the revenues of the District of Columbia and 40 per cent out of the Treasury of the United States."

Mr. MADDEN. Mr. Speaker, I move to concur in the Senate amendment, and I wish to say in that connection we have already had hearings before the Committee on Appropriations in connection with this, and it is a very essential amendment, because it is required to pay jurors' fees that are already assembled, and there are seven courts in session in the District now, including two grand juries.

The SPEAKER. The gentleman from Illinois moves to concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment. The Clerk read as follows:

Senate amendment: Page 2, after line 2, insert: "Rent Commission: Any unexpended balance of appropriation for rent commissioners of the District are hereby reappropriated and made available during the life of said commission."

Mr. BLANTON. Mr. Speaker, I would ask the gentleman from Illinois to yield me five minutes.

Mr. MADDEN. I move to concur in the Senate amendment. I yield the gentleman from Texas five minutes.

Mr. BLANTON. Mr. Speaker, I am surprised that the distinguished gentleman from Illinois [Mr. MADDEN] would make such a motion. If it were not for having this distinguished gentleman at the head of our Committee on Appropriations I would have little hope of the Government effecting any economy whatever this year, but when he moves to pay a bunch of men and employees money when they can not render any service of value whatever to the Government, I am surprised.

Mr. MADDEN. Will the gentleman yield?

Mr. BLANTON. In just a moment. The Supreme Court of the United States of America has spoken on this question, and they have held that they would judicially declare no emergency existing and they have held this Rent Commission to be unconstitutional, and yet we have gone on and passed an unconstitutional act and attempted to extend it another year. And an official of the Government of the United States has sought to take part through action of an Assistant Attorney General before the courts, asking that the courts not interfere; yet the courts, the bulwark of the liberty of the people, have spoken, for just day before yesterday Justice Stafford, of the Supreme Court of the District of Columbia, enjoined these rent commissioners from performing their duties, and yet in a deficiency bill we are now appropriating money to pay their salaries and the salaries of their employees when they can not move a peg. What is the use of it? Why this waste? Why this extravagance of the people's money when the taxpayers now are overburdened? They are putting one over on the gentleman from Illinois in this instance. He is sleeping on his rights, for I would have expected him to have gotten up here and protested against it and stopped it.

The President of the United States ought to stop it. I will tell you what you are going to see for the next 12 months. You are going to see these five rent commissioners and their attorneys and employees down there drawing their big salaries every month from the Public Treasury and doing absolutely nothing, because the courts are not going to let them do anything. The courts have spoken. The courts say they shall not act, the courts have restrained them, and every time they attempt to act you will see an injunction, and who is going to pay all these enormous injunction expenses?

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

Mr. BLANTON. Who are to pay the cost of these injunction cases that are rendered against the Government of the United States? The tax-burdened people are to pay for it, and I am not going to sit here quietly in my seat in this House and let this travesty on justice be perpetrated here upon the floor and not raise my voice in protest. It ought to stop.

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

Mr. BLANTON. I will.

Mr. McKEOWN. Does not the gentleman think that these courts are going a long way in recent days, especially in view of the fact that judges have tried to set aside the pardoning power of the President of the United States and—

Mr. BLANTON. I want to say to the distinguished jurist who presided over the Oklahoma court with distinction that I am glad that the courts will not permit even the President of the United States to set aside the laws. I want to say to

him that if it were not for the courts of the country the rights of the poor people would not be protected. It is the courts of the country that protect the poor people. The rich people can hire the best legal talent in the world. It is the courts, at last, which protect the poor man, and I hope the gentleman will never say anything against the courts of the country.

Mr. MADDEN. Mr. Speaker, I was with the gentleman from Texas [Mr. BLANTON] in opposition to the enactment of the law, but the law has been enacted, and we have that mandate now to make the appropriation. I move the previous question on the amendment.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the amendment.

The question was taken, and the Speaker announced that the ayes seemed to have it.

Mr. BLANTON. Mr. Speaker, I ask for a division.

The SPEAKER. A division is asked for.

The House divided; and there were—ayes 49, noes 3.

So the amendment was agreed to.

Mr. MADDEN. Mr. Speaker, I move that the House disagree to Senate amendment No. 3.

The SPEAKER. The Clerk will report the Senate amendment.

The Clerk read as follows:

Senate amendment No. 3: Page 2, after line 2, insert:

"SMITHSONIAN INSTITUTION

"That additional taxes amounting to \$74,657.70, together with all penalties and other charges thereon, assessed by the Treasury Department against the estate of Charles L. Freer, deceased, late of Detroit, Mich., which estate has been closed, the executors discharged, and the residue paid over to the Smithsonian Institution as an endowment for the Freer Gallery of Art, presented to the Nation by the said Charles L. Freer, are hereby canceled and the Treasury Department is hereby authorized and directed to remit any further taxes, penalties, or charges which may hereafter be found due from the said estate."

Mr. MADDEN. Mr. Speaker, I move that the House disagree to the Senate amendment.

The SPEAKER. The gentleman from Illinois moves that the House disagree to the Senate amendment.

The motion was agreed to.

HAUGEN-M'NARY BILL

Mr. HAUGEN. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 9033.

The SPEAKER. The gentleman from Iowa moves that the House resolve itself into Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 9033. The question is on agreeing to that motion.

The motion was agreed to.

The SPEAKER. The gentleman from Indiana [Mr. SANDERS] will please take the chair.

Accordingly the House resolved itself into Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 9033, with Mr. SANDERS of Indiana in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 9033, which the Clerk will report by title.

The Clerk read as follows:

A bill (H. R. 9033) declaring an emergency in respect of certain agricultural commodities, to promote equality between agricultural commodities and other commodities, and for other purposes.

Mr. HAUGEN. Mr. Chairman, will the gentleman from Missouri [Mr. RUBEY] use some of his time?

Mr. ASWELL. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. ASWELL. How much time has been consumed?

The CHAIRMAN. The gentleman from Iowa [Mr. HAUGEN] has consumed 59 minutes, the gentleman from Louisiana [Mr. ASWELL] 3 minutes, and the gentleman from Wisconsin [Mr. VOIGT] has consumed an hour and 12 minutes. That is a total of 2 hours and 14 minutes.

Mr. HILL of Maryland. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HILL of Maryland. Under the unanimous consent adopted the committee remains in session until 7 o'clock. Is that the situation?

The CHAIRMAN. Yes.

Mr. SUMMERS of Washington. Mr. Chairman, the gentleman from Missouri [Mr. RUBEY] is a member of the committee and has given very careful consideration to the bill. He

ought to have more Members here to hear him. I make the point of order that there is no quorum present.

The CHAIRMAN. The gentleman from Washington makes the point of order that there is no quorum present. The Chair will count. [After counting.] Eighty-four Members are present—not a quorum.

Mr. HAUGEN. Mr. Chairman, I move that the committee rise; and on that I demand tellers.

The CHAIRMAN. The gentleman from Iowa moves that the committee rise, and on that motion he demands tellers.

Tellers were ordered; and the chairman appointed Mr. HAUGEN and Mr. ASWELL to act as tellers.

The CHAIRMAN. Those in favor of the committee rising will pass between the tellers and be counted.

The committee divided; and the tellers reported—ayes 2, noes 99.

The CHAIRMAN. One hundred and one Members are present—a quorum. The gentleman from Missouri [Mr. RUBEY] is recognized.

Mr. BUBEY. Mr. Chairman and gentlemen of the House, we are meeting to-day for the further consideration of the McNary-Haugen bill.

You know as a rule I am glad to hear from home. Every week as the papers come in from my district I sit down and read them. It is like getting a letter from the folks back in my district. But in recent months I have not found so much news in those papers; I did not find so much that made me happy, but I have found a great many things that have made me sad. I have found that page after page of the newspapers, not only in my district but in other districts throughout the Middle West, are filled with legal notices of sheriff's sales. Those sheriff's sales are because of mortgages that have become due and the farmer is unable to pay. In a great many cases those notices are in there because the tax collector has been unable to collect his taxes, and those farms are being sold for taxes.

Those are the conditions that confront the American people to-day in that country which I have described. Throughout the Central West, the Northwest—practically three-fourths of this Union—the farmers are in bad condition. The years have gone by, one by one, since I have come into the membership of this House, and in those years you have always found me ready to vote for and support any proposition that came before this body for the purpose of helping agriculture in any particular part of this Union.

I like to look into your faces. I have friends here. I have friends here who do not agree with me upon this measure in which I am so deeply interested. From down yonder in the sunny South I have friends in this House who do not agree with me and who are not supporting this bill for agriculture. Let me say to them and to all the Members of this House that in the years I have been with you I have always stood for every proposition before us to develop that great southern country. I have been with you in your fight against the boll weevil, and in your fight against the citrus canker, and in your fight against the pink boll weevil on the Texas border, and in the fight in behalf of diversified agriculture in that great country. I have been with you on all those great propositions. Now we have before us a measure that affects agriculture, and it is needed in our section of the country, and if relief is not obtained our farmers will go down to distress and ruin. Will you not come over and help our Government to do something for agriculture, and especially when you are not directly affected in your crop, although you are indirectly affected by reason of the fact that whenever we increase the purchasing power of the farmers of this land, we are helping the cotton factory, we are helping the cotton industry, we are helping every industry throughout the length and breadth of the country?

Mr. Chairman, it is not my purpose to take any great length of your time; it is not my purpose to make a long speech, because I say to you that I have demands for time upon our side of the House in favor of this bill, and it would be unjust to them for me to consume a great amount of your time.

I want to speak briefly, if you please, and especially shall I talk with reference to the speech made by the gentleman from Wisconsin [Mr. VOIGT], who delivered his address here night before last. One of his first declarations was that this is a price-fixing bill, and he argued at some length against it upon that ground. The proponents of this measure do not admit that it is a price-fixing bill, and yet, if for argument's sake we were to waive that and were to admit that it is a price-fixing bill, what of it? This is not the first time, by any means, that bills have been passed through the Congress of the United States fixing prices. When you pass a bill through Congress on the subject of the tariff you are fixing prices. By the passage of this act we expect to give to the tiller of the soil a

ratio price, which is an increased price for his basic agricultural products. The gentleman from Wisconsin [Mr. VOIGT], who argues against this bill because it is a price-fixing bill, on the 21st of April introduced a bill of his own in which he seeks to fix the price of No. 1 northern spring wheat at Minneapolis at \$1.65 per bushel. But I am not going to take up your time on questions of this kind, because there are other things far more important.

The gentleman from Wisconsin [Mr. VOIGT] makes a strong argument on the proposition of overproduction by taking the position that if we pass the McNary-Haugen bill and guarantee to the American farmers a ratio price for their various basic agricultural products that they will immediately begin to increase their production of the commodities upon which they receive this ratio price. But I want to call the attention of this House to the real provisions of this measure. It is a farm-making measure; it is a measure which will be kept up by the farmers themselves, and any large increase in production will reflect back upon the farmer himself. If we were by increased production to increase the amount of wheat in this country until we would have 100,000,000 bushels more of wheat exported, the farmer of this country would be the sufferer by reason of that fact, because the equalization fee which he must pay under this bill would be increased. If we now had an equalization fee of 15 cents, an additional surplus export of 100,000,000 bushels would increase that amount to at least 30 cents; and when the farmer does that he himself is the sufferer by reason of that fact.

It must be borne in mind by the Members of the House throughout the consideration of this measure that the farmer himself pays the losses of the corporation from exports, and he pays also the expenses of the corporation. He does this by the payment of the equalization fee, and the greater the loss entailed through exports and the greater the expenses of the corporation the larger will be this fee, hence the less will be the farmer's net return in the transaction. The whole bill is based on the theory that the Government must supply the capital stock upon which the corporation will do business and that the farmers of the country will protect the Government in its investment, so that at the end of the period the \$200,000,000 may be returned to the Treasury without the loss of a single dollar.

In this connection let me say that Mr. VOIGT, in the bill which he offered in the committee as a substitute for the McNary-Haugen bill, applies the same provisions as in the McNary-Haugen bill and makes the bill applicable to wheat only. He fixes in his bill a charge of 15 per cent, which shall be collected from the wheat producers under such rules, regulations, and contracts as the corporation may prescribe.

He has almost the identical language that is found in the McNary-Haugen bill for the collection of the equalization fee, and yet further on in his speech he calls your attention to the evasions that would be made under the McNary-Haugen bill, and yet those same evasions, if they can be made under the McNary-Haugen bill, can be made and will be made under the bill introduced by the gentleman from Wisconsin [Mr. VOIGT], with the exception, of course, that his bill applies only to wheat, while the other bill applies to other commodities.

Mr. VOIGT. Will the gentleman yield?

Mr. RUBEY. I would like to yield, but I must make my speech, and I must set this thing out at length. When I get through with that, I will be glad to yield if I have the time. When the gentleman from Wisconsin made his speech the other evening we all wanted him to proceed without interruption, and the gentleman from Virginia [Mr. MOORE] made the request that he should proceed without interruption. I would like to have, if it is your wish, the same privilege.

The same argument about overproduction can be made against Mr. VOIGT's bill, which he advocates, as he himself has made against the McNary-Haugen bill.

When the gentleman from Wisconsin came before the House to deliver his speech he was introduced by the distinguished gentleman from Louisiana [Mr. ASWELL], who is one of the four committee members who signed the minority report in opposition to this bill, as a gentleman who knew more about the bill than any other member of the committee. I admit that the gentleman from Wisconsin has been a very close student of the measure, and yet he made statements in his discussion on the floor of the House that, in my opinion, are not borne out by the provisions of the measure itself.

The gentleman insisted a number of times that the corporation would be compelled to declare an emergency upon every one of the commodities in this act, provided, of course, that there was a surplus export of the product, and that the domestic price of the commodity was less than the ratio price. I want

to call the gentleman's attention to section 2 of this bill, which reads as follows:

SEC. 2. (a) If the corporation finds (1) that there is a surplus for export of wheat, flour, rice, corn, wool, cattle, sheep, swine, or any food product of cattle, sheep, or swine, and (2) that, according to estimates made by it, the ratio prices, as defined in section 4, in respect of the commodity would be in excess of the domestic price thereof, it shall immediately notify the President in writing of its findings. Upon such notification from the corporation, it shall be the duty of the President by proclamation to declare that a special emergency exists as to such agricultural commodity.

During the closing hours of the consideration of this bill by the committee, and just before the vote was taken on the question of reporting it, I called the attention of the committee to this section, and I offered the following amendment:

After the word "of," in line 22, on page 2 of the bill as it is now printed, insert the following words: "one or more of the following commodities."

If my amendment had been adopted by the committee the language would read:

If the corporation finds, first, that there is a surplus for export of one or more of the following commodities: Wheat, flour—

And so forth.

I called the attention of the committee to the fact that we wanted to give the corporation absolute authority; if in its opinion there should be declared an emergency upon only one of these products, it could do so; or if it wanted an emergency declared upon two products, it could do so; or upon three or four, it could do so. When I offered my amendment in the committee my attention was called to the language as set forth in the section, and it was the opinion of every member of the committee present that my amendment was unnecessary; that the language as written gave the corporation that authority, namely, that it could have an emergency declared upon only one product if it wanted so to do. I hold, Mr. Chairman, that this bill as written will give the corporation authority to have declared an emergency upon wheat alone, if in its opinion, after careful investigation, that should be done. This opinion is concurred in by Mr. Alford, of the House drafting service, who assisted the committee in the drafting of this bill. There can be no doubt but what that was the desire of every member of the committee, regardless of whether or not he was for or against the measure. If there should be any doubt that the corporation does not under the present language of the bill have that authority, an amendment such as I have indicated can be proposed when the bill is considered under the five-minute rule.

The gentleman spoke at great length upon the hog question. He called attention to the fact that upon a certain day at Chicago there were 80,000 hogs on the market. Under present conditions those heavy runs often occur, brought about by the unstable market. Men rush their cattle and hogs to market to get them there upon certain days in the hope that they may get a better market. If this bill is passed and goes into effect, there will be no unstable markets—markets which the packers have been able to manipulate, increasing it or lowering it at their own sweet will. We will have stable markets, and as a result there will be a steady and even flow of the farmer's livestock products to the market places. It will be no longer necessary for him to get his hogs and cattle there on a certain day in the hopes of getting a higher price. We shall no longer have the market glutted on certain days, as we have under existing conditions. I am glad to say that we have upon the floor Members who are experienced in the livestock business, the gentleman from Nebraska [Mr. SHALLENBERGER], and the gentleman from Texas [Mr. HUDSPETH], and they will discuss this livestock question.

I want you to give careful attention to what I am saying to you now, because I think it is possibly the most important thing I shall say to you to-day. After the corporation is appointed, organized, and ready for business, in my opinion, being men of experience, able, and thoroughly informed on market conditions, they would not think of having an emergency declared upon even one product—wheat, for example—without making their contract and agreement with those who process wheat, the millers of the country; and certainly they would not declare an emergency upon hogs or cattle, or the products of hogs or cattle, pork or beef, without first calling in the representatives of the packers.

There are only, as the gentleman from Wisconsin [Mr. VOIGT] has said, five great packers, but let me call your attention to this fact: We have 200 independent packers, and I want to say to you in that connection that during the war the five

big packers gave their attention mostly to the export business, and as a result the independent packers went into the domestic market, got a hold on the domestic market, and they have a strong hold on it to-day, and these 200 independent packers are to-day doing a good business. The corporation, before it has ever declared an emergency in reference to these products, will make its agreements and contracts with these concerns; and if satisfactory agreements and contracts can not be made, certainly the emergency will not be declared. If the corporation can make satisfactory arrangements and if they will agree to give them a fair deal in the handling of the pork and other meat products, then the emergency will be declared, but otherwise it will not be declared.

In my opinion, when the board of directors of the corporation get around the table with these gentlemen who handle the meat products of America, the directors will get a square deal, because if they do not get a square deal the packers well know that an emergency will not and can not be declared. The packers can not afford to be put into the position before the American public of preventing the putting into effect of this legislation. We want to provide specifically in this bill that the present agencies shall carry on this business. We do not want to go into the packing business, into the milling business, or into any other business; but we want the present agencies to handle the business and, under the provisions of this bill, with the powers of the corporation, that can be and will be done.

The declaration of the gentleman from Wisconsin [Mr. VOIGT] that under this bill the corporation will be compelled to declare an emergency upon hogs and other products enumerated here, I most emphatically deny. Yet, as I have said before, if there is any doubt in the minds of the Members of this House, an amendment of two or three words will make it absolutely certain beyond any shadow of a doubt.

The gentleman from Wisconsin [Mr. VOIGT] calls attention to the fact we have enumerated in this measure wool and sheep. Of course, there is no Member of this House who knows wool conditions who expects or believes that within the next five years the conditions will come to a point where an emergency will be declared on wool.

If the corporation should, after its agreement with the packers, declare an emergency upon meat products, it would be necessary possibly to declare an emergency upon mutton and upon lambs and their products, because they are substitutes for pork and beef.

Mr. VOIGT says that the millers and the packers are in favor of this legislation and that they will be benefited by millions of dollars because of the hold over of stocks which they may have on hand when the bill goes into effect. Every member of the committee, and I expect every Member of the House, will testify to the fact that stronger opposition to this bill has come from the millers than from any other source. Hundreds of letters have come to me from millers all over the country protesting against the passage of the McNary-Haugen bill.

A representative of the packers came before our committee and opposed in strong and vigorous language the enactment of this legislation. Not only that, boards of trade, stockyards' commission men, and all of those concerns intimately associated with the packers, are without exception opposed to this legislation, and every Member of Congress who comes from where these packing concerns are located or who comes from where the great milling industries are located is opposed to this legislation. Why is this true if the packers and the millers are in favor of the legislation? The statement that the millers and the packers are in favor of this legislation is absolutely without foundation, and if, as he says, they will receive hundreds of millions of dollars from their stocks on hand when the law goes into effect, why are they opposed to the passage of this bill?

I admit, and there is no way of getting around it, so far as I can see, that profits will come to the packers, and that profits will come to the millers when this law goes into effect because of their hold over, and yet I want to say to you in this connection that no tariff bill has been passed by Congress that did not bring immense profits to the holders of those things upon which the tariff was raised. Not only that, but while the packers and the millers are getting something by reason of their holdings when the declaration of an emergency goes into effect, remember, friends, that the farmers throughout this land on wheat alone have in their granaries millions and millions of bushels, and they will receive the increase that comes because of those holdings. They have in the feed lots, if you please, hogs almost ready to mature and go to market. They will get the increased price or the ratio price. The

farmers and the millers and the packers will be compelled, however, to pay their proportionate part of the cost in the equalization fee that is imposed upon all of them.

There is one other thing I want to call to your attention and that is, when the packers understand that this emergency is under the control of a corporation and they do not know whether it is going into effect or not, that it depends upon their investigation and their ability to make proper agreements and proper contracts, they are not going to hold over a great quantity of stuff or purchase it and put it in their warehouses with that uncertainty in view.

Mr. VORER discusses at some length the effect of the passage of this act upon the cost of living. During the discussion he was asked, I believe by the gentleman from Kansas [Mr. TINGBERG], whether or not he favored the farmer receiving the prices provided in the ratio price, and he declared emphatically that he was in favor of their receiving this increase. Every bill that has been introduced in the Congress the object of which was to bring relief to the farmer provides in no uncertain language that the farmers receive an increased price for their farm products. There is not a man here to-day who believes that relief can be brought to the American farmer without increasing the prices of his farm products. If there is some plan whereby that can be done without increasing them, I would like to have the man who can devise that sort of a plan bring it into this House, because it would certainly be an economic monstrosity. You can not give the farmer prosperity, increased purchasing power, and the things he ought to have without increasing the prices of the products that he raises.

Ah, my friends, the prices of all other products in the land have been raised. They have gone up and up and up, and the farmers' prices have gone down and down and down. The purchasing power of the farmer to-day has been decreased almost 50 per cent. I had a letter yesterday from a farmer out in my country wherein he said, "I never see a new Springfield wagon on the road. Why? The price has been more than doubled. I find in the little shops around the country old wagons. They are taken in there to fix them up and repair them and use them over and over again."

Everything the farmer buys has been increased and his purchasing power has been depleted.

I want to call your attention specifically to this fact: Mr. Edgar Wallace, a representative of the American Federation of Labor, came before our committee. He made the statement that any bill which we could pass to bring relief to the farmer might result in some increase in the cost of living, but that the organization which he represented was there to urge the committee to give relief to the farmers, and stated that his organization to a man was willing to accept as a result of that relief any slight increase in the cost of living that might come about.

Do you believe that the increase in the price of the farmer's wheat 30 or 40 or 50 cents a bushel would materially increase the price of bread? When you know that during war times hogs were selling at \$14 and \$15 per hundred and the price of bacon was just a little more than that it is to-day, when hogs are selling at \$7 a hundred? Do you think there will be much increase in the price of bacon?

I want now to refer to my friend from Illinois [Mr. RAYNER], and I have great respect for him. I have known him a long time. He has been a Member of this House for many years, and we all admire him. That gentleman has issued more words on this bill, possibly, than everybody else in the land. He has written article upon article and delivered speech upon speech; he has sent out letters upon letters. Let me give you an illustration. Just a few days ago I read in a St. Louis paper an article written by the distinguished gentleman from Illinois wherein he gave an illustration about a widow woman with a pig. I want to say to you, because I counted them, in that story about the widow woman and the pig he used 700 words describing what would happen if she wanted to sell her pig, and yet I want to say to him that if that story were true, then there is not a member of the Committee on Agriculture that would vote for the McNary-Haugen bill.

Misrepresentation has gone abroad all over the land in regard to this measure from the boards of trade, the packers, and the large financial institutions.

I read an article in an agricultural paper this morning, or a so-called agricultural paper, published here in Washington, about the McNary-Haugen bill. The man who wrote the article evidently had not read it since it was introduced in January last.

Those are the conditions which confront us. This is indeed a new kind of legislation. Nothing exactly like it has been attempted in this country, although it has been carried out

in other countries. For years the Congress of the United States has helped almost every industry in the land. Through tariff legislation the manufacturing industries have been enabled to increase their prices for their products by millions of dollars. Through immigrant laws—and I voted for them all—we have kept out the undesirable farming element and have thereby reduced competition and kept up the price of labor. Through the Adamson law—and I voted for that—we further increased the price of wages. Through the enactment of the Esch-Cummins law—for which I did not vote—we gave the railroads of the country a guaranteed income and virtually instructed the Interstate Commerce Commission to increase the freight rates, and that has given an increase of price to all the products of the land. For years and years we have given to the great magazines of the country a low rate of postage. Every year, as the result, those publications are carried through the mails at a loss to the Government of fifty millions of dollars.

But I must not prolong this discussion. Suffice it for me to say that through legislative enactment we have helped every industry in America except the one great basic industry—agriculture. More than one-quarter of the people of America live on the farms. They toil through all kinds of weather both early and late. They seek no eight hour law; they depend for their success more than any other industry known to man upon the elements. They plow, they plant, they cultivate, and if the sunshine and the rain come in due proportion, they harvest their crops. On the other hand, if perchance the rain does not come or if it comes in too great abundance, the result of their labor will be destroyed by drought or by flood. These are the conditions that we can not regulate by legislation. But when the farmer reaps an abundant harvest and takes his commodities to the market place we want him to receive a just and fair price for those commodities, and that, Mr. Chairman, is what we are going to do by the passage of the McNary-Haugen bill. [Applause.]

Mr. BLANTON. Mr. Chairman, will not the gentleman from Missouri take another five minutes in order to answer questions?

Mr. RUBEY. I should be glad to do so, but there are other gentlemen who want time.

Mr. BLANTON. The gentleman can help us by answering questions more than he can by generalities.

Mr. RUBEY. I have already used 45 or 50 minutes, and if I yield to one I must yield to another.

Mr. BLANTON. I think perhaps we would get along better with the bill if Members were enlightened by answering questions.

Mr. RUBEY. I know, and I want gentlemen to ask questions about the bill to enlighten them. I want every Member of the House to hear what is said, do not make up your minds against this measure, and if you are, so to speak, on the fence, stay on the fence until we get through with the debate. Stay on the fence until we get through with the discussion of the bill under the five-minute rule, and then you will be able to ask questions and we will be ready to answer them. I would like to answer the questions of the gentleman from Texas, but I have refused the gentleman from Wisconsin, and there are others who would like to ask questions. But let me say that there are many gentlemen who have asked me for time and I must not consume any further time. [Applause.]

Mr. ASWELL. Mr. Chairman and gentlemen, I regret to find myself in emphatic disagreement with our distinguished chairman, for whom I have the highest regard. I am also in disagreement with the gentleman from Missouri [Mr. RUBEY], who has preceded me, one of the most lovable Members in the House. He made an appeal to Members from other sections of the country to come and help him out in his country, as he stated it. I for one have supported every measure that I thought was for the benefit of the people of all sections. No worthy measure has had my opposition for sectional reasons. I have come now to help Mr. RUBEY's people by helping save them from the tragedy of the operations of this monstrous bill.

The bill has a peculiar history. When it appeared before the two Houses it was so curious in its theories and provisions that a lively interest was manifested as to its fatherhood. It was first called the Wallace bill. The Secretary of Agriculture came before the committee and disowned it. He said he was not for it especially, but that he was for any measure that would improve agriculture. Later there came forth from the multitude a gentleman named Charles J. Brand, whose friendship and services to the Big Five meat packers were exposed by the Federal Trade Commission and are matters of common knowledge and public discussion. Mr. Brand announced that he was the father of this bill and that he wrote it at the instance of the Secretary of Agriculture. Later the Secretary

of Agriculture came back to the committee and admitted fatherhood by proxy and that he had directed Brand to create it.

Later on another gentleman appeared before the committee, a Mr. Peek, of the Moline Plow Co., and he startled us by saying that he originated the idea and it was brought here in 1921. According to late reports Mr. Peek's business is in the hands of a receiver. I am not criticizing him, I sympathize with him, but having put his own business in the hands of a receiver I wonder if he is a competent man to tell the Congress how to legislate on economic questions.

When the word "scrip" grew into disrepute about the Capitol the S O S call went forth that "scrip" would kill this child of doubtful parentage, and there came rushing to the support of the proponents of the bill, among others, a gentleman from the Northwest, a Mr. Jewett, who is reputed to be a banker and the head of a grain pool or grain corporation in the Northwest with which he has made a failure. I am not criticizing him, but I can readily understand that he would like to have the taxpayers recoup him and enable him to reestablish himself in the confidence of the wheat growers whose money his management has lost. He helped change "scrip" to the euphonious "equalization certificate," meaning the same thing. So we have found the creators to be the Brand-Jewett-Peek combine. Our chairman [Mr. HAUGEN] is clearly not the father of this bill. He is the stepfather, three generations removed. [Laughter.]

Mr. RAKER. Does the Secretary now approve it?

Mr. ASWELL. He did the other day. I do not know what he would do now.

Mr. BLANTON. Where is the "Mary" part of it?

Mr. ASWELL. Oh, in the other end of the Capitol.

Mr. RUBBY. Mr. Chairman, will the gentleman yield?

Mr. ASWELL. I can not yield; I shall have to follow the gentleman's example. The majority report is not a report, but an argument, an appeal. It reveals clearly the weakness of this bill. It contains 109 pages, 52 pages of which are devoted to a thesis trying to prove that the bill is constitutional, and then on page 79 the majority brief concedes that in certain transactions the bill would be unconstitutional.

The Solicitor of the Department of Agriculture says, "I am of the opinion that in all probability it would be finally sustained by the Supreme Court."

The impression has been deliberately given to Members of Congress that this is the only chance to vote for farm relief. I call the attention of Members to the fact of record that there are four other farm-relief bills on which we have had hearings before the Committee on Agriculture, and within 24 hours any one of these bills can be reported out. It is not true that you have to vote for this bill or none. I call attention to another fact, that if one of these other measures after the defeat of this bill should not be brought out immediately there are Members of Congress on both sides of the Chamber who believe in the proper kind of agricultural relief, and they will hold this Congress here, if need be, until proper farm legislation is enacted. [Applause.]

A lot has been said here this morning and at other times about the condition of the farmer. No man in this House or anywhere else is more deeply concerned in the welfare of the farmer than I. I represent a great agricultural district and I have no business in the world outside of my duties here except that of farming.

Every Member of Congress knows that agriculture in certain lines and in some sections of the country is in grave distress. You do not need a book the size of the majority report to convince you of that depressing fact. Everyone agrees that agriculture, suffering most heavily and unfairly from post-war deflation, deserves the earnest and sincere consideration, the active encouragement, and the fair-handed cooperation of the Government. I am eager to see the Congress go every step of the way in this direction consistent with sound principles of government, but I am not for this fantastic panacea, which if it did not fall of its own weight would disappoint and enslave the farmers and disrupt and destroy the financial and economic policies of our Government. [Applause.]

It would set the precedent of socializing and nationalizing the industry of agriculture, which would lead inevitably to the nationalization of all industry, including the railroads, overriding economic laws by statutory laws and thus place our Government squarely in the class of the bolshevistic Government of Russia, which has disappointed the Russian people and is now collapsing. I, for one, most solemnly protest against taking a single step toward such a calamity for the American people. [Applause.]

This bill would make the farmer the ward of the Nation, as are the Indians. It declares the farmer incompetent to handle his own business and places him under the paternalistic care of the Government. It destroys individual initiative, socializes and communizes the agricultural industry, and places a Government corporation in full control of the farmer and his industry.

The value of the agricultural products of the country last year in the hands of the farmer is reported by the Department of Agriculture to have been seven and one-half billion dollars, while the consumers of the country paid twenty-two and one-half billion dollars for the same products. The producer is receiving only one-third of what the consumer is paying for his products. By enabling the cooperatives of the country to organize nationally and establish direct connection between the producer and the consumer the farmer will receive two-thirds of the amount the consumer pays and thus double the farmer's price of agricultural products without taking a penny from the Federal Government. It will actually reduce the price to the consumer by eliminating one-half of the two and a half million food dealers or middlemen. The spread between the price the producer receives and that the consumer pays will be reduced to the minimum. The difficulty with the present cooperatives is that they are too limited in scope and in finances to control the final markets in reaching the ultimate consumers.

A marketing bill national in character is pending before the Committee on Agriculture in both Houses. Senator CURTIS introduced it in the Senate and I introduced it in the House. Vote down the McNary-Haugen bill and you will have a chance to consider the marketing bill that enables the farmer himself to handle his own business for himself.

I call attention to another fact. The President of the United States, to be consistent, can not be for this bill. He is not a communist, he is not a socialist, he is not a Bolshevik. Let me read one sentence from his message to the Congress on December 6. Discussing agricultural relief, he says:

"No complicated scheme of relief, no plan of Government fixing of prices, and no resort to the Public Treasury will be of any permanent value in establishing agriculture. Simple and direct methods put into operation by the farmer himself are the only ways to restore agriculture.

[Applause.]

That is the President's language to Congress. If his language means anything, he can not be for this measure. What does this bill do? It establishes a corporation, a Government corporation, and puts the Government squarely into business. To prove that I shall not give any secondhand evidence, but I shall read from the bill. Section 21 reads:

"For the purpose of relieving the emergency declared in section 1 by conducting the business of trading in basic agricultural commodities,

That is the object of the corporation. Further, on page 11 of the bill, it is provided that "the corporation shall have such powers as are necessary and proper to conduct the business of trading in basic agricultural products."

This bill puts the Government squarely into business, and it will be the biggest Government corporation that was ever proposed in the history of the world in any country. This bill proposes not a private corporation but governmental control strictly, nothing more. The corporation is to be created by the Congress. The President of the United States is to appoint the members of the corporation and they are to be confirmed by the Senate of the United States. The corporation is to be presided over by a member of the Cabinet. The certificates are to be printed at the direction of the Secretary of the Treasury and by a Government bureau, the Bureau of Printing and Engraving. It is from top to bottom governmental and the Government would be morally bound. Two hundred million dollars is to be appropriated from the Federal Treasury, from the taxpayers, and \$1,000,000,000 is to be borrowed. There is not a gentleman in this Congress to-day, having voted for this bill, who would not later cast his vote in an emergency to appropriate another billion dollars to pay the losses of this corporation. The Government would be morally bound because it is a Government corporation. So it is—the Government involved from start to finish.

It has the most extraordinary powers ever granted any similar organization. This corporation would be bigger than any department of the Government, because it is specifically provided that any department of the Government shall act as the agent of the corporation.

It is bigger than all the executive departments of the Government because the bill provides that all departments act as its agents. It is bigger than the President himself. Why, because

the President of the United States has no authority to declare an emergency until the corporation notifies him. As far as the Committee on Ways and Means in the House has to do with tariffs, it abolishes that committee entirely. It would abolish the Tariff Commission, too. Authority is given upon the recommendation of this corporation for the President to ignore all existing law and declare an embargo or raise the import duties on any article, any substitute, or derivative. The records show that the Big Five packers handle about 400 derivatives and substitutes contained in this bill, including fertilizer for the farmers of the country. It gives authority to declare an embargo and increase the price on all elements needed by the farmers for fertilizer.

It is a price-fixing scheme. I do not understand why the proponents of this bill try to hide that fact. The proponents of the measure ought to know somebody is liable to read this bill. [Laughter.] Why, turn with me to section 4 on page 3 in the bill:

The corporation shall publish, after the issuance of a proclamation declaring the special emergency, the price for such commodity, or any class or grade thereof.

It must publish the price for that period, and that period can be 1 month or 3 months or 12 months. I wish to say to the gentlemen who try to argue that it does not fix prices that if anybody reads the bill, all the other things they say will be discredited.

Now, as to the ratio price. It will be discussed over and over again. But, in a word, the proposal is, for example, that when wheat, we will say, is selling in the world's market for a dollar, the ratio price will bring wheat in this country to \$1.50. If 200,000,000 bushels are exported, it will produce a loss to the wheat farmers of \$100,000,000, a loss of 50 cents a bushel. The wheat growers will have to pay that \$100,000,000 plus the cost of the operation of the corporation. And I made it my business to ask every one of the fathers and stepfathers of this bill, experts, lobbyists, and specialists that we had before that committee—I asked every one of them this question: How much will it cost the farmers for this corporation to operate? And never have I heard an answer yet hazarded except once, when it was said that if corn and wheat were in the emergency, the corporation could operate probably for \$15,000,000 per year. We know that about 50,000 Federal agents would be employed. It has been said to-day that the farmer would be protected by this bill as the railroads are protected and as the Steel Corporation and other industries are by the high protective tariff. I am opposed to the existing discriminatory protection of big business and to the railroad guaranty, but not a single one of these corporations or special interests is taxed to bear the cost of the increase of its own prices as the farmer is proposed to be handled in this case. The comparison is absurd.

Another point, Gentlemen, I want you to turn with me to section 305, on page 27 of the bill, and you will find that this corporation has the power to punish by putting the farmer into a Federal prison for not paying his debts. Here is section 305:

Any person who, in violation of this act, willfully fails to pay, collect, or account for and pay over any equalization fee, etc., or attempts in any manner to evade the payment or the future collection of such fee, shall, upon conviction thereof, be fined not more than \$5,000 or imprisoned for not more than one year, or both.

It authorizes a Federal corporation to drag men or women to a Federal court and put them in a Federal prison for even an attempt to evade the payment of the equalization fee. Now, let me illustrate that. You will understand when an emergency is declared on corn only a small portion of the corn will pay the equalization fee and the fee will be high. The corn used for feed and seed is exempt, and the corporation may exempt purchases between producers to the amount of \$100 a year. A man, as it happens in all parts of the country, starts to market with a load of roasting ears. He gets to the town. You are a banker or a merchant or a professional man. You are not a producer and therefore you have to pay the equalization fee. The producer sells you a half dozen roasting ears. What is the situation? You both must know what the equalization fee is on corn. The producer sells the corn, say, for 50 cents. He is not allowed to take the full amount in cash. You who purchased the corn must deduct the equalization fee from the payment, and you must send it to the corporation. Now, that is literally the situation. But that is not all. You must give the producer a receipt printed in Washington by the Bureau of Printing and Engraving for the fee deducted, and if you do not have a receipt at hand you do not dare buy the roasting ears.

If you attempt to evade the equalization fee or fail to give the receipt, what is the result? It will perhaps be a dime; but if you fail to pay that dime or fail to give a Government receipt, you are subject, both of you, to be hauled into a Federal court, perhaps 100 miles away, to be tried, and, if convicted, fined \$5,000 or put in prison for a year, or both. That applies to butter, milk, and every other food product of cattle, hogs, or sheep when it is brought under the emergency. Do you need any further proof as to the monstrosity of this bill? I am trying to save my good friend RUBEY's people, who grow corn principally, from such a calamity as this bill would heap upon them. [Applause.] Gentlemen, this bill has been facetiously called Mary Haugen's bill. I do not know where that originates; it is not named properly—

Mr. BLANTON. Well, it had to have a mother, did it not?

Mr. ASWELL. Well, perhaps; yes.

Gentlemen, this bill should be called the "Big Five bonus bill." Why? I would like you to follow me accurately and read between some of the lines. The first announced father of this bill has reputed connections with the meat packers. The bill provides that when there is an established exportable surplus and the price falls below the ratio price, then that product is to come under the emergency.

Let us see. "When there is an established exportable surplus." There is no question but that the packers would wake the next morning richer by \$500,000,000. They wanted certain of their food products named in the bill. It does not take any argument to prove that. See the letter of Secretary Wallace. I hold his letter in my hand.

The value of meats in cold storage was \$175,000,000 on the 1st of April.

There are other products in the hands of the packers, elevators, and terminals that reach into the hundreds of millions. This bill increases their value overnight from 60 to 70 per cent. In the cold-storage products to-day owned by the five big packers the increase overnight will be exactly \$122,500,000.

I said it should be called a packers' bonus bill. There must be an exportable surplus. Yet the man who wrote this bill has put into it beef. Why? How could beef be included? The report of the United States Tariff Commission, April 11, 1924, on this bill states that last year we imported into this country \$65,000,000 worth of cattle and cattle products, while we exported only \$25,000,000. Yet beef is included. Where is your "established exportable surplus"? We imported last year 6,000,000 pounds of mutton and exported only 2,000,000. Last year we imported \$130,000,000 worth of wool and exported none. Yet in the interest of the "Big Five," who are vitally concerned in their profits on beef, wool, and mutton, these food products to benefit the "Big Five" are included in the provisions of this bill. In the face of these facts of record how can you call this a farmers' bill?

No one knows the cost of operating the corporation. There is only one thing well known and established as a certainty, and that is, whatever the cost of operation, whether it be \$15,000,000 or \$150,000,000, it makes no difference; whatever the loss, whether it be \$100,000,000 in wheat or by stimulating production and piling up the exportable surplus to the point where the wheat farmers lose \$300,000,000, it makes no difference, the farmer pays the cost. Every time you increase production you reduce consumption. Increase the exportable surplus and you increase the equalization fee that the farmer has to pay. The only thing you know is that whatever happens the farmer pays the freight at every point in this bill.

Mr. BLACK of New York. Mr. Chairman, will the gentleman yield?

Mr. ASWELL. Yes.

Mr. BLACK of New York. In the opinion of the gentleman, would it be within the powers of this corporation to destroy excess commodities in the hands of the millers and packers, paying for the same after condemnation?

Mr. ASWELL. Perhaps that might be done should this bill ever become a law.

Now, what will be some of the results? The first outstanding result is that it will destroy the existing cooperatives in this country. Why not? The object of the cooperatives is to increase prices to the producer through a marketing system. In this bill it is proposed that the Government do this very thing with the Federal Treasury back of it. What inducement would the cooperatives have to hold together? Why should each member of the cooperatives pay \$10 or \$15 a year and know at the same time that the Government is handling that business? The cooperatives would go out of business, and

what could prevent a calamitous collapse to the farmers at the end of five years when the law would suddenly expire?

Mr. BERTNESS. Mr. Chairman, will the gentleman yield?

Mr. ASWELL. No; I can not yield.

The CHAIRMAN. The gentleman declines to yield.

Mr. ASWELL. Another thing that we know about this bill is that it will increase the number of Government employees by at least 50,000, but what the ultimate limit will be no one knows. Take the case of the roasting ears. You have to have a detective to see that you do not cheat the Government out of that fee. The bill would send throughout this country an army of Federal agents, detectives, and Secret Service men beyond the comprehension of any man. They would be more numerous than the income-tax agents and the prohibition agents combined.

Why? Because you have got to watch every transaction; you have got to see that the Government is not swindled out of anything. I believe the American farmer properly resents the increasing intrusion of Federal agents. He will still more resent this new army of Federal agents.

Now, gentlemen, I want to say in all candor that for four months I have earnestly studied this bill. I wanted to support any measure that would bring relief to the agricultural interests of the country. I tried to help amend it so it would be workable, but I was forced to conclude that you can not build a good measure upon an unsound principle. I have been forced to the deliberate judgment that this bill is unsound, unworkable, full of Bolshevism, purely socialistic, indefensibly communistic. It would endanger the stability and the perpetuity of the institutions of this Republic. I have faith in my country, in her institutions, in her people. I am not afraid that the foundations of the Republic will be shattered by this bill, because I do not for one moment believe that it has a shadow of a chance of being enacted into law; but if you should pass it, the President of the United States, in conformity with his straightforward procedure, could not help but veto it, and if he did not do that, I am perfectly convinced, as I stand in your presence, that within a few months, or as soon as it could be brought to the Supreme Court of the United States, it would be declared unconstitutional. But you say the elections will have been over, and the \$200,000,000 will have been used as a campaign fund. What a tragedy, what a crime against the farmer, against the taxpayer, against the American people.

Gentlemen, I for one, am willing and anxious to go as far as humanly possible for farm relief legislation, but on this measure the institutions of our country are involved. Gentlemen, if you vote down this bill, so unsound and unworkable, you will have a chance before this Congress adjourns to consider and enact legislation for the farmers which will not only give relief but which will stand through the years to come.

The difference between conditions in Europe and conditions in the United States lies in the fact that the principles of our institutions and our Government are different from those of Europe.

Would you take a step toward those conditions in Europe that have become the tragedy of the world?

Consider the conditions in Europe for a moment and compare them with ours. Their economic conditions are chaotic, ours are good. Much of their currency is worthless, ours is normal. Their governments are tottering, ours is beneficent and strong. [Applause.] Their women are enslaved, ours are loved and exalted. They worship the god of war, we the God of peace. [Applause.] Their tongues speak hatred, ours good will. Their people are miserable and in turmoil, ours are happy, for the most part, and living in peace. Their millions are idle and wretched, ours, for the most part, busy and contented. Their millions are cast down and discouraged, ours stand erect with courage and purpose.

Reviewing this contrast I wonder how any American can fail to be thankful for such a Government as ours, for such a country, for such a people. [Applause.] I wonder how any Member of Congress could dare take the chance of voting for this bill, creating a sentiment and establishing a precedent in government which, if pursued to the end, would destroy the very foundation of the Republic. [Applause.]

If for political reasons you believe that you must aid the farmers in one section of the country directly and immediately from the Federal Treasury to get their vote in November, then it would be far better for the farmers themselves and for the country to appropriate the \$200,000,000 and borrow the \$1,000,000,000 as a gift to them, and not saddle upon the country this dangerously vicious form of paternalism. If this bill passes, it will be permanent law or agriculture will collapse and bring a national panic at the end of five years.

The remedy for the farmers is—

First. Nation-wide cooperative marketing authorized by law.
Second. The creation of foreign markets by aiding in establishing normal conditions in Europe, for which our Government has done nothing.

Third. The reduction of indefensibly high tariff duties on some of the things the farmer has to buy, which the Congress has failed to do.

Fourth. The restoration of normal freight rates on agricultural products, for which during six long years the Congress has refused to act.

Mr. RAKER. Will the gentleman yield?

Mr. ASWELL. Yes.

Mr. RAKER. Outside of the objections which the gentleman has presented, is the bill otherwise all right? [Laughter.]

Mr. ASWELL. Except that it is unconstitutional, unworkable, impracticable, socialistic, communistic, bolshevistic, and would enslave the farmers; otherwise it might be all right. [Applause.]

Mr. TINCHER. Gentlemen of the House, of course I do not believe it is a convincing argument on an important measure like this for me to call my opponent, who thinks there is no merit in the measure, a Bolshevik or to say that a man who believes as I do not believe is Bolshevistic. I am not surprised, however, that men who use figures as carelessly as some people do use them and get facts so distorted as some people do get them distorted are compelled to resort to the practice of calling the other fellow names in order to make an interesting speech. [Applause.] Instead of importing more meat products than we exported last year, we exported 280 per cent more meat products than we imported, a slight change from the figures just handed you, which said that we imported 65 per cent more than we exported.

Mr. ASWELL. The gentleman does not want to make a mistake.

The CHAIRMAN. Does the gentleman yield to the gentleman from Louisiana?

Mr. TINCHER. I do not.

I want to announce now that I will yield to any gentleman in this House, while I am talking, who controls time for the purpose of asking me questions if he will yield me such time as he uses, but I do not want to yield time for speeches. However, I want to be in this attitude: if I can have the time: I want to be able to answer any question that is asked about this bill or tell the Members of this House whether I can answer it or not.

I propose to talk concerning the measure. I want to be fair with the House. I claim that the gentleman from Missouri [Mr. RUBEY], the gentleman from Iowa [Mr. HAUGEN], and the crowd of us who have reported this bill are not Bolsheviks. I claim we believe in our country just as firmly as anyone else, and I claim that the 42 per cent of the population of this country who to-day are engaged in agriculture are entitled to the same treatment and the same consideration by the lawmaking bodies of this Nation as anyone else. [Applause.]

There are two arguments against this measure. One is that it will raise the cost of living and make it a burden on other people, and the other is that it will ruin the farmer. How consistent those two arguments are. You are going to raise labor's cost of living, so that all your boys who represent labor districts will vote against it; and it is not going to help the farmer, it is just going to ruin him, and in order to make that kind of argument you have to distort figures.

I am frank to say that had this bill come before Congress and had no emergency existed it would not have been sound as a governmental economic proposition. It is not a peace-time proposition, but we have an emergency. We have an emergency in agriculture, the basic industry of our Nation, and that emergency, whether it was caused by the fact of war or whether it was caused by laws pertaining to the emergency of war, is immaterial. The emergency is here. Talk about the \$200,000,000 that this bill appropriates in an effort to do something for agriculture; why, by one fell stroke of the pen at the White House the President of the United States signed a bill during the war that took away from the American wheat owners, the farmers of America, overnight more money than this bill contemplates appropriating.

Mr. RAYBURN. Will the gentleman yield?

Mr. TINCHER. Yes; I yield.

Mr. RAYBURN. The gentleman speaks of the fixing of the price of wheat?

Mr. TINCHER. I do.

Mr. RAYBURN. Which was done at the instance of the wheat growers.

Mr. TINCHER. I do not care who it was done at the instance of, I was a wheat grower and did not ask for it; and it was done at a time when the farmers of America had in the process of harvesting an 800,000,000-bushel wheat crop, and it took from the cash price for wheat overnight \$1.35 a bushel, and now say to that farmer who faces bankruptcy to-day, but who faced that emergency and took his part of the load without a whimper, that when he comes to the American Congress, when he is down and out by reason of the war and the emergency, that he must not ask for legislation or the proponents, the men who will speak for him, will be pronounced Bolsheviks.

Mr. RAYBURN. Will the gentleman yield further?

Mr. TINCHER. Yes.

Mr. RAYBURN. I was opposed to that and I tried to protect the wheat farmers at that time against their own representatives, and that experience with price fixing will justify me again in trying to protect them from their representatives.

Mr. TINCHER. That was a matter of fixing a price. I am not talking about politics. I am not reflecting on anyone and I am not even saying it was not justified. Our country was at war and our people needed food, and the American farmer had wheat and the Government confiscated that wheat to win the war, and took it at a fixed price, and it was the only confiscation of property that this great Government of ours indulged in during that great conflict.

Mr. SHALLENBERGER. Will the gentleman yield?

Mr. TINCHER. I yield.

Mr. SHALLENBERGER. I will say for the information of the gentleman that I was a member of the Committee on Military Affairs during the war, as the gentleman knows, and the question of fixing the price of the wheat and of the pork and of the meat products that the Government would require to carry on that war was considered there, and I heard a member from Texas state that the hearings before the Committee on Agriculture showed that the Government was bound and determined to take the wheat and the pork at prices satisfactory to them because the Army had to fight upon bread and upon pork, and the price was fixed not to take care of the farmer but to take care of the Government in waging the war. [Applause.]

Mr. TINCHER. I agree with the gentlemen thoroughly. I do not want to inject any other issue into this question, but I do say that this is an emergency.

Mr. RAYBURN. But the price that was set on wheat by the Congress was higher than the price at which wheat was selling at that time.

Mr. TINCHER. No; it was \$1.35 a bushel less. The price went off that much in 12 hours. You can not tell me that. There is no use trying to get something like that in the Record here.

Mr. BURTNESS and Mr. WOODRUFF rose.

Mr. BURTNESS. Will the gentleman yield to me just to read a sentence touching that point from the report of the grain corporation?

Mr. TINCHER. I yield first to the gentleman from Michigan. Mr. WOODRUFF. This bill contemplates an appropriation of \$200,000,000 out of the Public Treasury.

Mr. TINCHER. Yes; as a revolving fund and as capital stock.

Mr. WOODRUFF. Everyone recognizes the fact that the farmers of this country have lost their buying power. Do you not believe that if we had, as a result of this bill, a prosperous and happy agriculture that an appropriation of \$200,000,000 each year would be fully returned to the Treasury as a result of the ensuing prosperity in this country?

Mr. TINCHER. I think so, but that is not possible under this bill. This bill puts the burden of paying the losses on the farmers. The \$200,000,000 is simply the amount of the capital stock, and my judgment is—and of course a whole lot in this bill, if it passes and becomes a law, depends on the administration of it—that with the borrowing power they will have they will never need to take out of the Treasury any money to speak of at all.

Mr. WOODRUFF. Will the gentleman yield for one further question on that point? I understand that perfectly, and I believe that is true, but I want to ask again, if, as a result of this measure, agriculture was made prosperous, would not the prosperity which would ensue to every other individual in this country result in such a condition that the increase in taxes would more than return to the Treasury the \$200,000,000 carried in this bill?

Mr. TINCHER. It would. There is no question about that. Every great war has been followed by a panic. Eighteen hundred and seventy-three was nine years after 1864. Nineteen

hundred and twenty-six or 1927 will see a panic in our industries in the United States as a natural result of this deflation unless the people of this great country have advanced since 1873 in the matter of government so that by man-made laws we may avert that. Do not any of you eastern men think that this load will be carried by the western farmer forever. Do not think that it must not be reflected back. Look at the conditions to-day. Then they call us Bolsheviks because we ask for a corporation with a capital stock of less than one-quarter of the amount of money confiscated by the Government over night.

Mr. GARRETT of Texas. Will the gentleman yield?

Mr. TINCHER. Yes.

Mr. GARRETT of Texas. Does the gentleman recall that in 1914 when cotton went down \$25 a bale below cost that no provision was made by congressional action?

Mr. TINCHER. I do not know, I was not in Congress until after the war. As a member of the Committee on Agriculture for a short time after I came to Congress, I served with a distinguished gentleman from Texas, and you have a member now, and no member of the Committee on Agriculture will ever say that I as a western man ever split hairs with him on something he asked for because my district was not affected. I voted for every bill with reference to cotton that a man from the cotton States asked me to vote for.

Mr. BURTNESS. Will the gentleman yield?

Mr. TINCHER. Yes.

Mr. BURTNESS. Does the gentleman know whether the depression of cotton existed for five or six years?

Mr. TINCHER. I do not know. Now look at the chart on page 9204.

Here we start at 100 and everybody starts together. We had a war. Agriculture has got back to where her prices are 118. It went up during the war, and look at this drop down here, so that prices have come down to 118. Wages of farm employees have dropped back some, but not down to 100 mark, but about 155 against the prices of farmers' products, 118. Wages of railroad employees, every one of them to be paid, and a large part by the 42 per cent that are engaged in agricultural production. That stands at 186. But look at this: New York factory workers, 230.

Now, that condition can not continue to exist. The products of every one of these articles produced by the workers of that wage must be sold to all the people. Forty-two per cent of our people are on their knees. Forty-two per cent can not buy your goods, so that that condition can not continue. Some man said yesterday that we were self-appointed, self-styled representatives of the farmer. Sometimes I feel when I am talking that I ought not to be so earnest. I am not a self-appointed representative. I was elected a Representative of the farmer, and every dollar I have in the world, every dollar any member of my family has a chance to inherit, is invested in agriculture. So I am not talking about the matter from pure sentiment, but cold facts.

Now, what do you want to do? What is your remedy? Are you going to bring this down [indicating on chart] to a pre-war status? That can not be done. Some people advocate that. Some people advocate the passage of laws that would reduce our standard of living, our scale of wages to a place where we would have to adopt the standard of living of the world and the world's scale of wages. If you do that, then we will be in the same shape that the countries are the gentleman described a little while ago.

Mr. RAKER. Will the gentleman yield?

Mr. TINCHER. Yes.

Mr. RAKER. The gentleman is familiar with the subject and I am trying to get information. Will the gentleman take one staple farm product and tell us what would be the result of this bill under consideration if enacted?

Mr. TINCHER. Will the gentleman name the product?

Mr. AYRES. Take wheat.

Mr. RAKER. Take hogs.

Mr. TINCHER. I will take wheat first. Wheat to-day, based on the price of the 400 commodities which people have to buy, ought to be selling for a little less than \$1.60. In other words, the wages of these men up here ought to strike an average, and in coming down to this level strike an average somewhere, and they ought to be willing to pay the farmers \$1.59 for wheat consumed in America.

Now, you ask about hogs. The day the bill was introduced and we started to have hearings hogs were selling at \$9.85, and the fair ratio that day was \$10.55. That was not much difference. To-day hogs are selling for \$7, and a fair ratio price would be a little higher.

Mr. RAKER. Now, I am like the gentleman from Kansas; what little extra surplus I have is invested in cattle. Our people are interested in cattle, and I know the gentleman has given a great deal of attention to it, and will he give us the benefit of his knowledge by showing how it will affect the price of cattle?

Mr. TINCHER. Let me finish on hogs first. The gentleman from Texas [Mr. HUDSPETH] will talk about cattle, and I will say something, too. I do not believe that there is a man within the sound of my voice that realizes any difference in the price of the pork products from last December to what it is now.

If that fair ratio price was declared by the corporation purchasing on any kind of meat, they would not have had to buy a pound, because that fair ratio price would prevail and that would apply to cattle as well as hogs, and, Mr. RAKER, the only man who has got cattle to-day who is not broke, is some fellow who has some other way of buying than getting

them in the cattle business. There is not a cattle producer in America who is dependent on that entirely but is worth less to-day than before the war, and 90 per cent are bankrupt.

Mr. RAKER. That is absolutely true, but how are you going to relieve that by this legislation?

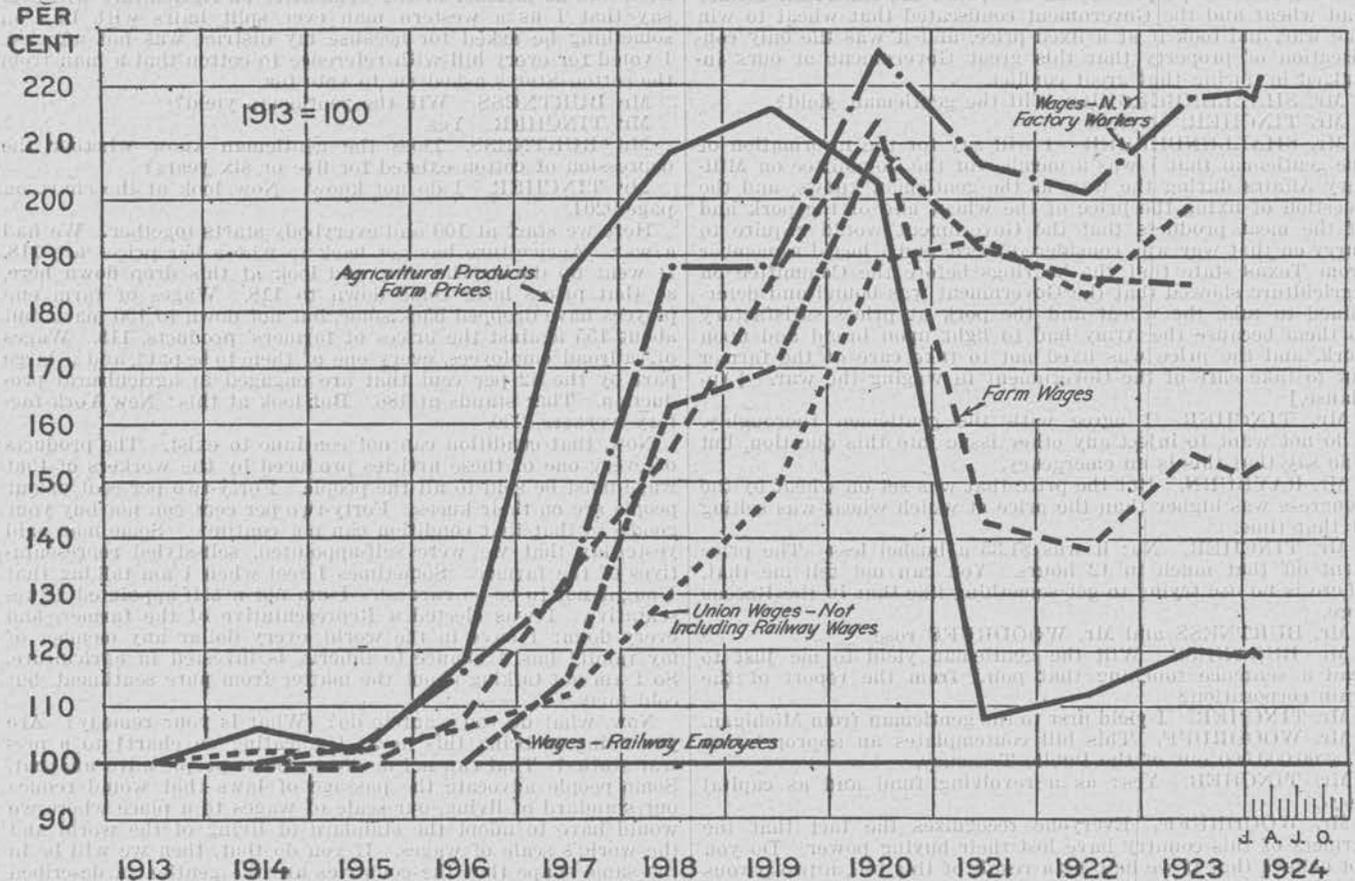
Mr. TINCHER. By giving him a ratio price for his products, and I say that any good business man or corporation can take that \$200,000,000 and let the farmer pay his own losses because of the ratio price and there is not a man engaged in labor in the United States but who will be happy for it and will be contented with it, because when their boys and institutions feel this panic we have now in the West, then their wages will go crumbling, and instead of having full time they will have probably less than half time.

Mr. KINDRED. Will the gentleman yield?

Mr. TINCHER. I will.

Mr. KINDRED. The gentleman has stated, and stated correctly, that the price of pork or hogs last fall was 9 cents

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plus. And yet the consumer is not getting any relief in what he pays for his pork. Who is getting that difference?

Mr. TINCHER. That is a question clear outside, but my opinion is that there are nine or ten times as many retail men in Washington, perhaps, as the trade would bear, but that is quite a different proposition. I simply mention it to call attention to the fact that we want to be fair with the farmer and not hurt anyone. These boys working in the New York factories are getting good wages and they are happy, but they will not be happy if they are working on half time, and if 40 per cent of the people down here to-day are not given relief they will be laid off.

Mr. LaGUARDIA. Will the gentleman yield?

Mr. TINCHER. I will.

Mr. LaGUARDIA. Glancing at the index chart, I find your agricultural products are down to 118. Now, is it not true that by the time those products reach the factory end in New York it will be necessary to fix the wage up to 230? Now, if you are going to bring your line up in accordance with the provisions of this bill, this line would necessarily have to go higher; and are not we going around in a circle?

Mr. TINCHER. Oh, no. These men up here to-day with that wage—the New York fellows—are prosperous. These men down

here are bankrupt—are broke—and you have got to equalize the thing. If you vote against this bill on the theory your New York laboring man will profit by your defeating farm legislation, you will be doing him a great injustice.

Mr. LaGUARDIA. The trouble is this: There is no doubt about the condition of the farmer down here; but by the time his product reaches the New York factory worker his wage must be fixed in order to buy these products.

Mr. TINCHER. Has the gentleman got a bill to remedy that?

Mr. LaGUARDIA. Yes.

Mr. TINCHER. What bill is it?

Mr. LaGUARDIA. Take control of all transportation of the country, take all the elevators and storages, and eliminate entirely the middleman and banking industry. [Laughter.]

Mr. TINCHER. I was laboring under a little misapprehension. I thought Mr. BEGER had the sole honor of representing his party in Congress.

Mr. LaGUARDIA. That is not any more socialistic than this. Mr. TINCHER. There is nothing socialistic about this. The farmer himself pays the equalization fee.

Mr. AYRES. Is it not a fact that bread now in New York City is about the same price as when wheat was at \$3 a bushel?

Mr. TINCHER. Yes.

Mr. AYRES. And bread was not reduced when wheat went down?

Mr. TINCHER. Right in Washington it is the same price as when wheat was worth \$2.85.

Mr. AYRES. And there is no reason why it should cost more if wheat was \$1.60.

Mr. JACOBSTEIN. Will the gentleman yield?

Mr. TINCHER. I will.

Mr. JACOBSTEIN. According to the chart—I can not detect the color here, but I suppose it is the factory workers in New York—the wages have dropped about 80 points from 1920 to 1922.

Mr. TINCHER. I remember Congress met and we passed a law, not a socialistic law, but a law that opened your factories.

Mr. JACOBSTEIN. The question is—

Mr. TINCHER. I would like to get in part of my speech as I go along.

Mr. JACOBSTEIN. Wages came down. We know it came down because the manufacturers could not keep those factories going. There had been overproduction, but even in that time farm products were rising, were going up even when wages in the East were going down. I am wondering if that does not teach us a lesson, that overproduction will cause wages to fall in the factories, and whether that is not also the cause of the low purchasing price of the farm products, and that you are not attacking the problem from the right end?

Mr. TINCHER. You started there for the rocks because you did not have the price any more based on blood, and you started for the rocks because you had no protection, and the American Congress met and gave a protective tariff and said that you could have the American standard of wages and the American standard of living when you at that time were going on the rocks. But now, when we come here and ask for a law that will give us a little fair chance we are called Bolsheviks. I do not believe in a foreign standard of living. I do not believe in any foreign level of wages. As one of the western Republicans I want to say that I want to hold people up and am not willing to kick anybody else down. [Applause.]

Mr. JACOBSTEIN. Did you not have at the same time a tariff protecting agriculture?

Mr. TINCHER. Oh, you can not protect agricultural products as you can manufactured products. We export agricultural products.

Mr. JACOBSTEIN. Did we not have an emergency tariff to protect agricultural products?

Mr. TINCHER. I will have a Democrat answer your emergency tariff questions.

Mr. BURTNESSE. Mr. Chairman, will the gentleman yield?

Mr. TINCHER. Yes.

Mr. BURTNESSE. The gentleman from New York [Mr. JACOBSTEIN] assumed plainly something that is not a fact, that the wages of manufacturing workingmen began to fall while agricultural prices were rising. Agricultural prices began to fall one year before the wages of industrial factories fell.

Mr. TINCHER. Yes.

Mr. SIMMONS. Mr. Chairman, will the gentleman yield?

Mr. TINCHER. Yes.

Mr. SIMMONS. I think it would be a benefit to all of us if the gentleman would take as an example hogs, and illustrate how this legislation will relieve the farmer on that particular product, and carry it on through.

Mr. TINCHER. We have passed a bill, and a corporation is organized, and we got Otto Kahn, the biggest financier in America, to come down from New York and manage it. He says this is not what is called sound economics, but it is modern economics. We are forced to resort to modern economics. He goes to Chicago and says to the five packers, "Are you going to pay the ratio price? The consumer will have to pay it. You will not buy a hoof. That ratio price will be fixed. They will pay it. It will not hurt anyone." They say, "We will not do it." You know what a surplus is of pork. We do not export 6 per cent of our pork. It will not take anything to handle that.

Mr. RAKER. Mr. Chairman, will the gentleman yield?

Mr. TINCHER. In a moment.

I believe this bill should give the President all the power he wants, to use it as he wants to, and not to use it when it is not required. It should not be a permanent proposition. It should apply only when there is an emergency.

Why, my friends, who is it that would say that the Dawes report was sound economics a few years ago. The Dawes report is sound economics to-day because it is to clean up a

thing brought about by the greatest emergency of the world. The Dawes report is sound economics.

This question may not be settled now, but it is a live American question. The question is whether by a man-made law we will harness this thing and avert the experience of 1873 or go on and treat the farmer lightly and not wake up to it until every industry in the country is down to where the farmer is to-day. I say we have progressed since the Civil War. I say there is a chance by a man-made law to manipulate the thing so that we will not suffer the natural consequences that always go with war.

Mr. RAKER. Mr. Chairman, will the gentleman yield?

Mr. TINCHER. Yes.

Mr. RAKER. This is an important matter. For the last two years our stockmen have got from 4 to 4½ cents per pound for cows and from 5 to 6½ cents per pound for prime steers. Hides are down to a dollar or even less.

Mr. TINCHER. Oh, I know these facts. You need not state them to me.

Mr. RAKER. Will the gentleman illustrate how he will help the stock-raising farmers so that they will get a fair price for their cattle under this project?

Mr. TINCHER. The corporation will fix a fair ratio price, and the fair ratio price will be the price they have to pay for the meat consumed there. They are to enforce that law. They have a right, if the people who handle the product will not do it, to do it themselves. But the packers, with 60 per cent of their factories empty to-day, will be glad when Uncle Sam goes down and says, "We have established a ratio price for the products."

That is not "TINCHER in Congress howling about the way things are going." That is somebody who has power, and the only justification for using that power is that an emergency exists by reason of a law act, and one class of people in this country are suffering from that emergency.

Mr. RAKER. If our cattle go to 4 and 5 cents a pound, how is that when we come to Washington we must pay 60 or 65 cents for beef per pound?

Mr. TINCHER. I have not been here as long as you have. Why have you not fixed it? You have been here a long time. [Laughter.]

Mr. MCKENZIE. Mr. Chairman, will the gentleman yield?

Mr. TINCHER. Yes.

Mr. MCKENZIE. The gentleman from Kansas is really making a good speech.

Mr. TINCHER. I thank you.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. TINCHER. May I have a little more time?

Mr. VOIGT. Mr. Chairman, I yield to the gentleman five minutes.

The CHAIRMAN. The gentleman from Kansas is recognized for five minutes more.

Mr. MCKENZIE. Of course, the condition of the country to-day is due to some cause. That is admitted. I want to ask the gentleman what he thinks about this legislation as a remedy for remedying the cause. Or is it simply emergency legislation for a time, and when the limitation expires the same old cause may be back again, and we may find ourselves in the same situation?

Mr. TINCHER. No; the same old cause will not be back. The condition was brought about by an emergency, either by the war itself, alone and uninterrupted, or by the war and the laws that we passed for running our country during the war. But the farmer's condition is an emergency, and we propose to relieve him from the emergency the same as we relieve everybody else. I do not believe the same conditions can come about again.

Of course, I think the emergency, perhaps, will have to be declared for this year and next. I think this bill runs three years, and I think it ought to.

Mr. LOZIER. Will the gentleman yield?

Mr. TINCHER. Yes.

Mr. LOZIER. Contrary to numerous expressions on the floor of this House, is it not true that by reason of the packing industries being concentrated in five great companies, that feature of the act will be more easily and more completely administered than any other feature of this bill?

Mr. TINCHER. Yes; I think it will be easy to administer it. Now, let me say this: I have been here only five years. I have been on the Agricultural Committee ever since I came, and I have worked with some of the most genial and high-class gentlemen any man ever had the privilege of working with. I never impugn the motives of any man who is on that committee, and I do not to-day. I understand how I could have a lot of fun

here talking about the gentleman from New York [Mr. CLARKE] and the gentleman from Wisconsin [Mr. VOIGT]—both opposing this bill—and about as much fun as I could have in talking about Mr. ASWELL's roasting ears. They do not generally agree on matters of economics, and they are opposing this bill, I believe, for directly opposite reasons.

Mr. CLARKE of New York. Will the gentleman yield?

Mr. TINCHER. Yes.

Mr. CLARKE of New York. Is it not true that when the filled milk measure was before the House I supported that bill because I believed it would do something to aid the dairy interests of this country, so that when you are challenging other men's motives you are challenging mine.

Mr. TINCHER. I did not challenge the gentleman's motives.

Mr. CLARKE of New York. I thought you did.

Mr. TINCHER. All I said was that ordinarily you and Mr. VOIGT do not travel together on matters of economics. I did not impugn your motives at all and never had such a thought at all. I was criticizing another man for doing the same thing. But it is all wrong to draw a picture of some one selling roasting ears, and then, an emergency having been declared on roasting ears, say, "Who is going to administer this thing in order to give any weight and effect to it?" If you listen to such ridicule you must imagine that good men like Mr. RUBEN or Mr. CLARKE or some other Members of this House, men of good judgment, are not going to administer it, but you have got to imagine that they are going out to find the craziest man in the world to administer it, and that he will declare an emergency on roasting ears, and that suggestion is made in order to heap some ridicule upon the bill.

Mr. KETCHAM. Will the gentleman yield?

Mr. TINCHER. Yes.

Mr. KETCHAM. Will the gentleman please advise us whether there is any exportable surplus of roasting ears? [Laughter.]

Mr. TINCHER. There is no idea of exporting roasting ears. That illustration was simply used for the purpose of heaping ridicule on the bill, because the idea never would be to declare an emergency on them. As I say, that was just simply mentioned for the purpose of putting ridicule on the bill.

Mr. MACLAFFERTY. Will the gentleman yield?

Mr. TINCHER. Yes.

Mr. MACLAFFERTY. Is not the low price of farm commodities due to the fact that there is an overproduction?

Mr. TINCHER. No.

Mr. MACLAFFERTY. Then my second question is not necessary.

Mr. TINCHER. The low price of farm commodities is due to an emergency which arose during the war or due to the laws attendant upon the war, the disproportionate prices. However, the prices are not lower than they were before the war. The prices of farm commodities are now a little higher than at the time of the starting of the war, but the proportion or ratio to the other 400 articles is making a bankrupt out of every farmer in America.

Mr. MACLAFFERTY. I am not opposed to this bill, but does the gentleman understand that the law of supply and demand has nothing to do with prices?

Mr. TINCHER. Oh, yes.

Mr. MACLAFFERTY. If there was a scarcity of wheat in the country, would not the price of wheat go up?

Mr. TINCHER. The law of supply and demand applies except when an emergency exists, and we have an emergency to-day. You do not want your American wheat grower to produce 200,000,000 bushels less wheat than will be consumed in America, but I have heard that suggestion made—that the wheat growers produce less than enough and then charge a high price for it and starve a few. But that is not the kind of people we have in the American farmer. But we ought to do something along the lines proposed in this bill in order to avoid a repetition of the days of 1873.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MACLAFFERTY. Will not the gentleman get one more minute, in order to permit me to ask him a question?

Mr. TINCHER. I have used all the time I can.

Mr. MACLAFFERTY. I am a mourner at the bench seeking light, but the gentleman has not given it to me.

Mr. VOIGT. Mr. Chairman, I yield 30 minutes to the gentleman from New York [Mr. CLARKE].

Mr. CLARKE of New York. Mr. Chairman, venerating as I do, GILBERT N. HAUGEN, the chairman of the great Agriculture Committee, who for 26 years has faithfully represented an agricultural district from Iowa, and has rendered signal service

everywhere to the general cause of agriculture, and fond as I am of the members of that great committee, individually and collectively, it has been a difficult matter for me, with a predisposition toward "going along," to differ with the majority of this committee on this bill, but after months of hearings, where all the facts regarding the present serious agricultural situation were carefully gone into and analyzed, I felt my greater duty was to oppose this proposed experiment, believing that it is not alone unworkable, but that even if it could be made to work it would ultimately bring disaster to agriculture, far greater than the present "slough of despond."

1. No session of Congress has gone so far as the Sixty-seventh Congress did in enacting legislation to give the farmers that equality of opportunity that is fundamentally the right of every great industry, as well as of the individual himself, under the Anglo-Saxon theory of government.

(a) The bill for allowing the farmers' cooperatives to engage in interstate business so as to orderly market their products was a vastly helpful law in its practical aspects, as well as in the encouragement it offered to those cooperative organizations trying to help themselves.

(b) The Voigt filled milk bill to prevent the interstate shipment of a nonnutritive, fraudulently marketed product, in competition with a wholesome, whole-milk product, met squarely the duty of the Congress to the dairy industry of the United States.

(c) The Capper-Tincher bill, compelling those speculating in our great national agriculture commodities, such as the grains, and so forth, to keep a record that would be available to the Government in case of alleged cornering of these necessities of the people, for personal enrichment.

(d) A splendid, fair, moderate tariff to properly protect the products of our farms.

(e) Appropriations for increasing in many ways and supplementing the service of the Agriculture Department to those engaged in agriculture.

(f) Extensions of the life of the War Finance Corporation that have been most helpful to agriculture, especially in assisting with the "frozen-credit" situation of many banks in particular, and in assisting other ways in the orderly marketing of agricultural products.

(g) The agricultural credits bill extending the Federal farm loan act and setting up—

(1) Federal intermediate credit banks.

(2) National agriculture credit associations.

While all these measures have been helpful, prevented, or made unlawful unfair competition and enabled us to more orderly market our products, at the same time giving that equality to agriculture that is its due, we have found that agriculture like many of our other great industries—farm machinery companies, copper and zinc mines, the great packing plants, and so forth—have not escaped hardships, bankruptcy, and trying situations following the World War; so, if none of these private, better-managed enterprises can finally escape the application of the law of supply and demand, how, I ask you, in all seriousness, can a law be a success that has for its objective trying to get around that law of supply and demand under Government auspices?

I feel, in common with every other member of our committee, that the Government has a moral obligation to aid the wheat farmer because the Government went into the price-fixing business in 1917. When it fixed the price of wheat at \$2.20 per bushel at the primary markets this price then was unsatisfactory to the wheat growers, even though it was supposed to be the cost of production plus a reasonable profit for a bushel of wheat in 1917. When this price was fixed by the fair-price committee wheat was selling at \$2.72 and had been up to \$3.45 per bushel. September 1, 1917, President Wilson issued a proclamation fixing the maximum price of wheat at \$2.20 per bushel, and wheat that day fell 52 cents per bushel in all the primary markets. It was and is my understanding that \$2.20 was the minimum price that was to be charged; and this board arbitrarily fixed the minimum price as the maximum, which was eminently unfair—unfair because, after establishing that price wages on railroads were increased 146 per cent, freight rates 78 per cent, and the cost of producing that same bushel of wheat increased over 100 per cent. This was far from fair in comparison with the cost-plus shipbuilding program and other profiteering enterprises launched thereafter, and it is for that reason that I claim the Government has a moral obligation to meet; but this bill does not meet it. In addition to all this there was the patriotic slogan, under Government inspiration, "Feed the world," and the farmers of the Northwest heeded the call and increased their acreage in two years by over 18,000,000

acres in wheat alone. The farmers were loaned more money to buy seed wheat, to purchase modern farm machinery, tractors, and so forth; and then came deflation and all its consequent chain of hardships and failure. I was and am perfectly willing to meet that moral obligation, as I see it, in accordance with the plans so carefully worked out by Professor Coulter and his splendid organization that came here from the Northwest in the bill they backed that failed in the Senate, maybe because the McNary-Haugen bill was in the offing. I am willing to meet it in any fair, workable law; but I am unwilling to wish onto this Government, through law, this bill that may open the door for special privilege under the law; that makes great additions to our already enormously large bureaucracy, and the people taxed, then taxed some more, to support and keep up this great extravagance and added burden. I must enter my protest, as a Representative of the farmers on the hills from whence I sprung, against added taxes, for these farmers are also suffering a serious depression because of the surplus milk now flooding our markets, with prices down to less than cost of production, with labor inefficient and almost impossible to get on our farms and at prices that are prohibitive. We are trying to meet our problems, not by coming to Congress but by getting all the milk-producing organizations together and trying to work out our own salvation.

Let us analyze some of the features of the bill now under consideration.

1. Price fixing: The proponents claim the McNary-Haugen bill is not a price-fixing bill. Let me quote you from the language of the bill itself:

The corporation (United States agriculture export corporation) shall designate a price for such commodities.

And the bill provides the mathematical formula for such price fixing. What further argument is necessary to prove that this is a price-fixing bill?

What does this United States agricultural export corporation intend to fix prices on? On whatever agricultural products there may be an emergency declared. To-day it is wheat; to-morrow it is corn; the next day it is cattle, "or any food product thereof"; next week it is hogs, "or any food product thereof"; and so on ad infinitum. Thus we will have foisted on this country by law not a temporary but a permanent price-fixing policy until the grand blow-up and the final calamity day arrives, when this perpetual-motion, price-fixing machine, made so by law, runs on its inglorious course to its inevitable end, and that old, never-failing, world-wide law of supply and demand goes into effect; "and the last days shall be worse than the former days," and the poor farmers again taking up a burden a hundred times worse because a Congress ever enacted such a short-sighted law.

Again the proponents of the bill propose that this United States agriculture export corporation is to take care of exports of a great number of agricultural products—wheat, flour, rice, corn, wool, cattle, sheep, swine, or any food product of cattle, sheep, or swine. Let us see what these profligate promoters promise. Sheep, for instance, are mentioned. What is the good of setting up the export machinery, holding out this rainbow of promise to the sheepmen, when, since 1914, the United States has been on an importing basis as to mutton and lamb. In 1920 to 1923, inclusive, the Bureau of Animal Industry reports that we exported but 47,000,000 pounds of mutton and imported 97,000,000 pounds. In 1923 we exported 2,000,000 pounds and imported 6,000,000 pounds. How ineffective, therefore, is such a gesture. Impure bunk to the sheepmen, and taxes to the people.

Again let us look at beef. In 1923 our total beef production was 6,916,000,000 pounds. Our home consumption was 6,918,000,000 pounds. If therefore seem we are on an importing basis. Why, therefore, indulge in these fruitless promises and set up an expensive export machinery when it is unnecessary and adds more taxes to the people. I could give you other examples in the bill, if I had the time, of promises and bunk.

If the proponents of the bill, therefore, only intended it for the wheat grower, why do they not frankly state it and prepare a bill on that basis exclusively? They are looking for votes, and under the direct primary law the poor Congressman must feed up his people on promises, and they have been lured so much by political promises of laws to lead them into the promised land that you would think they would be fully awake by now. Some are, thank God; but the rest are berating and beseeching the Congress for something that, in its last analysis, is class legislation, which, even if it could become

effective, would increase the cost of living to millions upon millions, taxed both directly and indirectly for vicious legislation.

Suppose this law goes into effect and an emergency is declared on only two or three of the commodities, so that it becomes operative only as to those commodities. The additions to the bureaucracy, already overly manned, in Washington—although we have gotten rid of over 110,000 on the civil list alone since March 1, 1921—and the multitude of additional employees made necessary to attend to the details, both at home and abroad, will be something astounding. Taxes and more taxes put on the people, and I can hear the people exclaiming in the language of the Declaration of Independence, "He has elected a multitude of new offices and sent hither swarms of officers to harass our people and eat up our substance." I want to go back to my people to render my report as their representative that I have been no party to any scheme to bring a return to such conditions.

If an emergency is declared on cattle, it also includes "any food products of cattle." Take a community of 2,000 people, with at least 500 sales in these products each day. How many agents of the Government would have to be there to see to it that the Government's interests are protected, to pass the equalization fee or scrip, and what a multitude of employees would be necessary in the larger communities.

Let us take the animal, the hog, and see what is possible to happen to him under this bill, as well as to us. Millions of hogs will be offered that the export corporation will be compelled to buy at the ratio prices in the various stockyards of the country. It is unfortunate, but it is true that hogs can not be exported as hogs, therefore they must be slaughtered and processed. The export corporation can not build packing plants, they can not even lease a plant if the existing agencies are adequate for the handling and processing of the hog "on reasonable terms." This corporation can not compel anyone to lease his plant. Small packers, of course, can not handle the large volume, and hogs must be moved quickly. There is but one answer and that answer is, this export corporation if ever an emergency is declared on hogs will find itself at the mercy of the Big Five packers. What may happen to the animal, the hog, may also happen to cattle and sheep, at least on those that we export. Now, suppose the packers and the export corporation get into a disagreement regarding the terms, and so forth, of the contract and figure out the two horns of the dilemma, either, on the one hand, the export corporation loses and passes back to the producer millions upon millions in losses, or else the packers wax fat upon a contract drawn upon their own terms.

In this country to-day there are being built up great co-operative societies and organizations that have proven helpful in the marketing of agricultural products. The McNary-Haugen bill, if it becomes effective, would tend to weaken and ultimately break down these splendid organizations for there is no longer a necessity for such organizations. Uncle Sam is going to protect them, and when the final collapse comes we will have to start anew to build them up again. A tragedy, indeed, to our farmers.

COMPETITION OF THE WORLD

It is axiomatic that high yields tend to make low costs, and that low yields tend to make high costs. The Canadian farmer is now producing practically four times as much wheat as he produced before the war, and his yield averages about 23 bushels per acre. The land, because new and stronger, produces a better quality of wheat than much of our land produces; indeed, some of this Canadian wheat is now imported, even under our present tariff, in order to blend with the wheat produced in the Northwest. As against this, take the vast acreage of North Dakota, for example, with an average yield of about 12 bushels per acre. Take the added cost, therefore, of the production of each bushel of wheat here and how is it to compete or how are the farmers producing wheat in North Dakota to compete on an equality with their Canadian neighbor, who produces at less cost over twice as much per acre and of a better quality?

The McNary-Haugen bill says, "We will set up an embargo or a Chinese prohibitive-tariff wall or law. We will not let the Canadian wheat in." Under such a policy what can we expect Great Britain to do when we propose to dump our 200,000,000 bushels of surplus wheat, as against the Canadian, the Australian, and the Indian competitors, in the Liverpool market? These countries are all part and parcel of the United Kingdom, and you can rest assured Great Britain will protect her own. Do you expect these countries or other countries to sit idly by with folded arms if this dumping policy is put

through under Government sanction? The chain of involvements is endless. Canada will at once set up an embargo prohibiting the exportation of wood pulp, and so forth, from Canada into the United States, with authority already granted its Government so to do. Other countries will start in with their policies of retaliation, and our great markets for large surpluses in other lines of agriculture, already built up at great expense and through painstaking effort, will be utterly destroyed. If for no other reason, this bill should be defeated.

Agriculture is indeed in a great depression. The farmer is not only suffering from the relatively low price for what he sells, but he is also paying the penalty in the high price his farm machinery costs. Freight rates either on the machinery he brings to the farm or the products he ships from the farm are very high, owing largely to the increases in the cost of labor on the railroads.

Another burden that is becoming intolerable is the great increase in taxation, whether local, State, or National. There is no one answer to this very difficult situation, but it does mean there must be retrenchment in all governmental expenditures, whether they be local, State, or Federal, in order that taxes may be reduced. Reductions in the tariff in order to reduce the cost of what the farmer has to buy, and finally the restoration of Europe to its intensive manufacturing activity, are splendid, helpful steps. Taxation is breaking the backs of the people, and when this Congress or any other goes cheerfully along its care-free way, voting bonuses and other costly legislation, it is working directly against the farmer, whose land is always in sight and is always soaked by high taxes.

We need more diversified farming, and instead of added capital that flows easily toward the extension of loans in order to increase agriculture in its overly expanded state, we need capital that will only aid in a national diversification program. Private enterprise is trying to help meet the situation. Many of these little banks that spring up overnight in the inflation period in the overly extended and overly expanded Northwest should not have gone in there at all, and it will take time for them to liquidate without losses to depositors. The strong banks of the great cities, like New York, Chicago, Minneapolis, and so forth, have gone to the rescue, along with certain business interests and the railroads, and subscribed \$10,000,000 toward the capitalization of a corporation which is authorized to borrow \$40,000,000 toward helping to liquidate these frozen assets, and, as I said before, it is not alone the wheat producer, cattle, or hog growers that suffer, but our copper and zinc miners also. The fertilizer and agriculture-machinery interests and other great enterprises are hard pressed as well, but most of all, beloved colleagues, let us not be so foolish as to think through wishing we can add to our stature or that we can raise ourselves by our own boot straps.

The law of supply and demand has been running longer than any of us. Stimulants and artificial methods may temporarily overcome economics, but it is the aftermath I am thinking of, when our great cooperatives shall have become weakened or disappeared, when "the cold, gray dawn of the morning after" shall arrive after the Haugen-McNary bill shall have run its course and agriculture shall have to build again. I can wish no such prospect on the tillers of the soil of to-morrow and shall accordingly vote against this bill.

TARIFF

It is not my purpose to discuss the effects, directly or indirectly, of setting up this tariff or embargo. If you will read the evidence of Mr. T. O. Marvin, chairman of the United States Tariff Commission, testifying before the Ways and Means Committee regarding the tariff features of this bill, on April 2, 1924, you will find that the delegation of power in this bill means that, when it is in operation, a tariff adjustment in at least a hundred items, possibly a great many more, will be involved, as it is not alone the items themselves that are running into competition with our own that we have to protect ourselves against, but substitutes, derivatives, chemical combinations, and so forth.

CONSTITUTIONALITY

I do not intend to submit to you a single argument on the constitutionality, much as I might desire to, for if you can not be convinced upon the economic features alone that this bill is not a proper one to pass at this time. I for one shall not argue further, but leave the legal complications involved in this bill to the lawyers, the United States Supreme Court, and Father Time for answer. [Applause.]

I yield back the balance of my time, Mr. Chairman.

The CHAIRMAN. The gentleman from New York [Mr. CLARKE] yields back eight minutes.

Mr. RUBEN. Mr. Chairman, I yield 30 minutes to the gentleman from Oklahoma [Mr. SWANK].

Mr. SWANK. Mr. Chairman and gentlemen of the committee, many bills for the relief of the farmers are pending before the Committee on Agriculture. I am glad to be a member of that great committee, one of the most important in Congress, for it deals with the most important legislation. Agriculture is our basic industry and the one upon which all others depend. There can not be any general prosperity in this country unless agriculture is in a prosperous condition. When the farmer receives a fair price for the products of his toil and raises a good crop, all lines of business enjoy his prosperity. Therefore, when we deal with that great industry in a beneficial way we are assisting business in general.

The Committee on Agriculture has been holding hearings almost every day since its organization after the holidays last January, and most of this time has been on the bill now under consideration. The committee was patient and heard every person who expressed a desire to be heard, for we knew that this was an important bill, dealing with an important industry. No member of that committee would do anything that would injure or cripple any legitimate business. We want to see all lines of business prosper and succeed. In the Sixty-seventh Congress I introduced my farmers' warehouse bill, spoke on the floor of the House several times in support of the bill, and argued it before the Committee on Agriculture in that Congress. I also spoke before the committee during this Congress on the bill. It is a good bill and would undoubtedly benefit agriculture. Then there is the Norris-Sinclair bill, which is a good bill and the same in principle as the McNary-Haugen bill. I voted to report that bill from the committee as a substitute for this bill.

I believe every member of that committee would like to do something beneficial for agriculture. I think this bill will bring great relief. Some of my colleagues do not agree with me, but that is their business. This is not a political bill. Agricultural legislation should not be political, nor should any other legislation for the good of the people. What is good for one political party is good for all. Some opposed the Sinclair bill, for they feared it would entail a loss upon the Treasury of the United States. The McNary-Haugen bill eliminates that objection and places the expense of operation and any losses that may occur on the producer of the particular product or the person who benefits by the legislation.

Ah, but some say that it is socialistic. Well, I have often heard that cry used, and so have you, against certain legislation that will benefit the people. That charge does not frighten me, and I am as far from wanting to see the Government engage in business as any of you. This bill is to meet a great emergency. Farmers are leaving the country and drifting to the cities for the reason that they can not longer continue to produce the necessities of life at a loss. Something must be done and done now. If we are going to do anything for the farmers of America, now is the time to act. Harvest will soon be here, and a month's delay will not help the wheat grower this season. Why delay longer? To those who oppose this bill I will ask, What have you to offer? [Applause.] Have you appeared before the committee for any other bill? It is easy to object, but difficult to construct. This bill is not perfect, just as nothing is perfect devised by the hand or mind of man.

Mr. Chairman, all products of the farm could not be included, but the leading grain crops are provided for in the bill. When one leading crop brings a good price, it naturally helps all other crops. If wheat is at a fair price, it enables the wheat farmer to buy more cotton goods with which to clothe his family and thereby helps the cotton farmer. It causes a larger consumption of cotton. It is also a fact that when cotton is at a fair price it helps the price of wheat and all other farm products, for the cotton farmer has more money with which to buy wheat products. If you increase the price of hogs you likewise increase the price of corn. If this measure is as successful as we hope it will be, other leading crops of the country can be included later, for we all realize that the prosperity of this Nation depends upon the prosperity of the farmer. [Applause.]

In addition to the assistance this McNary-Haugen bill will give to cotton by stimulating the price of other products of the farm, Senate bill 2112, identical with House bill 5842, which I introduced, is now the law and discontinues acreage reports based upon farmers' intentions to plant cotton. These reports on intentions to plant cotton were first issued in 1923. That law provides for semimonthly reports on cotton by the Department of Agriculture instead of monthly reports, as heretofore, to be issued at the same time as the ginning reports by the

Bureau of the Census. That law also requires that a majority of the cotton-crop reporting board shall be familiar with the methods and practices of producing cotton. Weather and other conditions often make a great change in the cotton crop within a period of two weeks. For instance, the Department of Agriculture estimated July 2, 1923, that there would be 11,412,000 bales of cotton produced in the United States; the estimate December 12, 1923, was 10,081,000 bales and the actual production 10,159,498 bales. These reports greatly affected the price. The purpose of the law will prevent such a wide variance in estimate hereafter and will be a great help to the cotton farmer. It is all nonsense to say that there is great prosperity in this country with the depression in agriculture that we now have.

The McNary-Haugen bill is indorsed by most of the great farm organizations, such as the American Farm Bureau Federation, the National Grange, the Farmers' Union, and other great organizations. Under date of April 15, 1924, I received the following telegram:

Oklahoma economic conference, composed of Federation of Labor and all organized labor, farmers' unions, and all other farm class organizations in Oklahoma. Ten State organizations at their quarterly meetings to-day unanimously indorsed the McNary-Haugen bill pending and ask our delegation in Congress to support same.

C. H. HYDE,

Chairman Farm Labor Economic Conference.

IRA M. FINLEY,

Vice Chairman and President Oklahoma State Federation of Labor.

VICTOR S. PURDY,

Secretary and Treasurer Oklahoma State Federation of Labor.

On March 5, 1924, I received the following telegram:

Oklahoma Federation of Labor requests you to support McNary-Haugen bill as the best opportunity to give farmers relief sorely needed.

IRA M. FINLEY,

President.

VICTOR S. PURDY,

Secretary-Treasurer.

Under date of March 4, 1924, I received the following telegram:

I have read the McNary-Haugen bill and personally I am very strong for the measure. I believe I am expressing the sentiment of a large majority of the farmers when I say we hope this will pass at this session. John Simpson out of city. He wrote HARRELD, Oklahoma farmers were 100 per cent for this bill.

OKLAHOMA FARMERS' UNION,

Z. H. LAWTER.

On March 5, 1924, I received the following telegram:

The Oklahoma State Board of Agriculture in regular session to-day unanimously indorsed the McNary-Haugen bill and urge its immediate passage.

A. T. WHITWORTH,

Member of the Board.

Mr. Edgar Wallace, Washington, D. C., representing the American Federation of Labor, appeared before the Committee on Agriculture in favor of the McNary-Haugen bill and said that he represented possibly 5,000,000 workers. Mr. Wallace further said that he wished to go on record as representing the only articulate expression of the workers, to the effect that we are in favor of comprehensive action in order to help the farmers out of their present condition, and to place them on an equality with others.

Mr. J. P. Russell, president of the Farm-Labor Union of Oklahoma, appeared before the committee in behalf of the Sinclair bill, and, among other statements, said that he believed through the Norris-Sinclair bill, or something similar to it, they would be helped to a great extent in marketing their products, and that they were asking the Government to help them to do that through some kind of marketing organization.

Mr. Arthur J. Lovell, vice president and legislative representative, Brotherhood of Locomotive Firemen and Engineers; Mr. W. M. Clark, vice president and national legislative representative, Order of Railway Conductors; also representing the Brotherhood of Railroad Trainmen, Mr. E. H. Kruse, assistant to the legislative representative, Brotherhood of Locomotive Engineers, and Mr. James C. Noonan, international president, International Brotherhood of Electrical Workers, appeared before the committee during the hearings on the Norris-Sinclair bill and in support of the bill. Mr. Lovell said that the organization which he represented was in favor of some measure to bring about better conditions for the farmer. Mr. Clark said that the organization which he repre-

sent is on record as favoring some bill, whether the Norris-Sinclair bill or some other bill that is satisfactory to the farmers of this country. Mr. Clark further said:

As far as we are concerned, we are not wedded to any particular bill or language, if it benefits the farmer, because that is what we are trying to do.

I wish to congratulate and compliment these great railway brotherhoods and the American Federation of Labor for exerting their energies in behalf of the farmers of this country. They want to see the farmer prosper and to receive a reasonable price for his products. I am glad that their honored representatives appeared before the committee in behalf of the farmers of this Nation.

The farmers need help now. This bill will help them, and unless a Member who is opposed to the bill can point out some way in which it will not help them or which will endanger the Government, then it seems to me that he should support the bill. The cost of these products to the consumer need not be increased, for the price of bread and flour now is out of all proportion to the price paid the farmer for his wheat, as the hearings on this bill will show.

Subdivision (c) of section 42, substantially the same as the amendment I offered, was adopted and is as follows:

Inasmuch as operations under this act will not continue for more than five years, the corporation shall cooperate with and encourage formation of associations of producers of agricultural commodities, so that during such period producers may perfect marketing associations for procuring the objects to be accomplished by operations under this act, and after the termination of the general emergency such associations of producers will be prepared to assist in producing orderly and efficient production, distribution, and marketing of agricultural commodities.

I also offered subdivisions (b), (c), and (d) of section 53, which provide that the books of the corporation shall be open to inspection to any person or governmental agency of the United States designated for the purpose by Executive order of the President, any governmental agency authorized by concurrent resolution of the Congress, and any committee of the Senate or the House of Representatives when authorized by resolution of the Senate or the House of Representatives, respectively.

The provisions of the bill relating to the cooperatives will be a great stimulus to their further organization, and the transactions of the corporation will naturally be through these associations, when possible, for the best interests of the producers of the agricultural commodities bought and sold under the provisions of this measure. These cooperative associations have done and are now doing a great work for agriculture, but, in the interest of the farmers of the country, need encouragement and assistance until they are able to handle their products effectively themselves.

Another good amendment adopted was the one offered by the gentleman from Missouri [Mr. RUBY]. This is subdivision (b) of section 203, and eliminates scrip. This will be a great saving, as the handling of scrip would put an additional burden on the postmasters and would cause another heavy outlay in additional help in the post offices. The scrip would have caused a great deal of inconvenience to the producers. Under this bill as it is now written the purchaser of the agricultural commodity gives a receipt to the producer, who may keep this receipt, and if there is any balance in the treasury of the corporation after the payment of all expenses and losses may receive his pro rata part. I believe that the corporation will be able to figure out just about the expense of handling the business; but if there should be anything left from the equalization or expense fund, the farmer is entitled to his part of what is left.

The bill provides that if there is a surplus for export of wheat, flour, rice, corn, wool, cattle, sheep, swine, or any food product of cattle, sheep, or swine, and that the ratio price in respect to such commodity would be in excess of the domestic price the board shall immediately notify the President, whose duty it shall be to declare that a special emergency exists as to such agricultural commodity. Further provision is made that as soon as practicable after the issuance of such proclamation declaring a special emergency in respect of a basic agricultural commodity the Secretary of Agriculture and the Secretary of Labor shall jointly prepare the average price for such commodity during the period 1905 to 1914, inclusive.

The corporation is composed of the Secretary of Agriculture and four persons appointed by the President, by and with the advice and consent of the Senate, from the States within each of the following groups of Federal land-bank districts: One from districts 1, 2, and 4; one from districts 3, 5, and 10; one from

districts 6, 7, and 8; and one from districts 9, 11, and 12. These persons constitute the board of directors, and the President designates one of the directors as managing director. The bill further provides that not more than two of the appointed directors shall be members of the same political party.

Under the terms of the bill all purchasers of the basic agricultural commodity by the corporation must be at the ratio price, and when the producer sells such product he will receive therefor such ratio price. At the present time the market price of wheat is about \$1 per bushel, and the ratio price is about \$1.57 per bushel. If it should take 10 cents per bushel to handle the corporation in regard to wheat, the farmer would receive \$1.47 per bushel and would receive a receipt for 10 cents per bushel. At the end of the year if it did not take 10 cents per bushel to handle his wheat, he would receive back his proportionate part of the 10 cents per bushel. Of course, the farmer would prefer the \$1.47 per bushel and whatever part of the balance of the equalization fund to which he would be entitled. If he did not receive anything for his receipt, he would be 47 cents per bushel better off than without the operation of this bill. Why not do as much for him as for our other citizens? Many want to help the farmer if it will not cost anything. He pays all operation expenses of this measure; he wants to try it, and why not pass the bill? The Government can not lose anything. Objections have been made to other bills for his relief for the reason that it might cost the Government something. Here is a bill that costs the Government nothing. All costs are paid by the producer whose products are sold under the terms of the bill.

Wheat production costs, 1919 to 1923, inclusive

[Costs as given by the Agricultural College of North Dakota]

Year	Average yield per acre (bushels)	Average cost—	
		Per acre	Per bushel
1919	7.5	\$18.48	\$2.47
1920	11.2	20.87	1.83
1921	9.9	14.09	1.43
1922	13.5	13.84	1.03
1923	8.2	12.23	1.49

Corn production costs, 1921 and 1922

[Computed on average State yields for Kansas, Nebraska, Iowa, Illinois, and Indiana]

Year	Average yield per acre (bushels)	Average cost—	
		Per acre	Per bushel
1921	24	\$21.70	\$0.64
1922	24	20.88	.61

Mr. Chairman, these figures on cost of production of wheat and corn are for the Wheat and Corn Belts of the United States, and the cost of production will, of course, be greater where the production per acre is less. It will thus be seen that farmers can not continue to produce these indispensable products at less than cost. No business man can continue his business at that rate and the farmer can not much longer continue to produce these products unless something is done to help him. A man can not raise wheat that costs him from \$1.03 to \$2.47 per bushel to raise and sell it for less than a dollar per bushel. The same is also true of corn and other products of the farm.

The first products that will likely be handled by this bill if it becomes a law are wheat and pork and their products.

With the increased cost of everything the farmer is compelled to buy, caused largely by the outrageous Fordney-McCumber tariff law enacted by the last Congress, it is about time that something was done for the farmer who has to contribute under that tariff law to the pockets of the manufacturers for the necessities that he must buy to feed and clothe his family and make his crop. With our agricultural exports falling from the enormous sum of \$3,466,619,819 in 1920 to \$1,883,315,000 in 1922 and \$1,820,000,000 in 1923 after the present tariff law began to work, it is evident that something must be done. There is no chance to repeal that unfair and unequal law in this Congress, and the only opportunity we have to put the farmer on an equal basis with these beneficiaries of that tariff law is by the passage of the McNary-Haugen bill now under

consideration by this House. Our exports have fallen from \$8,100,000,000 in 1920 to \$4,000,000,000 in 1923. [Applause.]

Some have argued that the enactment of this bill will cause a greater production of wheat. In answer to that argument I state that the greatest production of wheat was in 1915, when we produced in the United States 1,023,801,000 bushels; in 1918 we produced 921,438,000 bushels; in 1919, 967,979,000 bushels; and in 1923, 786,000,000 bushels. Then the farmer knows that if the production of wheat is greatly increased that the price will decrease and with additional acreage to wheat, the price of his other crops will be increased. Those conditions will keep the production about normal.

Mr. Chairman, if the farmer could exchange a part of his products in foreign markets for goods and articles needed on the farm, a long step would be taken for his assistance, and I supported the following amendment offered to the bill:

The corporation shall have power to an amount or amounts not exceeding its sales in foreign markets to purchase in such foreign markets any goods, except farm products, and to enter such goods into the United States free of tax or duty for sale or disposition in the domestic market at the best price obtainable, and shall give preference in the sale of such goods to cooperative marketing associations.

That is a good amendment and should be adopted, for it would be a great help to the farmers whom we propose to assist under the terms of this bill. However, just because the bill is not just as I would have it is no reason for my opposing the measure.

The bill authorizes, it is true, an appropriation of \$200,000,000 from the Federal Treasury, and is empowered to issue its notes, bonds, and other evidence of indebtedness in the sum of five times its capital stock. This appropriation will be returned to the Government.

Mr. Chairman, under the guaranty provisions of the transportation act of 1920 the Government has paid to the railroads of the country the enormous sum of \$551,000,000 cash, not including the large amounts paid the railroads for use, upkeep, and operation during the period of Federal control. The Interstate Commerce Commission sees that the railroads make a good profit, but nothing is done for the farmer. The net revenue from railway operations in 1921, as given by the Interstate Commerce Commission, was \$969,346,226; in 1922, \$1,162,779,249; and \$1,412,962,592 in 1923.

The last Congress appropriated \$20,000,000 for Russia, and the House in this Congress voted to give \$10,000,000 to Germany. I voted against these appropriations. Congress is very generous with the people's money for these purposes, and then I ask, why turn a deaf ear to our own farmers and our own people, that they may enjoy a little prosperity? I want all legitimate business to prosper and receive a fair return on investment and work. I also want the farmer brought to this level.

Among opponents of the bill are such business institutions, great and powerful, as the National City Bank of New York, which is sending its "Analysis of the McNary-Haugen bill" to Members of Congress. This institution devotes more than one page of its booklet to the scrip provision of the bill, and this provision has been eliminated. It then devotes more than another page as to how the bill will injure the cotton farmers, and cotton is not in the bill. These seem to be its two principal objections. With these two provisions eliminated, what does this great banking institution have to say? I presume it will find other objections. It tries to show that "Metals and metal products" are more depressed than agriculture. Well, no doubt this bank knows more about "metal" than it does about agriculture and cares a great deal more. Note that this bank does not condemn the present protective tariff law, but says "A protective tariff has the merit of simplicity as compared with this measure." Such institutions as the Illinois Manufacturers' Association of Chicago, the Washington Post, the large exporters, and the New York and Chicago boards of trade oppose the bill, but these will not deter me from supporting the bill, for I am more interested in helping the farmer than in listening to these "Wall Street" arguments. It seems to worry the National City Bank of New York because the working people of the country are for a bill to assist the farmers. These workers know that agriculture needs some helpful legislation.

This bill provides that the ratio price of any basic agricultural commodity shall bear the same relation to the pre-war basic commodity price as the current all-commodities price bears to the pre-war all-commodity price. Below is a table prepared by the Bureau of Labor Statistics, showing how the bill will affect the prices of certain agricultural commodities:

Market prices of commodities

Index of all commodities, 1905-1914	100.0
Index of all commodities, year 1923	162.3
Index of all commodities, December, 1923	159.8

Individual commodities	Average market price			Ratio price	
	1905-1914	1923	December, 1923	1923	December, 1923
Corn: Contract grades, cash, Chicago	\$0.602	\$0.821	\$0.730	\$0.977	\$0.962
Wheat: Range of No. 1 northern spring and No. 2 red winter, Chicago	1.000	1.163	1.097	1.624	1.598
Cattle: Good to choice, steers, Chicago	6.853	9.952	9.785	11.123	10.940
Hogs: Heavy, Chicago	7.999	7.690	7.050	11.522	11.342
Sheep: Wethers, Chicago	5.379	7.648	8.000	8.731	8.594
Flour: Patents	5.127	6.365	6.100	8.322	8.192
Wool: One-fourth and three-eighths grades, scoured basis	.492	.979	.964	.799	.787

Mr. TINCHER. Will the gentleman yield?
 Mr. SWANK. I would like to finish my statement, and then I will yield if I have time.

Mr. TINCHER. I know the gentleman does not want to mislead the House. The gentleman does not say anything about the price of wheat when the Fordney-McCumber Act was passed.

Mr. SWANK. Mr. Chairman, I can not yield just now.
 The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. SWANK. Mr. Chairman, will the gentleman from Missouri give me five more minutes?

Mr. RUBEY. I yield the gentleman five more minutes.
 The CHAIRMAN. The gentleman from Oklahoma is recognized for five minutes more.

Mr. BLANTON. Mr. Chairman, will the gentleman yield?
 Mr. SWANK. Yes.

Mr. BLANTON. Oklahoma is the fourth largest cotton State in the Union. The main crop in my State is cotton. The main crop in lots of other States is cotton. The farmers who need help more than anybody else are the cotton farmers. Yet this bill does not help them at all.

Mr. SWANK. Cotton was originally in this bill, and the gentleman from Louisiana [Mr. ASWELL] called all the Members together from the cotton-producing States; did you not, Mr. ASWELL?

Mr. ASWELL. Yes.
 Mr. SWANK. And it was the unanimous opinion of that meeting that cotton should be eliminated. As I stated before, an increase in the price of the products covered by this bill will help the cotton farmer and all other farmers.

If this bill had been in operation last December, instead of receiving \$1 per bushel for his wheat the farmer would have received \$1.59 per bushel; instead of receiving 73 cents per bushel for his corn he would have received 96 cents per bushel. These are the prices he would have received at that time, less the expense of operation. The ratio price for wheat last January was \$1.50 per bushel, the same for February, and \$1.48 per bushel for March for No. 2 hard winter wheat. The average market price last December for good to choice steers in Chicago was \$9.78, and the ratio price was \$10.94, and the average market price for hogs, heavy, in Chicago was \$7.05, and the ratio price was \$11.34. The ratio price for hogs in this market for last January was \$11.35; February, \$11.37; and March, \$11.25.

Mr. Chairman, some object to the tariff provision of the bill. I do not believe in the theory of a high protective tariff, and opposed the present Fordney-McCumber law, but everyone knows that if this bill is put into operation on wheat, for instance, that it is necessary to put an embargo on wheat and not permit any to be shipped into the United States, for if importations were permitted it would destroy the operations of the bill. But little wheat is now imported, yet much would, of course, be imported if the bill increased the price of wheat from \$1 per bushel to from \$1.50 to \$1.60 per bushel, as it will do. To those who object to that provision, let me call your attention to the food control act, approved August 10, 1917, which contained a similar provision, and in fact the provision in this bill was taken from the food control act, which act gave the President at that time the power to fix the price of wheat. That power to fix the import duty was necessary then while the price of wheat was fixed, and it will be necessary under the provisions of this bill. A vote for this bill with that provision

is no indication that a Member of Congress believes in a high tariff any more than it was an indication in 1917 under our Democratic administration.

Mr. Speaker and gentlemen of the House, arguments against this bill can not stand when confronted with the facts. The question before us now is this: Do you want to help the farmer, in whose behalf many talk and few act? This bill will greatly assist him in recovering from the depression of his prices during the past four years, and will show him that we are interested in his welfare and the welfare of his family. I hope the bill will become a law, and would like to see it pass this House without a dissenting vote. I am not so anxious to see a few pile up huge fortunes as I am to see the masses of the people reasonably prosperous. [Applause.]

The CHAIRMAN. The time of the gentleman from Oklahoma has again expired.

Mr. CLARKE of New York. Mr. Chairman, I suggest the absence of a quorum at this time.

The CHAIRMAN (Mr. SANDERS of Indiana). The gentleman from New York suggests the absence of a quorum. The Chair will count. [After counting.] One hundred and eight gentlemen are present—a quorum.

Mr. RUBEY. Mr. Chairman, I yield 30 minutes to the gentleman from Texas [Mr. JONES].

The CHAIRMAN. The gentleman from Texas is recognized for 30 minutes.

Mr. HAUGEN. Mr. Chairman, I yield 30 minutes to the gentleman from Indiana [Mr. PURNELL].

Mr. PURNELL. Mr. Chairman and gentlemen of the committee, my good friend the gentleman from Texas [Mr. JONES], who has just concluded, prefaced his remarks, as have many of those who oppose this bill, with the statement that he would be glad to be for it if he thought it would work. He would be glad to support it in the interest of the American farmer if he thought it a practical measure. Now, gentlemen, as you all well know, the work of the Congress, with which you are as familiar as I, has become so complex and so comprehensive that of necessity we conduct it very largely through committees. When this bill came to this House it bore the indorsement of 14 members of the Committee on Agriculture, without regard to politics. This bill not only has the indorsement of 14 members of the Committee on Agriculture who have given it unlimited study but it has the indorsement of the Secretary of Agriculture, the statement of my good friend from Louisiana [Mr. ASWELL] to the contrary notwithstanding. It has the indorsement of over 200 farm organizations, a list of which is set out in the printed report and which includes almost every farm organization in this country. I am not one of those Members who are stampeded by petitions, telegrams, or propaganda, because I have been here now just about long enough to recognize propaganda when it comes in, but I am impressed with the almost universal demand for this legislation coming from our farmers. I hold in my hand a petition from my own State of Indiana signed by from 60,000 to 70,000 farmers, bankers, doctors, lawyers, and business men, who believe that the McNary-Haugen bill will give some relief to the American farmer. I have not counted them all, however. This great Committee on Agriculture, of which I have the honor to be a member, has not reported this bill without due and careful consideration. For two long months we sat in session day after day listening to men from every part of the country, in every kind of business, both for and against this plan. For one month the Committee on Agriculture sat in executive session and considered line by line this proposed legislation. One month more was consumed in the consideration and discussion, informally, of the bill, so that it is not a hastily prepared bill. The Secretary of Agriculture, for whose ability, honesty, and fairness I have the highest regard, in a letter addressed to Senator NORRIS a short time ago, said, among other things, in discussing this bill:

As I have previously testified both before the Senate and House Committees on Agriculture, I believe that the principles embodied in this bill are fair and just to farmers and to other groups of citizens, and that this bill is the most practical measure yet suggested for the purpose of overcoming some of the economic injustices under which the farmers of this country have been working for three years.

I shall not read all of Secretary Wallace's letter, but this extract from it will clearly show the Secretary's attitude toward the bill. The Secretary of Agriculture is in favor of this bill as are 14 members of the Committee on Agriculture, who after careful deliberation and study, recognizing that perhaps it is not perfect, and that perhaps it lays itself open to some criticism, yet believe it to be the only constructive thing presented to this House that offers the American farmer im-

mediate relief, and God knows he needs relief and needs it now, as these lines on this chart clearly demonstrate.

Let me suggest to some of you gentlemen just what we were "up against" when we began the consideration of this bill. We had a choice between two courses. I am assuming that no Member of this House gainsays the proposition that the American farmer is at the lowest ebb in his existence. I am assuming that no Member of this House would undertake to refute the statement that the American farmer is passing through the most serious depression that has ever come upon him in the history of this Government. With that thought in mind, and with the thought in mind further that immediate relief, not relief in the distant future, is necessary to save not only the farmer but the banker and the business man who have extended him credit, we found ourselves confronted with a choice, as I say, between two courses. We could either seek through legislation to drag these lines [indicating on chart] downward until they meet this line [indicating] represented by the farmer's condition to-day or else seek to lift that line to meet the others. The latter seemed easier, and it was with that thought in mind that we drafted this bill.

And I want to impress upon the membership of this House, especially upon those who may have been affected by the statement that this is bolshevistic, that it is socialistic—I want to impress upon them that this is not a permanent policy of this Government if enacted into law, but that it is a temporary piece of emergency legislation. It is a pulmotor which this Congress is seeking to apply not only to the American farmer but to those who are dependent upon him.

Mr. McKENZIE. Mr. Chairman, will the gentleman yield?

Mr. PURNELL. I will yield to my friend from Illinois.

Mr. McKENZIE. I understand from the statement of the gentleman from Indiana that the proposition was presented to the Committee on Agriculture to make a choice between a constructive policy and a destructive policy, and the committee took the constructive policy.

Mr. PURNELL. The gentleman has stated the fact exactly as it is. If we had chosen the former, the result would have been to drag down wages, to drag down the price of every other commodity in this country until it reached a level that would be on a parity with the price of the things that the farmer raised; and, as I said a moment ago, the latter course seemed easier.

This plane [indicating on chart] represents the things that the farmer has to buy, and this one [indicating] represents the things he has to sell. They are entirely too far apart. It was the duty of the Committee on Agriculture to present something constructive to this Congress that would tend to bring those two planes closer together. And so we went back to the 1905-1914 period of 10 years, during which time there was practically a normal, rational, and equitable parity between the price that the farmer receives for his products and the price of the things that he has to buy; and we are asking by this present emergency legislation to lift the farmer out of his present dilemma and to transplant and transport him back to that pre-war normal 1905-1914 period, when he got a reasonable return upon his investment as well as a reasonable return upon his labor.

It is necessary to keep a few facts in mind when you consider this bill. One is that the farmer during the last four years has passed through the most disastrous panic agriculture has suffered in the history of the Nation. Although 40 per cent of our people, or to be exact 42,436,776, live in unincorporated places, mostly on the farms, and nearly half of our population is directly dependent upon agriculture, we find that the products of the farm are at such a wide variance with other commodities that farming has not only ceased to be a gainful occupation but it is actually being carried on at a loss.

Now, what is the reason for it? Consider wheat, for instance, because that is more easily understood. And I want to say that I am not one of those that think that wheat is the only thing that can be favorably affected by this bill. I think we all mention wheat because it is easier for everybody to understand. But if you can make it workable for wheat, you can in the same way make it workable for all other products.

Let us not flippantly deal with the situation that is so serious to the American farmer, when we might look profitably at the principle that is involved.

Mr. RAKER. Mr. Chairman, will the gentleman yield for a short question?

Mr. PURNELL. Yes; for a short question.

Mr. RAKER. Will the gentleman tell us how it will affect the farmer who raises stock and cattle? That is what I am directly interested in.

Mr. PURNELL. Yes; the gentleman has asked that question four or five times to-day.

Mr. RAKER. And I have not had an answer yet.

Mr. PURNELL. If you will take my friend from Kansas [Mr. TINCHER] out into the cloakroom, he will give you the information desired.

Mr. RAKER. He admitted that he could not.

Mr. PURNELL. No, sir; he never admitted that he could not answer anything. [Laughter.]

Mr. KETCHAM. Mr. Chairman, will the gentleman yield?

Mr. PURNELL. Yes.

Mr. KETCHAM. I think I can answer it. If the ratio price will increase the price of your beef animals 2.6 cents per pound that would be the solution.

Mr. WOODRUFF. I suggest to the gentleman from Indiana that he ask the gentleman from California [Mr. RAKER] to take his friend from Texas [Mr. HUDSPETH] into the cloakroom and have him answer.

Mr. PURNELL. I am sure the answer that would be given on the question by my good friend and Democratic colleague from Texas [Mr. HUDSPETH] would be worth more than anything that I could say.

The price of wheat is not controlled by the flow of wheat to the domestic market, but is and always has been controlled by the price at Liverpool, less the cost of transportation. The Liverpool price is fixed by competition from the Argentina, from India, Russia, Hungary, and other parts of the demoralized and stricken world. All of the commodities except agricultural commodities have advanced 60 per cent on the average, while crops and livestock have advanced only 17 per cent from 1913 to 1923.

Clothing has gone up 101 per cent, metals and metal products have gone up 41 per cent, building materials have gone up 81 per cent, house furnishings have gone up 76 per cent, while crops and livestock have gone up only 17 per cent. From the figures I have just given you it will be seen that if the farmer was getting his share—and by share I mean a reasonable return upon his investment and a reasonable price for his labor—he would be getting about 43 per cent more for his products than he now receives. But he is not getting his 43 per cent because his exportable surplus comes in contact and competition with other countries that are stricken and demoralized.

Now, some of our other industries are aided by our tariff and by our immigration policies. In reality this is a tariff measure. This bill seeks to give tariff protection to agriculture. If we are willing to pass a tariff law and an immigration law to protect American labor and the products of the American laborers from competition with the underpaid laborers and their products in the old countries, then we ought, in simple justice to the American farmer, to be willing to pass a bill that will apply the tariff principle to him and his products. [Applause.]

This bill is not complicated and unworkable, as some of its opponents have suggested. On the other hand, I regard it as fairly simple. The purpose of this bill is clear. This whole discussion can be stripped of 75 per cent of the extraneous matter that has been brought into it, and it can all be boiled down into this clear, succinct statement: The purpose of this bill is to segregate the exportable surplus from the domestic supply, to sell that surplus in the world market at the world price, and to sell the normal domestic supply on a reasonable parity with all other commodities.

The destroyed purchasing power of the farmer is the real basis of his present unfortunate condition. The restoration of the purchasing power of a few great farm products to an equality in purchasing power with the average enjoyed during the 10-year period, 1905-1914, is the remedy we are seeking to apply in this bill. And certainly, gentlemen, this is a very modest and a very reasonable demand.

Mr. RAKER. Will the gentleman yield?

Mr. PURNELL. For a brief question.

Mr. RAKER. I hope the gentleman will not quit me or claim the question has been answered. I will repeat it again, and I would like an answer from this gentleman because I know he knows.

Mr. PURNELL. You are going to ask about your steers?

Mr. RAKER. Yes.

Mr. PURNELL. I am going to get to that in a few minutes.

Mr. RAKER. One gentleman suggested to me that it did not apply to stags.

Mr. PURNELL. Steers, I said. The farmer sold his wheat in November, 1923, for 92 cents per bushel. With the aid of this bill he would have sold it at \$1.52, and had he sold it at

\$1.52 he would have gotten a reasonable return on his investment in land and upon his labor.

Nobody for or against this bill questions the right of the American farmer—and I use the word "right" advisedly—to have received last November \$1.52 for his wheat rather than 92 cents; and this bill, had it been in operation then, would have given him just that amount. In other words, our farmers would have received something like \$36,000,000 more for their wheat last November than they did receive.

Now, I want to call attention to a few of the suggestions which have been made here by some of the gentlemen who oppose this bill. One of the principal indictments that have been brought against it is that it is a price-fixing bill. If I had thought the gentleman from Louisiana [Mr. ASWELL] had seriously meant what he said this morning about this being Bolshevistic legislation and communistic, I should have resented it, because, if I know myself, I do not believe there is a drop of that sort of blood in my veins, and I am against the principle of price fixing as a permanent policy of this Government. I am against the Government's interference in private business, and I am against the Government going into business than can be done by private individuals. But I am saying to you gentlemen that which you already know, namely, that unusual conditions demand heroic remedies. I do not admit, in making that statement, that this is a price-fixing bill.

A price that fluctuates with all other commodities and that only protects the farmer in the same ratio that the manufacturer and laborer are protected by the tariff and restricted immigration can hardly be called "fixed." But if it be price fixing pure and simple, I undertake to say that as emergency legislation needed to save America's basic industry we had better indulge in price fixing rather than see it destroyed. [Applause.]

I do not agree with the gentlemen who say it will cause overproduction. If it does cause overproduction, and if it encourages it, then that is a matter of concern for the farmers themselves rather than for the opponents of this bill, because it must be borne in mind that the farmer is the man who pays this bill in the end anyway. [Applause.]

The farmers of the country want this legislation. If production is excessive, then the effect will be heavier assessments and lower prices for farm products. Assessments increase as production increases, hence this bill, in my judgment, will, after it has come into operation, guarantee against overproduction rather than encourage it. There may be a tendency in the beginning, before it is thoroughly understood and before it is working as well as we hope to have it work, that overproduction will be encouraged, but whenever the farmers of this country realize that overproduction penalizes them they will use the machinery of this Government that is provided in this bill and that is already in existence to avoid that overproduction.

Objection has been made to this bill because of the amount of surplus that will be in the dealers' hands in this country. The statement has been made that if this bill goes into effect there will be something like \$252,000,000 worth of meat products in the hands of the packers that will be enhanced greatly in value overnight. That may be true, but I do not agree with the gentleman who preceded me that there will be anything like \$100,000,000 profit, because that is not a fact.

On five or six of the commodities affected by this bill the total increase in the hands of the dealers on all of the products is but \$121,000,000. On meat products alone \$54,000,000, as I recall; but what of that? Suppose we do pass this bill and suppose to-morrow morning the men with wheat—and, by the way, 20 per cent of that wheat is in the hands of cooperative elevators and in the farmers' hands—suppose in the morning we do wake up and find that those who have the wheat and the wheat products, the meat and live cattle, have profited by the passage of this bill to the extent of \$121,000,000? Is that anything unusual? Is not that exactly what happens when we pass a tariff law? Do not the ships of all countries rushing under full steam head for our ports, their ships loaded to the gunwales, in an effort to get inside of our borders before a new tariff bill goes into effect?

Is there anything unusual about that, and even though it is unusual, I undertake to say that it is worth ten times \$121,000,000 if we can restore the purchasing power of the farmer's dollar. [Applause.]

This bill provides specifically for the utilization of existing agencies, and any suggestion that the packers will adopt any policies other than those which now control their operations is far-fetched and urged only for the purpose of discrediting the bill. Everybody knows that the packers can and will

continue to do the meat-packing business better than the Government, and that they will readily and willingly cooperate with the Government.

It has been suggested that this bill may produce some foreign entanglements and that other countries may retaliate, because the American farmer gets an American price for that portion of his crop consumed in this country, and because foreign countries continue to buy our surplus at the world price as they have been doing in the past. The fact is, they would go on getting their wheat and other products at the same old price, and would have no cause or desire for retaliation.

If the bill is unworkable, it is a matter of concern to the farmers rather than any other class, because he pays the great bulk of the bill. It is true this proposed legislation may result in a slight increase in the cost of living, but the farmer, who represents about 40 per cent of the population of the country, bears his part of that increase. In my judgment this is the only legislation now pending before Congress which offers that immediate relief which is necessary to save our farmers from complete ruin. The farmers can no longer continue to operate their farms and produce the food for the Nation at a loss. Every man who tills the soil is entitled to a fair return upon his investment and a profit for his labor. He is not receiving such a return at this time. This bill may have some objectionable features, but it is the only constructive plan before us. I am willing to give it a trial in the hope that we may thus restore the purchasing power of the farmer's dollar. This Nation can not exist industrially free and agriculturally in bondage any more than it could exist half slave and half free during the days of the Civil War. [Applause.]

The CHAIRMAN. The time of the gentleman from Indiana has expired.

Mr. PURNELL. May I have two or three minutes more, Mr. Chairman?

Mr. HOWARD of Nebraska. I ask that the gentleman be given additional time. Maybe he will yield to me then.

Mr. PURNELL. I thank the gentleman.

Mr. HAUGEN. I am sorry I can not yield further time.

Mr. VOIGT. Mr. Chairman, I yield 20 minutes to the gentleman from Massachusetts [Mr. LUCE].

Mr. LUCE. It is manifestly impossible in the time at my command to analyze this complicated bill and discuss all its features. Perhaps most wisely I may address myself to that phase of it which particularly concerns the people whom I am supposed to represent. Not alone for the people of my own district would I speak, however, but for the consumers of all the United States.

Four years ago the President, diverting his attention from the League of Nations, besought us to stay here and attack the high cost of living. The chairman of the Committee on Agriculture will recall that sizzling August when we faced the problem of reducing the price of food. By the way, he will also recall that the remedy suggested was a bill relating to cold storage, of which we never heard more. I wish the chairman would tell me where is the grave of that bill that I may visit it and drop a tear and pray that its soul may rest in peace. [Laughter.]

Times change. Four years ago we roasted here during the summer that we might reduce the cost of food. This year the newspapers tell us we may be compelled to roast into another August that we may raise the price of food.

The way here proposed to do it is to compel the American consumer to pay higher prices for certain staple articles of food—for example, half as much again for wheat. A Government corporation, with \$200,000,000 of the taxpayers' money as working capital and the right to borrow a billion more, is to buy all the staples that may be offered, at the price determined, which will automatically establish the price the American consumer will pay in turn. It is to sell in foreign markets the surplus, the excess not consumable here, at whatever price it will bring, a price surely far below the cost of production. This means that what the farmer and the foreign consumer gain the American consumer loses. What will be the result from the point of view of the American consumer, 80,000,000 of him, 80,000,000 of the people of the United States?

I wish my friends from the far West would consent for one minute to recognize that a man from New England no longer represents only half a dozen States when he speaks for the consumer. New England is now the tail of the industrial dog. It has, to be sure, 1,200,000 persons engaged in manufacture, but in Ohio, Indiana, Illinois, Michigan, and Wisconsin there are more than 2,000,000 persons engaged in manufacture. The value of the product in New England is about \$5,000,000,000. The value of the product in these east North Central States,

as they are called, is more than \$12,000,000,000. And this takes no account of the industries of the Middle and Southern States.

I am not speaking for a small section of the country nor a small fraction of the people. I am speaking for all those who toil in the factory, who work on the railroads or in the mines, for all those wherever they may be, other than on the farms, who earn a daily living in the sweat of their brow, 80,000,000 of them. What will this bill do to 80,000,000 of the people of the United States?

The weekly letter of the American Federation of Farm Bureaus, the body supposed to be the most powerful influence behind this measure, on the 28th of last February said the McNary-Haugen bill would mean \$1,000,000,000 to the farmers of this country. The gentleman from Wisconsin [Mr. VOIGT], in that most remarkable and effective speech night before last, put the possible cost, direct and indirect, at \$2,000,000,000 or possibly more; but let us take the figure put forward by the proponents of the bill, its dearest and warmest friends, \$1,000,000,000, and see what it means to the 80,000,000 consumers of the United States.

Everybody agrees that this program will increase the price of a barrel of flour by \$2.50. The average annual consumption of flour in this country is a little more than one barrel to each person. You have simply to multiply the number of people in your own city or town by the figure \$2.50 to find out how much it will cost your neighbors on wheat flour alone. It will cost the city of New York \$14,000,000 a year. It will cost the city of Boston \$2,000,000 a year. I come from a small city, having but 32,000 people. It will cost my neighbors in that city \$80,000 in one year on wheat flour alone.

Mr. SUMMERS of Washington. Will the gentleman yield?

Mr. LUCE. Not as yet.

You tell me the West is in distress and we out of our abundance ought to make such sacrifices. There came to my desk this morning the bulletin for April as to activity in the cotton-spinning industry. By the official figures here it appears that almost 6,000,000 spindles in this country are idle. This does not take into account other millions of spindles running on part time. Two weeks ago one of the oldest mills in the land, within half a mile of my house, cut down its working time from six to four days in a week.

Mr. FULMER. Will the gentleman yield?

Mr. LUCE. No; not now.

Nonproduction and unemployment are found on every hand in my neighborhood. You are bringing to us this bill at a time when we have just as much ground for turning the proposal upon you. I know some gentlemen will say that we will have prosperity again for all these textile mills and shoe factories if we but restore the farmer to prosperity. Speed the day when prosperity comes to him, but do not bring him prosperity at a cost that may in the end ruin him and destroy us.

Go further into this matter of the cost. I have spoken to you only of wheat and told you it will cost the people of my city \$80,000. According to the figures of the American Federation of Farm Bureaus, those who advocate this bill, that is only one-fifth of the cost. Multiply \$80,000 by 5 and you have \$400,000 that you ask my little city in this time of distress to turn over to one group of the people in one part of the country.

Why, the whole tax levied on the property in my city is only about a million dollars a year. You ask us by this sales tax, the most burdensome of all forms of taxation, to add \$400,000 to the million dollars of property tax in my city. Is there a Representative of the farming district here who has not proclaimed loudly against a sales tax? Have you as Representatives of the agricultural interests not fought it first, last, and all the time, because you know that it is a tax on the consumer? Now, here you urge a tax that is the most iniquitous of all forms of the sales tax because it bears on bread, the staff of life.

Mr. TINCHER. Will the gentleman yield?

Mr. LUCE. Not now. You who have traveled, you who have seen the countries of the world, know that everywhere bread is the staff of life for the poor. The rich man eats little, if any, more bread than the poor man. Indeed, the diversity of his diet makes it probable that he eats less wheat than the poor man. So you are going to impose a tax that will be practically the same whether paid by those who are in the greatest distress or those who hardly feel the depression at all.

Mr. BURTNESS. Will the gentleman yield?

Mr. LUCE. Not now. Yesterday our conferees reached an agreement on a revenue bill in which we all hope we can take some measure of pride. One feature of it to which every Mem-

ber will point with satisfaction is that we put a heavier tax on the rich man than we put on the poor man. You have graduated the tax. Gentlemen on one side rejoice because the conferees have put the maximum at 40 per cent; most gentlemen on the other side would have preferred the maximum to be lower, but all Members on both sides believe in a graduated tax, and that the greater burden should be on the stronger shoulders.

To-day you present a proposition under which you will put a level sales tax alike on the weakest shoulders, those of the unfortunates who are near the door of the poorhouse, and those of the wealthy man in his palace on the hill. How can you justify yourselves by making such a demand as this on the working people, the tolling masses of the land?

Ah, but you say that agriculture is necessary for the prosperity of the country; you say it is the basic industry, fundamentally important. Well, so it is. You remember somebody asked Andrew Carnegie which was the most important—labor, capital, or brains. He retorted: "Which is the most important leg of a three-legged stool?" Will you gentlemen tell me which is the most important leg of the three-legged stool on which the Nation rests—agriculture, manufacture, or commerce? [Applause.] Are not all three necessary to the prosperity of the land? We do want agriculture to prosper; we will help it in every reasonable way; but what we say is that its prosperity should be in the main left to the working of laws of economics, that are never defied without disaster.

What is the situation? Why, it is this: On one-fifth of the wheatlands of this country, lands the most remote or of the poorest quality, lands that can not produce wheat except at a loss, farmers persist in continuing to raise crops. You are distressed because the farmers operating the worst lands or those in the worst situation can no longer make a living. And you are asking us, 80,000,000 of the consumers of the country, to pay for the cost of cultivating the worst lands.

You say that about one-fifth of the crop, equal to that grown on the unprofitable lands, is surplus and you desire to sell it abroad. You want to tax the masses of the people of the United States in order that one-fifth of the wheat crop, grown at a loss, may be put into the mouths of our competitors in Leeds, Manchester, the Ruhr, Lyon, Milan, and all the other manufacturing cities of Europe. You are asking us to feed the people of Europe at a lower price to them than you will accept from the consumers in the United States.

You are asking that as an inevitable result of an increase in the cost of living our employers be forced to pay still higher wages, while employers in Europe, as an inevitable result of a lowered cost of living, can pay still smaller wages. As the sure sequence, you are asking that the prices of all American-made articles shall be raised, while the prices of all foreign-made articles are lowered. So you are asking us to help those against whom we raise the tariff wall.

Mr. EVANS of Montana. Will the gentleman yield?

Mr. LUCE. Not just now. In order to feed the people of the rest of the world, you are asking us to put this enormous sales tax on the people of this country.

What is our remedy? Why, the natural remedy, the remedy of nature herself, the remedy of the competitive system, the remedy of the laws of economics. Cut down the products. You say that is cruel; you say it is hard. Well, it was hard on the manufacturers of this country to close down after the Great War some of the factories they had built. It is hard for them to-day to lay off the men and shut the doors. It is the cruel law of the competitive system, but it is the just law; it is the law under which we have become prosperous, and the only law under which we can survive.

Mr. SUMMERS of Washington. How about the tariff?

Mr. LUCE. I shall come to the tariff if the gentleman will wait until I reach it in the orderly course of my remarks.

Economic law says when agriculture is overproductive lessen its production.

Only the other day we passed an agricultural appropriation bill here. We brought the total of what we had spent to develop agriculture up to \$600,000,000 since 1881—all expended in order that on the farms fewer men may do more work. By the invention of agricultural machinery we have made it possible for one man to do that which it took 15 men to do a century ago. Within a few years we have put upon the farms 450,000 tractors, between 350,000 and 400,000 trucks, and more than 4,000,000 automobiles—all presumed, and I think properly so, to lessen the labor of the farmer; to make it possible for fewer men to feed the rest of the country.

Now, having done this thing, why do you, the moment after you pass these huge appropriations for good roads and all the other things that help agriculture, come here and complain of

the very result that you meant to accomplish by those appropriations?

You have made it possible for many fewer people to live on the farm. Half a century ago it took the labor of one family in this country to feed itself and one other. Presently the man labor was brought down so that one family could feed two others. To-day you have reached the point where one family can feed three others, and only one-quarter of the people remain on the farms. The change goes on. Why, according to your own Department of Agriculture in 1922 more than a million people left the farms and went to the cities in excess of those who went the other way. According to the Sears-Roebuck Agricultural Foundation in 1923 another million left the farms and went to the cities. In two years more than 2,000,000 people were taken away from the farm, where almost every speaker here intimates it is not an attractive place to live. I doubt that I would rather live on a farm than anywhere else, but every man who speaks for the farmer feels it necessary to deplore the lot of the farmer. Assuming that you gentlemen who speak for the farmer are telling the truth, assuming that it is an undesirable life, you have seen as a result of peace and of what has been done to make farm labor more productive 2,000,000 people in two years returning to the joys and comforts of city life. I say that with irony, because I hold life on the farm to be happier than anywhere else; but you evidently think it is desirable to have 2,000,000 people go from the farm to the city or else you would not continue to make appropriations and encourage invention that this very thing may result. The program is going to keep on if you will let economic laws work out their natural ends.

You want another remedy? Find it in diversifying your crops. Find it in other suggestions put before you by the Department of Agriculture. Do not, for Heaven's sake, look for it in legislation.

You suggest, however, that in the shape of the tariff there has been legislation to help some parts of the country. You want to know why you can not have a protection for agriculture of the same nature that you say manufacture has for itself.

The gentleman who preceded me declared that this is a tariff bill; that it is a proposal to apply the tariff principle. If that be true, it is applying the tariff by turning it upside down. The tariff was made to develop industry. You do not ask this to develop agriculture. Do you want more farms? Do you want more wheat produced? Why, this morning's paper has a cablegram from Paris where at the very moment there is in session the Academy of Agriculture. Let me read from this cablegram:

Joseph Hitler, a member of the academy, pointed out that there were 140,000,000 quintals of wheat now available in the market, furnished by the United States, Canada, Australia, India, and Argentina. Of this quantity he assumed only 65,000,000 quintals would be absorbed by the world's consumption, leaving more than half left over at the time of the next harvest.

Right at the time when you have this cablegram before you, you are imploring us to add to the overproduction of wheat in the world.

Mr. BURTNESS. Mr. Chairman, will the gentleman yield?

Mr. LUCE. Not now.

Mr. BURTNESS. If not now, eventually? [Laughter.]

Mr. LUCE. I hope so, if gentlemen are considerate enough to give me the opportunity.

We are asked to meet the situation with something that, in fact, is not a tariff at all. What is the right name for this thing? It is a bounty, a subsidy. You are asked to give a subsidy to the wheat industry in order that more wheat may be poured into the markets across the seas.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. LUCE. May I have a little more time?

Mr. VOIGT. Mr. Chairman, I yield 10 minutes more to the gentleman.

Mr. LUCE. I thank the gentleman. You are asked to impose this tax in order that unprofitable land in the Northwest may produce wheat to be sent abroad, and you defend it upon the ground that it is a tariff. Why, great heavens, a tariff was meant to develop industry, and you will instantly deny a desire to develop or extend agriculture. A tariff was designed to keep for our own people our own markets. Was there ever any tariff advocate from my own neighborhood so crazy as to suggest that the protective tariff ought to be or could be designed to enable American manufacturers to protect themselves in foreign markets against foreign competition?

Mr. CONNALLY of Texas. Mr. Chairman, will the gentleman yield?

Mr. LUCE. Not just now. The protective tariff was devised to help the whole country. Its only justification is that it is of nation-wide value to have the industries and the occupations of our people so diversified that we may be self-sufficient in time of war, and that in time of peace we may produce the greater part of what fabricated articles we need. Now you say, call this new thing a tariff and set it to work producing more than we need. Oh, if time permitted I might go on, showing you the absurdity of suggesting that this is anything like a tariff proposition, but of what avail? It is in fact a bonus proposition—oh, I ought not to have used that word "bonus," because bonuses seem just now to be popular—it is a subsidy proposition; it is a grant to one part of the people at the expense of the rest. If it complied with any economic law, if it met the demands of the very A B C of economics, if it would in any way make it possible for us to accomplish the results you desire, without outraging all our instincts and principles, then you might have support from all over the land.

Somebody said not long ago that there was doubt as to whether this thing would work. I think I am justified in pausing for a moment to recall that I engaged our colleague, SYDNEY ANDERSON, in conversation on this subject early in the session. In view of his deep interest in the matter it may be permitted me to interpolate here an expression of my personal regret that he is not with us to take part in the debate, and I think I voice the hope of every man in the House that he may be speedily restored to health. [Applause.]

I remember the substance of his reply though not the words, because it was four months or more ago. He said that it would work for a time and then would come disaster. I grant you this will work. I grant you that for a time you may persuade the farmers to continue the dangerous and costly practice of wasting their energies in wrong directions. But when you have once brought them into the habit of defying the laws of supply and demand, you have invited catastrophe.

What do you do first in this direction? You set group against group and class against class and section against section. You come here and demand public aims because you are in distress, and so you invite every other group and every other section in the land to come here for the same purpose.

Mr. BURTNESS. What portion of the bill is that in?

Mr. LUCE. You demand in the bill that you shall at the expense of 80,000,000 fellow citizens be relieved from your distress. If that is not charity, what is it?

Mr. BURTNESS. Has the gentleman finished and eventually gotten to the point where he can yield—

Mr. LUCE. I would like to finish my speech.

Mr. BURTNESS. The gentleman has suggested a diversification of crops, for instance. Now, does the gentleman feel the Government is under any obligation—

Mr. LUCE. I decline to yield.

The CHAIRMAN. The gentleman declines to yield.

Mr. LUCE. If the gentleman had observed closely, he would have observed I was in the very beginning of a magnificent peroration that would have brought my speech to a fitting conclusion. [Applause.] I think I will now throw the peroration to the winds, as the force of it has been destroyed by the interruption of my friend. Perhaps, though, I can recall one or two fragments. I had meant to follow my deprecation of the class prejudice and sectional hostility aroused with expression of regret that you are trying to put the Government still further into business with the longest step that has ever been proposed seriously within the walls of this body. I meant to ask you to allow the situation to cure itself. The prices of manufactured commodities are falling, the prices of farm products are rising, and sooner or later you are going to see their lines cross once more. Let these things work themselves out naturally. Keep your hands off. If you do that, the people of every class and every group and every section of the land will save themselves. [Applause.]

Now, Mr. Chairman, if there is any part of my 10 minutes left, I shall be delighted to yield to anyone.

Mr. SUMMERS of Washington. Will the gentleman yield?

Mr. LUCE. I will yield to the gentleman from Washington.

Mr. SUMMERS of Washington. The gentleman had a good deal to say about supply and demand and economic forces and all that sort of thing. Does that apply to this knife which cost me 75 cents, but which I believe could be made to sell at 30 cents, but it would have been manufactured in Japan or Germany instead of Pennsylvania or Connecticut?

Mr. LUCE. I am a Yankee, and it is said to be the prerogative of a Yankee to answer one question by asking another.

Did the gentleman vote for the tariff which produced that price? [Laughter and applause.] And if he voted for the tariff, why?

Mr. SUMMERS of Washington. It is the first time I have had the opportunity of saying I will never vote for a tariff that does not give its benefits to all classes and all parts of the country. [Applause.]

Mr. LUCE. My friend from Kansas, I think, now has the right of yay.

Mr. TINCHER. I understand the gentleman from Massachusetts is opposed to the bill or opposed to the farmer adding the ratio price to his products?

Mr. LUCE. I meant to consent to yield to fair questions, and I think I should have put in the word "fair."

Mr. CONNALLY of Texas. Will the gentleman yield?

Mr. LUCE. I will.

Mr. CONNALLY of Texas. The gentleman from Massachusetts asked the gentleman from Washington if he voted for the tariff act that did that. The gentleman from Massachusetts voted for it, did he not?

Mr. LUCE. I voted against the tariff on food—

Mr. CONNALLY of Texas. I am talking about the general tariff law, the Fordney-McCumber bill. Did not the gentleman vote for that?

Mr. LUCE. I have the impression I did; yes.

Mr. CONNALLY of Texas. And is it not true and does not the gentleman know that the reason that agriculture can not be pulled up by its boot straps to an equality with manufactured goods and the prosperity of industry lies in that very tariff bill for which the gentleman voted?

Mr. LUCE. I do not know any such thing. [Applause.]

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. RUBEY. Mr. Chairman, I yield 20 minutes to the gentleman from Ohio [Mr. McSWEENEY].

Mr. McSWEENEY. Mr. Chairman and gentlemen of the committee, as one of the younger members of the Agricultural Committee, I brought my slender torch of knowledge on this subject to be lighted at the redundant light of those who had more experience in this great work.

If you will indulge me for a moment, I will mention some of the men who were there and the work they have done on this bill, and let me give some credit to the opposition of this piece of legislation.

There is no legislation before the House that has had the strong opposition that this bill has had. The gentleman from Wisconsin [Mr. VOIGT], I will say, has not been an iconoclast. Mr. Voigt in voicing his opposition has been constructive, and if this bill were to pass the House, I will say, in a commendatory way of him, that the bill is in better form than it would have been without his opposition. But, nevertheless, he is the strongest opponent the bill has had.

But first of all, being the opponent he is, he made two acknowledgments. First of all, that agriculture was passing through a crisis, a crisis probably unprecedented in the history of the agriculture of the world. He also made another acknowledgment. That legislation would help. Now, these are the two precedents he has established: First, that there is a crisis, and then that legislation will help it.

We have had numbers of bills brought before us, and, as one of the younger Members, new in this work, I acknowledge frankly that the McNary-Haugen bill is the best bill that has been brought before us. If Mr. Voigt acknowledges the two things that I have suggested, that an emergency exists and that legislation will help it, then it seems to me the obligation devolves upon the House of Representatives to accept the bill which the majority of the members of the Agricultural Committee have deemed to be the best legislation upon this subject. [Applause.]

The speaker who just preceded me spoke about the fact that great obligations would fall upon the great consuming public. This will probably be agreed with, but let me call the attention of the gentleman from Massachusetts [Mr. LUCE] to the fact that wheat, when it sold at 97 cents back in 1908, allowed a manure spreader and a binder to be respectively purchased at \$97 and \$142. That same wheat, which is now bringing 97 cents, must pay for a manure spreader \$140 in the State of Ohio and \$227.50 for a binder. The purchasing power of the wheat has remained the same, and yet the thing that the wheat has to purchase in many cases has more than doubled.

We have had the statement from a man who is very favorable toward this measure—Mr. Wallace—who represents that great body, the American Federation of Labor, that it would un-

doubtedly raise the cost of living. We realize the fact that it may, but you must all realize that the farmer has had to bear the burden of increased living; he has had to bear the burden of increased price of labor, and he has had to bear the burden of increased prices for all the commodities he has to buy, and it only seems reasonable that at this time we do something to protect him.

I was very glad as a Democrat to hear the gentleman from Iowa acknowledge that a tariff has never been beneficial to the farmer. I am probably the worst Democrat in the House with regard to tariffs, but I am willing at this time to vote, not a discriminatory tariff, not a tariff for revenue, not a tariff for protection, but an embargo in order that the men who are producing the agricultural products of America may be protected during this crisis. I do not want anyone to accuse me of giving up my democracy, because I feel that many of the great evils of the world will be rectified in 300 or 400 years, when the nations of the world are producing the things they are best fitted to produce. We see a movement in that direction when we find that the producers of the country are trying to fit men for the work they are best fitted to do. They are trying to get men who are best fitted for work at the lathes to work at the lathes; they are trying to get the men who are fitted for work at the forge to work at the forge; and it will not be long until the great will of the Almighty will be worked out, and each nation will produce that which it can most economically produce. Until that time I swear I will always vote, if I have the opportunity, against a merchants marine which can not exist in the face of a tariff, but at this time I will vote an embargo on wheat in order to help the great producing masses of America, who are now going through the greatest crisis that any group of people in America has ever gone through.

I only hope you will all realize it is temporary. We can go through the history of America for the past few years and we find that under the protective system we can go along for about eight years of production and then there has to be a depression. From 1873 we were able to jump to 1893 without depression; then from 1893 to 1907 without depression. But the overproduction must be taken care of, and always after those periods of overproduction we have a period of depression.

Now, if this bill were to call for a 10-year period of emergency, I would vote against it, because under the protective system we are now in there must be a depression. There must be a depression following this overproduction which may come, but we realize that with a five-year emergency period the farmer will be on his feet before the depression really comes upon us in other lines of work, and so I am in favor of it for that reason.

I only hope that in some way I can bring to you the spirit of the West. I feel that the farmers of Ohio are in pretty good condition now, and I feel that the gentleman from Ohio [Mr. THOMPSON] and myself, who are serving on the Committee on Agriculture, are in reality asking the farmers of Ohio to be missionaries and to be really charitable. They have diversified and they are in the midst of the finest markets in the country and are probably in the best condition of any farmers in the country, but, nevertheless, I shall go before them this fall and say that I, in behalf of them, have allowed them to be missionaries and to send their surpluses and to send their encouragement and to send their help to the stricken sections of our country in the West and the Northwest, and I am sure that the magnanimity of soul that has usually prompted the Ohio farmer will allow me to make that request of him, and he will grant it. I know he is in need in some respects, but is better off than most, and the gentleman from Ohio [Mr. THOMPSON] and I, I am sure, will have the indorsement of those men whom we are trying to represent.

I only ask that each of you go as did our Christ into Gethsemane and, considering the things that are confronting our country, let not your personal or your local prejudices guide you, but realize that the whole world depends upon food which we should produce as economically as possible. Go into your Gethsemane, consider the things that confront you, consider the struggling nations abroad, consider the farmer who tonight does not know the condition that confronts him tomorrow. He in reality is the greatest gambler that America has, not voluntarily, but from the nature of his occupation. As some of the speakers have said to-day, he has to depend upon the rain in its due season and upon the sun in its due season, and he depends upon the Almighty to send him the blessings his ground can produce. Therefore when he is passing through a very stringent crisis, it seems well for us to give him an opportunity to be placed on an equality with the great manufacturers, with the great bodies of laborers in other fields of en-

deavor, and allow him to again be that independent, splendid, intelligent citizen that has graced America from the very inception of her existence.

I thank you. [Applause.]

I yield back the balance of my time, Mr. Chairman.

The CHAIRMAN. The gentleman from Ohio yields back 10 minutes.

Mr. ASWELL. Mr. Chairman, I yield 10 minutes to the gentleman from South Carolina [Mr. STEVENSON].

Mr. STEVENSON. Mr. Chairman, it is always popular to talk about the needs of the farmer and what we propose to do for him. I am a little given to that myself. Farming is my principal occupation at the present time because if I should lose my place in Congress—I have lost my law practice—I have nothing but farms left.

I want to call attention to the fact that we have been doing everything the farmer has asked us ever since 1920. What was the first thing that came about when the slump came in 1920? They came here and asked that the War Finance Corporation be rehabilitated and be directed to lend money to take care of the farmer; and what did we do? After a struggle in the Committee on Banking and Currency we reported the measure out here. We put it through Congress and put at the beck and call of the agricultural interests of this country the \$500,000,000 of capital which the Government furnished and the power of floating bonds to the extent of \$1,500,000,000, or three times the capital, making \$2,000,000,000 of capital we put to the service of the agricultural interests of this country. We limited this for a certain length of time, and they came back here in 1923 and wanted the time extended, and we extended it another year; and they came back in 1924, and on February 20, 1924, we extended it for another year, and they have had access to the greatest source of credit this Government has ever established for any class of people anywhere, amounting to \$2,000,000,000. How much have they borrowed? I am going to speak just for a minute as to those States that are embraced within the wheat territory that are in such dire distress. I will give you the States: Idaho, Iowa, Kansas, Minnesota, Missouri, Montana, Nebraska, North Dakota, Oregon, South Dakota, Utah, Washington, and Wyoming. They borrowed \$144,614,000, which left the difference between that amount and \$2,000,000,000 which could be loaned by the War Finance Corporation untouched. Therefore we should assume at least that in so far as they have credit they have had the capital and have had it at a rate below the rate they could get it anywhere else, and the bonds that have been issued are nontaxable and the notes which they gave did not even have to have revenue stamps because we took care of them to that extent.

Mr. AYRES. Will the gentleman yield?

Mr. STEVENSON. Yes; I yield.

Mr. AYRES. Do you not think that the farmers of the country at this time realize it was not credit they needed but a market?

Mr. STEVENSON. The farmers now realize it was not credit they needed, and they are not providing for a market now. What they are providing for is to get their hands into the Treasury and get the cash straight out, and out of the pockets of the consumers. That is what they are providing for, and they are providing to take it out of the Treasury and out of the pockets of those of us who buy flour and meat.

Let us see whether they are broke or not out there. Taking the bunch of States I have just named, that borrowed from the War Finance Corporation \$144,000,000, how much do they owe to-day? Only \$40,000,000. They have paid back \$104,000,000, and they have paid that back when we have directed the War Finance Corporation, presided over by Mr. Meyer and directed by Mr. Mondell, who lives in the very heart of this country, and whose State has more of it than any other, \$10,000,000—

Mr. SHALLENBERGER. Will the gentleman yield?

Mr. STEVENSON. In just a moment. They have paid back \$104,000,000 of it when we have directed them to continue to advance this money, and they are ready to advance it on anything that is reasonably sound. I have a table showing these figures, as follows:

State	Loaned	Outstanding
Idaho.....	\$5,026,000	\$1,244,000
Iowa.....	24,002,000	3,617,000
Kansas.....	4,768,000	1,125,000
Minnesota.....	12,551,000	4,804,000

State	Loaned	Outstanding
Missouri.....	\$7,918,000	\$361,000
Montana.....	12,524,000	4,994,000
Nebraska.....	12,000,000	861,000
North Dakota.....	20,621,000	10,987,000
Oregon.....	6,437,000	1,231,000
South Dakota.....	14,648,000	7,020,000
Utah.....	12,921,000	231,000
Washington.....	1,054,000	395,000
Wyoming.....	10,054,000	3,610,000
Total.....	144,614,000	40,780,000

Mr. SHALLENBERGER. I simply desire to call attention to the fact that those figures simply show that while we are poor out there we are honest.

Mr. STEVENSON. Yes; I do not question that, and we are poor but honest down South, but I do not propose to have the right of taxation given to your people to tax my people because you happen to raise something that is not selling for a good price.

Now, what else did they do? The Farm Bureau Federation came here a little over a year ago and said that this was not enough, that they wanted something that was permanent, and what did we do? We labored day and night, and the gentleman from Massachusetts [Mr. LUCK] was one of the subcommittee, I believe, that finally recast the law that established the intermediate credit banks and put \$60,000,000 of Government money at their control and provided for \$60,000,000 more, making \$120,000,000, and in addition to that we gave them the power of issuing additional bonds to ten times that amount, making \$1,200,000,000, which makes a total of \$1,320,000,000 of capital in the intermediate credit banks, put there for the purpose of discounting farm paper, and no other kind could be discounted at all.

We also increased from \$10,000 to \$25,000 the amount that one man could borrow from the farm land banks and increased the discount privilege for farm paper in the Federal reserve system. All of these measures I assisted in framing in the Banking and Currency Committee and in passing through the House.

So do not come here talking about Congress not doing anything for the farmers. What is the next proposition? They come around here, and if this bill means anything it means adding 30 or 40 per cent to the cost of flour and bread and 30 to 40 per cent on the price of meat. That is what it means. Go down to our country. I am a little different from the gentleman from Massachusetts. I am against his tariff, and I did not vote for it. I did not vote to make a 32-cent knife cost 75 cents. I am glad to see that the gentleman from Washington [Mr. SUMMERS] has got on the mourner's bench.

What do we find? We find that in the Fordney-McCumber tariff bill they have laid the hand of the manufacturer in the taxing power on every man in my country who raises cotton and has to buy manufactured goods; they have taxed him for the benefit of protecting the manufacturer; and there they get us once, and then under the Esch-Cummins law they give the taxing power to the railroads that manage your transportation business and say "put in all you need, take out all your expenses, no matter what they are, and levy a rate on these people who have to pay the freight on goods that come to them, pay the freight on cotton that goes out, then levy a rate that will give you 6 per cent, and you can get away with it." There is another tax on us for the benefit of a class.

Now, what is this proposition? This proposition is one that says here are the packers and the elevator men and the wheat farmers of the West who are not getting enough; they need more, and we are going to go down South and give them a law that will lay a tax on us, put a tax on the bread we eat, put a tax on the meat we eat, put a tax on everything else on earth that we buy that is covered by this bill, and then come here and talk to us about not being the friend of the farmer because we would not vote to take away the small profit that is now left under the present condition in the raising of cotton in our country.

Mr. FULMER. Will the gentleman yield?

Mr. STEVENSON. I will yield.

Mr. FULMER. I want to state to the gentleman that every witness that came from the Northwest, when we asked if we could not reduce the freight rates and the tariff, said, "No; we do not want to disturb that."

Mr. STEVENSON. No; of course not. They want to keep the tax for the benefit of the Massachusetts manufacturer, put a tax on that will pay the railroads, and put this tax on bread and meat, all for the benefit of the people out West. We may not be in the majority, but we can raise the devil from the time you start that, and I do not believe you can put it across. [Laughter.]

Now, Mr. Chairman, there is another thing about that proposition; we are asked to submit ourselves to another iniquitous form of taxation, a tax on the breakfast table, the dinner table, and every time we sit down to eat. It takes money from the consumers all over the country, especially when we can not raise wheat and do not raise hogs. We are asked to embark on this proposition, which has a direct tendency to destroy the market on which we depend. You can not put an embargo on goods from every other country while 60 per cent of the cotton goes abroad and is sold at a reasonable price and continue to sell our cotton to them. You are trying right now to destroy the export market, upon which the prosperity of our country depends; and if this bill becomes law, you will succeed; but you will never be able to get that across with the people who have heard it properly presented and understand it, because the pocket nerve is the "talking nerve," and they will never submit to that scheme of legal extortion from one class for the benefit of another class, as this bill provides. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. HAUGEN. Mr. Chairman, I yield 20 minutes to the gentleman from Michigan [Mr. KETCHAM].

Mr. KETCHAM. Mr. Chairman and gentlemen of the committee, there have been many measures before the House in which I have been very greatly interested and to which I have tried to give very careful thought, but to none that have been presented since my membership has there been given so much thought and sympathetic consideration, so far as I am personally concerned, as to the one that we now have before us.

Before proceeding with the formal discussion which I had planned I want to take just a moment to pay my tribute to the distinguished gentleman from Massachusetts [Mr. LUCE]. I have waited nearly three years for a proper situation to develop to tell a New England story, and this is the chance. Whoever visits those splendid New England States comes away feeling that there resides a wonderful people. The reception I have received as I have visited them lacks nothing in the way of cordiality and all other like things that go along with the fine spirit they have in that country. The only wish I have for the people of New England is that they come to recognize what the United States really is. Their conception of what the country is, is well illustrated by a story that is an old one in New England, upon which I was checked up very sharply when I first told it. Coming to that section for the first time, I said that the story was current in our section to the effect that the school-teachers of New England when they were teaching the boys and girls of New England to bound the United States taught them that it was bounded on the north by the Dominion of Canada, on the east by the Atlantic Ocean, on the south by Long Island Sound, and on the west by the Hudson River. There were some smiles, but I noticed one splendid, good, old New Englander sitting down about halfway in the crowd, who kept smiling all the way through. I suspected that I had something coming to me at the end of my address, and it proved to be the fact. He came to the front and he said, "Mr. KETCHAM, I want only to check you up on one fact. You are a bit wrong in your geography." I said that I was sorry about that and asked him to tell me in what way. He said that in bounding the United States I said that it was bounded, according to the conception of the New Englander, upon the north by the Dominion of Canada, on the east by the Atlantic Ocean, on the south by Long Island Sound, and on the west by the Hudson River. He said, "You are wrong in your western boundary, it is the Connecticut instead of the Hudson River." [Laughter.]

With all due deference to the distinguished Representative from New England, who has so ably pleaded for that section of the country, as I listened to him I was moved to wish that they could see the need of such a bill as the one before us, which would give the same degree of protective benefits to the farmers as the protective tariff has given New England for many years. My best wish for the royal people of New England is that they may learn something by personal inspection and visits to this great country of ours about its true extent and resources. Did they know them and did they clearly comprehend them, then I think there would have been no such tearful pleading for a particular section of the country as we have listened to from their distinguished Representative. He has made an able presentation of a narrow and sectional view-

point. But this is a time when I believe our viewpoint should be a national one. We are not here advocating legislation that has for its sole purpose the benefit of one group of our citizens at the expense of the rest, but we are here with conviction in our hearts that when we do something to benefit agriculture we do something that will do good for the whole people of the United States. The very statement that the gentleman made with reference to the 6,000,000 idle spindles is proof of the fact that already New England has some evidence of the very substantial results of the dreadful situation that has been brought upon the American farmer. [Applause.] When you turn your back deliberately upon the fact that the farmer of the country constitutes 35 per cent of the buying power, and you put him out of the market, then you have no good reason to complain about the 6,000,000 idle spindles. I am not a prophet nor the son of a prophet, but I do believe this from the bottom of my heart, and that is the reason that I am so heartily advocating this bill. If it becomes a law, not only will the psychological effect be immediately apparent upon the farmers and the whole of the rest of the country but something more substantial will happen. The farmers of the country will appear in the buying market, and you will find that some of your idle spindles will then begin to hum. On the other hand, you can not ruthlessly neglect and laugh aside this legislation, nor by opprobrium, calling it class legislation and other derogatory terms, can you belittle it. You must face it squarely, not as a localized measure, not as class legislation, but as a national problem.

Perhaps the best answer to the plea that is made for the laboring men of New England is to let the men speak for themselves. We have had here a very eloquent plea in their behalf. However, I think we ought to get back to those who are supposed to know about it, and therefore I desire to present to the committee now just a few statements from the official representatives of these groups of people for whom the gentleman claims to speak. First, I shall read from the statement of Edgar Wallace, representing before the Committee on Agriculture the millions of members of the American Federation of Labor, and I shall take time only to give you just one sentence. Speaking in commendation of the bill, I quote a very vital sentence, which goes directly to the point. He says:

What does it profit us if we can get meat for 10 cents a pound if we do not have the 10 cents?

It seems to me that is a very striking answer. Further:

The farmers are our customers, and when they have no money we can not work. We are the farmers' customers, and when we can not buy their foodstuffs pile up and lose in value.

That demonstrates the very intimate relationship that exists between those who labor in the great centers of population in the East and the men out upon the western farms.

I quote now from the statement of Mr. Robert Fechner, representing the International Association of Machinists. Giving his indorsement of the bill, he closed with these words:

We did so, and after giving due consideration to the entire matter we have officially recorded ourselves as supporting, in principle at least, the provisions of this pending legislation.

He followed that up with this further sentence:

I certainly hope Congress will not stand still. That is what I am here for—to urge that something be done; and I am sure that the committee can formulate some plan.

I call now as my next witness Mr. Lovell, vice president and legislative representative of the Brotherhood of Locomotive Firemen and Enginemen, who said:

Mr. Chairman and gentlemen of the committee, I have the honor to represent the Brotherhood of Locomotive Firemen and Enginemen.

You will find in your record that our organization, representing 118,000 railroad men throughout the United States, went on record in favor of some measure to better the condition of the farmer.

I might go on and quote the testimony of Mr. Clark, who is the vice president and national legislative representative Order of Railway Conductors, all to the same effect. I congratulate these men upon their statements before the committee. They recognize very clearly that their welfare is inseparably bound up with the welfare of the men and women upon the land. Mr. Chairman, I deem this a good and sufficient answer to the plea that has been made on behalf of these men who work in the factories of the East, and I shall now proceed directly to the formal discussion of the measure before us.

As a preface to the discussion of this bill I shall quote from some remarks I made when the agricultural bill was under consideration in the House. In those remarks I stated that the program for the rehabilitation of agriculture had five

parts: First, reducing production costs; second, orderly and economical marketing of farm crops; third, legislative enactments; fourth, better organization; and last, the personal qualities of the individual farmer.

Under legislation I made the following statement:

The third step in a rehabilitation program for agriculture is a general Federal legislative one. Here two extremes must be avoided. One, the cry for Congress or State legislatures to "do something about it" in the way of legislation whenever a disagreeable situation arises; the other that classic of the conservative, "economic ills can not be cured by legislation." What is the plain truth? Many unhappy conditions can not be improved by legislation. Climate, seasons, soils, location, and management are outside the law. On the other hand, it is foolish to assert that legislation has not affected our economic situation. The echoes have scarcely ceased in this Chamber from the discussion of one such piece of legislation. No laboring man needs anyone to tell him the effects of millions of immigrants on his wage scale and his standard of living. No railroad man needs to be told of the economic effect of the Adamson or the Esch-Cummins laws. The tariff is possibly our oldest illustration. In short, these laws have affected our economic life. World conditions have made them necessary. We have built up a standard of living that leads the world. We are all for it and propose to maintain it. It costs more, but it is worth it. Because the farmer is not able to pass on the added costs which increased transportation rates impose on him and that higher wage scales demand of him, much of the new legislation has affected him unfavorably, however. The tariff is not fully effective in raising price levels on his export surplus. He produces a surplus of a number of the basic commodities which must find a market under world conditions from which much of our legislation has been designed to protect us. He buys by the American market and sells by the world market. If he is to survive he must be put on an American basis in his selling as well as his buying. To put him on such a basis is not doing him a favor. It is simply putting him on a par with the rest. It is plain justice. To acclaim the virtues of these higher standards of American life in one breath and in another to deny their practical application to all our people alike is a strange performance. It recalls some stirring references to "intellectual integrity" in other debates. The McNary-Haugen bill, so widely discussed, is directed straight at this price inequality which the farmer suffers under because of his production of a surplus which must be exported. The widespread demand for this legislation is based on our American gospel of the "square deal."

The farmer in supporting it is simply asking that he be put on equal terms with the rest of the country who have been made the beneficiaries of Federal legislation. His attitude is well summed up in the words of Henry Van Dyke:

"In the game of life, as we play it here in America, the rules must be the same for all; the penalties must be the same for all; the prizes of life, so far as we can make them so, must be the same for all—and may the best man win."

In the historic language of this Chamber, the farmer wants to "go along" on equal terms with the rest and not trailing along in the rear. [Applause.]

Mr. Chairman, the McNary-Haugen bill is an emergency measure intended to make the farmers' commodity dollar equal to the industrial dollar and the labor dollar. It is grounded upon the theory that farm commodities are entitled to a fair exchange value with other commodities. It recognizes that American standards of living are higher than world standards. It acknowledges that the surplus of farm products over the needs of domestic consumption is sold in the world market and that this world price determines the price on the whole. It affirms that other Federal legislation has lifted price levels in industry and labor, and it proposes to give agriculture the same advantage.

Mr. PAIGE. Will the gentleman yield?

Mr. KETCHAM. In just a moment. I am sorry to say to my colleague from Massachusetts that I have only a limited time, and when I have finished my statement I shall be glad to yield. Now, we all recognize, Mr. Chairman and gentlemen, this bill covers a very broad field and that no one individual can begin to compass a discussion that should be given upon all the phases of it in the limited time. This idea was recognized by the committee, and so various sections of the bill were given to each Member for discussion. To me there was assigned the discussion in reference to the influence of this legislation upon the cooperative movements. Now, I would like to have this distinction very clearly kept in mind. The thought was presented in the very brilliant and able presentation of the distinguished leader of the minority on our Committee on Agriculture [Mr. ASWELL] when he indicated that it would be wise for us to substitute some legislation with reference to cooperative marketing in place of this bill.

So far as I am personally concerned, and I think that is the mind of the committee, we are agreed that cooperative marketing when it can finally be fully organized in a nationwide manner will be a proper step to be taken, but the very best and the most hopeful view that can be taken of the situation is that cooperative marketing can not be brought into full operation within a considerable period of years. In the meantime the American farmer is in the situation which has been so well depicted before you this afternoon. As a friend of cooperation, I shall be glad to do everything I can to work out a plan for cooperative marketing, but I say again that this measure is not intended in any way to affect adversely the work of cooperation. I think I shall be able to show in the next few moments that it is not intended in any way to endanger, as has been held up before you this afternoon, the success of this great movement. The Curtis-Aswell bill and the Capper-Williams bill, two constructive efforts, have been worked out by distinguished Members of this House and the other body in order that a nationwide system of cooperation may be considered. One has had no hearings, and one but a few hours, so that a substitution is absolutely out of the question. The great difficulty to-day in our marketing system, so far as the farmers are concerned, is this: That wide fluctuations in prices sometimes occur during the marketing seasons, and these wide fluctuations in price—

The CHAIRMAN. The time of the gentleman has expired. Mr. HAUGEN. I yield 10 additional minutes to the gentleman.

Mr. KETCHAM. These wide fluctuations in price are the things which particularly cause the difficulties in the agricultural situation. We must devise a plan that will provide for a seasonal flow, for a normal rate at which products shall be placed upon the market. We must avoid those great gluts at certain seasons when tremendous quantities of farm products are put upon the market. Some plan must be devised for accomplishing that particular thing. Now, I maintain the McNary-Haugen bill will contribute to that very end.

Why? Because the wide fluctuations in prices will not occur under the operation of the McNary-Haugen bill; and therefore the farmer will not need to worry, as he does to-day, about the uncertainty in price. He may give his time to the other proposition, namely, that of feeding his stock to the best advantage. He can then so arrange his feeding operations that his stock will come to proper maturity and will be marketed in an orderly fashion. The same may be said in reference to wheat. There will be no inducement to rush it in at certain times, particularly when there is a full market. This will be greatly to his advantage and will accomplish what we desire to accomplish ultimately by cooperative marketing.

Some opponents of the McNary-Haugen bill profess to see in it elements detrimental to the continuation and growth of cooperative marketing. In answer it can be said that the progress the McNary-Haugen bill has made before the people is largely through the activities of cooperative-marketing associations themselves, whose members have instructed their associations to use every legitimate effort possible to secure enactment of this legislation.

Let us analyze and study the cooperative-marketing situation and see just what there is to the argument that the McNary-Haugen bill endangers it. There are mainly three types of cooperative-marketing organizations now handling the commodities specified in the McNary-Haugen bill, namely: First, the cooperative-shipping associations, handling livestock; second, the cooperative elevators, acting as primary marketing agencies and handlers of grains for the farmers of their respective communities; third, the cooperative wheat-marketing associations, organized on the so-called commodity plan or pooling plan and acting solely in behalf of their members in marketing in an orderly way the wheat their membership produces.

Livestock-shipping associations would not come in contact with the operations of the McNary-Haugen bill until their activities reached the terminal market. At that time the only effect that would be apparent would be that they would find in that terminal market an additional and powerful buyer ready to buy their product at a price that would reestablish its pre-war purchasing power. They would not be compelled to sell to this new buyer unless it was found advantageous to do so; therefore it is quite obvious to the fair-thinking person that the bill provides a real and substantial benefit to this class of cooperative-marketing associations.

The second class, the local cooperative elevator and cooperative-marketing organizations of this type, have never done more, nor have ever attempted to do more, with but few exceptions, than purchase the grain of their community and deliver it to a commission house at the terminal market for sale to

the large terminal grain dealers or the millers themselves. Inasmuch as the activities of the McNary-Haugen bill do not propose to extend beyond a few basic markets, again it is quite obvious that their activities would only be the providing of an additional buyer at the rate price. This would assure the country elevator of a substantial market and obviate to a very high degree the necessity for hedging.

Under the McNary-Haugen bill the country elevator will be able to operate without the expensive and uncertain hedge, which will permit it to operate to a much better advantage than heretofore and on a very small margin of profit. By giving a large net return to members the cooperatives will be strengthened.

In my own State of Michigan I believe we have one of the most successful cooperative organizations that the United States knows, namely, our Michigan Potato Growers' Association. Before our committee there came officials of that organization who said that cooperative marketing was a fine system so far as it had to do with collecting, with standardizing, and with the grading of the products, possibly collecting them in as large an organization as a state-wide organization; but that when you went across State boundary lines, then you ran into difficulty. The McNary-Haugen bill would obviate that difficulty by making the market the same for all cooperative organizations the country over. It would obviate the jealousies which sometimes develop between cooperative organizations when their products get into interstate commerce and come into competition.

Mr. VOIGT. Will the gentleman yield? I will yield the gentleman some time if he will answer a few questions.

Mr. KETCHAM. I will be glad to do that if the gentleman will just allow me to finish these paragraphs.

The third type of cooperatives enumerated, the pooling associations, have been in operation four years, and they will handle from the 1923 crop less than 4 per cent of the total production. The purpose of a pool is orderly marketing, that a better price level may be sustained. When the price is made in Liverpool, the impossibility to develop a pool sufficient in volume and cohesiveness materially to affect that price is readily apparent. This fact is well understood by the farmers themselves, and therefore they have been unable to see the full advantage of the pooling movement and have not joined in any considerable number.

It is the pooling organizations that have first realized this and have therefore interested themselves in legislation such as the McNary-Haugen bill provides, with the hope that there might be a segregation of the surplus from the domestic supply and thereby an opportunity provided for beneficial operation, which is the one thing that will bring about their required growth.

There are 14 State pooling associations handling wheat. Nine of these are members of the American Wheat Growers' Association, and these nine have devoted their attention for the past six months in a very material way to the enactment of the legislation the McNary-Haugen bill provides. Of the remaining five the officers of one and the farm organization that sponsors it, namely, the Kansas State Farmers' Union, are devoting their attention to the furtherance of this legislation. Two others, namely, the Kansas Wheat Growers' Association and the Oklahoma Wheat Growers' Association are favorable to the bill. It is further known that the present board of directors of the Oklahoma Wheat Growers' Association refused to acquiesce in the action of their predecessors in opposing the bill. It is further interesting to note that, at 20 meetings held in Oklahoma attended by farmers, many of whom were members of the Oklahoma Wheat Growers' Association, in 18 of the meetings the bill was indorsed and in 16 of the 18 without a dissenting vote. The two remaining associations, the Texas Wheat Growers' Association and the New Mexico Wheat Growers' Association, have to-day indorsed the bill.

Cooperative marketing operates in a field aside from that in which the corporation created by the McNary-Haugen bill would operate. The principal function for cooperative marketing, in its present state of organization and for the five-year period at least, is to provide more direct and more economical distribution from the farm to the terminal markets, and therefore, inasmuch as operation of the McNary-Haugen bill would extend beyond terminal markets, there is no conflict with cooperative marketing. The opportunities for beneficial service with the surplus taken care of through an export corporation would be much greater than at present, and it would cause cooperative marketing associations to prosper and grow in a way that they have never been able to heretofore.

It is unholy argument to say that distress must prevail to make the farmer interested in cooperation. It is unjust and highly erroneous to state that low prices must prevail to permit cooperative marketing to develop. The facts are the financially independent farmer is the only one who can develop the cooperative movement.

The cooperative marketing associations themselves handling the commodities specified in the bill are the ones who are largely responsible for the bill and the ones who are giving it the greatest support. They understand and fully realize that they can best succeed through the aid of this legislation, and therefore it seems foolish to give heed to those who would oppose it on the ground that it might retard the growth of cooperative marketing.

Another thing which cooperative marketing associations have discovered is that farmers who are in financial distress are poor cooperators, not because they do not want to cooperate, but because they find it impossible to do so. Their crops are mortgaged; therefore they must be sold in accordance with the requirements of the mortgage. Their creditors are pressing them for the payment of obligations, necessitating dumping of their product on the market for any price available. Farmers in this condition, which at present is the condition of the majority, find it impossible to support their cooperative marketing associations in the manner that they must be supported if their associations are to succeed and bring about beneficial results.

At this point I desire to call your attention to the report of the committee in reference to the effect of this bill upon cooperative marketing organizations: On pages 42 and 43 you will find the following:

EFFECT UPON COOPERATIVE MARKETING ORGANIZATIONS

Only two truly cooperative organizations have opposed the McNary-Haugen bill. Officers of those organizations are now taking steps toward rescinding their former action, which was based upon misunderstanding of the bill, both as to facts involved and as to the methods and character of operation.

This bill is a stimulant and complement for cooperative marketing and not by any means a deterrent. It reaches directly at the surplus difficulties of American farming, an undertaking which marketing associations are not now in a position to accomplish. Without such governmental assistance as is provided by this measure, cooperative marketing associations for export surplus crops must eventually fail to secure that which is vitally necessary for their membership—legitimate prices for these crops. With assistance such as is provided by the bill commodity organizations will develop and thrive. Their membership will be recruited from producers whose financial affairs are in a healthy condition and whose knowledge of the benefits of organization will have been broadened through participation in the results obtained by the export corporation.

The bill does not oppose cooperation in the least. It fosters, encourages, and makes cooperation genuinely possible. It enables it to produce the necessary results. It affords a machine around which marketing associations can be constructed and developed until, with greatly increased membership, they can carry on when the temporary emergency conditions, to be tided over by the bill, have ended. These facts are recognized by the leaders of the cooperative marketing movement. They are also recognized by that element of the grain trade that opposes cooperation both in season and out and are an important reason for its opposition to the McNary-Haugen bill. General farm organizations and marketing associations in large numbers are found listed among the supporters of the measure.

Now, may I conclude my statement with one observation which comes from my own personal experience? It was my privilege for a number of years to be very actively identified with one of the leading farm organizations of the country, and in that connection to have the responsibility of organizing cooperatives in the very early days of the movement in Michigan. The great problem which confronts all those organizations is the problem of the ultimate market. How anyone can picture any danger to these cooperative organizations by having a steady market at a better price as the ultimate end of their own cooperative movements is more than I am able to understand. It seems to me that it would in a very large measure encourage the men who have been rather negligent about joining these cooperative organizations. They will say, "When we get together and have our local associations attend to the local collecting, grading, and processing, thus saving one commission to be paid to somebody else and sharing the result of that among ourselves, then we know we have this ultimate market at a better price than we had before." It seems to me that every encouragement should be given to the men for a more complete understanding and a more widely extended organiza-

tion of cooperatives, and I believe this bill will do this very thing. To go back to the best answer of all, it is not what you may think about it, nor what I may think about it, but it is what the folks who are members of these organizations themselves think about it. So in conclusion I do want to present just this little statement. I have here in my hand—and I will not take time to read it—a statement signed by two men representing the two largest cooperative movements in the United States at this moment, both of whom give their hearty and enthusiastic indorsement to the McNary-Haugen bill, believing that it shows the way out. The first—and I am glad to present their names—is Mr. John G. Brown, president of the National Livestock Producers' Association, the largest cooperative livestock marketing organization in the country.

This organization, together with the other cooperative livestock marketing organizations that were represented before the Agricultural Committee in behalf of the McNary-Haugen bill, handled over \$200,000,000 worth of livestock for their members during the year 1923. The other signature is that of a gentleman who has been referred to several times this afternoon, Mr. George C. Jewett, general manager of the American Wheat Growers, Associated, representing the Cooperative Wheat Marketing Association in the States of the Northwest. Their indorsement is substantial and enthusiastic, and speaks the last word, in my opinion, as to whether or not cooperative organizations will be harmed by the enactment of the McNary-Haugen bill. [Applause.]

Mr. VOIGT. I will yield the gentleman two minutes if he will consent to answer a few questions.

Mr. KETCHAM. I will be glad to have the opportunity to undertake to answer them. I will certainly answer them if I can, but if I can not I will frankly say so.

The CHAIRMAN. The gentleman from Michigan is recognized for two additional minutes.

Mr. VOIGT. The gentleman has made a very interesting argument as to how this bill will affect the cooperative movement. Will the gentleman concede that the ultimate purpose of cooperation among farmers is to secure a better price?

Mr. KETCHAM. I should say there are two aims, as I see it. The first, of course, and the most important, is the ultimate price. Second, the cutting down of the operations that start with the taking of the grain to the first man who handles it, doing away with every possible expense, and bringing back to those who participate a larger share of the net return. I should say that the aim is both to secure a higher price and to reduce expenses. The combined result will be more money coming back into the pockets of the men who unite in the cooperative organization.

Mr. VOIGT. The second purpose the gentleman speaks about, of narrowing the spread between the producer and the consumer, so far as the farmer is concerned is to get a better price, is it not?

Mr. KETCHAM. Will the gentleman say that again?

Mr. VOIGT. I say that the gentleman names two purposes for which cooperatives exist. Now, it seems to me that the second purpose which he names—he says the prime purpose is to get a better price, and the second purpose he says is to narrow the spread between the producer and the consumer. Now, the purpose of that is to get a better price for the producer, is it not?

Mr. KETCHAM. Well, if the gentleman will just pardon me, I may say to the Members of the House that the gentleman from Wisconsin is a very astute lawyer and direct answers to his questions sometimes lead one to admissions he did not intend to make, and so I am simply going to answer his question in my own way.

Mr. VOIGT. Of course, if the gentleman does not want to answer the question—

Mr. KETCHAM. I just want to answer your question in my own way.

The CHAIRMAN. The time of the gentleman from Michigan has again expired.

Mr. VOIGT. I yield the gentleman three minutes more.

The CHAIRMAN. The gentleman from Michigan is recognized for three additional minutes.

Mr. KETCHAM. I will simply say again that one object of cooperatives, as I see it, is to lessen the cost of gathering together in a local way and in the local communities all the products that are marketed by that association.

Mr. VOIGT. And the object of that, in turn, is to give the farmer a greater share of the spread.

Mr. KETCHAM. To get more money back into his pockets; yes, sir.

Mr. VOIGT. Now, then, are we not back at this point: The prime object of the farm cooperatives is to get the farmer a better price.

Mr. KETCHAM. Yes, sir.

Mr. VOIGT. That being true, what is the object of a farmer participating in the cooperative organization if there is only one Government price?

Mr. KETCHAM. For the simple reason that if he does not have his cooperative organization and it is handled by some other man than himself—inasmuch as the price is not fixed that the farmer shall receive—he will not have an opportunity to get the largest return possible. He still needs the cooperative to lessen the expense of local handling.

Mr. VOIGT. If the Government corporation fixes an absolute price, what would be the object of the farmer cooperating in an endeavor to get a better price?

Mr. KETCHAM. Simply to get the largest possible share of the ratio price back into his own pocket, just as he does now in his cooperative organizations.

Mr. VOIGT. He could not do it if there was only one Government price.

Mr. PURNELL. Mr. Chairman, will the gentleman yield?

Mr. KETCHAM. I will be glad to yield.

Mr. PURNELL. May I ask the gentleman a question?

Mr. KETCHAM. So far as I am concerned.

Mr. PURNELL. Let us assume there is just one Government price. Through cooperation, according to the gentleman's own theory and according to my own theory, you would get a greater portion of that Government price.

Mr. VOIGT. The gentleman has already said that the object of cooperation was to narrow the spread between the producer and consumer; but if you have a Government corporation which stands ready to pay a price, and there is only one price, how can the farmer cooperate to get a better price? [Applause.]

The CHAIRMAN. The time of the gentleman from Michigan has again expired.

Mr. VOIGT. I yield the gentleman two minutes more. Does the gentleman know of any labor organization which has indorsed the McNary-Haugen bill?

Mr. KETCHAM. I have simply the statements and the indorsement which I read just a few moments ago. I do not know whether the gentleman heard them or not. They were from representatives of labor organizations.

Mr. VOIGT. Has any labor organization whatever taken any official action indorsing this bill that the gentleman knows of?

Mr. KETCHAM. I can only state that my recollection is that one of the representatives stated that by definite action of their executive committee—

Mr. VOIGT. Does the gentleman know whether the American Federation of Labor has indorsed this bill?

Mr. KETCHAM. I can not say whether in their national organization they have taken formal action, but they gave this measure their indorsement through their legislative representative.

Mr. VOIGT. Is it not a fact that some of these labor organizations, through their officers, came before the committee and made the statement that they would favor any bill which would give the farmer an additional price, but did not indorse any particular measure? Is not that true as to what transpired before the committee?

Mr. KETCHAM. Mr. Wallace, as I recall, gave his indorsement specifically to this measure, and the general statement was that they indorsed any principle that would bring to the farmer a larger return for his product, which is the aim and purpose of this bill.

Mr. HAUGEN. Will the gentleman yield? I will read from Mr. Wallace's statement.

Mr. VOIGT. No; I can not yield just now.

Mr. KETCHAM. Here is a definite statement by Mr. Edgar Wallace, after referring to another bill and being in support of that, "Now, I am appearing in favor of the McNary-Haugen bill." That is Mr. Edgar Wallace, representing the American Federation of Labor.

The CHAIRMAN. The time of the gentleman from Michigan has again expired.

Mr. VOIGT. I yield the gentleman another minute, Mr. Chairman. I want to say that I understand the secretary of the American Federation of Labor a few days ago wrote a letter in which he stated that that organization had not indorsed this bill. I do not want any misunderstanding on that score.

Mr. KETCHAM. I can only quote his own testimony given in the record as it was given before the committee. [Applause.]

Mr. VOIGT. Mr. Chairman, I yield 20 minutes to the gentleman from Minnesota [Mr. LARSON].

Mr. LARSON of Minnesota. Mr. Chairman, the first bill I voted for when I became a Member of this House was the agricultural emergency tariff bill. Since that time I have voted, without exception, for every agricultural relief measure. I come from the great agricultural State of Minnesota. This may have something to do with causing me to support these various farm measures. I have no apology to make for having supported them. In voting for them I thought I was promoting the general welfare of the whole Nation. I have never taken consciously a provincial view of my duties as a Congressman. I have been elected by the voters of the eighth congressional district of Minnesota, but I am here attempting, as best I can, to legislate for the entire country.

Agriculture is the Nation's basic industry. Upon it depends the prosperity of the Nation. That is so obvious that it is axiomatic. The farmer is the mainstay of the country. I am an individualist, but I believe that the Government should do what it legitimately can to promote the prosperity of the farmer. Such legislation is not, strictly speaking, class legislation for its benefits redound to the general well-being of the country at large. We all, more or less, share in the farmer's prosperity, and also, I may add, we all suffer economically when the farmer suffers. We are all, so to speak, a part of the same economic and business organism.

That is the attitude of mind with which I approach the consideration of the McNary-Haugen bill. The truth is I was more or less biased in favor of the measure because of its avowed purpose to benefit the farmer. But after I had studied it I had to come to the conclusion that it ought not to become a law. I shall not vote for it, although I come from a State that is said by the proponents of the bill to need the proposed legislation. [Applause.]

Mr. BLANTON. Will the gentleman yield?

Mr. LARSON of Minnesota. Not now. My judgment is that instead of benefiting the farmers of my State it would ultimately work great injury, not only to them but to the State and to the entire Nation. I know that there are many organizations in my State that have indorsed this bill. It may be that among them is a labor organization.

Mr. BURTNESS. Will the gentleman yield?

Mr. LARSON of Minnesota. Not just now. Some men who stand high in so-called big business have indicated that they favor this measure. That a bill is supported by large numbers does not always mean that it has great merit. These men may not have given the matter thorough consideration. It is not a difficult matter to secure the passage of a resolution by almost any organization of citizens for or against any legislative bill. It is easy to manufacture public sentiment by carrying on a well-directed propaganda. People are too busy, or perhaps intellectually too indolent to do their own thinking. They are glad to accept the conclusions of others on almost any subject however important. The criticism is not confined to the so-called hot polloi. A brief explanation of the purposes of this very bill made by one of its most ardent supporters to the chief executive of one of the greatest railroads in this country, persuaded that executive to indorse this measure. Do you think it is possible for any railroad executive or any big business man or any college professor to be able in a brief period of an hour or two to grasp even the essentials of this measure so that he may be justified in recommending its passage by the Congress of the United States?

I will say that without long and deep study, thorough concentration, no man, however great as an intellectual giant he may be, can reach an intelligent judgment on the merits and demerits of this most important, most complicated, most intricate, most revolutionary legislative proposal. The proposed corporation may do a business involving a capital of hundreds of millions of dollars, and engage in the operation of complicated and world-wide business transactions.

Why, it took at least four months for the members of the Agricultural Committee of the House to come to some definite conclusion as to what kind of a measure should be presented to this House. This committee had before it a large number of witnesses, many of whom, no doubt, were competent by reason of their experience and study to give the committee valuable testimony in regard to the merits or demerits of the proposed legislation. Yet notwithstanding this committee had four months in which to consider this measure, the committee is divided as to the kind of a measure, if any, that should be presented for our consideration. I will make this statement

without fear of successful contradiction that no member of this committee can stand up and honestly assert that he knows how this proposal would work in actual experience. It is a speculation; it is a wild venture that may result in a business depression from which it would take years to recover. The proponents of the McNary-Haugen bill are urging us to venture upon an uncertain and uncharted sea without rudder and without compass. Where it would land us after five years have passed God only knows. It looks to me like a shipwreck before we would get very far on the stormy and turbulent sea.

Why do I think so? Time does not permit me to enter into an exhaustive consideration of the reasons for my conclusion. I shall briefly give you some of the conclusions I have arrived at through thoughtful and unbiased consideration of the bill.

If there is a real agricultural emergency, it is not so serious as to justify the proposed revolutionary experiment. The agricultural depression is being solved by the operation of natural economic laws. There has been considerable talk about the failure of banks, and unless we read with discrimination we may reach the conclusion that nearly every bank in the Northwest is about to close its doors. If we take seriously the statements of the calamity howlers, we may think that no bank in Minnesota or the Dakotas or in Montana is safe; that the banking business in those States is shot to pieces; that a great financial collapse in the Northwest is imminent and certain. What are the facts? It is true that some banks have gone to the wall, but the fact is that they were mostly shoestring concerns that never ought to have existed at all. I say most of them were such, not all. Their banking methods were unsound. They probably tried to overreach during the period of inflation, and when the period of deflation came they could not weather the storm. The records show that before the collapse of 1920 came there were 3,875 banks in the ninth Federal reserve district, altogether too many for sound banking.

North Dakota, the State so ably represented in part by my friend, Mr. BURTNESS, who is so zealously advocating the passage of this bill, has five banks where one would have been sufficient, based on the ratio of the population per bank for the United States as a whole. South Dakota has four, Montana has three, and my own State of Minnesota has twice as many as the national average. The fact is that the region involved is overbanked. The newly established banks had to get business. That meant the offering of more liberal loans to the farmers and merchants. That in turn accelerated and increased the inflation. When the crash came in 1920 these banks had to go. That was inevitable. But the situation is becoming normal. Let me quote what Mr. John H. Rich, chairman and Federal reserve agent of the Federal reserve bank of Minneapolis, says in a very excellent and exhaustive statement on the economic position of agriculture in the northwestern grain-raising States. I ask you gentlemen to listen to this, and then say whether there is a real agricultural emergency, at least in Minnesota:

So thoroughly has the process worked itself out that wheat acreage has already been brought back by elimination to nearly a normal basis, while in banking, in merchandising, and in the distribution of goods the volume of service has been brought in right relation to the necessities of the population.

That is the testimony of a man whose business it is to know the farming, and especially the banking, situation of the territory inhabited by those whose interests the McNary-Haugen bill advocates are pleading. I am not impugning the veracity of those who are trying so hard to write the word "Failure" all over the Northwest, but personally I prefer to rely upon the testimony of Mr. Rich, because his means of acquiring accurate and reliable knowledge are more extensive and better than are the means of those who are constantly howling everywhere and on all occasions that the great Northwest is about to fail; that it is going to the demnition bow wows.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. VOIGT. Mr. Chairman, I yield the gentleman 10 minutes more.

Mr. WEFALD. Mr. Chairman, will the gentleman yield?

Mr. LARSON of Minnesota. A little later. Mind you, Mr. Rich is not seeking political office from the masses. He is in a position to give us the unvarnished, the unbiased proof regarding conditions in the Northwest.

Much has been said in regard to the failure of the farmers. It has been stated that the farmers in great numbers are voluntarily or involuntarily abandoning their farms and seeking other means of livelihood. It is true that a great many men engaged in farming have failed to make good as farmers. The number of failures has been exaggerated, however. Many of them would have failed even if no deflation had come.

Everyone can not farm successfully. Farming requires intelligence, hard work, thrift, forethought, good health, and, most of all, business ability. All men do not possess these economic virtues. Some are ignorant, some are lazy, some are shiftless, some are unhealthy, some lack ordinary business experience and business sense, and such are bound to fail sooner or later. They can not make a success. They can not become successful farmers by congressional legislation or by presidential proclamation. When the Government assures us equality of opportunity, it has done all that it can do and all that it ought to do.

Another objection to this McNary-Haugen bill is that the plan proposed would aggravate the situation by stimulating overproduction. To my mind that is as simple as a, b, c. It is as certain as the day follows the night. When a price is fixed by the Government which is sufficient to guarantee to the farmer a profit in the sale of his agricultural products, is it not reasonable to suppose that the farmer is not going to take any chances on raising something about which there is an uncertainty as to whether he will get a profit, but will rather devote his energies and his time to raising something for which he will receive a guaranteed price sufficiently high to compensate him for the expenditure of his time and energy. Ah, you say that moral persuasion will be used to prevent him from increasing his wheat acreage.

When has that moral persuasion ever succeeded? Do you know of any price-fixing scheme in history where there was not an overproduction as a result of the price fixing? Such has been the case everywhere it has been tried. It would be so if this bill should become a law. Instead of solving the problem which is created by reason of the fact that there is overproduction, you are going to aggravate the difficulty of the problem. You are going to have even more overproduction than you have now.

If this bill should pass it would increase the already too high cost of living, and thereby cause popular discontent and bring about a vicious circle which would finally end in collapse.

Mr. BURTNESS. Mr. Chairman, will the gentleman yield?

Mr. LARSON of Minnesota. In a moment. It would retard, if not entirely destroy, the present agricultural cooperative movement. Did you gentlemen get the significance of the question that was propounded to the former speaker, Mr. KETCHAM, of Michigan, regarding the purpose of these cooperative societies? The ultimate purpose, of course, is to get the highest possible price, and in order to get such a price, of course, they have to eliminate the unnecessary waste caused by the intrusion of the unnecessary middleman. But if the Government gives the farmers the highest price possible, why indulge in any cooperative movement voluntarily? They would cease to exist.

Mr. BURTNESS. Mr. Chairman, will the gentleman yield?

Mr. LARSON of Minnesota. No. That seems to me to be true beyond any question. Although I own a farm, I am not a farmer—

Mr. CLAGUE. The gentleman has proved that.

Mr. LARSON of Minnesota. Oh, you can not always tell what a man is by looking at him, and that reminds me of a little story which I must tell on myself. A couple of years ago when I was campaigning I stopped in a small town in my district for a little time, waiting for my tin lizzie to be repaired.

I was sitting down in front of the only hotel when I was introduced to a young man of about 22 years of age. I found out in talking with him that he had lived for some years in Constantinople and it was about the time when the Near East crisis was on. I began to talk with him about what was happening over there. I found out that he was a very intelligent fellow, who had been a student at Robert College and spoke Turkish, Greek, Russian, French, German, and what not, and after we had exhausted the subject he said casually, "I can tell by looking at a man just what he is." I said, "Is that so? Can you tell me what I am?" "Yes." Then I sort of spruced up and made myself appear as much as I could like a real statesman, and I said, "You take a good look at me and tell me what I am." He said, "It is not necessary, I have been talking with you for a half hour." "What am I?" He said, "You are a barber." [Laughter.] I may have demonstrated to the satisfaction of my friend from North Dakota [Mr. BURTNESS] that I am not a farmer nor an agricultural economist, but only a barber who has attempted to express some ideas on this complicated McNary-Haugen bill. Now, to return to my subject. It would not only utterly destroy the present agricultural cooperative movement, it would probably wreck the present machinery evolved as a result of years of experience for the economical and efficient distribution of marketing our agricultural products.

For a time it might destroy our foreign markets for our agricultural products, especially our market for wheat, by

causing the European governments to invoke countervailing, antidumping laws. I know it has been denied, but it seems to me just as inevitable as night follows day that if we undertake to dump our surplus products on the European market, Canada is going to object, Australia is going to object, India is going to object, and England, which desires to be on friendly terms with her colonies, is going to invoke her antidumping law, and then we will be in a position with an enormous surplus of wheat that we can not dispose of. In addition to that it might lead to international strife and discord.

It is a price-fixing scheme; you can call it what you please. History shows—

The CHAIRMAN. The time of the gentleman has expired.

Mr. LARSON of Minnesota. May I have two additional minutes?

Mr. VOIGT. I yield the gentleman two additional minutes.

Mr. LARSON of Minnesota. History shows that never has a government price-fixing scheme worked successfully. You can appeal to ancient history or modern history, wherever government price fixing has been tried it has collapsed, to the serious detriment of the nation which undertook to try it. They have all ended that way. It never has been done, and it never will be done. The natural law of economics can not be long frustrated by government edict.

I do not, Mr. Chairman, impugn the motives of those who advocate the passage of this bill. They are sincere. I do not question their sincerity. For some of them I have a very high personal regard, but so were those who tried price fixing before. They, too, were sincere. So were the greenbackers who tried to cure the economic ills which followed the Civil War. They were sincere. So were the free silverites in 1896. So were Lenin and his disciples, who almost have ruined Russia economically by government intrusion in business. They were sincere. The proponents of the McNary-Haugen bill are sincere, but that fact, if it becomes a law, would not lessen one bit the damage that would result therefrom to American agriculture or American business generally. [Applause.] We have become the greatest and the richest and the most powerful nation in the world by encouraging individual initiative and private enterprise and by keeping wide open the door of equality and opportunity.

The CHAIRMAN. The time of the gentleman has expired.

Mr. VOIGT. I yield the gentleman two additional minutes.

Mr. LARSON of Minnesota. Now, Mr. Chairman, let Russia experiment with government intrusion in business; but let us follow the safe and tried course that has brought our Nation to its acknowledged position of preeminence among the nations of the world. [Applause.]

Mr. EVANS of Montana. Will the gentleman yield?

Mr. LARSON of Minnesota. I will.

Mr. EVANS of Montana. Does the gentleman think the door of equal opportunity is kept open in this country when we maintain a tariff bill such as we have now and decline to do anything for the agricultural interests?

Mr. LARSON of Minnesota. In the first place, we have not declined to do anything for the farmers. As I said in the opening of my remarks, the first bill I voted for was the agricultural emergency tariff bill. Since then I have voted for a dozen or more bills, the object—

The CHAIRMAN. The time of the gentleman has expired.

Mr. VOIGT. I yield the gentleman two additional minutes.

Mr. LARSON of Minnesota. The object of which was to benefit agriculture, and all these measures, as I recall it, have been enacted. I do not claim and nobody claims that there is perfect equality of opportunity in this land. There can not be; our Government is human made; it is therefore not perfect; but we have more equality and opportunity in the United States of America and under the American flag than under any other government in the world. That is what I maintain.

Mr. EVANS of Montana. There is no question about that.

Mr. RUBEY. Mr. Chairman, I yield five minutes to the gentleman from Minnesota [Mr. WEFALD].

Mr. WEFALD. Mr. Chairman, I had not intended to take the floor at this time, but I feel that somebody from the State of Minnesota ought to say a few words right now. My good friend from Minnesota [Mr. LARSON], who has, during the last two sessions of Congress, so ably been representing the eighth district of Minnesota, in which is situated the city of Duluth, I am quite sure would not have delivered—I will say it was an able discussion from his standpoint—but I will say he would not have delivered that kind of a speech had he been a candidate for reelection. [Applause.]

Mr. LARSON of Minnesota. Will the gentleman yield?

Mr. WEFALD. The gentleman did not yield to me.

Mr. LARSON of Minnesota. But the gentleman made a personal observation.

Mr. WEFALD. I made it in all kindness and in all candor. In the city of Duluth I am sure there is no agricultural crisis. The city of Duluth is where most of the grain that is raised in the Dakotas and Montana passes through the terminal elevators. I remember the time that I was a member of the State Legislature of Minnesota, and some of these bolshevistic farmers that the gentleman from Minnesota has so ably and vividly pictured to you demanded an investigation of the grain business, and we found that out of the millions and millions of bushels of grain—wheat especially—that passed through the elevators at Duluth—and those elevators, I am quite confident in my own mind, are owned, controlled, and operated by the close, personal, and intimate friends of Mr. LARSON—we found that it was the most profitable place in the United States to raise wheat.

Mr. LARSON of Minnesota. Will the gentleman yield for a statement?

Mr. WEFALD. The gentleman did not yield to me.

Mr. LARSON of Minnesota. Well, I did not make any personal observations.

Mr. WEFALD. This is not personal; this is the truth. [Laughter.] We found that there were going through the elevators in Duluth—

Mr. LARSON of Minnesota rose.

The CHAIRMAN. For what purpose does the gentleman from Minnesota rise?

Mr. LARSON of Minnesota. I rise to ask that the gentleman now addressing the House permit me to make a statement.

Mr. WEFALD. I decline to yield.

The CHAIRMAN. The gentleman declines to yield.

Mr. WEFALD. There were twice as many bushels of No. 1 wheat passing out of the elevators, that was shipped out to Europe, as went into them. I do not wonder that the gentleman from Minnesota does not take the same view of this question that I and the other Representatives from the agricultural districts of Minnesota and the Dakotas and Montana take. The gentleman referred to some of the northwestern Representatives as calamity howlers.

The CHAIRMAN. The time of the gentleman has expired.

Mr. WEFALD. Give me five minutes more.

Mr. RUBEY. I yield the gentleman three additional minutes.

The CHAIRMAN. The gentleman from Minnesota is recognized for three additional minutes.

Mr. WEFALD. I want to ask—I will not ask the gentleman from Minnesota, because I did not yield to him—if, as I was told in a letter by some constituent of mine who wrote me lately in regard to a rural-mail route, that upon that mail route five years ago there were 150 names and there are now only 50 names, whether in that part of the country there is an agricultural crisis? Is there a man within the sound of my voice who will say there is not? Oh, I never dreamed that I should at this day and age and in this place hear the Bourbon spirit speak like it has spoken here when the gentleman from Minnesota told us that the trouble with bank failures in Minnesota was that there were three times as many banks as the State ought to have. Such speaks only the voice of Wall Street. He says they were shoestring banks and went bankrupt. The gentleman has not been out in the agricultural districts of Minnesota and I do not believe he is very well informed on what has happened there during this last year. I can tell him of some banks in Minnesota that had a capital stock of several hundred thousand dollars and deposits that ran up into the figures of millions that have gone bankrupt. They were not shoestring banks at all. The gentleman told us a very funny story about being once mistaken for a barber. Yes; I do not wonder that he was at one time mistaken for a barber. Ah, I wonder whether there is a person within the sound of my voice who, after listening to his speech, did not think that every farmer in Minnesota was such that at this time he needed a shave and a haircut. The gentleman from Minnesota can give them both. Ah, it reminds me of the glorious days of old Senator Nelson, when he came out and talked to the wild-eyed and woolly hayseed farmers. That is what he called them. That was all the sympathy the farmers got from him when they complained. There was agricultural distress at that time also. Yes; I have heard something about Russia. It has been the stock in trade of the new school of politician in Minnesota to talk about Russia.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. VOIGT. I agreed to yield the gentleman several minutes, I believe. I will yield the gentleman three or four minutes, if he wishes them.

Mr. WEFALD. I thank the gentleman.

The CHAIRMAN. The gentleman is recognized for four additional minutes.

Mr. WEFALD. Russia does not scare any man in Minnesota any more. We have a governor in our State who, in his first campaign for the governorship, went before the people, and there was agricultural unrest at that time. What did he say? He spoke about Russia; he said practically the same things that the gentleman said upon this floor to-day, and what did they do to him? He was elected in his first election by a majority of 140,000; in the next election that was cut down to 14,000; and last year, in the senatorial election, he was defeated by a plain dirt farmer to the tune of 95,000 votes. Ah, yes; there is an agricultural crisis in the State of Minnesota, my friends. Any Member of Congress from that State that does not know that will be told so in the next election.

Mr. BLANTON. Will the gentleman yield?

Mr. WEFALD. The gentleman always gets at least five minutes, and I suppose I have only a minute or so left.

Mr. BLANTON. I want to ask the gentleman a very pertinent question.

Mr. WEFALD. Well, go ahead.

Mr. BLANTON. The gentleman is a distinguished representative of the Farm-Labor Party?

Mr. WEFALD. Not very distinguished.

Mr. BLANTON. Does not the gentleman know that his party has denounced this bill?

Mr. WEFALD. My party?

Mr. BLANTON. Through the president of the Farm-Labor Party, Mr. Fitzpatrick?

Mr. WEFALD. Fitzpatrick lives in Texas, I think.

[Laughter.]

Mr. BLANTON. Mr. Fitzwater?

Mr. WEFALD. He lives in Texas.

Mr. BLANTON. Is he not your president?

Mr. WEFALD. No. I will tell the gentleman that I am glad he asked that question. My party is a political party; it will reach Texas in time.

Mr. BLANTON. He is the president of the Farmer-Labor Party, is he not?

Mr. WEFALD. Just give me time to answer. I met the gentleman you speak of last winter in a meeting here at which we discussed these farm-relief questions, and he told me that the gentleman from Texas had not seen the light, but they were going to make him see the light by the next election.

[Laughter.]

Mr. BLANTON. Somebody made me see the light, because I always see it.

Mr. WEFALD. I am glad the gentleman asked me the question. I have here in my pocket a prepared speech that it would take me nearly an hour to deliver and I can not get the time now, but if I can get the time to deliver it, I shall show the gentleman what the Democratic Party ought to do and what their pledges were in the last campaign, and what the Republican Party's pledges were in the last campaign, and I can prove to this House that the Republican majority in this House in their platform in the last campaign stands pledged to pass a bill of this kind and nature. I do not support the bill because it is proposed by my party. I am not a slave to party. I do what I think is right. I am not against the bill because the men I have been affiliated with here have not suggested it. I am proud of the fact that my insurgent friend from Wisconsin [Mr. Voigt] has delivered the ablest argument against the bill, because that shows that in the insurgency in this House there are some brains attached to it. It shows that we insurgents differ at times and can not be driven like sheep. But I am for this bill in spite of the fact that it is a Republican measure proposed by Republicans, and I think that a Republican President ought to sign it.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. O'CONNOR of Louisiana. Mr. Chairman, I am opposed to this bill and for that reason will vote against it. I regret that I have to vote against a bill that is said to be in the interests of agriculturists—the farmers of the land. I have a sympathy for the men who till the soil, but in that respect I suppose I am no different from millions of city dwellers who realize that we in America who live in great towns and cities are at the longest period but a few generations removed from an ancestry that in all probability tilled the soil in European

countries and other lands for several thousands of years. I regret that I have to vote against the measure that is said to be in the interest of the yeomanry of our land who form the real foundation on which is constructed and built up all of our greatness and glory, or to phrase it in the language of our own immortal poet, a greatness and a glory that surpasses "the glory that was of Greece and the grandeur that was of Rome." Over the main archway of the Union Station, one of the Capital's architectural wonders, may be seen an inscription selected by President Eliot, of Harvard University, the first three lines of which should ever be in the minds of the statesmen, though the balance of that inscription is also worth remembering:

The farm, best home of the family, main
Source of national wealth, foundation of
Civilized society, the natural Providence.
The old mechanic arts, controlling new
Forces, build new highways for goods
And men, override the ocean, and make
The very ether carry human thought.
The desert shall rejoice and blossom
As the rose.

Both in the legislature of my native State, where I served the people among whom I was born and reared for 12 years, and in this the Congress of the United States I have unflinchingly and sympathetically supported every measure that I thought might afford some relief to the agriculturists of our country. I will continue to do so, as long as I serve in a public capacity or live in private life. But I can not support this bill. I can not vote for it, because I am convinced from the annihilating analysis made of it by my colleague Doctor ASWELL, wherein he has demonstrated beyond all cavil and doubt that it will not do the farmer himself any good but will lead to his complete destruction after it has burdened his city wage-earning brethren to the point where their backs will be broken, benefiting only the packers and a few giant holders of agricultural commodities; that it is totally at variance with economic truth and is the last word in governmental fallacy and absurdity. I am convinced by his masterly, forceful, logical speech on this subject that this measure, if enacted into law, will ultimately lead to the unspeakable poverty of the tiller of the soil and the wage earner in the city, adding to the wealth only of those who are presently rich beyond the dreams of avarice. It is a measure that, without being offensive in my statement of the case, is the acme of folly in that it ignores completely the law of demand and supply, a law as ruthless in its operation and as unceasing, inexorable, and unsubduable and unpreventable as the tides of the sea or the seasons of the year. Things perhaps ought to be, but, however sad it may be to come to such a conclusion, things are; and we do not prevent the operation of law by closing our eyes to the situation or ignoring that law.

I would not, if it were not for the persuasion of my friend Doctor ASWELL, address the house on this bill. I am a city dweller, city born and city reared, and that fact might appear to make it impossible for me to understand and appreciate the condition of the poor countryman, farmer or agriculturist, as you will, who is striving to make his humble lot a little brighter and his country a little better for any effort that he may put forth; but my colleague knows that I possess, in common with all of my countrymen, an affection for the man with the hoe, who toils from sunrise to sunset, who earns a pittance, and whose only consolation is that he is still a free man except for his financial burdens, is a son of great nature, free from the artificial restraints that afflict his city brethren, has the open spaces for his breathing spots, and at night the broad canopy of the heavens, star studded, to suggest to him the wonders of the universe and the omnipotence of his God. I wish I could offer some remedy for the financial embarrassment that besets the path of the farmer. He was the first man on earth, and he will be the last man on earth. He was our first kinsman, and he will be the last one of our line when this old earth is speeding on to its final destruction. Altering the lines of a celebrated sentence in a great speech delivered in Congress years ago: If I could be instrumental in lifting his burdens and solving his problems, I would not exchange the proud satisfaction that I would enjoy for all the triumphs that ever decreed to the most successful conqueror.

Then, inasmuch as I know that no statute of any legislative assembly, no resolution of any lawmaker can alter or amend the immutable law of supply and demand, what have I to offer to my toiling countrymen in the fields of the land? Just a few observations from which he may draw a lesson that will in itself suggest a thought that may ripen into other thoughts and carry to other minds that which may result in something that will bring about the betterment of his unhappy

financial lot. But before I reach my suggestion, let me repeat, reiterate that any attempt to control, subdue, or prevent the operation of the great law of exchange and trade will be as idle, as foolish, and as barren of results as the pose of Ajax in the fabulous story of his defying the lightning, as the command of Canute to the ocean to stay her proud waves on the shores of his dominion, as the order of Joshua to the sun to stand still, which was tantamount to the ordering of the earth to stop revolving on its axis. No artificial restraint imposed by man can even for a moment prevent the operation of any natural law, or the operation of a law springing into being as the result of conditions that were brought into existence by the operation of some other law. The universal scheme of things is dependent upon law, and that law is in operation unceasingly, though we see it not, understand it not, know it not. In the fullness of time we make the discovery and give its principle an application that works for our individual advancement and promotes the general welfare. Even our great transportation problem, subject to the immutable law that governs all things, will solve itself by a unification of waterways, highways, railways, and airways, inescapable, unavoidable, inevitable as the result of the general growth that will make unerringly and irresistibly for that unification. No; we can not make men rich by congressional resolution or legislative enactment, so far as they will affect the operation of economic laws.

Why, gentlemen, if we could solve the problems that afflict the agriculturists of this country to-day with a price-fixing measure—and this is a price-fixing measure, soften the term as you will—the problems of the world would be settled for all time to come. I am absolutely convinced, I repeat, that it is utterly at variance with economic truth to think you can do so, and that you are attempting to accomplish the impossible—that is, by resolution of the lawmaker to undo that economic law which has been operating unceasingly night and day from the beginning of time, and like all law will continue to operate until time is no more. You can not do it, gentlemen, as much as I would like to see you do it, and the fact that some of the ablest proponents of this measure to-day have reluctantly conceded that it is not a perfect piece of legislative mechanism, that it is subject to criticism, means nothing more or less than if you were to attempt to put it into operation it would mean unthinkable poverty for nine-tenths of the agricultural masses and for the vast and overwhelming majority of the city dwellers.

The only people who would reap benefits from this bill, I repeat, and I can not repeat it too often, are the packers and the gigantic holders of commodities who would be subject to its provisions, or, rather, the beneficiaries of its provisions. The title has passed from the hands of the men whom you would aid and assist, and God knows I would like to see you in a position to aid and assist them. I know you are sincere; I know you are honest in your endeavor; but that does not render that effort the less susceptible to criticism or less erroneous.

Mr. SUMMERS of Washington. Will the gentleman yield?
Mr. O'CONNOR of Louisiana. No; I can not yield now, I regret to say.

Mr. Chairman, I am not severely analytical in my attitude to human existence. The lesson of life has been learned by me by actual observation, and it is that experience that I usually bring to bear in trying to solve the problems that confront me.

Probably, in no other city in the United States of America are the inhabitants so closely related to the people of the surrounding country as we are in the city of New Orleans, where we are blood of their blood and bone of their bone and sinew of their sinew.

That romantic old city, situated at the foot of the river near the Gulf of Mexico, is dependent for her prosperity if not for her existence on cotton, sugar, and rice, so that the people of our city are really within the cousin degree of the people who live around us. In other words, we of New Orleans are of the country and for the country. Now, to the suggestion I referred a short while ago. Years ago when I was stenographer for a cotton house, I learned one of the great lessons, which I will endeavor to indicate to you in hopes that it will fall on fertile ground and bear some results, if not now, at some other day.

For years the South had been obsessed by the slogan or high-sounding expression "cotton is king." The humblest white man in the South swayed by that alluring and appealing announcement refused to make any other crop than a crop of cotton. In fact, he did not think of the matter from any other standpoint or in any other light.

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

Mr. VOIGT. Mr. Chairman, I yield the gentleman from Louisiana 10 minutes from my time.

Mr. O'CONNOR of Louisiana. I learned in those days that there is more danger in a slogan than in a dynamite bomb. I learned that a blind attachment to a tradition, that worshipful reverence almost of the expression "cotton is king," prevented for years the progress of diversification and retarded the new development and prosperity of our section to an immeasurable extent. As a result of our failure to hearken to the cry of a few John the Baptists who were preaching in the wilderness, as it were, the necessity of diversification, cotton hit bottom in 1895, when middling sold for a little above 5 cents per pound. It was a fearful time. But we learned through the stress of that never-to-be-forgotten period the bitter lesson, though we have not learned it entirely. "God moves in mysterious ways. His wonders to perform," and it is through saddening experiences that we learn the law and move to a higher and better knowledge of the things that control us, if we do not control them. During those clerkship days I was in a position to know first hand the trials, the tribulations, the disappointments, and the woes and burdens of the cotton planters, high and low, the merchants and the tenants of the country who raised and shipped their product to the city for sale—for the pittance that it brought in those unhappy days. Yes, I can and do sympathize with the afflictions of the northwestern farmer, for I witnessed the privations and the suffering that our farmers in the South underwent and endured while endeavoring to restore their section of our common country during and after the reconstruction period, when we felt that all was not lost as long as we had honor and the faith of our fathers left.

It was during those dark, terrifying days that there came among us to lift us in a measure from the slough of despond, as it were, a gallant soul from New England, a man who played out magnificently the grand part allotted to him in the drama of life. He was indeed a cloud by day and a pillar of fire by night to us of Louisiana. He preached day in and day out, week after week, year in and year out, in season and out of season, "Diversification, multiplication of products, diversify, diversify." He realized that such was the only way out of our deplorable situation and that a reasonable application of the doctrine he preached continuously was only the acknowledgment, the meeting, the acquiescence in the living up to the law of production and that economy which teaches that you can not spend more than you make, that you can not have your cake and eat it, too.

We are a very conservative people, Mr. Chairman and gentlemen of the House, as you who have observed and studied our dispositions, tendencies, and reactions know. We are extremely reluctant to break old habits or depart from established customs, violate precedents, or change an attitude that might even spell economic vassalage. Notwithstanding the zeal of a few, Peter the Hermit, leading a new crusade, the crusade for diversification, we made little progress in that direction. Our preachments, our sermons, fell to a large extent upon deaf ears, until a terrible day when we awakened to the fact that we were face to face with a calamity that whitened faces and stilled the beatings of our hearts, for a situation suddenly confronted us that had no parallel in history. The boll weevil, insignificantly small in size, but making up an army numbered by millions and millions, cut across the Mexican border and in the twinkling of an eye the prosperity of a vast section was changed to adversity little short of prostration.

I had often read of the desolation of India under the misrule of Warren Hastings and the misery of Oude as depicted by Burke and Sheridan, but never had a grasp of what agricultural ruin meant until I crossed the once fertile fields of north Louisiana, from the Mississippi to the Red River, during the first year of the destruction wrought by the weevil. I shall never forget that trip. Abandoned farms, deserted cabins, making for a solitude so vast that one felt as if he were under the influence of some evil wilderness spirit. The once inspiring slogan "cotton is king" was forgotten, and the boll weevil had apparently conquered. We had not diversified to any extent. We were still a "condensed-milk country with cows running wild." We are learning the great truths of human existence, of the orderly and the wise way, slowly but surely, my friends. That is the only consolation that disaster brings to us, Mr. Chairman, in its wake, and that is that it teaches us some valuable lessons through its chastening rod.

Our people had fled from their fertile fields where they raised cotton only—because cotton was king—as if from a plague-stricken land, for that is what it was after all. Fields that whitened with cotton one day were a waste the next, the boll ravaged by the weevil, against whose advance and depredation we were powerless, which suggests the thought that the human race will be vanquished by an invisible germ against which our guns and high explosives will be useless.

But the longing for home is irrepressible and generally irresistible. Our disheartened and discouraged but brave men and women returned to their old homes resolved to do and dare again, and to struggle to hold the old homesteads for their children. Slowly they journeyed back and began life anew and knowing they could not depend upon cotton learned the value of diversification. But I do not think that north Louisiana has yet risen from the position into which she fell then as a cotton-producing section of this country. However, they learned a great though severe lesson. They learned diversification, they learned to avoid the cost of goods bought in the cities and freight costs by making on their farms what they formerly bought. And by the way that is another factor that some day will enter into the calculations, the conversations, the discussions of able men in this country, the tremendous saving that can be effected by avoiding unnecessary freight charges. Economists will ascertain that transportation is overdone in our land. We can not go on shipping raw material practically across the continent to have it put into the finished product, and back again across the continent for consumption, as such a freight charge adds enormously to the sale price of every article sold and consumed. Transportation plays too important a part in the affairs of this country, to the extent that by location of factory near the raw material we can avoid considerable freightage. But only time and a logical development of our great resources can cure the ills that are afflicting us recently, industrially, commercially, and agriculturally.

Mr. Chairman and gentlemen, I wish to thank the gentleman from Wisconsin [Mr. Veier] and my good friend from Louisiana [Mr. ASWELL] for the time they have allowed me. I know that I have not contributed very much to the value of this discussion. Some one once said that some men can talk half a minute and keep the world guessing for half a century while others can talk for half a century and not keep the world guessing for half a minute. I know that I do not belong in the first class, and I hope that I do not belong in the latter. I have endeavored to carry to your minds the fact that you can not by resolution, by legislative enactment, alter the great laws that have been constantly working from time immemorial to use the solemnity of a legalist. Otherwise you would have the millennium or, more than that, you would have the law that governs all things subservient and controlled by the legislative fiat of mere man. [Applause.]

Let me conclude; but before I do so permit me to say that the majority Members have not labored in vain. They have labored long, earnestly, and industriously with a problem that has puzzled philosophers and students since the sunrise of civilization in hopes of bringing to us a solution. Inexhaustible zeal, indefatigable enterprise, untiring activity have marked their course in the consideration and the reporting of this bill to the House. They have not failed, though the measure do not pass. They have aroused discussion, and it is upon the anvil of discussion that the spark of truth will fly. Though they lack the victors, they shall not want the toiler's pay.

Mr. ASWELL. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Chairman, I represent an agricultural district. My constituents are principally farmers and stockmen. They are now suffering great distress due to deflation following the war. Many stock raisers who owned considerable properties before the war are now bankrupt. I am deeply concerned about their welfare. I am very anxious, indeed, to help them. They deserve help. All will admit that agriculture must be put back on its feet. Farm life and farm profits must be made so attractive that the boys who have left the farms will return to them and be satisfied there.

But what is it possible for a Congress through legislation to do that will help and assist agriculture? It would not be a sound policy to give money to farmers. And they do not want their Government to give them anything. All they want is a fair, square deal. They want the Government to stop discriminating against them. They want a fair show. They want a fair market. They want only one middleman, not a dozen, making profits between them and the consumers.

I would vote for any bill that offers any sure relief for agriculture. But I will not fool the farmers and stockmen. When they ask for bread I will not give them a stone. I will not help to appropriate \$200,000,000 in their name out of the Public Treasury and then make it possible for this stupendous sum of money to be squandered by others, and then tax the farmers and stockmen to make it good. I will not hold out make-believes and then rob them. During the eight years I have been here I have seen the Congress appropriate about \$70,000,000 each year in the name of the farmers and turn it over to the Department of Agriculture, and then watched the

most of it expended in salaries and traveling expenses for swivel-chair employees; and when the overhead is compared with the small benefit bestowed upon the farmers and stockmen, it reminds me of when the little boy said he would rather have the bite than the apple.

Calling this McNary-Haugen bill a "farmers' relief measure" does not make it so. I have found that titles to bills are very misleading. I have found that all of them deserve close scrutiny. This bill will cause to be appropriated \$200,000,000 of money out of the Public Treasury, and to get it the people of the United States—farmers and stockmen—will have to be taxed. And this money will be turned over to a Government corporation presided over by five directors, the chairman of it drawing \$12,000 and the other four \$10,000 each per year, and from the minority report we glean that we will probably have about 50,000 extra employees put on the pay roll to administer this act. Is not that too many employees? Is not that going it pretty strong on increased expenses? Have the farmers asked that we thus spend their money? No! For in that petition, signed by 350,000 actual dirt farmers of the United States, which they sent to us Congressmen through one of the leaders of the Republican steering committee, published in the CONGRESSIONAL RECORD, they demanded of Congress that we must not create any more boards, that we must not create any more commissions, that we must not create any more high-salaried positions, but that we must stop waste and that we must stop extravagance. And Congress has not yet paid any attention to them.

When the distinguished gentleman from Kansas [Mr. TINCHER] was discussing this bill he was asked why the consumers now had to pay just as much for pork when farmers are getting only 7 cents per pound, as they did when the farmers received almost double that price, and why all this profit between the producer and consumer was permitted. His reply substantially was that there was no provision in this bill designed to remedy that situation. Why is there no provision in this bill to stop these unconscionable profits of middlemen between the producers and consumers? That is the only thing the producers are asking of Congress. Even if this bill were workable—which it is not—and even if it would cause farmers now to receive 11 cents per pound for their hogs instead of 7—which it will not—there is not one paragraph in the bill to prevent these same numerous middlemen collecting their profits over and over again above this 11 cents before the consumer is able to put the pork on his table.

It would be a very easy matter, indeed, for Congress to limit these intermediate profits if it wanted to do so, but seemingly it does not want to do so, for it does not. President Wilson recommended that Congress do so. But it did not. Why does it not do so? Is it a fact that these middlemen have so much influence that they are able to prevent Congress from passing such a law? If this is not so, then why is it that Congress does not pass a law that will stop it?

There are many cattle and sheep in my district. My constituents are vitally interested in the price of beef, mutton, and wool. But even the proponents of this measure must admit that this bill will not benefit these products one penny. Why? Simply because the bill does not operate on any product until there is declared an exportable surplus of that product in the United States. And every posted Member of this House knows that we import more beef, and more mutton, and more wool than we export, hence there could not be declared an exportable surplus on any of these three commodities, hence it is clearly apparent that this bill will not benefit any cattle raiser or sheep raiser one penny's worth.

Mr. Chairman, we are witnessing a most peculiar situation. We have here a bill before us called a farmers' relief bill. The initial appropriation to come out of the Treasury authorized by this bill and which is to help the farmers is the great sum of \$200,000,000, and yet all of the cotton farmers all over the United States—and cotton is the main crop in my State—think so little of the bill, however much they want relief, that they have come in and demanded that they be left out of it, and they were left out. Hence no cotton farmer in the United States will get any relief whatever from this bill. Is not that a wonderful situation? We have a farmers' relief bill that is to take an initial appropriation of \$200,000,000 out of the Treasury, with cotton farmers and cattle raisers and sheep raisers all needing relief, and we find that the bill offers none of them any relief whatever, and we see the Representative of a farmers' district, our friend from Louisiana [Mr. ASWELL] on the committee, yet fighting it. We have a farmers' relief bill to appropriate \$200,000,000, and we find another strong Representative of a farmers' district, our friend from Ken-

tucky [Mr. KINCHELOE] on the committee, yet fighting it. And we find fighting it another member of the Committee on Agriculture, our colleague from Texas [Mr. JONES], who represents a farming and stock-raising district. They are fighting to keep you from placing it as a shackle around the feet of the farmers of the country. Is not that a peculiar situation?

Mr. WILLIAMSON. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. I ask the gentleman to kindly excuse me as I have so little time. We see another peculiar situation. The distinguished gentleman from Minnesota, our friend and colleague, Mr. WEFALD, is the representative and the only representative in Congress of the Farm-Labor Party. I have the highest regard for our friend Mr. WEFALD. He is a splendid gentleman. But I have no regard whatever for his party.

Mr. WEFALD. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. I yield to my friend because he is always courteous, and he yields to everybody.

Mr. WEFALD. I thank the gentleman. I wish to be fair always. Does the gentleman know anything about my party? [Laughter.]

Mr. BLANTON. I am now going to tell the gentleman something about it, with respect to its attitude toward this bill which it condemns. I have a letter here that has just been sent to me within the last two hours. It is dated to-day, May 22, 1924, and is from the Farmers' National Council. On the letterhead it gives the names of the officials who compose this Farmers' National Council. Let me read some of them: "W. W. Fitzwater, president of Farm-Labor Union of America." He is the national president of the gentleman's great organization known as the Farm-Labor Union.

Mr. WEFALD. Where does he live?

Mr. BLANTON. It does not state here, but I happen to know that he lives at Bonham, Tex. Let me give you some others. Here is "A. M. Hilliard, president Farm-Labor Union of Texas." The other was the national president. Here is "S. P. Russell, president Oklahoma Farm-Labor Union." Here is "R. W. H. Stone, president North Carolina Farmers' Union." Here is "J. C. Thompson, president Arkansas Farm-Labor Union." Here is "J. E. Warren, president Mississippi Farm-Labor Union," and I could read a whole batch of the others, but I have not the time; but that is a sufficient recitation to show you that they are some of the leading representatives of the gentleman's party, the Farm-Labor Union, and while I do not indorse either them or their party, I want to read you their just condemnation of this vicious bill.

Mr. TINCHER. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. I regret that I have not the time; otherwise I would gladly yield. I must read to my distinguished friend from Minnesota [Mr. WEFALD], who represents this Farm-Labor Union in Congress, and is its only Representative here, just what this letter from this Farmers' National Council says about this bill. I want you to understand clearly, however, that I do not indorse any of these men who are members of this council and I do not indorse their council, but however misguided they have otherwise been on political, economical, and governmental questions, they seem to have a pretty good idea about the viciousness of this bill.

Mr. WEFALD. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. In just a moment. From this letter, dated to-day, from this Farmers' National Council I quote the following excerpts:

To Members of the House of Representatives:

GENTLEMEN: The Haugen bill is worth many hundreds of millions of dollars a year to meat packers and millers, bakers, and other speculators by increasing the value of stocks of their products they have on hand as soon as it goes into effect and by enabling exporters to assess back upon the farmers losses which they claim with their padded accounts to have sustained on the exports of meat products, flour, etc.

The Haugen bill is admitted by its author to be so injurious to farmers that he incorporates (sec. 305, p. 27) a criminal penalty of one year in jail or a \$5,000 fine, or both, on farmers who "willfully" fail to comply with its wicked and unworkable provisions.

The Haugen bill is dishonest and deceitful; it pretends that farmers are to be paid the pre-war ratio price, though they were going broke at that price, but its sponsors privately admit farmers won't get over three-fifths to four-fifths of the pre-war ratio price. That is true.

The Haugen bill, through the intermittent operation of the export corporation opens the way to such colossal fraud, waste, and loot as make Teapot Dome lease look sanctified.

The Haugen bill is sponsored by Charles J. Brand, long the meat packers' efficient tool in the Department of Agriculture, whose present job is endangered by revelations regarding the Haugen Packers' Act.

The Haugen bill has not been indorsed by a single real national general farm organization, and all clear-thinking farmers are opposed to it. * * *

The Haugen bill has not been indorsed by a single real labor organization * * *

Chairman HAUGEN suppressed the testimony I gave before his committee against the Haugen bill in which I exposed its vicious origins and results.

The Haugen bill is indorsed by the big financiers and bankers, like Otto Kahn, who see a chance to save their speculations. Who has paid for the enormously expensive propaganda for the Haugen swindle on farmers?

The Haugen bill is indorsed by * * *. They also indorsed the Cummins-Esch robbery and the ship-subsidy steal, and are fast losing their members. The Haugen bill will increase the cost of living by at least \$1,500,000,000 a year, or \$64 per family, of which the farmers may not be prevented from getting \$300,000,000 to \$400,000,000 in cash, to have it taken away from them later in higher prices for what they buy. The profiteers will take the rest, about \$1,100,000,000.

The Haugen bill is a scheme to fill the treasury of the Republican Party—the oil funds being dried up.

Chairman HAUGEN knows he is misrepresenting the position of the American Federation of Labor, whose representatives stated they are willing to pay a higher price for farm products if the farmer gets it. They certainly would not be a party, nor would any other labor organization, to any bill to rob producers and consumers for the benefit of the gamblers and bankers who, Mr. HAUGEN admits, favor his bill. (CONGRESSIONAL RECORD, May 20, pp. 9028-9029.)

The Haugen bill is part of the big meat packers' scheme to create a food monopoly. Mr. HAUGEN amended his bill to include rice. In the one year, 1917, Armour & Co. became the greatest rice merchant of the world. The Armour Grain Co., of which the Armour family owned 86.9 per cent in 1917, handled 23 per cent of all grain receipts at Chicago, the greatest market in the world. At this minute, while Mr. HAUGEN is pushing his packers' subsidy bill, Armour and Swift are fighting in the courts to have the packers' consent decree set aside so they can get Mr. HAUGEN'S subsidy on wheat and rice, as well as on all products of cattle, swine, and sheep. Not a single big packer appeared against this bill. They have their agent, Charles H. Brand, working with Mr. HAUGEN for it. Ask Mr. HAUGEN if he dares deny these facts.

The Haugen bill is a typical standpat perversion of the bounty system of embargo and bounty which pays the bounty out of the Public Treasury. The Haugen bill provides for an embargo, but instead of paying a bounty to the producers of controlled crops, it almost criminally soaks the farmers to pay a bonus to speculators in these farm products.

Mr. Dante M. Pierce, Republican, leading farm journal publisher, says in the Iowa Homestead:

"The McNary-Haugen bill, in my opinion, is a snare and a delusion created to befog the farmers' minds, becloud real farming issues, and make political capital for a little clique of men. * * * It is an effort to devise a system which will not bother the grain gamblers, the brokers, the commission men, or the packers."

The Haugen bill is a sinister move to kill a real efficient marketing system for farm products and end real cooperation. Kill the Haugen bill, and the administration and the House and Senate majority leaders will pass a real measure for farmers instead of the fake McNary-Haugen swindle on farmers. They won't dare not to. They might as well not have an election if they do not. They know it.

Eugene Frey, formerly lecturer for the Illinois State Guange, writes:

"I can not support the McNary-Haugen bill. To me it simply spells the death knell for genuine cooperative effort. The McNary-Haugen bill is vicious."

The present administration has deceived, robbed, flimflammed, deflated, and buncoed and broke nearly a million farmers. The Haugen bill is a climax of iniquity to this record.

I want you gentlemen to understand that the above denunciation of this bill does not come from me but from this Farmers' National Council. And while I agree that this bill is bad and should be defeated, I am almost ashamed to quote this organization and its board of directors, some of whose names I have given you.

The foregoing, however, is what an organization that I do not approve of says. I have been reading its condemnation just to show that the distinguished gentleman from Minnesota does not seem to be in accord with his party; he seems to be out of accord with these officials. Now I will yield to the gentleman.

Mr. WEFALD. I am glad the gentleman yielded at this time so I may set him right.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BLANTON. Will those in charge of time kindly give me five minutes more?

Mr. VOIGT. I yield the gentleman five minutes.

Mr. BLANTON. I gladly yield to the gentleman from Minnesota.

Mr. WEFALD. I wish to say to the gentleman that I came to Congress pledged to the support of the Norris-Sinclair bill.

Mr. BLANTON. Why, then, did the gentleman not get behind that and help us kill the Haugen bill?

Mr. WEFALD. Just one second. At this time it seems to me that the Haugen bill is the only bill that we can have a chance to get action on. I think it is the next best to the Norris-Sinclair bill. The gentleman used names of men who indorsed the Norris-Sinclair bill. Will the gentleman from Texas support that bill if it comes before the House?

Mr. BLANTON. I have not had time yet to study it, but I am willing for the men on the committee who represent real farming districts close to me to look after that bill, and if they say it is good I would then study it to see whether I will support it.

Mr. WEFALD. That bears out what I told the gentleman, that the gentleman from Texas is going to see the light, and I think he is beginning to see the light.

Mr. BLANTON. Mr. Chairman, I find that this letter tells the truth when it mentions Otto H. Kahn, because in another circular here is what I received in the way of the Kahn propaganda [exhibiting it] which came in another envelope, coming from a different State and post office.

I also got this circular [exhibiting another], supposed to come from Kansas, and then in another envelope from another post office I got this circular that is supposed to be an indorsement from organized labor; but when you put all three of them together you will see they are printed on the same printing press, with the same printer's ink, and with the same paper and type, if you please, all coming from the same source. Some one master mind sent all of this propaganda to us.

Mr. TINCHER. Will the gentleman yield to me?

Mr. BLANTON. Not at the moment. I regret I have not the time.

Mr. TINCHER. I always yield to the gentleman.

Mr. BLANTON. If our friend from Kansas had additional time to yield me, I would gladly yield for questions. I wish I had the time, because I do think a great deal of my friend from Kansas. Let me call attention to some other serious—

Mr. BLACK of New York. Was the union label on that last union circular?

Mr. BLANTON. I do not think it is on it. Look at it. I do not think the union label is on it. Well, since the label is not there, throw it away, because without the union label on it we know it is not authentic. The other night when the distinguished gentleman from Wisconsin [Mr. VORGER] was making the best speech I have heard here in many a day he turned to the chairman [Mr. HAUGEN] and he said, "When these 80,000 hogs come on the Chicago stockyards and the Chicago stockyards can not use but 50,000 of them, and there are 30,000 to be handled by this Government corporation," he said, Mr. Chairman, "tell me what this Government corporation is going to do with those 30,000 surplus hogs"; and the chairman said, "Just send them on to another market; pass them on; send them on." How are they going to do it?

Mr. PAIGE. Will the gentleman yield?

Mr. BLANTON. I will.

Mr. PAIGE. I assume that the gentleman believes that the law of supply and demand will regulate this whole matter.

Mr. BLANTON. Of course, I agree with the gentleman.

Mr. PAIGE. You remember three or four years—

Mr. BLANTON. You can not beat the law of supply and demand, if you prevent combinations.

Mr. PAIGE. The gentleman remembers when the slogan was "Buy a bale of cotton at 10 cents." That cotton-to-day is 25 cents. If the southern cotton growers had then made a move for a bill of this kind to put cotton to 25 cents, it would have closed down every textile mill that used cotton in this country.

Mr. BLANTON. The gentleman is right. Now I want to mention the hog proposition. Some of you gentlemen who raise hogs—I think our friend from Ohio [Mr. BEGG] ought to hear this, the hog expert on class A hogs; I think he ought to be present and hear this.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. VOIGT. I yield to the gentleman five additional minutes.

Mr. BLANTON. I want to use those five minutes myself, and I must decline to yield.

The CHAIRMAN. The gentleman declines to yield.

Mr. BLANTON. If any of you have ever rounded up your hogs and put them in a wagon or two wagons and started to market with them, before you got there, maybe so, you would find two or three 300-pound hogs dead in the wagon. I have seen that happen. When you get a hog fat and ready for market it is a pretty risky business to handle him under certain conditions.

You are taking big chances on him; you have got to know how to handle him in order to have him reach market alive. Suppose you ship hogs from several other States to Chicago, and when they reached the stockyards the packers could not take them, and then the corporation had to rehandle them and ship them somewhere else. Do you not know that the Government is going to lose many in that bunch of hogs by reloading them on the cars and sending them elsewhere after the Government purchases them?

I want to refer to just one other matter in these five minutes in order to show you the ridiculous attitude our committee is in. Our friend from Missouri [Mr. RUBEY] virtually admitted this was a price-fixing proposition.

Mr. RUBEY. I did not admit that.

Mr. BLANTON. I am going to ask you to look at his remarks to-morrow and see what he did say.

Mr. RUBEY. I will tell the gentleman what I said.

Mr. BLANTON. Mr. Chairman, do not take this out of my time. I decline to yield.

Mr. RUBEY. I will tell the gentleman what I said.

Mr. BLANTON. Here are about the words the gentleman used. I paid close attention and the gentleman will not deny them when I say them. Here is what our friend said. He said, "We do not admit this is a price-fixing matter, but," he said, "for the sake of the argument, let us presume it is," and then he said, "What of it?"

Mr. RUBEY. Well, what of it? Tell us.

Mr. BLANTON. Mr. Chairman, I ask that this interruption be not taken out of my time.

The CHAIRMAN. The gentleman asks not to be interrupted. Mr. BLANTON. I am going to tell him "What of it." I have seen this Government price-fixing machine operate. I was here during the war, and we had a southern man, if you please, as Secretary of Agriculture—Mr. David F. Houston. He had been president of my State University of Texas for several years, and he had been my professor in the State university when I was a young man attending college there in 1894 and 1895. He was supposed to have at heart the interests of the southern farmers, yet when cotton was worth 45 cents a pound we found this southern Secretary of Agriculture attempting to fix a price of only 25 cents a pound on cotton, which would have bankrupted every cotton farmer in the United States. That is an illustration of what may happen with Government price fixing.

I want to say this to you on this price-fixing proposition: It works both ways. It can be fixed up and it can be fixed down. I heard that distinguished orator from New York, the Hon. Bourke Cockran, stand on this floor and in one of the last speeches he made here say this. He said:

I represent 5,000,000 consumers in the city of New York, and I am here to stand and fight for them to get everything they eat and everything they wear at the very lowest price possible.

Those are the words of the former distinguished Bourke Cockran, of New York. That is what we find to be the attitude of those coming from the great metropolises of this Nation. We will find the Representatives of the 5,000,000 constituents of New York voting to get what they eat and what they wear at the very lowest minimum possible, and there could come a time when, by the vote of the Representatives on this floor, the producers of this country, the producers of food, clothing in the raw materials, if you please, could have their rights jeopardized by a price-fixing machine which would run them off the farms. You have already run the boys off. It is the men and the old men, women and little girls, children who do the work there now. The boys are going to the cities. But if you should ever start a price-fixing machine there will come a time when you will run them all off the farms, and you people who live in the big cities of this Nation, in New York, Chicago, and San Francisco, will starve to death for want of food.

I am going to vote with the farmers' representatives on this committee, men like the gentleman from Louisiana [Mr. ASWELL], men like the gentleman from Kentucky [Mr. KENCHEROW], men like my colleague from Texas, MARVIN JONES, who represents not only a farming district but a stock-raising district. He has the interests of the stockmen at heart. He knows what could happen to the stockmen if this price-fixing machine is once started and put into operation. I am

going to vote with these men, and I hope I shall get a chance to vote to strike out the enacting clause of this bill so that we may stop it where it is.

The CHAIRMAN. The time of the gentleman from Texas has again expired.

Mr. TINCHER. I am in a position to yield to the gentleman one minute in order that I may ask him a question.

The CHAIRMAN. The gentleman from Texas is recognized for one additional minute.

Mr. TINCHER. I want to know who signed the letter the gentleman has read.

Mr. BLANTON. A man for whom I have neither respect nor regard, a man named Benjamin C. Marsh, managing director of this Farmers' National Council.

Mr. TINCHER. I just wanted to know who the man was. Mr. HAUGEN. Mr. Chairman, I yield to the gentleman from Washington [Mr. SUMMERS].

Mr. SUMMERS of Washington. Mr. Chairman and gentlemen: There have been more misstatements of fact in the discussion of the McNary-Haugen bill than I have ever listened to in the discussion of any bill during the five years I have been a Member of this House, a part of the time, perhaps, for specious argument and at other times, no doubt, for lack of information.

Many have had something to say in regard to price-fixing. I maintain that this is not a price-fixing bill and my statement can be substantiated by the figures. If the bill had been in operation during the past year the effect on wheat prices would have been as follows, month by month. Starting with January, 1923, the price would have been, central market, highest grade wheat, \$1.65; the next month, \$1.66; the next month, \$1.68; \$1.68; \$1.65; \$1.62; \$1.59; \$1.59; \$1.63; \$1.62; \$1.61; \$1.60; and the first three months of this year, \$1.60, \$1.61, and \$1.59.

How can anybody say that this is a price-fixing bill with a price that fluctuates practically 12 times in the year and a different price each and every month?

Now, gentlemen from New England have been very much disturbed as to the effect the enactment of this bill into law is going to have on their constituents.

I want to read to you a telegram received to-day, which tells you the effect that the agricultural depression is already having on your constituents, on your cotton mills, and you, men, in your cotton fields:

ROSALIA, WASH., May 19, 1924.

Hon. JOHN W. SUMMERS,

House Office Building, Washington, D. C.:

Cotton growers and manufacturers and wholesalers in eastern trade centers have direct interest in passage McNary-Haugen bill to restore buying powers to farmers.

Merchants in typical farm centers show remarkable decrease in merchandise purchases from New England and eastern Central States. Six merchants of Walla Walla, Wash., purchases in 1920 aggregated \$1,530,000.

The same merchants in 1923 purchased only \$873,000.

Five merchants, Pendleton, Oreg., same years, reduction from \$954,000 to \$421,000.

Six merchants, Colfax, Wash., same years, \$421,000 to \$245,000.

All showing farmers' reduced buying power, \$2,904,000 to \$1,539,000.

F. J. WILMER,

President Whitman County National Bank.

The figures show a decrease in eastern purchases of nearly exactly 50 per cent.

That is what is the matter with your cotton mills and that is what would be the matter with your cotton prices in the South if it had not been for the boll weevil, which destroyed your crop and brought your price up to where it is to-day. I can not understand how men can gather their righteous economic robes about themselves and draw themselves off into one little section of the country and think that they and theirs are living alone. It does not happen. It can not be. We are all interdependent, interrelated one with the other. [Applause.]

All these facts show that the purchasing power of the farmer has been enormously reduced. While these figures especially reflect conditions in 9,000 towns west of the Mississippi River, they apply with almost equal force in Illinois and Indiana and several of the other states of the Union.

Are you now going to say that this is a sectional measure, that this is a class proposition? There is not a problem before the American Congress that compares with it. The tax bill, the bonus question, or any of the measures that we have had before us do not compare in their effect on American commerce, on American citizens, on American labor, and on American industry with the bill we are considering now. If I had the time

I would like to show the effect on the banks. Our friend from Duluth, Minn., spoke about 1920. Why, there have been eight times as many bank failures in the last eight months as there were in 1920, the year he cited as the worst year.

I would like to show you the figures on tax payments. I will show you that farmers in a highly productive country are paying only 5 per cent of the income taxes they paid four years ago. Does not that affect you throughout the United States? [Applause.] Gentlemen of the Southland and of the industrial East, I want you to know conditions as they are.

THE MAN BEHIND THE PLOW

Mr. Chairman and gentlemen, a few days ago I received this telegram:

WALLA WALLA, WASH., May 13, 1924.

JOHN W. SUMMERS,

House of Representatives, Washington, D. C.:

Following are comparisons of purchasing power of bushel of wheat in 1913 with to-day:

- Two-bottom plow cost then 80 bushel now 140.
- Wagon then 80 bushel now 200.
- Double harness then 40 bushel now 80.
- Suit clothes then 40 bushel now 80.
- Pair of shoes then 6 bushel now 12.
- Machine operators per day then 8 bushel now 16.
- Harvest labor per day then 3 bushel now 6½.
- All other articles in same ratio.

F. O. HAGIE, Secretary Chamber of Commerce.

These cartoons, which Allen Sousa, our courteous keeper of the west door, has enlarged at my request, forcefully illustrate the condition of the American farmer.

This one shows farm products in one end of the balances and all commodities in the other end. You will note the striking disadvantage of the farmer. Note the surprise on Uncle Sam's face as he confesses he "did not know conditions were so bad."

Our second cartoon shows the evening up of the balances under the McNary-Haugen bill.

Uncle Sam's cup of joy is full; his face is one broad smile of surprise and happiness. He wants to treat all his people fairly. "That's more like it," says Uncle Sam. "A square deal is all I want," says Uncle Reuben.

THE FARMER

The American farmer is the greatest stabilizing force in American life, American institutions, and American government to-day. So he has been since the foundations of the Republic were laid. I will go further and remind you that he furnishes the chief market for American industries, and that without him they must crumble; and in the crash American labor suffers most of all.

THE GOOD OLD DAYS

Prior to the World War the price of farm products kept pretty even pace with the products of factories, with transportation, and with labor. During the very normal 10-year period just preceding the war the price of farm products and of 404 commodities on which statistics are kept were on about the same level. We all agree that this parity was just.

Since agriculture is our great basic industry, no doubt all who hear me will agree that in common fairness agriculture of right should move up and down with all commodities.

WHY FARM PRICES LAG 30 TO 50 PER CENT

However, since the war we find the all-commodity price about 154 as compared with 100 before the war, and agriculture dragging 30 to 50 points behind. Why is agriculture lagging? For two reasons: First. Transportation, manufactured articles, and labor are high—perhaps not too high—but these enter largely into the farmer's cost of producing, and he can not escape these costs. He may work longer hours; he may strive as he will, but he can not control these high cost factors.

Second. As conditions are to-day we see the farmer carrying his surplus product to Liverpool, there to barter against the products of cheap lands, cheap labor, and lower living standards of peasants and peons in the Argentine, Australia, and India, and the new, productive lands or northwest Canada. Not only does he sell his surplus in Liverpool, but there also from day to day under those conditions is fixed the price that controls the remainder of his product in America.

HOW FARM PRICES ARE FIXED

That Liverpool does control not only the prices of our export product but of our home-consumed products, is well illustrated by the sale of wheat in my home town of Walla Walla, Wash. I speak of wheat only because I am more familiar with it and because it is typical of all major farm products.

If I go down town and offer my wheat for sale before 10 o'clock on any morning in the year the grain buyer will say, "I have not heard from Portland this morning." A little later he hears from the exporter at Portland, whose price is the Liverpool price less handling and carrying charges. If I go around the corner and offer to sell to my miller, he invariably bases his price on what the exporter is paying. So, whether my wheat goes abroad or remains at home it sells on the basis of the Liverpool price. This condition prevails throughout the country.

ENGLISH AND FRENCH FIRMS WITH INTERLOCKING DIRECTORATES CONTROL IN AMERICA

As a matter of fact, the biggest exporter of American wheat is Samuel Sanday & Co., of London, England, an English partnership operating through a branch office in New York. The next largest export firm is Louis Dreyfus & Co., of Paris, France, with branch offices in London, New York, Buenos Aires, Antwerp, Bombay and Calcutta (India), Melbourne, Australia, and other points. Through these and other companies and their subsidiaries with interlocking directorates, operating at every important port on the map—shown by United States Federal Trade Commission—the grain trade of the world is absolutely controlled. Prices are moved up and down at will—but seldom up. The American farmer who produces under American standards is played against the peasants and peons of other countries. His production costs are on a stepladder; his sale price is on a footstool.

FARMERS BETWEEN TWO MILLSTONES—OTHERS ARE GROUND

American agriculture is between two great millstones: One, the 50 to 100 per cent increased cost of production since the war; the other, a manipulated world market which remains near the pre-war level.

Let us consider what these millstones are doing to the man behind the plow.

He sells for less than the cost of production. He fails to meet his obligations at the bank: he can not pay the implement dealer, the grocer, and the merchant who are also financed by the same bank.

What happens?

The Comptroller of the Currency answers the question. A statement just received from him shows as follows:

Failures of State and national banks by fiscal years

Year	State	National	Total
1920.....	44	5	49
1921.....	350	28	358
1922.....	363	33	396
1923.....	237	37	274

From June 30, 1923, to April 6, 1924, national..... 112
From June 30, 1923, to February 8, 1924, State (partial).... 311

Incomplete returns bank failures during past eight months..... 423 423

Total..... 1,500

From 1870 to 1920 there were 3,050 bank failures in the United States.

The figures here quoted show approximately one-half as many bank failures during the past three and one-half years as during the preceding 50 years. Probably 250 failures since this Congress convened.

Millions have lost their savings. A bank failure brings general consternation to its community. These failures have occurred mostly in agricultural States, but the effects are felt in remote financial centers and by the jobbers and manufacturers throughout the country. Ten bank failures have occurred where normally there would have been but one failure. Wise observers say the crash has only begun.

Do you know there were more national-bank failures during 1923 than there were from 1863 to 1872?

Do you know there were three times as many national-bank failures in 1922 as there were in the panic of 1877?

Do you know there have been five times as many national-bank failures during the past nine months as during the panics of 1873 and 1877 combined?

THE CROSSROADS AND THE FEDERAL TREASURY

The millstones are not only grinding the man down at the crossroads, they are shifting the burdens of taxation to other shoulders. That the farmer has been almost eliminated as a Federal income-tax payer is proven by the following figures from the most productive wheat section in America and with the 1923 yield well above normal. The territory covered is 200 miles in extent and produced 100,000,000 bushels last year.

COLEMAN, WASH., March 25, 1924.

Hon. JOHN W. SUMMERS,

House of Representatives, Washington, D. C.

This county produced about 13,000,000 bushels of wheat last year. Decreasing incomes and losses of representative farmers show necessity for some constructive measure of relief.

Here are some cases taken at random that show Nation effect: One farmer in 1920 paid \$1,900 income tax. He paid no income tax for 1922 and 1923.

Another paid \$500 in 1920. No tax paid during past two years.

Another paid \$1,100 in 1920, \$400 for 1922, and nothing for 1923.

Another paid \$1,700 in 1920 and nothing since.

Another paid \$7,800 in 1920. Paid \$1,900 in 1921 and no tax since.

These are not special cases, but reflect the condition and trend of the farming industry.

CHAMBER OF COMMERCE.

WALLA WALLA, WASH., March 18, 1924.

Congressman JOHN W. SUMMERS,

Washington, D. C.:

This is one of heaviest wheat-producing areas in United States. Unusually good crop last year.

Condition of agriculture shown by following figures: Nineteen farmers paid \$9,031 Federal income tax in 1920. These same farmers paid \$545 tax for 1923.

CHAMBER OF COMMERCE,

F. O. HAGIE, Managing Secretary.

PENDLETON, OREG., March 25, 1924.

Hon. JOHN W. SUMMERS,

House of Representatives, Washington, D. C.:

Income tax paid Government four years ago by six of our big farmers aggregated \$26,205.89.

One of these farmers paid \$284.29 in 1923; no interest earned on his paid-up investment of half million dollars. The other five farmers show losses for 1923 aggregating \$35,000.

GEORGE C. BAER,

Secretary Commercial Club.

ROSALIA, WASH.

Hon. JOHN W. SUMMERS,

House of Representatives, Washington, D. C.:

One hundred and fifty farmers in this community in 1920 paid \$36,000 income tax. The same farmers paid \$2,000 this year.

F. J. WILMER,

President Whitman County National Bank.

Taken collectively these figures show the farmer is only paying 5 per cent of the Federal income tax he was paying four years ago, while 95 per cent of his Federal tax has been shifted to the shoulders of his more prosperous industrial neighbors or perhaps it never reaches the Federal Treasury.

There are 6,500,000 farmers in the United States. If in normal times their Federal taxes average but \$50, then fixing the price of American farm products in Liverpool is costing the industrial sections of the country in taxes, or else it is costing the Federal Treasury, more than \$300,000,000 annually.

BUYING CAPACITY CUT IN TWO

Meanwhile the farmer has been living on his accumulated resources and buying, not what he wants, not what he needs, but only what he must have. Mortgages increase from year to year while cash and credit decrease. The effect must inevitably reach the industrial centers with increasing force with each succeeding month.

TWO MILLION FOUR HUNDRED THOUSAND STARVED FROM THEIR FARMS IN TWO YEARS

The farmer does not readily yield to difficulties. However, with broken spirits and resentful of the millstones, 100,000 have been starved from their farms monthly during the past two years. Department of Agriculture figures indicate that nearly 2,500,000 of our farm population has given up the struggle during that period.

Mr. Chairman and colleagues, I ask you seriously, What does it mean and when and where will it end?

I grant you the small farmer who employs little or no labor and lives within a stone's throw of the market suffers less severely. However, the cowman, the wheat rancher, the corn and hog grower are all deeply involved. The problem is nation-wide. It challenges the best thought of every serious-minded man in America, and especially does it challenge this Congress.

HOW THE EMERGENCY CAN NOT BE MET—LIMITING PRODUCTION

The suggestion is seriously made that the farmer "limit his production to home consumption." Well, the farmer never has done that, but as to wheat he is exporting but little more now than in 1913, and less than he exported in 1914, 1915, and 1916.

Again, agricultural exports constituted more than 40 per cent of our total export trade last year. It brought to America \$1,800,000,000. Would you deprive the railroad and steamship lines of that tonnage? Would you limit the farmer's purchasing power that much? In brief, would you deprive America of \$1,800,000,000 wealth annually?

Someone has said, "If farming is not profitable, better abandon it." I ask, What, then, would the farmer do with his livestock, his machinery, his debts, his investments, his home? Where would several millions find jobs and places to lay their heads? The farmer has his life's savings in his farm and equipment. Would you have him abandon them? It would be as reasonable to suggest to the manufacturer that he limit his endeavor and output to domestic requirements. Were the advice followed in both instances, then we would trade dollars among ourselves and rapidly exhaust our gold on imports.

DIVERSIFICATION

Diversification is advisable under certain conditions, but diversification on multiplied millions of acres is impossible, because the lands are only suited to growing wheat. Again, to stop growing one crop at a loss and start growing another crop at a loss profits nothing.

COOPERATION

"Cooperative marketing" will solve the farmer's problems, says another. The farmer believes in cooperation, but several years will be required to organize 6,000,000 widely scattered and isolated farmers. Everyone familiar with the present crisis knows that however much cooperation may do for the future it can not meet the present emergency. The farmer knows this best of all and will hold to strict account the administration, the political party, and the individual that brings him relief two or three or five years after the sheriff's sale. Cooperation can not at this time span the 45-cent gap between the cost of growing wheat in the United States and the cost of growing wheat in Canada. The Liverpool price will still stare him in the face regardless of cooperation.

AS TO LOANS

"Since deflation started all his troubles let us loan him more money" says some wise soothsayer. But the farmer down at the crossroads has thought the thing through to the end. He knows he can not sell his crops year after year below the actual cost of production and keep in the game. He also knows his is a legitimate industry and that he is entitled to some small return on his capital investment. The farmer knows he can not borrow himself out of debt. Not more credit but more price is his only way to relief.

THE SIMON-PURE ECONOMIST

Then comes the simon-pure economist who says, "the only proper solution is to bring everything else down to the farmer's price." The economist means, repeal the Adamson law of 1916, undo the crime of speedy deflation in 1920, repeal our tariff laws, repeal the transportation act and open wide our gates to unrestricted immigration. The economist knows that what he has suggested can not be done; and if it could be done then America would be living on the same plane as the peasants and cheap labor of other countries and would have to pay her \$22,000,000,000 war debt with 50-cent dollars.

The economist insists that world supply and demand shall control the price of farm products. But supply and demand do not control the price of the knife I hold in my hand. If it did my knife would cost me 30 cents instead of 75 cents and would come from Germany or Japan instead of Pennsylvania.

Supply and demand do not control the price of the clothes I wear, otherwise this suit would cost me 25 bushels of wheat instead of 50 bushels. World supply and demand do not control labor costs, otherwise a day's labor would cost the farmer 1 bushel of wheat instead of 6 bushels. World supply and demand would bring the all-commodity price level in America from the step ladder to the footstool. As a matter of fact for half a century or more we have enacted legislation for the specific purpose of interfering with supply and demand and of establishing American standards.

PROFANITY NOT A SOLUTION

One other solution is frequently offered. The pseudostatesman gets red in the face and tries to solve the problem by cursing, damning, abusing, and calling the farmer names for

seeking a solution of his problems. It can not be done that way, gentlemen.

The farmer's problem is not imaginary. It is the most real thing in America and before the American Congress to-day. It is immeasurably bigger than the tax bill, the bonus bill, or the immigration bill, and I voted for them all.

Time forbids my discussion of the bill now before us, but the question which you will answer soon is: Shall the biggest industry in America, touching the lives and fortunes of a hundred million people, survive or perish?

Farmers on the verge of bankruptcy by the millions are awaiting your answer. They will penetrate any gesture at relief, however well disguised.

The farmer's attention is focused on this Congress. He already is impatient. I warn you now, promises can not deceive and will not satisfy the man behind the plow. [Applause.]

Mr. HAUGEN. Mr. Chairman, I now yield 10 minutes to the gentleman from North Dakota [Mr. SINCLAIR].

Mr. SINCLAIR. Mr. Chairman and gentlemen of the committee, I have given a good deal of careful thought to the question of farm relief. I have considered this bill with the other members of the committee and we have given it, I believe, the most painstaking, industrious study and dissection that any bill could have.

I take a somewhat different position from some of the other members of the committee. I do not believe that this bill is the best bill that the Congress could enact, but I will say it is the judgment of the majority of the committee that it is the best we can pass, and consequently I am for the bill. [Applause.]

Mr. Chairman, the farmers of the United States are passing through the most serious financial crisis in the history of the country. The serious plight of the farmers is not confined to any one State but seems to affect agriculture everywhere. The worst conditions are to be found in the Great Plains region west of the Mississippi River, extending from Canada to the Gulf, heretofore one of the most prosperous sections of the Nation. There bankruptcy and failure run rampant. Over 430 bank failures have been reported out there in the past seven months. Innumerable business disasters have occurred, and practically one-fourth of the farmers have become insolvent and have lost their farms. This condition in perhaps a lesser degree prevails in all parts of the country where farming is the principal industry.

The gentleman from Minnesota [Mr. LARSON] has said that the disaster has been overstated. I wonder if any of you read in the newspapers a week ago that the Capital National Bank, of St. Paul, a \$5,000,000 institution, had closed its doors. That did not seem like a shoestring institution.

Mr. NEWTON of Minnesota. Will the gentleman yield?

Mr. SINCLAIR. I yield.

Mr. NEWTON of Minnesota. The Capital Trust Co. closed its doors—

Mr. SINCLAIR. The Capital Trust Co.; yes.

Mr. NEWTON of Minnesota. And the bank sold out to another institution.

Mr. SINCLAIR. Yes; it was the Capital Trust Co. and not the Capital National Bank.

LAW OF SUPPLY AND DEMAND

We are told that this condition is brought about by the natural workings of economic law. If this be true, is it not strange that the farmers should be the ones most hurt? There has been no cessation on the part of the farmers in their production. They have been quite as industrious since the war as before. In fact, the volume of food crops raised the past four years has been up to the general average. Yet, notwithstanding the fact that the wealth of the Nation has increased, the producers are getting poorer and poorer in the process. Other industries have not suffered in a like manner with agriculture, and there is a reason for this.

Economic laws work naturally when left to their free play. Supply and demand rule prices if not interfered with by tariffs and other legislative devices. But in the highly complex condition of modern civilization the natural laws have been superseded by trade rules and agreements. Highly organized business units have changed the natural basis of trade and exchange to the advantage of those strong enough to control the means of barter. The organized unit or corporation always gains over the unorganized individual.

FIXED PRICE ON WHEAT DURING WAR

The condition complained of with reference to farmers is not due solely to natural causes. We find that during the war many legislative acts contributed to put the farmer at a disadvantage. In the first place, the farmer—especially the wheat

farmer—was the only one asked to deliver his product at a fixed price, in many cases far below the natural market level. At a time when wheat was selling at \$3.06 in Chicago, the Grain Corporation fixed a price of \$2.20. It is true that at the time the price was fixed it was supposed to represent the minimum price that would be paid for the ensuing crop. Most farmers, and I might add dealers, did not expect that that price would be the maximum price, and in fact would prevail as the only price received for wheat during the full operation of the law creating the Grain Corporation. It proved to be the fixed price for almost three crop years. While wheat was selling abroad for \$4 per bushel farmers of the United States were getting but \$2.20 on the Chicago market. When freight rates were increased 6 cents a bushel the price was raised to \$2.26. It is conservatively estimated that during the three crop years the farmers of this country were paid at least \$2,000,000,000 less for their wheat crops than they would normally have brought in the markets of the world. Nor should we forget that the Grain Corporation, through which the wheat was handled, made a profit of some \$60,000,000. At the very least, Congress owes consideration to wheat farmers to that extent.

In other words, in order to prosecute the war successfully, the Government commandeered the wheat crop of the United States, and put a price on it at a level of from 70 to 100 per cent below the natural market price of that time. In fact, the Government of the United States not only furnished large sums of money in loans to the Allies, but took from the American wheat grower his wheat and delivered it to the European allies at a price from one to two dollars cheaper than the governments of Europe were paying their own wheat growers, and to the wheat raisers of other parts of the world.

In support of this, I will quote the guaranteed prices fixed by the governments of Europe which were paid to the respective farmers of each nation allied with us during the war. At the time when our maximum guaranteed price for wheat was \$2.20 the following-named countries paid:

France.....	\$3.30
Switzerland.....	3.18
Holland.....	3.70
Norway.....	4.09
Italy.....	4.80

England did not fix a guaranteed price on wheat, but permitted her farmers to sell at the full price and in addition paid them a bonus amounting to approximately \$15,000,000 annually on the average for the seven years during which it was continued. Canada organized a wheat pool by the Government and assisted her farmers to get the highest market price paid. This plan was continued for two years after the war. Other governments adopted similar helpful plans. The United States alone, of all the nations engaged in the conflict, played the part of philanthropist—with her farmers bearing the burden. We not only furnished food at less than cost to the Allies, but loaned them the money with which to buy it, no part of which has been repaid. Thus the burden of farm taxation has been made heavier and the farmers further handicapped in their efforts to meet world competition.

At the time the price was fixed on wheat, labor, machinery, and freight rates were much lower than they are now. Since the guaranteed price was put into effect there have been many legislative acts to promote the welfare of other lines of industry. For instance, the Adamson law was passed, increasing the wages of railroad men. We have also the immigration laws which have kept out competitive labor and permitted the organized workers of the entire country to maintain their high standard of wages. The price of farm labor has increased from 50 to 62 per cent; railroad labor about 75 per cent; machinery from 50 to 100 per cent; freight rates from 35 to 45 per cent. The tariff law has been passed, which in turn enables the manufacturer to shut out cheap foreign competition and maintain the domestic prices for his output far above the world price. Freight rates are now, under the transportation act, maintained at a rate, especially on agricultural products, of from 30 to 45 per cent above the pre-war level. And we are told from the reports of 1923 that never in the history of American railroading has there been such a large amount of earnings as in that year.

The Federal reserve act has been an important factor in stabilizing the banking industry. The Government lends its credit to the banks, but even this additional aid has not been sufficient to save many banks which are dependent on agriculture for their support.

All of this legislation to assist various industries has been beneficial, but it seems to me that it has been at the expense of the basic industry—agriculture—from which springs all

helpful commerce, and in which all new wealth of the Nation is created. It would seem, therefore, that there is ample precedent for legislation to benefit agriculture. Heretofore, the industry has flourished by reason of the great resources and the development of new fields. The time has arrived when Congress should determine whether or not our Nation will adopt a policy which will permit of a well-defined balance between industry and agriculture. The present trend will stifle agriculture and develop industry.

That will mean that in the future this great Nation will have to look to other lands for its food supply. We can not allow any such condition as that to come to pass. We must adopt a sound policy which will develop all industry, agriculture included, along equal lines. The Nation then becomes sufficient unto itself. By encouraging all lines of endeavor the greatest wealth and the greatest happiness for the people can be promoted.

SUGGESTED REMEDIES

There have been various remedies suggested in this Congress to restore normal conditions among farmers. Because of some of the practices that obtained during the war a very decided prejudice has been created against price fixing. Many Members of Congress and others who have studied the question are opposed to this. I am frank to say that under the present circumstances a definite profitable price for agricultural products is the only thing that will restore agriculture to its pre-war basis. However much we may be opposed to taking such action, in my opinion it is the only immediate means of getting the desired relief.

Several years ago I became convinced that farmers would have to have governmental aid to put them on their feet, and in 1921 I introduced a bill to give them a fair price on their products. I have had such a measure in Congress ever since that date. At that time the friends of agriculture were able to rally almost no support for the proposal that agricultural-relief legislation be enacted, as we were assured that there was no necessity for it, that conditions were improving and would soon right themselves. Since then, as we all know, they have grown steadily worse until they can no longer be ignored by the Congress. It is already too late to save thousands who could have been helped by prompt action on our part at the right time, but we can still by the enactment of legislation do much to check the course of agricultural disaster and restore national prosperity.

Some have suggested that the tariff on manufactured articles be reduced; others that there be a graduated decrease in freight rates. Reductions in the prices of farm machinery and a reduction in labor costs have been urged. Some advocate increased credits to farmers. No doubt all would be helpful, but to attempt to put them all into operation would be most disastrous to the economic welfare of the Nation. When farmers remember that 75 per cent of their market is found among our industrial workers they can readily understand that to curtail the purchasing power of city workers would reflect injury upon agriculture as well. It is very evident that the price of agricultural products must go up or all other prices must come down. Inasmuch as it is not practicable, at this time at least, to set in motion remedies which might injure the prosperity of the manufacturing industries, we must devise a means of raising agricultural prices to a plane of equal prosperity. I might add that it would not solve the problem to reduce transportation rates alone, as that would afford but a small measure of relief.

M'NARY-HAUGEN BILL

Of the various relief proposals before the Committee on Agriculture during a period of many months the McNary-Haugen bill was finally reported out by a majority of the committee. The committee has worked for four months on this bill, and has been in almost daily session since last December. We have rewritten all of the measure four times, and parts of it as many as seven times, in order to perfect it and to overcome the legitimate objections raised against it. I believe it is the most carefully prepared piece of legislation ever presented to this House, and if all economic criticism is not satisfactorily met it is because of the stupendous magnitude of the problem with which we have to deal. It is, however, generally conceded by the friends of this legislation that as a result of the work put upon it by the House Committee on Agriculture it is a much better bill than when originally introduced. As a matter of fact, its sponsor in the Senate, Senator McNary, recognized this, and asked that the Senate cease from further consideration of the original bill, substituting the improved House bill therefor.

The McNary-Haugen bill, now under consideration, contemplates no changes in the marketing machinery or agencies already set up. It merely attempts to raise the domestic price by withholding or withdrawing the surplus product which seeks its market on a world level of prices, and prorates the loss that may occur from the sale of that surplus upon the domestic output equally. I do not believe that it is the best remedy suggested. I do not think that it touches at the fundamentals in the problem of marketing. The agricultural inquiry commission, which held exhaustive hearings and published a report two years ago, found, among other things, that the cost of distribution was too expensive in the United States, and was one of the chief causes of low prices to the farmer. In its report, the commission stated that out of every dollar paid by the consumer the farmer received but 36 cents, the balance being charges and profits taken by the middlemen. That in itself is a serious indictment of our present distributing machinery. No other country in the world is so extravagant in its distribution. Consumers pay enough, and too much, but the middlemen reap the profit. Expressed in other terms, it can be said that in 1922 the consumers of the Nation paid \$22,500,000,000 for their food products. The farmers received for these same products but \$7,500,000,000, leaving \$15,000,000,000, which represented the cost of distribution. In other words, it costs \$2 to distribute \$1 worth of food products. Manifestly, there is something wrong with such a system, and agriculture can not be placed on a permanent paying basis until it is corrected. To finally solve the question of marketing, which has always been the problem with agriculture, we must strike at this fundamental and try to shorten the spread between producer and consumer. Never, until that service can be performed at cost, will the farmer's marketing problem be solved.

The Norris-Sinclair bill, favorably reported in the last Congress by both Senate and House Agricultural Committees, and reintroduced in the present Congress, has for its avowed object the shortening of the spread between producers and consumers by the elimination of the enormous profits of middlemen. It is the only bill before Congress which aims at a better system of marketing and distribution, and if enacted into law it would make of cooperative marketing in this country the success that it has had in other lands. I am convinced that eventually we will have to pass some such measure as this to establish agriculture upon a permanently prosperous basis. However, it is the judgment of the committee that the McNary-Haugen bill offers the most immediate remedy in the present crisis.

The McNary-Haugen bill does not attempt to solve the marketing problem. Consequently, as I said before, it is not fundamental in its operation. It is but temporary in its relief. There are those who take the view that the bill would be unworkable and that its effect would be to pyramid the cost to the consumer. In some commodities covered by the bill I believe that is true. However, I am not concerned about all the commodities mentioned therein. I am here to speak for my constituents, who are wheat growers and who depend on that product as their chief crop.

EFFECT UPON WHEAT

So far as wheat is concerned, I think that the bill will be extremely helpful. I have no doubt but that it will result in a much better price for the wheat crop of the country. I am confident that the price of wheat can be greatly increased without necessarily increasing the price of bread. Our committee has had ample testimony to show that the average 10-cent loaf of bread which is sold throughout the country contains flour for which the wheat raiser received but 1½ cents. If 50 per cent were added to the price of wheat, the flour in the average 10-cent loaf of bread would not cost more than 2 cents. That increase can be fully absorbed by the middleman, and the price to the wheat grower raised to somewhere near the cost of production. If the legislation does only this one thing—increase the price of wheat to somewhere near the cost of production—it will be well worth enactment.

I realize that there are some who say that the hog grower and cattleman are in equally hard circumstances. However, the difficulties in handling or marketing meat and meat products are a hundred times greater than those of wheat. Marketing and handling wheat is a comparatively simple process. Much of the surplus can be and is exported in the raw state. This is not true of hogs and cattle. Practically all of our livestock is slaughtered, and none of the surplus is exported except in a manufactured state. I would suggest, therefore, that the operation of the law be confined to wheat at the start until the machinery can be set up and a sufficient knowledge gained to deal successfully with other commodities.

WILL AN INCREASED PRICE RESULT IN OVERPRODUCTION?

It has been contended that if the farmer gets a fair or increased price for his wheat the result will be a greatly stimulated production. This would have the effect to negate any advantage gained by this legislation. I can not agree that there would be overproduction. During the war, despite the great patriotic urge, and with every known agency of propaganda used, the total wheat production never equaled the 1915 crop, which was over 1,000,000,000 bushels. The average pre-war acreage of wheat was approximately 50,000,000 acres for the entire country. From 1914 to 1919 the acreage planted gradually increased each year until it reached the peak, in 1919, of 76,000,000 acres. In bushels of wheat the increase was from 690,000,000 bushels, the five-year pre-war average, to 945,000,000 in 1919. Since then, because of the reduced price, a gradually decreased acreage planted has resulted. Last year, 1923, only 58,000,000 acres of wheat were sown, and the production amounted to 786,000,000 bushels. It will be seen that the increased acreage during the war was due to the great public sentiment created by Government and private agencies working together in a patriotic cause. No such conditions will obtain during the life of this bill. There will be a substantial increase in price from 30 to 50 cents per bushel, but that, under existing conditions, will not be above the cost of production, and can not result in any great stimulation of the acreage planted.

In fact, it is more than probable that the decrease in planting, because of the deplorable condition in which farmers find themselves, can not be arrested for a period of at least five years, the time provided for the operation of the law. Farmers in large numbers have been driven off the land, and thousands of acres are left vacant. The movement from farm to city has precluded the possibility of immediate increased production. In addition, the marginal wheat areas of the Central States, which planted wheat during the war, have returned to other crops, and will not be induced to venture into the raising of that cereal again for many years to come.

The slow turnover in farming will also prevent any great increase in production. The forces set in motion resulting in any trend in farming are not quickly overcome. It will take years to arrest the present tendency to decrease wheat production. Unless higher prices prevail this will continue until the danger point is reached. Cheap wheat lands are no longer readily available to come under the plow. The chief factors in bringing about a normal production, we can only hope, are improved tillage and climatic conditions. No one would want to advocate such a crop reduction brought about by disastrous economic forces that would reduce the national food supply below the normal wants of the Nation.

The CHAIRMAN. The time of the gentleman has expired. Mr. HAUGEN. I yield to the gentleman two minutes more.

FARM-MORTGAGE INDEBTEDNESS AND HIGH TAXES.

Mr. SINCLAIR. A further reason why farmers can not continue to operate on the pre-war level of prices is the fact that the farm-mortgage indebtedness has almost doubled since 1914. According to the United States census of January 1, 1920, the total farm-mortgage indebtedness of the Nation amounted to \$7,857,700,000. Nearly one-half of this amount, or \$3,199,690,000, is in the west north-central group of States—Minnesota, Iowa, Missouri, North and South Dakota, Nebraska, and Kansas—the great wheat, corn, and hog raising section of the country. There is no doubt but that this indebtedness has been augmented since 1920. Taxes upon farm lands have also increased over 100 per cent more than the pre-war period.

In 1914 the property tax of the United States amounted to about \$344,000,000. In 1922 it was approximately \$797,000,000. This places upon farmers a heavy additional burden of fixed charges of taxes and interest, at least 100 per cent more than they paid during the pre-war 10-year average.

The price of the wheat crop of last year is about equal in dollars to the pre-war wheat crop value. Yet the taxes and interest on the land which produced this crop have about doubled. It is absolutely unjust to expect farmers to pay off this load of debt and taxes on the basis of pre-war prices for wheat. Much of this debt, in fact all of the increased debt, has been contracted in the past five years when the dollar would not buy much more than half what it would before that time. In other words, the debts were contracted under an all-commodity index price of 100 per cent advance. The effect, under present prices, upon the farmer is that he received 50 cents for his \$1 of debt, and must now pay it out at its full face value.

AGRICULTURAL RELIEF LEGISLATION WILL BENEFIT ALL INDUSTRY.

It has been stated that this is purely class legislation. That is, it is for the relief of farmers and agriculture alone. Even

if this were true, which it is not, farmers are as much entitled to legislative aid as are other lines of industry which have already had it, as previously stated. However, while the legislation will directly give first aid to farmers it will benefit all business. It is a fact that farmers consume about 40 per cent of the manufactured products of the United States. They are the best customers of all industry. If you cripple their purchasing power, which lessens their consumptive power, you have injured all business. The prosperity of agriculture affects all workers and business men. Consequently, it should be to the interests of every branch of industry to favor any legislation that will tend to restore agriculture to a normal basis.

The American farmer has not been organized to market his product as have all other industries. The steel business, the textile business, the coal business, as well as all lines of manufacture, are highly organized and unified. They have a sales agency which controls the output and to a large extent names the price at which their product shall be sold. Agriculture alone has to ask the consumer, "What will you pay?"

The price for the farmer is set by someone else, not by him. It is not surprising, therefore, that he has to accept a proportionately lower price than anyone else. The marketing corporation set up by this legislation will form a great unified sales agency for agricultural products. It can be used as the nucleus for future development of cooperative organizations of farmers. We all realize that cooperation of producers and consumers must eventually and permanently solve the evils of our present expensive marketing system. While the proposed bill is primarily an emergency measure, its powers are broad, and the corporation established will be able to name a price on farm products which will give the farmer cost of production and a profit. With this lift he can hope to get square with the world once more, work his way out of the mire of debt now engulfing him, and again become one of the best customers of manufacture. Thus, not only farmers but manufacturers, merchants, business men, bankers, and all others will benefit. I hold it to be the most important duty this Congress can perform for the whole Nation to enact agricultural relief legislation, and to do it now.

Unless something of this kind is done we are going to see the worst times that the United States has ever experienced. This is a problem that interests everybody, and it is a problem that is going to reach out and affect New England before very long and all of the manufacturing States. [Applause.]

Mr. RUBEY. Mr. Chairman, I yield 10 minutes to the gentleman from Washington [Mr. HILL].

Mr. HILL of Washington. Mr. Chairman, it ought not to require argument to induce Congress to grant the relief to agriculture proposed in the McNary-Haugen bill. It is difficult to demonstrate a proposition that is self-evident. But we are compelled to recognize the fact that there are those who oppose this measure, and not only do they oppose this measure; they are opposed to any legislation that will bring any substantial relief to agriculture. I regret that any Member of this House should take that attitude, but I am amazed to find that some of the opponents of this bill come from agricultural districts. I appreciate the fact that we are all more or less influenced by selfish interest and that we are frequently restricted in our views and activities to the things that affect us most intimately, and I fear that sometimes the solicitude for the purely local interest blinds us to the opportunity for larger service not only to our own localities but to the country as a whole.

Our people as a nation are so interrelated politically, socially, and economically that no class of our citizenship can be reduced to a state of abject poverty without a reaction therefrom to the detriment of the whole people. Such a condition is now being created and in a large measure already exists among the farming classes producing the staple food products of the country. It can not be possible that the membership of this House is not informed of the necessitous condition of our farmers. Shortly after the close of the war the financial powers decreed that the farmer should be deflated, and the result was that within a year and a half the value of farm products was reduced from \$14,000,000,000 to \$6,000,000,000. This deflation policy did not embrace the entire economic structure of the country, but the farmer was singled out as the arch victim of that economic crime. He was literally robbed of more than 50 per cent of the value of his crop productions. The scales of economic balance were tipped against him, and he has not been able to regain that balance. For all his crops carrying an exportable surplus his prices were suddenly reduced to the level of the demoralized European markets less the cost of transportation to those markets, and in addition to the high prices paid for labor in the production of his crops he was compelled to buy

his merchandise and equipment in the protected markets of the United States. The manufacturing industries were protected, labor was protected, and transportation was protected, but agriculture was left unprotected. What is the result? Manufacturing is prosperous, transportation is prosperous, labor is receiving good wages, and agriculture is bankrupt. Everyone knows and concedes these facts. To contend that the distress of agriculture is not due to discriminations against it through the protective legislation of this Government is to impeach either one's intelligence or his sincerity.

The soul and heart of the legislation offered in this bill is the proposition to give to the farmer a square deal. Is the temper of this House such as to listen to a plea of simple justice for him? You have set up a standard of artificial economics under the protective policy of this Government for every class of industry and enterprise except that of agriculture. This Government is committed to the policy of industrial protection, in one degree or another. Any tariff policy other than that of free trade is protective. I am not advocating and do not anticipate the establishment of a free-trade policy for this Government; but I insist that in the prosecution of the policy of protection it is not fair, it is not just, and it is not honest to confer that benefit upon certain classes of industry and persons to the discrimination and disadvantage of others. The people of this Nation did not establish our Government and invest it with legislative and administrative powers with the intent or any idea that the manufacturing industries, the railroad corporations, or any class of individuals should have a preferred right to governmental economic advantage. Such an advantage is perverse of the will of the people, the power of the Government, and the spirit of the Constitution.

The policy of protection must be based on the dead level of honesty and give to agriculture the same degree of protection that other industries enjoy. Protect everybody or protect nobody. [Applause.] Give every industry and every individual a square deal with special privileges to none.

The farmer is not asking any special favor; he is merely asking to be restored to his right to an equal opportunity, the right of which he was deprived when every industry except agriculture was placed under the economic protection of the Government. He is not asking that some one else be deprived of a right that he may be favored, but is simply demanding that his own right be restored to him.

The banker has facilities for privilege and protection through the Federal reserve system; the manufacturing industries have protection through the levy of duties on importations of manufactured products; the railroads have protection through the Esch-Cummins Act; labor has protection through the Adamson law, the restriction of immigration, and through the strength of its organizations. But the farmer has no protection through governmental intervention and has been unable to effect organizations of sufficient comprehensiveness and solidarity to emulate in his own behalf the accomplishments of labor through its organization. But labor has not through organization alone been able to secure and hold the advantages it has obtained. Protective laws have been enacted in its behalf to aid and make possible of attainment the purpose of organization of labor, and it may be well to remember also that such protective laws were enacted because, and only because, labor through organization was strong enough to force such action on the part of Congress. Nor can agriculture through organization and cooperation alone secure the relief necessary to its protection. It must have legislative assistance in the form of protection.

This protection can not be afforded solely by a tariff duty on importations of agricultural products of which we produce an exportable surplus. It would be a waste of time to set forth the reasons why this can not be done, when it is universally recognized that as to such products the export markets determine the price both at home and abroad. Agriculture must have a protected domestic market to place it on the same economic basis enjoyed by other protected industries. It has never had a square deal in the law-made economic scheme of this country.

In this great Nation, founded on and to secure principles of justice and equal opportunity to all men and all classes of legitimate enterprise, the hardest thing to accomplish and maintain is industrial and economic justice.

We are face to face with the plain proposition that to secure for any class of industry or any class of individuals its economic rights the demand therefor must be supported by sufficient political strength to enforce the demand.

A great advance was made in the progress of civilization when this Government was established. It was the crystalliza-

tion of the thought and spirit of the American people at the time and it is the crystallization of the thought and spirit of the American people to-day. The fault is not in the Government, but in the perversion of its powers. The powers of our Government are only such as the people as a nation delegate to it. Both the Government and its powers belong to the people and constitute a political instrumentality designed and intended to serve impartially the highest interests of all the people. The national power is the life of the Government, and its only source of life. Without this power there can be no Government.

Government, concretely stated, is but the method or means through which the power of the people is harnessed, centralized, controlled, and applied. The only proper application of this power is to the service of the public good without discrimination in favor of one class of citizens as against another. If this power were so applied, we would not find the economic system of the country out of balance as it is to-day. The whole difficulty is the result of the perversion and exploitation of the power of the people for private gain and advantage by directing such power against the people as a whole and thereby using the people's power to destroy their rights instead of preserving them. We are not to lose sight of the fact that it is the power of the people that is being used and directed at all times in the administration of the Government, regardless of whether the Government is being rightly or wrongly administered. Whatever is done through the governmental agency is done through the strength of the power of the people. There is no other governmental force.

If governmental functions are being exercised to the prejudice or destruction of the people's rights, the power that is employed for so doing is the people's own power. There can be a perversion of this power but no substitution for it in governmental affairs. The people always furnish the power, but private interests can direct the control and application of the power, and that is what is being done to-day. The power of government has been controlled in the interest of private enterprise since the early history of our Government, as a result of which there has been established in this country an artificial system of national economics founded on the protective tariff policy, which in plain language is a system of legalized robbery enabling certain classes of persons to exploit and rob the whole people. It is immoral in principle, unjust in design, and destructive of the economic freedom of the individual.

This policy was inaugurated to build up the manufacturing industries on a cost-plus basis that levies tribute on every consumer of the country for the enrichment of such protected industries. The protective tariff policy was first demanded and sought to be justified on the ground that it was necessary to enable our infant industries to gain sufficient strength to compete in manufacturing and commerce with established institutions; but when in the course of time the plea of infancy could no longer find basis in fact, the protective system was continued and sought to be justified on the ground that it was necessary in order to insure a high wage scale which our standards of living required for labor. In other words, the argument for the protective tariff abandoned the infancy plea and took for its basis the necessity of the protection of labor. Labor, however, was given no guaranties in any tariff law ever written and has always been compelled, in order to receive a just and reasonable wage, to resort to demands backed by the force of organization. The protected industries after securing protective legislation seek to employ labor in the competitive markets of the world and to pay only such wages as shall be determined by the free operation of the law of supply and demand in the labor markets. With such purpose in view, these favored industries oppose restrictions of immigration and advocate the open shop.

But labor has organized and through its organized efforts is compelling a recognition of its rights in the matter of wages, hours of labor, and conditions under which to work. Labor is thus rendering a service to the great unorganized and unprotected masses of the people by interposing the only effective obstacle to the progress of capital in its designs to fasten the yoke of economic slavery upon the necks of the plain people. But in compelling recognition of its power organized labor has received protection in the restriction of immigration, has procured the enactment of the Adamson eight-hour law, and has forced great increases in wage scales.

Here, then, are two classes that have secured protective financial advantage through a system of artificial economics, namely, the manufacturing industries and organized labor. The former, through the prestige and influence of wealth;

the latter, through the sheer force of numbers and power of organization.

A third factor that has contributed to the economic disadvantage of the whole people is the governmental protection extended to transportation, whereby the railroads are placed in a favored class through the mandate of the Esch-Cummins Act directing the Interstate Commerce Commission to authorize such transportation charges as will produce revenue sufficient to pay cost of operation, interest on indebtedness, and, in addition thereto, a return of 5½ per cent on the value of the invested capital.

The wealth-producing industries of this country are agriculture, mining, and manufacturing. From these sources plus existing natural resources comes all the wealth of the Nation. Commerce begins where production ceases. The products of the farm, the mine, and the factory become the commodities of commerce. Commerce does not operate to produce wealth, but to distribute, exploit, and market it after it is produced. Industry creates wealth; commerce creates profits or losses. Transportation is an instrumentality of commerce. Labor is a factor, both in the production of wealth and in the commerce of wealth, but the wages of labor are fixed by commerce. Industry and commerce are dependent one upon the other. The various classes of industry and also the various characters or phases of the same class of industry have an interdependence that invokes the intervention of commerce.

The costs of production and the distribution and market values of the products of industry are controlled and determined by commerce and not by the producing industries.

Commerce controls the economics of the country, and commerce in turn is the institution of, and is directed by, the dominant financial powers that control the securities and credits of the country. These powerful financial interests, sometimes for convenience designated as "big business" and "Wall Street," through political subservience to their demands, have gained control of the administrative policies of the Federal reserve bank system and have perverted it to their service in their cold-blooded design to reap the profits of all industry and to bring under their economic control the producers of all wealth. These powerful financial interests either own or control, or both, the manufacturing industries and the transportation systems of the country. They are directly financially interested in the prosperity of these enterprises, and through their dominance and dictatorial powers in politics and economics they have forced the Government of the people to underwrite their financial investments and to secure them not merely against loss, but to insure them great profits through protective legislation at the expense of the whole people. They are using the people's Government to extort from the people a constant and generous flow of financial tribute into the coffers of the big interests.

These financial powers are not interested in the protection of labor and they are not interested in the protection of the agricultural industry. They are not concerned with the distress of the farmer except as to the political aspects that might develop from his desperation. They are in control of the Government policies now and are satisfied with those policies and the existing conditions. It brings no pain to their consciences or appeal to their hearts to be told of the ruin and wreck of the homes, the fortunes, and the hopes of the farmers whose progress has been blocked and whose profits have been turned into losses because of the unjust, heartless, and impossible economic conditions imposed upon them in order that the greatest possible portion of the wealth of the Nation may continue to flow unimpeded into the coffers of the masters of finance.

Is this Congress—is this administration—are the people of this Nation going to permit the farmer to be sacrificed on the altar of special privilege? If so, it will be the beginning of the end of agriculture as an industrial occupation of free men and will mark the beginning of the decadence of that great basic industry toward the depths of a servile subordination intolerable to contemplate. It will mean the reduction of landlords to tenants, or else the abandonment of farms to idleness and unproduction. It will mean that millions of homes of America's most sturdy, virile, and liberty-loving manhood will be converted into hovels of an agricultural peasantry and that the sovereigns of the soil will give place to the peons of poverty. The last vestige of economic freedom will pass from our agrarian population when the Molochs of avarice become the country's masters. It will mean the passing from reality to romance of the boasted ideals that constituted the fundamental social structure and political security upon which this Nation was established and which have sustained it to the present time.

This is the fate that impends as to agriculture and 40,000,000 of our people directly dependent upon it. Inaction on the part of Congress in this crisis will be inexcusable. The farmer can not solve his problem unaided by remedial legislation. He did not create and can not control the conditions under which he is helplessly struggling. They are, in the main, the direct results of protective legislation by Congress which left the farmer out of the protective scheme. He now appeals to the author of his undoing for a belated correction of the injustice done him. He can not continue without relief.

I speak advisedly. For 20 years I have lived in Douglas County, in the State of Washington, in the midst of rich agricultural lands and good farmers. During all that time I have been an interested observer in close contact with the agricultural industry. I know the conditions of agriculture and of the farmers generally not only in my own district but throughout the great Northwest. The conditions in my district are typical.

Nature dealt with a lavish hand in the formation of that country and endowed it with such combinations of soil, climate, and altitude as to adapt it to a wide range of agricultural pursuits, abundantly productive. But man-made economic laws are not operating to aid nature's beneficence. Wheat, apples, livestock, and hay are the principal productions in my district. A few years ago the farmers were prosperous and most of them paying income taxes to the Government. Within the past four years their prosperity has vanished; their surplus accumulations have been absorbed by deficits in operating costs; they have been forced deeper and deeper into debt in their efforts to stem the adverse conditions of high cost of transportation, of labor, of merchandise and equipment, and ruinously low prices for their products. Not only have their surpluses been exhausted, but their capital investments have been either dissipated entirely or deeply impaired and depleted. Instead of prosperity, bankruptcy now is the prevailing condition. This result has followed not because of short crops but solely because of inadequacy of prices to meet cost of production. Last year Lincoln County, which has the largest wheat-producing area of any county in my district, had a bountiful wheat crop and I think as large a yield as it can reasonably expect to produce in any single year, and yet I did not find one farmer in that whole county who exhibited the least enthusiasm over his abundant crop or that claimed he got cost of production out of it.

It is difficult for one who has not actually been on the ground and seen the situation himself to understand fully the exceedingly distressful condition of the wheat farmers. There is no inducement to exaggerate the seriousness of the situation prevailing among them, for the actual situation taxes one's faculties to adequately portray it. Farmers are daily throwing up their hands in despair and quitting their farms and mortgage-ridden personal property; many are being foreclosed, still more are making voluntary assignments and others are seeking relief from their burdens of debt through bankruptcy proceedings. Men are literally walking out and away from their farms, moneyless, scantily clad, the accumulations of a lifetime lost, with families to support and destitution to face. They are desperate; they are not in a good humor toward a Government that will permit such economic conditions to exist. Mortgage holders, the banks, and merchants who have extended credit are left the disheartening prospect of realizing little or nothing from a sale of the abandoned property or the alternative of taking it over and operating it at a loss.

This condition was distressfully acute last year. It was evident early in the year that, unless some relief that would insure a larger price for wheat than that prevailing were provided, increased losses to the wheat farmer would inevitably follow. Fully appreciating the seriousness of the situation, a number of Members of Congress and others wired and wrote and otherwise importuned the President to call an extra session of Congress to relieve temporarily the distress of the wheat farmer by legislation authorizing a guaranteed price that would cover cost of production plus a reasonable profit.

The President refused to call the extra session, and the farmer got no relief from losses on last year's crop. I thought then, and I still think, the President should have acted as he was requested and urged to do. I advocated last fall in my campaign for Congress a guaranteed fixed price of \$1.75 a bushel for wheat as an emergency measure. The farmer was entitled to that relief to tide him over the emergency until Congress could work out a more satisfactory solution of his economic difficulty. This proposition of \$1.75 for wheat was in line with the bill introduced by Senator GOODING, of Idaho, in the Sixty-seventh Congress and again at the present session of Congress. I did not propose such guaranty as a permanent

solution of the wheat farmer's difficulty and I invariably stated in my speeches during the campaign that it was not an economically sound proposition, but that it was just as economically sound as the protective tariff and guaranteed rates to the railroads, and it is. Senator GOODING, as I understand it, is not pressing his guaranteed price bill this year, but, as I am informed, is lending his support to the McNary-Haugen bill.

I think the McNary-Haugen bill is to be much preferred over a flat price-fixing measure. I sat in conference with the framers of the export corporation measure, afterwards known as the McNary-Haugen bill, before it was put into final form and introduced. I have kept in touch with it ever since; I believe it is in economic harmony with the protective system of this Government. I have worked for its advancement incessantly since its introduction. I sincerely trust that it may pass and become law. If it should fail to pass, I say to you frankly, I hate to contemplate the fate that awaits the wheat farmers of this Nation.

If it is impossible to pass the McNary-Haugen bill, I am ready to vote and work for the next best farm-relief measure whether it be a guaranteed price for wheat, the Norris-Sinclair bill, or some other measure. I am ready to work and vote for any measure that will offer substantial relief to the farmer in this emergency, and I will not quibble over or stand back on economic ethics, theories, or policies in so doing. The crisis is grave, the country's welfare is at stake; the happiness, prospects, and hopes of my neighbors, friends, and constituents are jeopardized. The people of the fifth district of Washington are my clients in the presentation of this plea to the House of Congress for the passage of this bill, and more than that, it is my responsibility and pleasure to place at their service my every faculty and power to promote their success and prosperity.

The great burden of my heart is the distress of the farmers throughout the wheat-growing sections of the country. I have received hundreds upon hundreds of letters, resolutions, and petitions setting forth the great and pressing need for relief and appealing for quick action on the part of Congress.

I shall not burden the RECORD unduly with these communications, but I want to read the following two letters I received, which set forth graphically the conditions prevailing in my home county and which are typical of the situation throughout my district:

WATERVILLE, WASH., April 22, 1924.

HON. SAM B. HILL,
Washington, D. C.

DEAR SIR: For the past six years I have been acting as county agent for Douglas County, Wash., which comprises one of the very good wheat sections of the Big Bend region, and have had an opportunity to study farm practices, and have been brought in close touch with the circumstances of farmers.

During the period extending from 1905 to 1916 farmers of eastern Washington were relatively prosperous and built up their homes and community interests; business during this period was sound and there was every indication that healthy development would continue as a reward to the industrious efforts of our agricultural people. Beginning with 1917 farmers began to go in debt, and each year since that time has brought the farmer into more unfavorable circumstances until we now face the position of absolute bankruptcy.

That you may more fully appreciate conditions which exist throughout the Washington wheat-growing sections, I am offering for your consideration the following data applying to Douglas County:

"Five banks out of six have failed in the last two and one-half years; three banks failed during 1923.

"Mortgage foreclosure sales, 1923, \$676,000, involving 26,006 acres.

"Mortgage foreclosure sales, 1924, to April 1, \$152,000, involving 10,000 acres.

"Voluntary assignments, 1923, approximately \$300,000.

"Delinquent taxes to date, \$450,000."

During the last three years farmers have generally attempted to diversify to the extent that climatic conditions warrant, and while this tendency has been beneficial to the extent of assisting farmers in securing a large share of their living on the farm, it has been altogether insufficient to meet indebtedness incurred on their major crop. As a result of the present deplorable conditions and apparent hopelessness of the future our farmers are very much unsettled and we are rapidly approaching a condition of complete disintegration throughout a large part of the wheat-growing area.

Farmers and business men in the affected area appear to be of one mind concerning the cause of the present difficulties, namely, the unsatisfactory ratio which has existed between the prices of farm products and industrial products which are absolutely essential in the farmers' business. There seems to be complete agreement that the proposed McNary-Haugen bill, which is now receiving the attention of

Congress, offers a thoroughly sound, practical, and urgently essential solution of the surplus producers' difficulty. We sincerely hope that you will give this proposed bill your earnest consideration and, in view of the serious emergency now existing, lend your hearty support toward its passage.

Yours very truly,

F. H. ZENTNER,
County Agricultural Agent.

WATERVILLE, WASH., January 25, 1924.

HON. SAM B. HILL,
Washington, D. C.

MY DEAR SAM: Your recent letter received and was very glad to know there is some prospect of Government help for the agricultural industry. As I see it, help must come at once or this country is bankrupt.

Up in the St. Germain country I have just had three more ranches turned back to me. Two of these were leased ranches and one I had been carrying on a sale contract for several years.

These three men are broke and are leaving the country, going; only God knows whither, they do not.

I have eight ranches on my hands that I can not rent on any terms. The country is depopulating in droves.

Yesterday I talked with Doss Gallaher, from the Buckingham country. He wants to quit and turn over everything he has as part payment on his debts, but the Seattle bank which holds most of his paper is begging him to stay.

They will throw off his interest and advance money for his taxes and living expenses, but Doss says, "What's the use?"

It will mean just more loss every year, and he is advising them to take their loss now and quit.

They are particularly urgent in his case because, as you know, he is a sort of bellwether in his section, and if he quits most of his neighbors will. His is a fair sample of this whole section.

The British at the siege of Lucknow had nothing on these poor devils. They have hung on until they can hang no longer.

Douglas County, once the banner wheat county of the State, is in a pitiable plight; farms deserted, banks broke, merchants broke, and no definite help in sight.

The price of labor is clear to the skies; sacks cost one-fifth of the price of the wheat; machinery so high no man can buy it; the old machinery about gone.

Taken up one side and down the other, it is a real pleasant prospect. Not the least serious side of the case is the fact that these conditions are breeding bitterness against the existing order and contempt for our Government and its laws. A short time ago I started after a man who had sold some of my mortgaged wheat. I told him such a report had reached me, but I could hardly credit it, and asked him if he had done so. His answer was "Yes, by God, I did. Neither my wife nor my children had any underclothes or any other clothes, nor had we proper food for winter. What are you going to do about it?"

I did just what you would have done. I told him to keep it. Sam, a certain knowledge that wheat will bring a decent price here next fall will keep part of these men hanging on until that time; nothing else under God's heaven will.

If Congress can help us, they will be criminals if they do not.

With best regards to both of you, I am

Very truly,

M. B. HOWE.

Upon my intimate acquaintance with the men who wrote these letters, I vouch for every statement they contain.

What is the remedy to correct the troubles of agriculture? In order to prescribe a remedy, the trouble must first be diagnosed.

The difficulty under which the wheat farmer is laboring, together with the producers of livestock, is inadequacy of price to make his farming operations profitable. The cause of the inadequacy of such price lies in the fact that the principal factors which enter into the costs of farm production must be paid for at the high cost level to which they are inflated by the protection given them within the United States, and that such farm products must be sold both in the domestic and foreign markets on the basis of their export price. The export price is determined by an unprotected world market in which the surplus products of all countries are in competition.

The clear recognition of the fact that domestic price depends upon export price is one of the fundamental principles that must be faced in any attempt to give farm relief. (Report McNary-Haugen bill, p. 26.)

The remedy, then, is to place agriculture on the same basis of protection as that upon which the protected markets within the United States rest. This can only be accomplished by—

separating the export surplus from the total domestic crop and selling it in the world market at the world price and by disposing of the domestic part at a domestic price on a parity with other commodities.

The McNary-Haugen bill proposes such a remedy.

The tariff protects domestic products against competition with imported products within the United States. But it can not protect a domestic product when competing in world markets with other products. The protective tariff is directed toward one problem; the McNary-Haugen bill is directed toward the other. The farmers seek, and this legislation seeks to give them, an instrumentality that will effectuate tariff protection for them just as the general schedule of tariff duties protects manufactured articles. (Report McNary-Haugen bill, p. 30.)

The specific object and result to be attained by this bill is to separate or withdraw the domestic market of certain specified agricultural products from the controlling and determinative influences thereon of the export or world market and to stabilize such domestic market on a price level which will restore to such agricultural products an exchange value approximately equal to the average of the exchange values of other commodities of commerce in the domestic market.

By segregating the exportable surplus of such products from the quantity thereof required for domestic use and consumption and by selling such surplus as a segregated entity in the export market, the domestic market can be made protective for the benefit of the remainder of such products. Such a plan presents the only method, aside from a guaranteed fixed-price plan, of bringing agricultural products under the protective policy of the Government.

The method proposed in the McNary-Haugen bill to extend to agriculture the protective policy of the Government is, briefly stated, as follows:

- (1) To create a governmental corporate marketing agency, designated as the United States agricultural export corporation, with a capital stock owned exclusively by the Government.
- (2) To authorize such corporation to go into the domestic market and buy quantities of any basic farm commodity as to which an emergency has been officially declared to exist, at a price which will give to such commodity an exchange value compared with other commodities equal to that which it had during a representative period prior to the World War.
- (3) To sell the quantity thus purchased by the corporation, which would constitute the exportable surplus, at the best price obtainable in the world market.
- (4) To assess against the producers the administrative expenses of the corporation and the loss sustained by the corporation in selling the exportable surplus at the world-price level.
- (5) To protect from foreign competition the domestic price for any such basic farm commodity by an adequate import duty.
- (6) To return to the Federal Treasury all funds advanced by the Government for the purchase of the capital stock of the corporation.

This Nation can not exist without agriculture. Agriculture can not survive except on a self-sustaining basis. It is not on a self-sustaining basis now. If the consuming public is not willing to extend to the food-producing industry the protection it requires to enable it to operate at its present capacity on a basis of cost plus a reasonable profit, on the theory that such protection would advance the cost of food, the consumers deserve the fate that will await them when the cruel conditions of bankruptcy shall have driven the farmers to seek other means of livelihood and food production is thereby reduced below the level required to feed the people of this Nation. The shortsightedness of selfishness supplies the only explanation for opposing relief to the farmer. The truism that "the laborer is worthy of his hire" holds good for all time. The laborer in this instance is the farmer and he is not receiving his just hire, but is demanding it. He is asking the Government to supply the machinery for the protection of his industry and to operate it at his expense. He proposes to repay the Government the money to be advanced by it and to pay all costs and losses incurred in executing the plan proposed for his protection under this measure. No such burden is imposed on other protected industries.

The Government stands to lose nothing through this proposed legislation, but it is shown the way and opportunity to rescue its basic industry from the collapse of financial ruin.

Much hostility has been voiced against the McNary-Haugen bill. A little of this has come from sincere friends of the farmer, but in the main it has come through the channels of an organized propaganda, inspired and directed by those whose profitable business has been to prey upon the production of agriculture and who are not now, and never were, favorable to any plan that would aid the farmer to reap the harvest of his labor.

Many objections have been interposed against the bill, all under the pretense of friendly criticism in the interest of the farmer. It is urged that the plan proposed is communistic, unconstitutional, unworkable, uneconomic, and otherwise numerously objectionable. But while the objectors may have deceived themselves or been deceived, they have not misled the farmer. Never before in the history of the Government have the farming classes shown such unanimity in the advocacy of a measure for the relief of agriculture as exists toward the present bill. For years they have endured their economic ills with a patience born of hope that they might be able to work out their problems through voluntary cooperative organizations, but the conditions of agriculture have steadily grown worse and their burdens greater. Patience is exhausted through hope deferred. And now the farmer has turned to Congress in his straits of desperation and demands legislative aid for his relief.

The McNary-Haugen bill presents an appeal for justice—not favoritism—for the farmer. This appeal must be heeded and decided on its merits. There can be no dodging of the issue. The farmers have been victimized through unjust legislative discriminations, and they are now demanding the correction of this economic evil. They have been crushed to the point of desperation. They are pleading for, demanding, and expecting relief from this Congress at this session. Election day next November will be fruitful of disappointment to any political party or any Member of Congress that fails now to use its or his best efforts to secure the relief demanded in the interest of agriculture. It is not a partisan question from the standpoint of the farmer and it is not a partisan question from the standpoint of Congress. Any effort to make it such or to so regard it, and any circumstances which would tend to lend a partisan color thereto, will be readily sensed and resented by the farmer, as they should be. The farmer knows the difficulties that beset him and he knows the remedy for those difficulties, and that remedy lies in the enactment of the McNary-Haugen bill. Will you give it to him? That is what he wants to know and that is all he wants to know at this time. He wants an answer now in the form of legislation. Too long and in vain has he waited for Congress to find and initiate a basic remedy to correct the artificial economic disadvantages imposed upon him, which measured by every moral test constitute an economic crime against him. The farmer, through the strong incentive of self-preservation, has surveyed the broad field of political and industrial economics and has found his location and status therein. He found that agriculture, with a few exceptions, is still operating under the natural law of supply and demand, with the prices of its products controlled and determined by the open and unprotected world markets, while the costs of its products are artificially inflated, controlled, and determined by domestic legislative protection. In other words, the farmer buys and produces on the basis of a noncompetitive, protected domestic market, and sells his products on the basis of a competitive, unprotected world market. The economic discrimination against him is obvious. It is also artificial, having its origin and creation in discriminating protective legislation. The remedy the farmer seeks is the correction of this inequity, and the remedy is presented in the McNary-Haugen bill.

The farmer knows what he wants and the remedy that will meet his needs, and he will not be put off by any soporific substitutes, subterfuges, or alibis. He knows that the talk about further extensions of credit, diversification, tariff on products having an exportable surplus, and so forth, is meaningless and barren, except to confuse the issue and to discourage the legislation that will afford him relief. The remedy he seeks is in economic harmony with the protective policy of this Government.

It makes no difference whether the tariff rates are unjustifiably high as they are now, or whether they be fixed on a competitive basis, as they should be, the protective plan proposed in the McNary-Haugen bill will fit into the scheme with perfect harmony and also with justness. Moreover, this plan will automatically adjust itself to harmonize with any changed or modified rates of the tariff system which affect the level of commodity prices. This measure invokes the same principle of protection for agriculture as is applied to other industries and the same degree of protection.

Any tariff schedule, whether it be fixed on the basis for revenue only, a competitive basis, or whether it be primarily designed for protection or monopoly, operates pro tanto as a protection to the industry to which it applies. In one form or another, upon one theory or another, every political party of this country stands for and advocates a tariff policy that protects all domestic industries except the basic industry of

agriculture. It is true, then, that this Government is committed to a protective policy and that, too, without regard to the particular political party which may be in control of the Government. Is such a protective policy economically sound? It must be deemed either economically sound or economically necessary, else there can be no justification for the policy and all of our political parties should be condemned for incompetency or unfitness. In any event, we have the protective policy and it operates to the disadvantage and detriment of agriculture. The McNary-Haugen bill would correct this inequity and place agriculture on the same basis with other protected industries. Is there anything unfair, unjust, or unsound in such a scheme? There is not, if agriculture be entitled to the same consideration as other industries. Can anyone deny that it is entitled to such consideration?

It is doubtful whether in the history of our country the agricultural industry has been depressed to such dire straits as now, and that, too, in the midst of conditions of prosperity in all other lines of industry and commerce. We have had so-called panics that have been nation-wide in their paralyzing effects on commerce and industry, affecting impartially all industries, but in such crises it may be said that all manufacturing, producing, financial, and commercial interests shared in the misfortunes of such depression, perhaps not equally or to the same extent, but all were seriously and detrimentally affected.

The equalizing principle of supply and demand artificially uncontrolled is the natural law of economics. Under the operation of this law the labor wage would tend toward and approximate a world level; manufactured commodities and agricultural products of every country would compete in the markets of all countries on a basis of parity considering, of course, differences in quality and costs of transportation, so that the world supply and the world demand would determine the domestic prices in each individual country and would work an equitable adjustment on such basis of the prices of all commodities, whether of manufacture or agriculture, relative to each other.

I am arguing neither for nor against such a free-trade world policy, but endeavoring simply to call attention to conditions that would prevail in the markets everywhere should the natural principle of supply and demand be permitted to operate universally. But if the natural law of supply and demand is to be supplanted by an artificial law of economics under a protective policy, such policy, to be just, must embrace all industries and confer upon all industries alike the benefits of protection.

There are two prime factors that interfere with and prevent the determination of prices by the natural law of supply and demand, namely, governmental protection and private commercial price-fixing combinations, commonly called trusts. We have in this country both governmental protection and price-fixing combinations, and one or both of these factors are operating in this country to increase the prices of practically all of the manufactured products of commerce in our domestic markets above that of the world markets thereof. But neither of these factors, except in a few instances, is operating to increase the price of farm products in our domestic markets above that of such products in the world markets.

Furthermore, the manufacturing plants of this country which have more than a local status in our Nation's commerce are operated under a centralized control of large aggregations of capital, and they can and do so regulate their output or the supply of their manufactured products as to keep them within the limits of the demands therefor. But not so with agriculture. It is an individualized industry, and every natural economic tendency is toward its decentralization, making it extremely difficult, if not impossible, to centralize its control through voluntary cooperation. The enactment of the McNary-Haugen bill will overcome this handicap and disadvantage inhering in the farming industry.

The well-being and perpetuity of a nation depends upon the preservation and maintenance of economic conditions that will secure to all its people the opportunity to reap the just rewards and fruits of their labor and industry. Every citizen and every class of citizens in this country has the God-given and constitutional right to have this Government so administered as to guarantee equal opportunity to all men. The great basic industry of agriculture must be preserved and must be given equal consideration with other industries in the economic policy of governmental protection. The 40,000,000 of our people employed in agriculture must be secured a living return for their labor and enterprise. This country must continue as the home of both political and economic freedom. Sovereignty must not descend to serfdom.

The CHAIRMAN. The hour of 7 o'clock having arrived, the committee will automatically rise.

The committee rose; and the Speaker having resumed the chair, Mr. SANDERS of Indiana, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 9033, the McNary-Haugen bill, and had come to no resolution thereon.

HOURLY MEETING TO-MORROW

Mr. HAUGEN. Mr. Speaker, I ask unanimous consent that when the House adjourns to-day it adjourn to meet at 11 o'clock a. m. to-morrow.

The SPEAKER. The gentleman from Iowa asks unanimous consent that when the House adjourns to-day it adjourn to meet at 11 o'clock to-morrow. Is there objection?

Mr. BLANTON. Reserving the right to object, we have a lot of committee meetings going on, and we can not be in two places at the same time. We want to hear this debate.

Mr. HAUGEN. And we want to get through with the debate to-morrow, if possible.

Mr. BLANTON. Well, I will not object; I am the farmer's friend.

The SPEAKER. Is there objection?

There was no objection.

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER. The Chair may not be able to be here at 11 o'clock to-morrow; and in case he should not be present, he designates the gentleman from Connecticut, Mr. TILSON, to act as Speaker pro tempore.

WILLIAM E. BAKER

Mr. GRAHAM of Pennsylvania. Mr. Speaker, I wish to present a privileged matter and ask for the adoption of the following resolution.

The Clerk read as follows:

House Resolution 325

Whereas certain charges against William E. Baker, United States district judge for the Northern District of West Virginia, have been transmitted by the Speaker of the House of Representatives to the Judiciary Committee: Be it

Resolved, That the Committee on the Judiciary be, and they hereby are, authorized and directed to inquire into the official conduct of William E. Baker, United States district judge for the Northern District of West Virginia, and to report to the House whether in their opinion the said William E. Baker has been guilty of any acts which in contemplation of the Constitution are high crimes or misdemeanors requiring the interposition of the constitutional powers of this House; and that the said committee have power to send for persons and papers, to administer the customary oaths to witnesses, and to sit during the sessions of the House until adjournment and thereafter until said inquiry is completed and report to the next session of the House.

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

Mr. GARRETT of Tennessee. Mr. Speaker, will the gentleman yield?

Mr. GRAHAM of Pennsylvania. Certainly.

Mr. GARRETT of Tennessee. I understand that this is a unanimous report.

Mr. GRAHAM of Pennsylvania. Yes. We appointed a subcommittee to examine the papers referred to us. They were quite voluminous. Each one of the subcommittee read them through, and after a conference they thought that the committee ought to take action to further investigate. That is the unanimous action of the committee.

Mr. BLANTON. Will the gentleman yield?

Mr. GRAHAM of Pennsylvania. Yes.

Mr. BLANTON. Why the necessity for carrying this matter over during the vacation?

Mr. GRAHAM of Pennsylvania. Because there will be no opportunity to get it consummated. The examination will go on. The House will not be in session to act upon it.

Mr. BLANTON. Under this resolution this committee can meet anywhere it wants to in the United States.

Mr. GRAHAM of Pennsylvania. It certainly could, but it is not likely that it will.

Mr. BLANTON. The gentleman knows how some such resolutions have been executed in the past during the vacation of six or seven months.

Mr. GARRETT of Tennessee. Mr. Speaker, will the gentleman yield?

Mr. BLANTON. Yes.

Mr. GARRETT of Tennessee. This involves the investigation of charges against a Federal judge that may or may not constitute the basis of impeachment. I have looked into the matter somewhat, and I think the resolution should pass.

Mr. BLANTON. Does not the gentleman think this investigation ought to be here in Washington?

Mr. GARRETT of Tennessee. Oh, I do not know.

Mr. BLANTON. That is the only thing I am thinking about.

Mr. GARRETT of Tennessee. I do not think that is necessarily true as a matter of economy, even.

Mr. BLANTON. It ought not to be in Seattle.

Mr. GRAHAM of Pennsylvania. There is no likelihood of that.

Mr. GARRETT of Tennessee. It is scarcely possible that the Committee on the Judiciary investigating the charges against a judge in West Virginia would go to Seattle.

Mr. BLANTON. For instance, this week—to-morrow, I understand, and the next day—there will be a committee sitting in New York City, the special committee investigating the Shipping Board.

Mr. GARRETT of Tennessee. It may be economy for them to do so. It may save money by doing that rather than by summoning witnesses here.

Mr. BLANTON. If the gentleman from Tennessee thinks it is necessary, I will withdraw any objection that I have.

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

The resolution was agreed to.

LEAVE OF ABSENCE

By unanimous consent leave of absence was granted to Mr. McSWAIN, for two days, May 23 and 24, on account of public business, the annual visitation to the United States Military Academy.

CAMP JACKSON MILITARY RESERVATION

Mr. McSWAIN. I ask unanimous consent to extend my remarks in the RECORD by inserting therein the following brief statement.

The SPEAKER. Is there objection?

There was no objection.

Mr. McSWAIN. Mr. Speaker, yesterday when the House was considering H. R. 9124 and I proposed an amendment relating to the disposition of a part of the Camp Jackson reservation, at page 9128 of the RECORD, the following colloquy took place:

Mr. GRIFFIN. Mr. Speaker, I reserve the point of order on this amendment for the purpose of asking the gentleman if this is not the same bill that was on the Private Calendar on last Friday night, to which objection was made by the gentleman from Michigan [Mr. CRAMTON].

Mr. McSWAIN. Yes; that is the same bill that was under consideration at that time. The gentleman from Michigan [Mr. CRAMTON] stated that he wanted more information in respect to it. I am informed by the gentleman from South Carolina [Mr. FULMER] that he has talked the matter over with the gentleman from Michigan and that he is satisfied.

Mr. FULMER. It is in line with the same bill that passed a few moments ago, having in mind identically the same purpose.

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

I am now informed by the gentleman from Michigan [Mr. CRAMTON] that he had not become satisfied about the provisions of the proposed amendment and that I was in error in my statement. He feels, and justly so, that he has been misrepresented. He and the gentleman from South Carolina [Mr. FULMER] and myself have talked over the facts and I am now convinced that I drew a conclusion from my conversations with them at different times that now appears was not justified. I regret this exceedingly, and have so expressed myself to the gentleman from Michigan [Mr. CRAMTON] and to the gentleman from New York [Mr. GRIFFIN].

ENROLLED BILLS SIGNED

Mr. ROSENBLOOM, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bills of the following titles, when the Speaker signed the same:

H. R. 6357. An act for the reorganization and improvement of the foreign service of the United States, and for other purposes;

H. R. 6207. An act authorizing and directing the Secretary of War to transfer to the jurisdiction of the Department of Justice all that portion of the Fort Leavenworth Military Reservation which lies in the State of Missouri, and for other purposes; and

H. R. 8262. An act to fix the compensation of officers and employees of the legislative branch of the Government.

HAUGEN-M'NARY BILL

Mr. CANNON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting therein a letter from representatives of farm organizations addressed to Members of the House.

The SPEAKER. Is there objection?

There was no objection.

Mr. CANNON. Mr. Speaker, when one of the St. Louis newspapers came in this morning I was surprised to note in the most conspicuous position on the front page an open letter signed by the representatives of the various farm organizations here in Washington and issued last Monday.

As soon as I read it I called up one of the signers and asked why so important a letter had not been released to the Washington papers but that they were repeatedly importuned to publish it, and notwithstanding these personal appeals they declined to give it space or even, refer to it.

This letter is a statement signed by the official representatives of the farmers of America, a class comprising one-third of the people of the United States and operating our largest and most indispensable industry, and it outlines their views on one of the most important pieces of legislation which has come before this or any other Congress. They are entitled to be heard. They have the right to present their side of the question, and to have their day in court, and the action of the Washington newspapers in refusing to give them that opportunity is a violation of the ethics of journalism and a reflection on that high calling.

This policy of the Washington newspapers is not merely a matter of local concern. It assumes the proportion of a national menace when the Congress and the President must legislate in an atmosphere devitalized by the deliberate suppression of the news and poisoned by the insidious miasma of propaganda. And if the interests which control these newspapers will permit an observation, I would suggest that they are defeating their own purpose and militating against their own cause by such obtuse and unsportsmanlike partizanship.

This letter merits the careful consideration of the Members of the House. It is authoritative. The official representatives of the farming interests of the Nation announce that after long and exhaustive consideration of all pending and proposed farm legislation they consider the McNary-Haugen bill as best suited to promote the interests of the farmers and the interests of the country at large. They state in emphatic and unmistakable terms that they desire no substitutes; that so far as the farm organizations are concerned they desire the McNary-Haugen bill or nothing.

They speak not only from a technical knowledge of the bill and the conditions which prompt it but as the representatives of 30,000,000 people, those who are most at interest. And for the convenience of Members who desire to read their presentation of the case I ask unanimous consent to insert it as a part of my remarks.

The following letter has been sent to Members of the House and Senate by representatives of farm organizations who are in Washington supporting the McNary-Haugen export corporation bill. In addition to the men and organizations signatory to this letter over 300 other farm organizations, as well as many hundreds of commercial and professional associations, have indorsed the measure:

During the recent press comment on the McNary-Haugen bill, the statement has frequently been made that the present Congress will not adjourn without passing some kind of farm legislation, and the only inference which can be drawn from such statements is that if Congress can not see its way clear to give the farmer what he wants then it will give him something it thinks he ought to have. And we, the undersigned, who represent the largest and the most representative farm organizations of the country, believe that the time has come when we should make our position in these premises clear to Congress and to the whole Nation, and, therefore, without the slightest semblance of threat, but with an overwhelming conviction of the gravity of the situation which now confronts the farmer, we want to make it perfectly plain that no mere legislative palliative can save agriculture from the collapse which now impends, which has already forced tens of thousands of the best farmers in the land into bankruptcy and which at this hour menaces tens of thousands of other farmers with the same catastrophe.

The single and solitary purpose of the McNary-Haugen bill is to give to the farmer as big a dollar for the products of his toll during the next five years as the dollar that he is forced to pay to industry under the Fordney-McCumber Act and to labor under the existing generous wage scales, and in all candor we desire to ask of Congress and of the country, is there anything unfair about this proposal? Can the farmer be expected, on the one hand, to bear a large share of the burdens imposed by industry and labor who have created living conditions of their own liking, and then, on the other hand, accept a price for his wheat, hogs, cattle, and other surplus farm commodities, at home and abroad, established in competition with the peasant and poor farmers of the whole world? If the American

manufacturer is unwilling to meet the foreign manufacturer on an even footing, and if labor believes that the time for absolute exclusion, with reference to immigration, has come, then should they ask the six and a half million farmers of this country to do what they themselves refuse to do?

Through the McNary-Haugen bill we have approached this situation as best we knew how. For four long, weary months this measure has stood the fire of the opposition before the House and Senate committees and during this time we have sought to cure every fair and valid objection made against its various provisions. Therefore we have a firm conviction that the measure as it now stands is legally sound, practical, and workable. Nevertheless, if any Member of Congress can, in good faith, propose any further amendment that will make it more so and yet subserve the full purpose which the act has in view, then we shall most cordially welcome such assistance, for, certainly, we want it to be sound and workable, and, certainly, also, we do not want to take a penny out of the Federal Treasury that is not returned, for we are asking Congress to help us save agriculture from impending ruin. We are not asking for charity. But if, after placing ourselves in this friendly and conciliatory attitude, Congress should still see fit to deny our petitions, then we shall go back home and save as much out of the wreck as we can.

In the meantime let Congress and the whole country understand that the day of soft-soaping agriculture is past; that in this hour, when the average farmer is struggling for his very existence, it would be an insult to offer him a mere legislative nostrum that does not honestly and fairly seek to relieve him of the tremendous handicap under which he is laboring. In all kindness, but nevertheless with profound firmness, we therefore say, Give us the McNary-Haugen bill, for agriculture is unable to accept a substitute.

The above statement has the unqualified indorsement of the following organizations, whose representatives are on the ground in Washington:

- T. C. Atkeson, Washington representative National Grange.
- John G. Brown, president National Live Stock Producers' Association.
- George G. Coale, Knox County, Ind., banker.
- Thomas E. Cashman, president American Hereford Breeders' Association; director, Minnesota Farm Bureau Federation.
- R. A. Cowles, treasurer Illinois Agricultural Association.
- Carl Gunderson, director, South Dakota Wheat Growers' Association.
- William Hirth, president Missouri Farmers' Association.
- C. W. Hunt, secretary-treasurer Iowa Farm Bureau Federation.
- George C. Jewett, general manager American Wheat Growers' Association.
- F. W. Murphy, St. Paul Association and Northwest Campaign Committee for Promotion McNary-Haugen Bill.
- J. F. Reed, vice president Minnesota Farm Bureau Federation.
- J. R. Riggs, Producers' Commission Association of Indianapolis, Ind.
- C. G. Selvig, president Minnesota Export Commission League.
- Gray Silver, Washington representative American Farm Bureau Federation.
- William H. Settle, president Indiana Farm Bureau Federation, Indiana Wheat Pool, Indiana Dairy and Produce Association.
- L. J. Tabor, master National Grange.
- John Tromble, president Kansas Farmers' Union.

ADJOURNMENT

Mr. HAUGEN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; and accordingly (at 7 o'clock and 6 minutes p. m.), in accordance with the order heretofore made, the House adjourned until to-morrow, Friday, May 23, 1924, at 11 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

502. A letter from the Secretary of War, transmitting a draft of proposed legislation for the relief of Felix Davis; to the Committee on Claims.

503. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the District of Columbia for the fiscal year ending June 30, 1924, to pay salaries and expenses for the continuance of the Rent Commission from May 23, 1924, to May 22, 1925, \$75,220 (H. Doc. No. 300); to the Committee on Appropriations and ordered to be printed.

504. A communication from the President of the United States, transmitting a list of judgments rendered by the Court of Claims, which have been submitted by the Attorney General through the Secretary of the Treasury, and require an appropriation for their payment, as follows: Under the Department of the Interior, \$4,737.09; under the Navy Department, \$10,-

178.51; under the Treasury Department, \$0.59; and under the War Department, \$80,098.85; in all, \$95,015.04 (H. Doc. No. 301); to the Committee on Appropriations and ordered to be printed.

505. A communication from the President of the United States, transmitting record of judgment rendered against the Government by the United States District Court for the Eastern District of Virginia, sitting in admiralty, in the case of the *Brovig v. The United States* (steamship *Babcock*), \$3,904.40 (H. Doc. No. 302); to the Committee on Appropriations and ordered to be printed.

506. A communication from the President of the United States, transmitting a list of judgments rendered against the Government by the district courts of the United States, as submitted by the Attorney General, through the Secretary of the Treasury, which require an appropriation for their payment, as follows: Under the Department of Labor, \$328.75; under the Navy Department, \$5,483.12; under the War Department, \$412.25; in all, \$6,224.12 (H. Doc. No. 303); to the Committee on Appropriations and ordered to be printed.

507. A communication from the President of the United States, transmitting schedules of claims amounting to \$1,190,870.49 allowed by the various divisions of the General Accounting Office, as covered by certificates of settlement, the numbers of which are shown in the first column of said schedules (H. Doc. No. 304); to the Committee on Appropriations and ordered to be printed.

508. A communication from the President of the United States, transmitting judgments rendered against the Government by the United States district courts, as submitted by the Attorney General through the Secretary of the Treasury, under the War Department, \$427,511.45 (H. Doc. No. 305); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. McSWAIN: Committee on Military Affairs. H. R. 9012. A bill to make available an officer of the Army of appropriate grade for service in charge of public buildings and grounds in the District of Columbia and for the exercise of certain other functions; without amendment (Rept. No. 814). Referred to the Committee of the Whole House on the state of the Union.

Mr. McKENZIE: Committee on Military Affairs. S. 1376. An act to provide for the equitable distribution of captured war devices and trophies to the States and Territories of the United States and to the District of Columbia; without amendment (Rept. No. 815). Referred to the Committee of the Whole House on the state of the Union.

Mr. MAJOR of Missouri: Committee on the Judiciary. S. 624. An act to amend the practice and procedure in Federal courts, and for other purposes; with an amendment (Rept. No. 816). Referred to the House Calendar.

Mr. JOHNSON of South Dakota: Committee on Indian Affairs. H. R. 3387. A bill authorizing repayment of excess amounts paid by purchasers of certain lots in the town site of Sanish, formerly Fort Berthold Indian Reservation, N. Dak.; without amendment (Rept. No. 824). Referred to the Committee of the Whole House on the state of the Union.

Mr. LEAVITT: Committee on the Public Lands. H. R. 7522. A bill to authorize and direct the issuance of patents to purchasers of lots in the town site of Bowdoin, Mont.; with an amendment (Rept. No. 825). Referred to the Committee of the Whole House on the state of the Union.

Mr. WEAVER: Committee on Indian Affairs. H. R. 8083. A bill to designate the Croatan Indians of Robeson and adjoining counties in North Carolina as Cherokee Indians; without amendment (Rept. No. 826). Referred to the Committee of the Whole House on the state of the Union.

Mr. HICKEY: Committee on the Judiciary. H. R. 8906. A bill to amend the act entitled "An act for the retirement of employees in the classified civil service, and for other purposes," approved May 22, 1920; without amendment (Rept. No. 827). Referred to the Committee of the Whole House on the state of the Union.

Mr. HOWARD of Nebraska: Committee on Indian Affairs. H. R. 8965. A bill for the relief of the Omaha Indians of Nebraska; without amendment (Rept. No. 828). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. WURZBACH: Committee on Military Affairs. H. R. 1691. A bill for the relief of Charles F. Getchell; without

amendment (Rept. No. 811). Referred to the Committee of the Whole House.

Mr. WURZBACH: Committee on Military Affairs. H. R. 2421. A bill to remove the charge of desertion from the military record of Matthew Thomas; with amendments (Rept. No. 812). Referred to the Committee of the Whole House.

Mr. REECE: Committee on Military Affairs. H. R. 9854. A bill for the relief of William P. Quarles, known as Qualls; without amendment (Rept. No. 813). Referred to the Committee of the Whole House.

Mr. WURZBACH: Committee on Military Affairs. H. R. 1958. A bill for the relief of Frederick Sparks; without amendment (Rept. No. 817). Referred to the Committee of the Whole House.

Mr. WURZBACH: Committee on Military Affairs. H. R. 1962. A bill for the relief of Thomas J. Gardner; with an amendment (Rept. No. 818). Referred to the Committee of the Whole House.

Mr. HAYDEN: Committee on Indian Affairs. H. R. 2258. A bill for the relief of James J. McAllister; with an amendment (Rept. No. 819). Referred to the Committee of the Whole House.

Mr. ROACH: Committee on War Claims. H. R. 7631. A bill for the relief of Charles T. Clayton and others; with amendments (Rept. No. 820). Referred to the Committee of the Whole House.

Mr. HASTINGS: Committee on Indian Affairs. S. 2526. An act providing for an allotment of land from the Kiowa, Comanche, and Apache Indian Reservation, Okla., to James F. Rowell, an intermarried and enrolled member of the Kiowa Tribe; without amendment (Rept. No. 821). Referred to the Committee of the Whole House.

Mr. WRIGHT: Committee on Military Affairs. S. 2676. An act authorizing the Secretary of War to lease, or, in his discretion, to convey by quitclaim deed a certain tract of land in the military reservation of Santa Rosa Island, Fla.; with an amendment (Rept. No. 822). Referred to the Committee of the Whole House.

Mr. HILL of Maryland: Committee on Military Affairs. S. 2764. An act authorizing the President to order Leo P. Quinn before a retiring board for a rehearing of his case and upon the findings of such board either confirm his discharge or place him on the retired list with the rank and pay held by him at the time of his discharge; without amendment (Rept. No. 823). Referred to the Committee of the Whole House.

Mr. WURZBACH: Committee on Military Affairs. H. R. 5278. A bill for the relief of Edward N. Moore; without amendment (Rept. No. 829). Referred to the Committee of the Whole House.

Mr. WURZBACH: Committee on Military Affairs. H. R. 7131. A bill for the relief of Pleasant P. W. Harris; with amendments (Rept. No. 830). Referred to the Committee of the Whole House.

Mr. WURZBACH: Committee on Military Affairs. H. R. 7133. A bill for the relief of James Shook; with an amendment (Rept. No. 831). Referred to the Committee of the Whole House.

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. 9202) for the relief of Herman Lincoln Chatkoff; Committee on Military Affairs discharged, and referred to the Committee on World War Veterans' Legislation.

A bill (H. R. 9265) granting an increase of pension to Charles H. Black; 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. KNUTSON: A bill (H. R. 9380) granting the consent of Congress to the Board of County Commissioners of Aitkin County, Minn., to construct a bridge across the Mississippi River; to the Committee on Interstate and Foreign Commerce.

By Mr. ABERNETHY: A bill (H. R. 9381) to establish a national military park at the battle field of Moores Creek, N. C.; to the Committee on Military Affairs.

By Mr. RAINEY: A bill (H. R. 9382) declaring an emergency in respect of certain agricultural commodities, and for other purposes; to the Committee on Agriculture.

By Mr. GRAHAM of Pennsylvania: Resolution (H. Res. 324) for the consideration of S. 790, for the establishment of a Federal industrial institution for women, and for other purposes; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. COLE of Iowa: A bill (H. R. 9383) granting an increase of pension to Orrel Tucker; to the Committee on Invalid Pensions.

By Mr. COOK: A bill (H. R. 9384) granting a pension to Louisa W. Kohser; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9385) granting a pension to Eliza J. Saxon; to the Committee on Invalid Pensions.

By Mr. BEGG: A bill (H. R. 9386) granting an increase of pension to Sarah A. Nighswander; to the Committee on Invalid Pensions.

By Mr. DARROW: A bill (H. R. 9387) for the relief of Rachel Parke; to the Committee on Claims.

By Mr. FISH: A bill (H. R. 9388) granting an increase of pension to Annie Fitzpatrick; to the Committee on Invalid Pensions.

By Mr. FULBRIGHT: A bill (H. R. 9389) granting an increase of pension to William Huskey; to the Committee on Invalid Pensions.

By Mr. HAWLEY: A bill (H. R. 9390) granting a pension to Lydia Gault Read; to the Committee on Invalid Pensions.

By Mr. LINEBERGER: A bill (H. R. 9391) granting a pension to Jessie F. Loughridge; to the Committee on Invalid Pensions.

By Mr. LOZIER: A bill (H. R. 9392) granting an increase of pension to Mary C. Hale; to the Committee on Pensions.

By Mr. SIMMONS: A bill (H. R. 9393) granting an increase of pension to Marie Spencer; to the Committee on Invalid Pensions.

By Mr. SWING: A bill (H. R. 9394) for the relief of John Milton Pew; to the Committee on Claims.

By Mr. TAGUE: A bill (H. R. 9395) granting a pension to Isadore J. Rogers; to the Committee on Invalid Pensions.

By Mr. VINSON of Georgia: A bill (H. R. 9396) authorizing the Secretary of War to deliver to the city of Augusta, Ga., two condemned bronze or brass cannons, with their carriages and a suitable outfit of cannon balls; to the Committee on Military Affairs.

By Mr. WINSLOW: A bill (H. R. 9397) granting an increase of pension to S. Angeline Wheeler; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

2842. By the SPEAKER (by request): Petition of the board of directors of the Maritime Association of the Port of New York, favoring a carrying out of the plan of the Secretary of the Navy to modernize the Navy; to the Committee on Naval Affairs.

2843. Also (by request), petition of convention of Illinois mine workers, favoring increase of salaries to postal employees; to the Committee on the Post Office and Post Roads.

2844. Also (by request), petition of national executive committee of the American Legion, expressing appreciation of the action of the House of Representatives in passing the adjusted compensation bill; to the Committee on Ways and Means.

2845. Also (by request), petition of city parliament of the Community Councils of the City of New York, N. Y., favoring a congressional investigation of telephone rates and service throughout the United States; to the Committee on Rules.

2846. By Mr. BROWNE of Wisconsin: Petition of Soo Line Employees' Association, against Howell-Barkley bill; to the Committee on Interstate and Foreign Commerce.

2847. By Mr. FULLER: Petition of 900 citizens of Peru, La Salle County, Ill., favoring the enactment of the bill H. R. 4088, known as the Upper Mississippi River or Izaak Walton League bill; to the Committee on Agriculture.

2848. By Mr. GALLIVAN: Petition of Boston Central Labor Union, protesting against the bill which authorizes the authorities at the Federal penitentiary, Leavenworth, to equip a portion of its institution with shoe-manufacturing machinery, which will enable convict prison labor to compete with free labor in the boot and shoe industry; to the Committee on the Judiciary.

2849. Also, petition of Boston Central Labor Union, Boston, Mass., protesting against the awarding of a contract by the United States Government for 500,000 yards of khaki cloth to be manufactured by a firm in England while there are thousands of textile workers out of work or on short time in the United States; to the Committee on Military Affairs.

2850. By Mr. LEAVITT: Petitions of county officials of Fergus County, Mont.; city officials of Lewistown, Mont.; Fergus County (Mont.) Republican central committee; Fergus County (Mont.) Democratic central committee; Wright Land & Investment Co., Lewistown, Mont.; Power Mercantile Co., Lewistown, Mont.; Fergus Loan & Investment Co., Lewistown, Mont.; Carl Peterson, Fergus County agricultural agent; and Lewistown Democrat-News, Lewistown, Mont., urging passage of the McNary-Haugen bill; to the Committee on Agriculture.

2851. By Mr. RAKER: Letter from A. W. McKenzie, Bleber, Calif., protesting against increase of parcel-post rates; to the Committee on the Post Office and Post Roads.

2852. Also, petitions of C. G. Brainerd, Loomis, Calif.; Angelina M. Redstreak, Johnsville, Calif.; Huron B. Brown, Denair, Calif.; and F. E. Moore, Copperopolis, Calif., indorsing House bill 9035, increasing salaries of fourth-class postmasters; to the Committee on the Post Office and Post Roads.

2853. Also, petitions of J. S. Hussey, Cromberg, Calif.; Belle Stevens, Igo, Calif.; F. B. Jones, Los Molinos, Calif., indorsing House bill 9035, increasing salaries of fourth-class postmasters; to the Committee on the Post Office and Post Roads.

2854. Also, petitions of Parker & Waterman Manufacturing Co., Los Angeles, Calif., and H. R. Williar, San Francisco, Calif., protesting against passage of House bill 4123 and Senate bill 1898, providing for increase in salary for postal employees; to the Committee on the Post Office and Post Roads.

2855. Also, petition of A. A. Berke, jr., counsel for the Pueblo Indians, 33 West Forty-second Street, New York City, urging passage of Senate bill 2932, in re lands of Pueblo Indians; to the Committee on Indian Affairs.

2856. Also, petition of Mr. Clarence B. Yates, secretary Gold Hill Grange, No. 326, Lincoln, Calif., resolution opposing creation of a department of education; to the Committee on Education.

2857. Also, petition of Joseph T. Watson, 824 LaJolla Avenue, Los Angeles, Calif., urging support of House bill 6484, providing for retirement of disabled emergency Army officers of the World War; to the Committee on Military Affairs.

2858. Also, petition of Miss Myrtle C. Robertson, Kirkland, Wash., protesting against change in the name of Mount Rainier; to the Committee on the Public Lands.

SENATE

FRIDAY, May 23, 1924

(Legislative day of Tuesday, May 20, 1924)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

Mr. CURTIS. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The principal clerk called the roll, and the following Senators answered to their names:

Ball	Fess	Lenroot	Sheppard
Bayard	Fletcher	Lodge	Shipstead
Borah	Frazier	McKinley	Simmons
Brandegee	George	McNary	Smith
Broussard	Gerry	Mayfield	Smoot
Bruce	Glass	Moses	Spencer
Bursum	Hale	Neely	Stanley
Cameron	Harrell	Norbeck	Stephens
Capper	Harris	Norris	Sterling
Caraway	Harrison	Oddie	Swanson
Copeland	Heflin	Overman	Trammell
Couzens	Howell	Owen	Wadsworth
Cummins	Johnson, Calif.	Pepper	Walsh, Mass.
Curtis	Johnson, Minn.	Phipps	Walsh, Mont.
Dale	Jones, N. Mex.	Pittman	Warren
Dial	Jones, Wash.	Ralston	Weller
Dill	Kendrick	Ransdell	Willis
Edge	King	Reed, Pa.	
Ferris	Ladd	Robinson	

Mr. CURTIS. I was requested to announce that the Senator from Iowa [Mr. BROOKHART], the Senator from Arizona [Mr. ASHURST], and the Senator from Montana [Mr. WHEELER] are attending a meeting of a special investigating committee of the Senate.

The PRESIDENT pro tempore. Seventy-four Senators have answered to the roll call. There is a quorum present.

ADJUSTED COMPENSATION VETO—PERSONAL EXPLANATION

Mr. OWEN. Mr. President, I wish to have it appear in the RECORD that my failure to be present and vote on the soldiers' bonus bill on Monday last was due to a misapprehension on my part. As I believed that I was paired with the Senator from Vermont [Mr. GREENE] at that time, I was not present when the vote was taken. I merely wanted this statement to appear in the RECORD. Had I been present I would have voted to override the President's veto of the bill.

TAX REDUCTION—CONFERENCE REPORT

Mr. SMOOT. Mr. President, I submit a conference report on the bill (H. R. 6715) to reduce and equalize taxation, to provide revenue, and for other purposes. At this time I shall ask that it be printed in the RECORD without reading and I give notice that I shall call it up to-morrow morning.

Mr. SMITH. May I ask the Senator if the report is unanimous?

Mr. SMOOT. The report is unanimous. I have also had copies of the report printed and I shall have a copy placed on the desk of each Senator this afternoon, together with a copy of the bill containing the exact amendments that have been made to the House text, and also the amendments as they have been agreed to in conference. To-morrow morning I desire, if it is the will of the Senate, to make a statement as to just what the principal amendments agreed to in conference are, and also showing the revenue under the present law and the estimated revenue which the Mellon plan and the bill as agreed upon in conference would provide.

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

The conference report is as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 6715) to reduce and equalize taxation, to provide revenue, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 1, 13, 14, 15, 18, 19, 21, 22, 23, 25, 26, 27, 28, 30, 31, 32, 33, 34, 35, 36, 48, 53, 69, 71, 72, 76, 77, 80, 81, 82, 83, 89, 90, 92, 93, 95, 123, 127, 128, 129, 132, 136, 137, 140, 141, 143, 144, 145, 146, 147, 148, 149, 150, 153, 157, 158, 159, 161, 162, 163, 164, 166, 167, 168, 169, 171, 172, 174, 176, 181, 183, 184, 188, 189, 190, 191, 192, 195, 196, 197, 198, 199, 203, 205, 206, 207, 208, 209, 210, 211, 215, 222, 223, 224, 225, 229, 253, 254, and 260.

That the House recede from its disagreement to the amendments of the Senate numbered 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 16, 17, 20, 24, 29, 37, 38, 40, 42, 43, 45, 46, 49, 50, 52, 54, 55, 57, 58, 59, 60, 64, 65, 66, 67, 68, 70, 73, 74, 75, 78, 84, 85, 86, 87, 94, 97, 98, 99, 100, 102, 103, 104, 105, 106, 107, 108, 109, 112, 113, 115, 116, 118, 119, 120, 121, 124, 125, 126, 130, 131, 133, 134, 135, 138, 139, 142, 151, 156, 160, 165, 170, 173, 175, 177, 178, 180, 182, 185, 193, 200, 201, 202, 204, 213, 214, 217, 218, 219, 220, 221, 226, 227, 231, 232, 233, 234, 235, 236, 237, 238, 239, 241, 242, 243, 244, 245, 246, 247, 248, 249, 251, 252, 255, 256, 257, 258, and 259, and agree to the same.

Amendment numbered 12: That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment as follows: Restore the matter proposed to be stricken out by the Senate amendment and on page 16 of the House bill strike out all after "shall" in line 9 down to and including the comma in line 10; and the Senate agree to the same.

Amendment numbered 39: That the House recede from its disagreement to the amendment of the Senate numbered 39, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"(b) In the case of an individual the tax shall, in addition to the credits provided in section 222, be credited with 25 per cent of the amount of tax which would be payable if his earned net income constituted his entire net income; but in no case shall the credit allowed under this subdivision exceed 25 per cent of his tax under section 210" and a period.

And the Senate agree to the same.

Amendment numbered 41: That the House recede from its disagreement to the amendment of the Senate numbered 41, and agree to the same with an amendment as follows: On page 5 of the Senate engrossed amendments, line 18, strike out "Two"