

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the vote is reconsidered.

Mr. HARRELD. I ask that a bill similar to Senate bill 3929, which has been sent over from the House, be laid before the Senate.

The PRESIDENT pro tempore. The Chair lays before the Senate a bill from the House of Representatives.

The bill (H. R. 11171) to authorize the deposit and expenditure of various revenues of the Indian service as Indian moneys, proceeds of labor, was read twice by its title.

Mr. HARRELD. I ask that the Senate proceed to the consideration of the bill just laid before the Senate.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill.

The bill was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

Mr. HARRELD. I move that Senate bill 3929 be indefinitely postponed.

The motion was agreed to.

#### MAKAH INDIAN RESERVATION

Mr. JONES of Washington. The next bill on the Calendar, Senate bill 3958, is short and I ask that it be put on its passage.

The bill (S. 3958) to provide for the permanent withdrawal of certain lands adjoining the Makah Indian Reservation in Washington for the use and occupancy of the Makah and Quileute Indians, was considered as in the Committee of the Whole and was read.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

#### RECESS

The PRESIDENT pro tempore. The hour of 11 o'clock having arrived, the unanimous-consent agreement under which the Senate has been operating has expired, and under the unanimous-consent agreement previously entered into, the Senate will now stand in recess until 12 o'clock to-morrow.

Thereupon the Senate (at 11 o'clock p. m.) under the order previously entered, took a recess until to-morrow, Tuesday, May 11, 1926, at 12 o'clock meridian.

### HOUSE OF REPRESENTATIVES

MONDAY, May 10, 1926

The House met at 12 o'clock noon.

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

O God, the King eternal, Thou who art unseen to mortal eye, may we see Thee with the eye of unfaltering faith. In all things may we be undisturbed seeing Thee who art invisible. In the performance of duty may we be partakers of those joys and satisfactions which are promised to them who love God. Have compassion upon our unworthiness and give us the blessings of forgiveness and wisdom. Teach us the high value of pure love and the happiness of dedicated firesides. The Lord forbid that we should be hasty in our judgments lest we condemn ourselves. Go before our vagrant steps and cheer us with the light of hope. Oh, do Thou subdue the passions of men and among all nations and make clear the ways of national peace, stability, and prosperity. Quiet the turbulent waters of unrest and threatening upheaval and lead men of all stations to the altars of our Lord. In the name of the Prince of Peace. Amen.

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

#### LEAVE OF ABSENCE

Mr. CLEARY, by unanimous consent, was granted leave of absence, indefinitely, on account of illness.

#### ARCTIC FLIGHT OF COMMANDER RICHARD EVELYN BYRD, JR.

Mr. HARRISON. Mr. Speaker, I ask unanimous consent to address the House for five minutes.

The SPEAKER. Is there objection?

There was no objection.

Mr. HARRISON. Mr. Speaker, I take great pride in announcing to the House the magnificent achievement of an American in a world enterprise. On yesterday, Lieut. Commander Richard Evelyn Byrd, Jr., of Winchester, Va., accompanied by his pilot, Floyd Bennett, left his base at Kings Bay, Spitzbergen, at 12:50 a. m., in the giant three-motored airplane, christened *Josephine Ford*, flew 1,600 miles over Arctic regions heretofore believed unfit to be traversed by airplanes, reached the North Pole and returned to his base in 15 hours and 30 minutes. This achievement is without parallel in the history

of aeronautics. His daring achievements entitle him to be listed high on the roll of the great and heroic spirits of the world. [Applause.]

I represent the home people of Commander Byrd, who have followed his career with affectionate interest. Clean in every prompting of his nature, clear-visioned of mind, intrepid in action, he is entitled to the congratulations of this House. Many of the Members of this House have been associated with Commander Byrd and have learned to admire his splendid qualities of mind and heart. If consistent with the rules of this House, I desire to submit a motion that the Speaker be requested on the part of the House to wire to Commander Byrd and his associate the congratulations of the House. [Applause.]

#### ENROLLED BILL SIGNED

Mr. CAMPBELL, from the Committee on Enrolled Bills, reported that the committee had examined and found truly enrolled bills of the following titles, when the Speaker signed the same:

H. R. 6418. An act to correct the military record of Lester A. Rockwell; and

S. 2818. An act for the relief of Ivy L. Merrill.

#### ORDER OF BUSINESS

Mr. TILSON. Mr. Speaker, at the request of those in charge of the several agricultural bills I ask unanimous consent that not later than 5:30 o'clock this afternoon the Committee of the Whole House considering the bills may take a recess until 8 o'clock and that the House shall adjourn not later than 11 o'clock this evening.

Mr. HASTINGS. And that will conclude general debate?

Mr. TILSON. By previous order general debate will close with to-day.

Mr. MORTON D. HULL. Mr. Speaker, reserving the right to object, the proceedings this afternoon will include nothing but a discussion of the agricultural bill?

Mr. TILSON. There will be no business transacted except general debate.

The SPEAKER. The gentleman from Connecticut asks unanimous consent that at or before 5:30 o'clock this afternoon the Committee of the Whole House on the state of the Union may recess until 8 o'clock and remain in session not later than 11 o'clock and that no business shall be transacted except general debate on the agricultural bill. Is there objection?

Mr. BLANTON. Mr. Speaker, I shall not object, but I want to call the gentleman's attention to the fact that the District subcommittee, which has no authority to sit during the sessions of the House, has a hearing called for to-night at 7:30 o'clock, with witnesses summoned. The chairman is not here, but it will be necessary for us to get permission of the House in order to sit to-night.

Mr. TILSON. Does the gentleman wish to take the responsibility of asking for such permission?

Mr. BLANTON. I will after the gentleman's request has been granted.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

#### DISTRICT OF COLUMBIA COMMITTEE

Mr. BLANTON. Mr. Speaker, I ask unanimous consent that the Gibson subcommittee of the Committee on the District of Columbia may sit to-night during the session of the House.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

#### FARM RELIEF

Mr. HAUGEN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 11603) to establish a Federal farm board to aid in the orderly marketing and in the control and disposition of the surplus of agricultural commodities.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 11603, with Mr. MAPES in the chair.

The Clerk read the title of the bill.

Mr. TINCHER. Mr. Chairman, I desire to yield 30 minutes to the gentleman from New Jersey [Mr. FORT].

Mr. FORT. Mr. Chairman and gentlemen of the committee, this is the third occasion on which I have had the privilege of discussing in this House the general question of the farm problem and of farm relief legislation. On the previous oc-

casions I gave generous opportunity for question and interruption, with the result that it seemed almost impossible for me to get time to discuss the constructive sides of the legislation at all. The bulk of the time was spent in other things. I therefore hope the Members of the House this morning will permit me to proceed at least until I finish my main statement without interruption.

This issue, during the course of the debate since last Tuesday, has been distinctly clouded by politics and sectionalism. Now, I believe there is a real farm problem. That problem is economic, not political, and national, not sectional. My own view of the matter has been from the beginning that the House should devote itself in the consideration of this measure to it as economic and as national.

Notwithstanding that view, there has been injected into the discussion, and both off and on the floor and in the press, an attack upon the position of those of us who do not favor the Haugen bill as sectionalists, and as though we were the ones who had injected into this controversy a political question. On the floor and in the press I have personally been attacked as having advocated the formation of an industrial bloc, as having raised the banner of the consumer as against the producer. And yet I have been told that unless the Haugen bill passes—this I have been told within 48 hours by one of the chief representatives of the farm lobby—that unless the Haugen bill passes this House the East must understand that the States of the West will pass legislation designed to keep eastern business out of those States, and that a condition may arise like the British strike of to-day.

This language, gentlemen, it seems to me, and this sort of talk is not conducive to a fair consideration of the merits of the legislation we are considering, nor does such language speak truly the mind of the American farmer.

I want—simply to clear my own record and that of the district which I represent—to read to the House a brief citation from the platform on which I was elected a Member of this House:

As I see it, a Congressman is sent to Washington from his district as its Representative, to study governmental problems, to debate and listen to debate upon them and then to vote in the way that seems best for the interests of the United States as a whole. I believe that our manufacturing industries can prosper and give full-time employment at good wages only if the farmers who constitute 45 per cent of our entire purchasing population are prosperous. I favor, as a means both of assisting the American farmer and reducing the cost of living, an improvement in the marketing facilities for farm products with the elimination wherever possible of unnecessary handling, waste, or profits.

Upon this platform I came to the House and still stand, and the views I have expressed on this floor are, I believe, the views of my constituents that this is a national problem to be handled from a national viewpoint.

In the last 24 hours I am informed that implications have been circulated that the views I have expressed have not been my own alone but have been those of others; and that direct attacks have been made on my good personal friend, Secretary Hoover, as having inspired my opposition to the Haugen bill.

I want again to deny on the floor of the House that the views I have expressed originated with anyone but myself, and to say that Secretary Hoover has insistently and persistently, despite our personal friendship, refused to discuss agricultural problems, because he felt that it was the function of the Secretary of Agriculture and of him alone in the Cabinet. So much for that.

#### A BUSINESS PROBLEM

It is a business and a marketing problem with which we have to deal. Being a business and a marketing problem rather than a producing one, it is one in which it would seem the East ought to help and is willing to help. The effort to drive the East out of the discussion—to confine this discussion simply to what the farmers are alleged by their spokesmen to want—could, if successful, only deprive us of the benefit of many of the best business brains in the country. These brains may have originated in Nebraska, Kansas, or Texas, but as they have become leaders of American business they have in many cases migrated to Chicago or New York.

Mr. FULMER. Will the gentleman yield?

Mr. FORT. I can not. We of the East want to help. As it seems to us, since this is a business and marketing problem, we have felt that the first thing we should do was to examine what was the present structure of American marketing.

#### COOPERATIVE MARKETING

The first thing we find in that structure is the cooperative marketing association. Now, the cooperative association is what? It is an organization of the producers of commodities banded together, not for profit but for service. Banded

together, if they be organized under the Capper-Volstead Act, with limitations on their maximum profits, with limitations on the amount of products they can handle for the account of others than their own members, in order to facilitate the marketing of the products of their members and secure a better profit.

These organizations operate through advances to their members of so much of the value of their product as the organization with its limited resources can make. That in turn is usually limited by the amount of money the organization can borrow against the commodity from the commercial banks. They pay their expenses by charging back to their members a reasonable fee for the services given and the costs of their operation.

Some of these cooperative associations have been notably successful, particularly in the perishable commodities. Their success has come, in many cases, out of their ability to process and thereby preserve; in other cases, through advertising and thus increasing the scope of their markets; in the majority it has come through the improved credit which the association has gained over and above the credit which individuals constituting the association could ever have had; and finally some have succeeded because their size and strength has enabled them to employ the best business brains in their industry.

And may I say right there that three of the most notable successes of the cooperative movement are the milk producers whose guiding genius is a reformed lawyer; the cranberry growers who have a commission man, never a producer; and the raisin growers of California, managed by a former real estate operator.

Now, some of these organizations have not been successful. This is notably true on staple crops. They have failed or had a serious struggle for several reasons. One has been their size. They are mostly local, not even regional, and none of them are national. The second reason has been the lack of facilities for handling or storing their crops. The third reason has been their lack of credit facilities, due to the fact that they were handling crops where the fluctuation in price continually changed their equity and consequently their possible loan on the commodity which they handled. Finally, due to their absence of cash resources, due in turn to their small borrowing capacity, the cooperative association has been unable to advance to the producer anything comparable with the amount which the cash buyer would pay. The cash buyer offers 100 cents on the dollar of the current market price.

The cooperative association is limited to 60 or 65 per cent, or whatever its borrowing capacity may be, of the value of the commodity. Consequently the farmer, even where he realizes the value of the organization, is unable to get enough cash from the cooperatives to take care of his urgent needs, and sells to the cash buyer, even though the price be far less than the price he could secure eventually through the association.

#### CAN COOPERATIVES HELP SOLVE PROBLEM?

Through all this discussion every group has agreed that if we can form proper farm organizations we can solve the farm problem. Can the cooperatives give us what we want? I believe they can with proper help from the Government.

To give them this help the Tincher bill has been devised. What are its fundamental principles? First, the establishment of a council and commission chosen in the way concerning which I have already expressed my personal views to this House. If selected in accordance with the Constitution, and with the genius of our institutions, these bodies can be of great service. The bill vests them with statistical and advisory services of great value.

The importance of these services is perhaps best shown by the fact that every bill that has come to this House from any source has contained a similar provision. The language of the bill possibly does not in sufficiently clear language emphasize what is one of its main purposes, and that is the same as the purpose of the bill of the gentleman from Louisiana [Mr. ASWELL]—to foster the growth of cooperatives throughout the Nation. Perhaps this should be clarified by amendment. It confers upon the commission and the council, however, the duty of conferring with and giving advisory service on production and surpluses to the farmers of America. I believe that once established with its organizations strengthened through a period of service, with its knowledge enhanced through experience, the farmers of America will lend a willing ear to the advice of such an agency on the question of what acreage they should plant and what crops they should produce to meet the market needs.

But the chief factor of promise in the Tincher bill, and the one upon which I would put by far the greatest personal em-

phasis, is the provision found in subparagraph 3, on page 8, which reads as follows:

(3) Upon its own initiative or upon petition of any cooperative marketing association, to call into conference cooperative marketing associations engaged in the handling of the same commodity or commodities with a view to assisting in the organization by such cooperative associations of a national or regional duly incorporated cooperative marketing association, to act as the common marketing agent of such cooperative associations, in the interest of the producers of such commodity or commodities.

#### NATIONAL MARKETING AGENCIES.

What does that language provide as a new process in marketing? It directs that this commission first shall determine what commodity or commodities logically belong as marketing problems in the same group; and, second, having reached that determination, the commission shall send for the marketing representatives of those producers; shall call them into conference; and shall say to them, "Gentlemen, you all belong in the same marketing group, you all ought to be working together in handling your commodity; if you are willing to work together, we will cooperate with you in the formation of the type of organization which will best function for the marketing of your crops."

You can not handle the great staple crops of America, of course, through a thousand little local cooperative associations, but if you put the united strength of 1,000 wheat cooperatives into a single organization adequately financed, then you put into the hands of the American farmer himself and into his own organizations the power to stabilize the wheat market of the United States so far as the laws of supply and demand will permit any agency to stabilize that market. Therefore, as it seems to me, this provision is the vital clause in the bill and it, or something like it, is the vital provision that must go into any legislation on the farm question, if we are trying to produce business and not political results.

The Oregon grower of wheat has less in common with the Oregon grower of apples than he has with the North Dakota grower of wheat. Therefore, organization along purely State or regional lines, as proposed in the Aswell bill, will never reach this problem, but organization along the lines of the commodity in which there is a common interest offers hope if anything can offer it. The trouble with the American farmer—which can not be too often emphasized—is that he is over 6,000,000 individuals, dealing with the great organizations of industry and of trade.

What this bill seeks to do is to bring all of the wheat farmers of America into one national marketing association, to bring all of the cotton farmers of America into one national cotton-marketing association for the purpose, not of price fixing, not of direct arbitrary efforts to enhance the price without regard to economic laws, but for the purpose of enabling the producer to stabilize through orderly handling the market for his own commodity.

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

Mr. FORT. I can not yield now. Further—and this is not an insignificant matter—if this bill be adopted in this form, the farmer and his organization will be freed from the restraints of such laws as the Sherman law, which, of course, applies to other types of business organizations.

#### LOANS TO COOPERATIVES

To help his organization to succeed, what do we propose to do in the Tincher bill? I have said to you that the two great weaknesses of the modern cooperative association are its lack of size, which we plan to correct in part through a national association and in part through attracting new members, and its financial weakness and consequent inability to advance to its members even approximately as much money as the cash buyer can give them.

So we propose here that the Government, believing in cooperative marketing, shall offer to the wheat cooperative or the cotton cooperative or whatever cooperative you please, properly organized so that it may become a real factor in the trade, the money with which to provide the necessary margins over and above a strictly commercial loan. If, for example, the banks will loan the cooperatives, as they will, 70 per cent on the wheat, but if the ordinary farmer must have 90 per cent of the value in order to carry his cash necessities, then under the proposals of this bill the Government is prepared to let the cooperative associations have, on second mortgage on the wheat, 15 or 20 per cent additional. With speculative fluctuations diminished through the resulting stabilization, such loans would not be unsafe or unwise.

We propose to provide for them the facilities—the storage and handling facilities—they need by loaning them money on

second mortgage. Now, some Members say that it is all wrong for the Government to loan money on second mortgages. We loaned the railroads on fifth and sixth mortgages; and why did we do it? Because transportation is an absolute national necessity, because without transportation the entire economic structure of this Nation would fall down, and because in the economic dislocation resulting from the war the Government felt that it and it alone could provide the resources to put back the railroads on their feet.

Mr. CANNON. Will the gentleman yield at that point?

Mr. FORT. I can not.

The CHAIRMAN. The gentleman from New Jersey declines to yield.

Mr. FORT. Now, my friends, is transportation any more of an economic necessity than agriculture? Agriculture like transportation is to-day suffering from the economic dislocations of war. Agriculture, just as were the railroads, is entitled to the financial backing of the United States Government to pull it out of these dislocations. Just as we loaned on fourth, fifth, and sixth mortgages to the railroads, just as we may lose some of those loans, personally I can see no reason why this Government should hesitate to advance to the basic industry of all industries, the margins needed to enable the farmer to handle his own business.

Let us take, for example, the cotton situation as it is to-day. We might as well talk frankly. The cotton cooperatives of America to-day are carrying the bag for all producers. They are carrying practically a million bales of cotton out of an abnormal crop, and their backs are breaking because they have not the margins over and above what the banks will loan them to continue to carry the crops.

If they drop a million bales of cotton on the market, the cotton farmers in America suffer, and not the cooperatives alone. Why should not this Government, the only agency which can handle it, help carry that burden. Now, on this question of these loans, my friends, all crops never go bad the same year unless there be a war situation. Take last year, where cotton had trouble and corn had trouble. Pork has been satisfactory and wheat has been satisfactory through the year as a whole. Each year we have these changes from crop to crop, and each year, until the cooperative association has gained, through its own strength, the power to handle these matters, I would have the Government of the United States say to the farmers that "To you of all industries we are prepared to loan the margins that are needed on the crops you produce. We will not loan 100 per cent. No; but we will loan you enough so that the American farmer can wait to market his crops and not be compelled to dump his product without regard to his own will or on what any intelligent marketing agent knows to be a low, unsound market."

Now, the loans we make on the facilities are for 33 years. That is what we did for the railroads. The loans on commodities, we assume, will soon be repaid when the commodities are sold, but there is nothing in the bill that makes that mandatory. We are giving to the board the fullest discretion on rates of interest and on terms of repayment. Why? Because what we are after is to build up cooperative marketing in America, and we are setting up this board charged with the duty and obligation of accomplishing that purpose and giving it wide discretion as to the ways and means in which it will proceed.

#### SUPERVISION OF COOPERATIVES

Then, we provide for audits and supervision of cooperatives to which we make loans. I think one of the weaknesses in the cooperative movement to-day is that there is not enough of audit and supervision to make the ordinary farmer feel free from suspicion of some of the organizations and promoters. Here the promotion is going to be by the United States Government, and here is a Federal board which is going to set up the organizations and urge men to join. That fear and that suspicion will disappear when the American farmer knows the American Government is backing the whole proposition.

To those of my friends who feel that such loans and such Government intervention in agriculture is unwise, is socialistic, I want to say that what was called socialism yesterday is sometimes the sanity of to-day.

The CHAIRMAN. The time of the gentleman from New Jersey has expired.

Mr. TINCHESTER. How much more time does the gentleman desire to complete his remarks?

Mr. FORT. I could use five minutes.

Mr. TINCHESTER. I yield to the gentleman five minutes.

The CHAIRMAN. The gentleman from New Jersey is recognized for five minutes more.

MR. FORT. What we called socialism even so recently as before the war, we accept as a matter of course in many directions to-day.

Here is a great basic industry in trouble, not through its own fault. Are we going to sit here and say to the farmers of America, "To help you, to loan you money, is socialistic," when we have said to industry of various sorts and to transportation, "We will help you and loan you money"?

My friends, economic clothes can be outgrown just as fast as a growing boy outgrows his physical clothes. Economic ideas must change with the change of time and habits, and we have reached a point in this Nation where anything that so vitally affects 35 per cent of all our people is a matter of real State concern. So long as the changes that we make are considered changes, so long as we do not go chasing the chimeras of new forms of organization, of makeshifts, of price fixing, so long as we stand straight on business lines for the building up of business organizations, this Government can well, and should, aid the industry of the Nation.

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

Mr. FORT. No; I can not.

The CHAIRMAN. The gentleman declines to yield.

WILL HELP ALL AGRICULTURE

Mr. FORT. Now, my friends, one other thing: We plan in this bill to help all agriculture. It is not limited to the six basic commodities, and you know the six basic commodities involve only half of the gross product of agriculture. We plan to help the farmer in every section, in every crop, in every interest that he has; to give to him the backing of the Government, moral and financial, in his organization of himself for his own profit.

Everyone agrees that organization will do it. Which form of organization are you going to choose? The organization that is the real development of the best thought of America, the cooperative organization, or an untried form of organization superimposed by the Government, with new ideas and new thought, that wipes out the independence of the American farmer, that puts him under the supervision and absolute control of a Government body? Let us stick, my friends, to a form of organization that he himself has built up, the form of organization to which he is accustomed and with which he is acquainted; the form of organization that he knows how to operate and that has, where it has had a fair show, worked to his ultimate benefit.

That, as it seems to me, is the issue before this House. And my friends, again, in closing, I hope that we all, in considering this question, can rise superior to the sectional considerations that have marred this debate. The American farmer is American to the core. Indeed, he might be called the core of America. He does not want the intervention of a new and un-American instrumentality. He does not want a subsidy from his Government. He does want our sympathetic interest in his problems. He does want us to give him what we can all sincerely recommend as tried, as workable, as safe, and as thoroughly American. [Applause.]

The CHAIRMAN. The time of the gentleman from New Jersey has again expired.

Mr. SWANK. Mr. Chairman, I yield 10 minutes to the gentleman from Oklahoma [Mr. CARTER].

Mr. CARTER of Oklahoma. Mr. Chairman, after the illuminating discussion for the past few days on this farm situation I think any fair-minded person will concede not only that we have a farm problem but that that problem has reached the most acute stage and that the basic industry of our Nation, agriculture, is perhaps to-day facing a crisis equally as serious as any industry has faced during the history of our Nation.

We are told by the Bureau of Agricultural Economics that the price level of agricultural commodities has fallen so far below the price of all other commodities that the farmer has experienced a loss during the past five years in that respect alone of thirteen and one-half billion dollars; that the value of farm land and equipment throughout the entire country has been reduced during the same period from \$79,000,000,000 to \$59,000,000,000, a falling off of \$20,000,000,000, or a reduction of more than 25 per cent in the value of the agricultural assets of our country.

Many of the former prosperous farmers and stockmen of my State have been forced into bankruptcy, while many others, having mortgaged their all for a little place on which to live and subsist, have been foreclosed and driven from their little homes. Still others, not fortunate enough to own a home, while perhaps not yet actually confronted with hunger can hear in the very near future the howling of the wolf menacing them and their loved ones.

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

Mr. CARTER of Oklahoma. The gentleman must have heard me say I would not yield until I had used eight minutes. I shall be very glad to yield when I have finished this short statement.

Mr. HUDSPETH. But I yielded every time the gentleman asked me to.

Mr. CARTER of Oklahoma. I know; but the gentleman had more than 30 minutes and I only have 10. I must refuse to yield at this time.

This agricultural depression is now in its sixth year. At every session of Congress during that period those of us representing agricultural districts in the West have undertaken time and again to arouse the interest of Congress to the peril confronting agriculture. There are many important things that could have been done, but none of them have been done. The first actual opportunity to render any real assistance comes to us in the presentation of these triplets by our Agricultural Committee, but some of our friends on whom we have always in the past been accustomed to confide and rely tell us that this legislation is radical. My friends, this is the same criticism that was brought against the Declaration of Independence. More than that, it is the same charge that was brought against the people when about 700 years ago they met at Runnymede and wrested the Magna Charta from King John. Going back still farther into the mystic records of history, we might find this same objection brought to the decalogue when that ancient Hebrew lawgiver, Moses, presented on stone tablets the immortal Ten Commandments.

I have never been considered radical, nor in the light of the deplorable conditions existing to-day do I believe I am now more radical than the occasion demands in supporting the agricultural relief legislation presented to Congress to-day. What do these bills propose to do? All three of them propose aid to cooperative farm organizations, but there the similarity ends.

The prime purpose of the Haugen bill is to provide the farmer with the means of carrying over his surplus production from the fat years to the lean years, and I do not believe that any person will deny that to be one of the most baneful shortcomings with reference to our present agricultural situation.

Another, the Aswell bill, proposes machinery to take up the spread between producer and consumer of agricultural products. That is to say, to eliminate some of the wide difference between the price received by the farmer for his products and the price paid by the consumer for such products. Outside of the \$375,000,000 authorized by the Haugen bill, these I take it are the two features which are pointed out as radical. They do constitute a very material and serious change in our present machinery of distribution and sale of agricultural commodities.

Every man who has studied the situation must agree that both these bills strike at two vital evils which have brought about this crisis and are now menacing the farmers of our country. What are we going to do about it? The only question is whether or not either of these plans will work out the successful end we hope to accomplish. Maybe they will, and maybe they will not. For my part I am going to resolve the doubt in favor of the farmer and cast my vote to give one of these plans a chance.

"Oh!" I hear some one say, "are you, a Democrat, believing that every tub should stand on its own bottom, going to support such legislation as this?" As a Democrat I do believe that in so far as possible every industry should stand on its own responsibility. As a Democrat I do not believe in taxing one class of people to enrich another. But this does not mean that we should fail to recognize the condition of any industry becoming so distressed as to merit legitimate Government aid. Moreover, I remind my friends that the Democratic Party is not at this time in command of either of the three coordinate branches of the Government. When the people of this Nation return to sanity, when they are again made to see the importance of "equal rights to all and special privileges to none," and return the Democrats to power, then I will join you as I would to-day, if it were possible, in wiping out the iniquitous high schedules of the tariff and every other subsidy that is provided for the special interests by the present administration.

But what are we going to do until that time comes? This is the year of our Lord, 1926. At the very best we can not hope to gain control of the administration of this Government until March 4, 1929. That means that three crops will be planted, harvested, and sold before the Democratic Party can hope to get in control of the Government. What are our distressed and bankrupt farmers and stockmen going to do until that time rolls around? We are confronted now with a 2,000,000 bale carry-over in the cotton industry, and no one can tell what this season may bring. Suppose we have a bumper crop this year,

what is going to happen to the price of cotton next fall? Why, it is apparent to any man that the price of cotton will fall below the cost of production. What are my friends from cotton-producing sections going to say?

Mr. HUDSPETH. I will tell you.

Mr. CARTER of Oklahoma. Wait just a moment, please. The gentleman does not know yet what I am going to ask him.

Mr. HUDSPETH. I yielded to the gentleman every time.

Mr. CARTER of Oklahoma. Yes; but the gentleman from Texas had 35 minutes, and up to date the best I have been able to secure is 10 minutes.

Mr. HUDSPETH. I have been courteous and yielded to the gentleman every time.

Mr. CARTER of Oklahoma. Yes; but I did not interrupt the gentleman until I had obtained his permission. I must decline to yield now until I have completed my question. What is my good friend from Texas going to do when he gets back to his good old farmers down on the Rio Grande who are raising cotton at a cost of 20 to 25 cents a pound and will, perhaps, be forced to sell it this fall from 12 to 15 cents a pound? How is he going to explain to them that, after having voted for tariffs and subsidies that build up the price of products in the cities and of all the eastern country, that when an opportunity came to give them the same character of relief he found that it was economically unsound to do it? Now I will yield to the gentleman to answer the question.

Mr. HUDSPETH. But I do not desire to ask the gentleman a question.

Mr. CARTER of Oklahoma. But I am ready to yield now.

Mr. HUDSPETH. Very well; I will tell you what I am going to say.

Mr. CARTER of Oklahoma. Do not take up too much of my time.

Mr. HUDSPETH. But you have asked a question.

Mr. CARTER of Oklahoma. No; I said I yielded.

Mr. HUDSPETH. I am going to say to them, "Borrow your money from your banks and carry over your surplus."

Mr. CARTER of Oklahoma. Now, just let me answer that. The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. SWANK. Mr. Chairman, I yield the gentleman five minutes more.

Mr. CARTER of Oklahoma. The gentleman from Texas says he will tell the farmers: "Borrow the money from the banks and carry over your surplus." I imagine that will remind the already debt-ridden farmer of the young man who was seeking the hand of the girl in marriage, and when he popped the question to her she replied, "You must go to father." The disconsolate young man reeled off the following rhyme:

She knew that I knew that her father was dead;  
She knew that I knew what a life he had led;  
She knew that I knew what she meant when she said,  
"Go to father."

[Laughter.]

Mr. HAUGEN. Will the gentleman yield?

Mr. CARTER of Oklahoma. Yes; if the gentleman who has control will give me a little more time.

Mr. HAUGEN. The gentleman from Texas has announced that he was in favor of the farmers of his district having the benefit of the tariff; and having voted for the tariff bill, if the price goes down on cattle, as it has, he would give the cattlemen the benefit of the \$2 a hundred on cattle weighing more than 1,050 pounds and the transportation rate.

That is about \$2.50 a hundred. The gentleman opposed the cattlemen getting the benefit of the tariff of \$2.50. He voted for the McNary-Haugen bill; and if we had that bill in operation now, the cattlemen would get more than \$3 a hundred. [Applause.]

Mr. CARTER of Oklahoma. Since the gentleman has consumed considerable of my time, I hope he will be able to yield me a little more, because it is going to push me to finish the few suggestions I have to make.

There has been much talk about the equalization fee. They have tried to throw a scare into us; they have tried to intimidate some Congressmen representing cotton growers on account of this equalization fee. That is the easiest thing in the world to explain. This equalization fee does not come in force for two years after the date of the passage of the bill. The bill will probably not be passed until some time in June, so it will be 1928 before the equalization fee will come on cotton. If this provision with reference to cotton works out satisfactorily and the farmer gets a price for his cotton that gives a profit over and above the cost of production, do you think the cotton farmer is such a fool he will object to paying for that service? That

is what the equalization fee proposes to do. We have two years to find out whether or not it will work.

Mr. ASWELL. Will the gentleman yield?

Mr. CARTER of Oklahoma. The gentleman from Louisiana has control of a part of the time. I will be glad to yield to him if he will give me a little more time. But suppose that at the end of two years this does not work out satisfactorily. Suppose it does not keep the price of cotton above the cost of production. What is going to happen then? Why, everybody knows that this part of the bill will be repealed. You could not get 10 votes in this entire House against repealing it. Why, you could not even get those on the Republican side to object to that. These Yankees do not want to injure our farmers just for the purpose of punishing them. They are good business men. They just want to get our farmers' products as cheaply as possible and sell the products of their own country to our farmers at the highest possible price. The deferring of this equalization fee for two years is one of the best provisions in the bill, because it gives us a chance to see if the application of the bill will work to the advantage of the price of the farmers' products. If it does not, it can be repealed before the equalization fee is applied. If any change is made in that provision, if the bill is amended so as the equalization fee will apply before we find out whether it is workable or not, then, in my opinion, this bill is going to lose a good many votes from agricultural sections. I simply make this statement as a warning to the friends of the bill.

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

Mr. CARTER of Oklahoma. If the gentleman will make it short.

Mr. BLACK of New York. Can the gentleman figure how many votes there will be to defer the equalization fee for another two years?

Mr. CARTER of Oklahoma. No; we will cross that bridge when we get to it. I repeat what I have just said. If this plan works out to the benefit of the cotton farmer, then the cotton farmer will be willing to pay for that service; but if it is found to be not workable to the extent of giving the cotton farmer a reasonable compensation for his production, then there will be no use to keep that part of the bill on the statute books and any reasonable man will vote to repeal it. That ought to satisfy even the gentleman from New York.

Mr. BLACK of New York. We are hard to satisfy.

Mr. CARTER of Oklahoma. Yes; I admit that some of these gentlemen representing the East whose constituents have been getting the advantage of the tariff and other subsidies are somewhat hard to satisfy when we ask a distribution of any part of those benefits out West. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. CARTER of Oklahoma. I would like to have two minutes.

Mr. HAUGEN. Mr. Chairman, I have only 92 minutes to run a debate of 8 hours.

Mr. CARTER of Oklahoma. Can not the gentleman yield me two minutes? He used up that much of my time.

Mr. HAUGEN. I can give the gentleman one minute.

Mr. CARTER of Oklahoma. The gentleman took up two minutes of my time when I yielded to him.

Mr. HAUGEN. We had a gentleman's agreement—

Mr. CARTER of Oklahoma. The gentleman did not have any agreement about the two minutes he took away from my time when I yielded to him.

Mr. HAUGEN. I yield two minutes to the gentleman. [Applause.]

Mr. CARTER of Oklahoma. Mr. Chairman, I want a few more words with my colleagues on the Democratic side of the House. For almost 20 years I have represented the people of my section in Congress. During all of that time my voice has been raised with yours in protest against these exorbitant tariffs and subsidies which have enriched the people of the cities and of the East and impoverished the people of the South and West. We have protested, we have vociferated, we have thundered in the index, yet the party in power has gone right along continuing the practice of subsidies and tariffs for the benefit of their people. They have piled up tariffs, subsidies, artificial props and braces to every character of business in the country except agriculture, until our poor old farmer has his back bent and almost broken from the burden. And worse still, the American people have gone right along electing a majority in this House and at the other end of the Capitol of those who continue the practice of this policy. So at last we have an opportunity here for the consideration of legislation which proposes to give some of these artificial props and braces to the agricultural industry and whatever my convictions may be on governmental economics, I do not propose

that my vote shall stand in the way of the farmer of the South and West getting his share, so I am going to vote for the Haugen bill. I am going to vote for it because I consider it is the best proposal offered and that has any chance of being enacted into law. [Applause.]

Mr. RATHBONE. Mr. Speaker, it is most interesting to note what common-sense farmers themselves have to say about the problem of agriculture, which we are debating. In my own State of Illinois there is published the Whiteside County Farmer, in which an article recently appeared by Mr. Matt Grennan, which should be of much interest not only to the farmers of the Nation but to the public in general. The article is as follows:

What is the most serious problem before the American people to-day? I say lack of understanding of each other's problems.

This is the topic of every group in the rural districts and is fast spreading to the cities.

We have, in my opinion, just started into what the older countries have gone through.

The real trouble, as I see it, is that we have lost sight of our customers. They are in just as serious a condition as we. For instance, the man with a family of youngsters who has had his time cut to four days a week and his pay to 40 cents an hour. This leaves him \$16 with which to battle the high cost of living. I am citing this particular class because they are our real customers. They eat more of the good, substantial food than those who do less manual labor, and they are also the first to feel a depression.

Receiving but \$16 a week, he must limit his cost of living to that amount, as his borrowing power is unlike that of the producer, who must have a reserve capital to do his business with. The cause for his decrease in wages and working time can be laid to the decrease in buying power of the farmer.

What is the real reason for this condition? I would say too much speculation and too little regulation. Now, we are in a certain sense to blame for this. When food was cheaper people consumed more and perhaps wasted more, but with the advance in price they were forced to curtail their eating to conform with their pay envelopes. Costs of living have advanced radically in proportion to the average man's earning power.

I will quote a few comparisons: When we sold wheat for 75 cents per bushel the consumer bought flour for 85 cents a sack. Now we pay \$3, and get, or rather get at threshing time when most of our wheat was delivered, a dollar and a quarter. I am speaking for my own neighborhood.

What has caused this unreasonable advance in the cost of getting the raw product from hands of the producer to the hands of the consumer in its finished form? I say speculation, storage, distribution, and manner of handling.

In the days of 75-cent wheat speculation was practically unknown. Storage was limited to small mill warehouses and farm granaries. These small mills dealt directly with the producer and the consumer at a normal cost, thereby eliminating the cost of double freight and countless agencies that the produce now must pass through before it reaches the consumer.

Here is where the producer loses sight of his customer and both are paralyzed. For instance, we have sold 50 per cent of our corn this year for 50 cents a bushel, wheat for \$1.30, and oats at a cent a pound.

The consumer is paying 5 cents a pound for corn meal, or \$2.80 a bushel. He pays 7 cents a pound for oatmeal, or \$2.24 a bushel, and these two articles are the cheapest food a consumer can buy that are not sold directly from the producer to the consumer. We must find a more direct route for the raw material to be put into the hands of the consumer or customer in its finished state.

All great wrongs that affect people have a way of righting themselves. It took a civil war to eradicate slavery, and impossible conditions in Europe brought on the World War. We are just starting through what Europe has already experienced. We are allowing the most efficient producers to be driven from the farms to find more lucrative employment. These men are being replaced by others who, through lack of knowledge and experience, can produce less than 75 per cent of what they should. In the last 10 years we have eliminated 65 per cent of our horses. If we still had them, they would consume more than our present export to Europe. Any man with ordinary reasoning power can readily see that this country would be on war-time rations if we had not replaced the horse with motor power.

When Europe became industrialized to such an extent that she was forced to look elsewhere for food, she turned to us and got it; but whom shall we look to when our agriculture fails? How are we going to remedy this appalling situation?

We have always stood on our own feet in these United States, and we still can do so if we provide for the future. As I said before, we must find a more direct way of meeting our customers.

Let us build our own mills and refineries to convert the raw materials into the finished product. Place these in the center of each grain-growing State, and take advantage of the shortened railway hauls.

Deal directly with the consumer through small distributing centers, who in turn will take care of the retail grocers.

Now, to take care of surplus grain. In the first place, this will be partly eliminated through the fact that people will eat more of it on account of its lesser cost. Each farmer must have sufficient bin room to hold his grain. He can shell his corn the 1st of June, put it back in his bins, and haul one-twelfth of it each month. In this way large storehouses will be unnecessary, and still the mills will have a steady income of grain the year around. If at the eleventh month there is found to be a surplus, the grain is where it belongs, and production can be adjusted accordingly.

Under this method we can reduce the cost of living 40 per cent to our customers, thereby increasing their earning power. We will get away from what Europe has suffered, have a general sympathy for each other, build up business, and put everyone to work.

We should be able to pay the farmer approximately a dollar for corn, a dollar and a half for wheat, a dollar and a quarter for rye, 85 cents for barley, and 50 cents for oats.

In the meat line we could say \$14 per hundred for finished cattle, \$8 for choice feeders, and \$12 for top hogs. This, I think, is a relative price and will regulate meat and grain.

The stimulus to industry should be tremendous. It will take years of industrial activity to supply agriculture with equipment that they are so badly in need of, and which they will be only too glad to buy when their finances permit it.

There are a number of ways in which this plan can be financed. The farmers themselves can finance it on the basis of a 25 cents an acre tax over a period of years. Where tenants are involved the tax could be met by each paying half. With this plan each individual farmer would become a stockholder and would participate in any dividends which might occur. These dividends could be paid yearly or held as a surplus to meet increased demands for operating space and equipment.

There are a great many angles to the subject, and I might write a book on it if time and space permitted. I am deeply interested in anything which promises help for the producer and his ultimate customer.

Being a plain farmer and cattle feeder, working from early in the morning until chores are done at night, I think I understand and realize conditions better than many more highly educated men who are writing from their desks in the city.

The man or group of men who puts this plan into operation will have rendered a lasting service to his country and to the great class who earn their living by honest toil. He will be entitled to his place in the hall of fame with our reverend forefathers, Washington and Lincoln.

Mr. HAUGEN. Mr. Chairman, I yield three minutes to the gentleman from Illinois [Mr. WILLIAMS].

Mr. ASWELL. I understood we had an agreement to the contrary. I understood that the gentleman from Iowa would yield 10 minutes to the gentleman from Texas [Mr. JONES], and the gentleman from Kansas [Mr. TINCHER] would yield 10 minutes to him, and I would yield him 10 minutes.

Mr. HAUGEN. That is right.

Mr. ASWELL. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. JONES], as the gentleman from Kansas and the gentleman from Iowa have done.

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

Mr. ASWELL. Mr. Chairman, will the gentleman withhold while I yield one minute to the gentleman from Tennessee [Mr. HULL]?

Mr. JONES. Yes.

Mr. HULL of Tennessee. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD on these bills.

The CHAIRMAN. The gentleman from Tennessee asks unanimous consent to extend his remarks. Is there objection?

There was no objection.

Mr. HULL of Tennessee. Mr. Chairman, there is to-day general agreement in this country upon two points relating to agriculture. One is that it is in serious distress and presents a most important problem as to suitable relief measures. The other point is universal acknowledgment of the fact that the Fordney high tariff, as an agency of any sort of general prosperity for agriculture as a whole, has been a hopeless and grotesque failure from the day of its enactment. On the contrary, even a blind person can now see that during the past five years our high tariffs have operated as a tremendous engine of oppression to agriculture. The present deplorable condition of our farmers did not develop overnight, and it can not be remedied overnight. Relief in many deserved and legitimate ways can and undoubtedly should be had at the earliest possible date. Such relief should come through sound economic policies, and not through temporary artificial expedients of extremely doubtful workability. Permanent relief, based on sound principles, is

what agriculture properly demands and what it is entitled to receive.

During the period of my service here I have at every stage contributed my best efforts in earnest cooperation with those seeking to promote the welfare of American agriculture. At this time two widely different policies for farm relief are available. One policy is embodied in the Haugen bill, which is bottomed on the existing high-tariff system.

The other policy embraces such timely, practicable, and legitimate measures as the following: Tariff reduction, thereby materially diminishing the farmer's cost of production, distribution, and his cost of living; liberalization of our international trade relations, thereby expanding and developing foreign market and trade conditions so that other countries might purchase increased quantities of our surplus foodstuffs and other commodities, at increased prices; aid and encouragement in the wider expansion and development of cooperative agencies for transportation and distribution, including the guarded relaxation of antitrust legislation in view of the peculiar and extra hazards and uncertainties which agricultural production involves; better short-term and other credit facilities where actually needed and justified by good business principles; reduction of railway rates; abolition by the States of State taxes on farm lands, leaving the same to counties and villages; readjustment downward by the States of land taxes in the meantime; suppression of monopolies in the distribution of farm products; abolition by international agreements of bounties, rebates, and other special aid given the exportation and sale of farm products in competition with ours, by other governments; the greater utilization of the Mississippi and other important water courses for the transportation of farm products. The cooperative agencies for the distribution and sale of farm products should have all reasonable financial cooperation by the Federal Government with suitable safeguards until they are sufficiently developed and made sufficiently workable.

The champions of the manufacturers' high tariffs naturally oppose the Haugen measure, because they do not propose to run the slightest risk of imposing any tariff burdens or impediments on tariff-protected manufacturers. It is comical to hear this delectable group oppose the Haugen bill by shouting "subsidy." Some of the antihigh tariff supporters of the Haugen measure suggest that it is not possible to secure the immediate adoption of the legitimate remedies I have outlined and that therefore the farm emergency can only be met by joining the forces of special privilege and enacting the Haugen bill. Under this theory sound relief could never be secured. The American farmers had a wonderful opportunity in the general elections of 1922 to take effective steps for the adoption of sound measures of relief, and they had a like opportunity in the elections of 1924. Why did not their spokesman offer the Haugen plan when the Fordney tariff bill was pending in 1922? Their leaders and representatives, unfortunately, were during these periods holding a great cross section of farmers in support of the very economic methods which have wrought havoc to American agriculture. Everyone now knows that there is a disparity between the prices of agriculture and of industry and that the Fordney high tariff is chiefly responsible therefor. It must be patent to all that the Haugen bill contemplates the perpetuation of the most aggravated form of special privilege in this country, which is the Fordney high tariff. Strange to say, this is proposed in the name of economic equality, although nothing is more impossible than to equalize the benefits of special privilege. Economic equality, if it means anything, means the destruction of special privilege. These two policies are directly and eternally inconsistent and repugnant to each other. High tariffs not only breed combines and monopolies, but they invariably leave a trail of colossal scandals and wholesale corruption. Our Government to-day is in the clutches of the high-tariff manufacturers; they are the Government. They have given express orders for Congress to keep entirely away from the tariff, no matter what happens to the farmer.

The real object of those now in control of the Federal Government is to maintain the existing Fordney high tariffs intact. Farm relief with them is purely incidental to this one controlling purpose. They are willing to give agriculture anything that will not militate against the existing high-tariff structure. The important fact should constantly be borne in mind that from early in 1921 farm-relief measures have been in charge and control of those who were opposed to any interference with existing high and unconscionable tariffs, but who favored their permanent retention. It has not been possible, therefore, either to consider farm-relief measures or to conduct farm-relief hearings with respect to the great and far-reaching tariff and trade angle of the agricultural situation. On the contrary, representatives of the majority in control of the Gov-

ernment have constantly fought to keep entirely away from tariff considerations and instead to offer to agriculture any and every kind of relief measures, no matter how artificial or arbitrary, just so their operation and effects would not conflict with or undermine or expose the class nature, the injustice, the inequities, and the outrages of the Fordney high-tariff rates. These objects and purposes, now clearly revealed, account for the many half-baked or inadequate or hodge-podge proposals for farm relief since early in 1921, as they also account for the distribution of tons of propaganda intended either to divert the farmer from a real consideration of tariff effects upon his industry or to placate him in his threatened wrath against the tariff and trade policies of the present administration.

During the years prior to 1921 American agriculture had thrived wonderfully. In 1921 we had vast surpluses of food-stuffs, while the balance of the world was hungry and anxious to buy. Our country only needed to cooperate in a moral and economic way to maintain the international financial exchange, credit and trade situation in order that countries needing our surplus foodstuffs might have available trade channels through which to purchase upon good security in cases where cash or barter were inadequate for payment. Then it was that those in charge of the Federal Government, dominated by the ultra-high-tariff manufacturers, decided to pursue a policy of narrow and selfish economic isolation and aloofness and to fence this country about with tariffs higher in many respects than any known to our fiscal history. They, as are all high-tariff systems, were surrounded by a network of retaliations, boycotts, reprisals, restraints, and restrictions with respect to international trade.

All sound economic authorities recognize that this ultra-high-tariff policy would crucify agriculture in America, as subsequent experience has demonstrated to a mathematical certainty. Those in control, however, recalled the fact that they had for 50 years been able to delude the farmer by the plea that high tariffs were an invariable guaranty of permanent prosperity to all industries, including agriculture. They therefore had no hesitation in attempting to continue the wide circulation of this deliberately false policy. The first step was to proclaim and enact the farmer's high tariff law of May, 1921, coupled with the solemn assurance that it would give agriculture sound and permanent prosperity. We must not forget the fact that those among the majority in control of the Government and their associates on the outside who assumed to speak for agriculture subscribed to and supported this fraudulent program of farm relief.

In 1922, when the Fordney general tariff measure was pending, these same farm spokesmen strongly ratified and approved the agricultural tariff provisions as constituting virtually an all-inclusive remedy and safeguard for American agriculture. The idea held out to the farmers was that they were thereby placed on an absolute economic equality with manufacturing and other industries. The real problem of promoting and expanding international trade and export markets was not seriously mentioned, much less considered.

Further, to illustrate the tortuous course of those in charge of the Government toward agriculture, it is interesting to recall that as early as 1920 candidate Warren G. Harding urged the farmers to produce more. On July 22, 1920, he said:

Our need is a maximum production. \* \* \* I want somehow to appeal to the sons and daughters of the Republic, to every producer, to join hand and brain in production, more production, honest production, patriotic production.

Vice presidential candidate Calvin Coolidge on July 27, 1920, said:

Production must be increased.

During the months following the enactment of the Fordney farmer's high tariff in May, 1921, disaster was overtaking agriculture so rapidly that President Harding, in his annual message to Congress on December 6, 1921, was driven to confess that—

something more than tariff protection is required by American agriculture.

The farm spokesmen at Washington, however, were later soothed and made content with the soporifics that were later inserted in the Fordney tariff law in 1922. I do not question their motives. Some minor, partial, and wholly inadequate domestic laws relating to agriculture were provided as a supplement to the pretended tariff remedies which were constantly held out as the controlling agency for agricultural prosperity.

It is due the American Farm Bureau Federation to call attention to the opposing views of some of their membership as early as 1923, although their contrary ideas became hopelessly

submerged by other farm spokesmen at Washington in league with the high-tariff policy. This farm organization sent a committee abroad during 1923 to study the European situation as it related to the American farmer. This committee reported at the annual convention on December 10, 1923, as follows:

But whether for barter or for money, there are serious obstacles to the full and necessary development of international trade that are of gratuitous American making. Our tariff laws are in many instances prohibitive rather than protective. They make it impossible for foreign countries to sell to us and therefore impossible for them to buy from us. International trade is literally a trade, an exchange. If there is nothing that we can take in exchange for what we offer, there is no trade. Nations can not buy without selling. We need tariff laws that are designed to equalize competition and not prevent it. Tariffs dictated by greed bear heavily on our farmers, for they increase their cost factors and impede the sale of their products. The American Farm Bureau Federation has defined its position on this subject and it should resolutely press for the adoption of the principle of nonpolitical tariffs adjusted so as to compensate for differences in labor costs here and abroad.

It is thus apparent that these farm leaders had discovered the extent to which our narrow high-tariff policies and accompanying trade restrictions were hopelessly handicapping and ham-stringing even the most legitimate and profitable reciprocal international trade. They seem to have discovered the true economic fact that no country could sell unless it was willing to buy, and that exports must be paid for by imports, and hence that a reduction of imports meant a corresponding reduction of exports. During these very years—1921 to 1924—there were hundreds of millions of grossly underfed people in Europe crying for our foodstuffs, while thousands of our American farmers were drifting into bankruptcy for lack of sales of their surpluses.

In the fall of 1920, while combating the general high-tariff program then already planned, I offered a resolution in the House of Representatives providing for the appointment of a select committee to conduct elaborate hearings and to report a measure or plan to reduce the cost of domestic distribution between the farmer and the consumer of farm products in this country. The farmer was not getting much more than one-third of the price which the consumer paid. This resolution related to all costs of distribution, including transportation, warehousing, and sales methods and agencies. The resolution was given no attention by the majority in control of Congress, their minds being engrossed solely with their tariff remedies. On December 22, 1920, in discussing on the floor of the House the so-called farmers' tariff bill then pending, among other things I said:

The proposed tariff bill, in my judgment, is not nearly so innocent as appears on its face, for whether so intended or not, this measure sharply raises the question of the most supreme importance to this Nation, one involving the whole future commercial policy of the Nation in the light of the new and changed economic conditions in which our country and the world find themselves as the result of the war. The American people are now face to face with the momentous question of whether they as a Nation will maintain our present supreme position in world finance, commerce, and industry, going forward with the development of our foreign trade, keeping alive and expanding our great merchant marine, making sound and permanent investments of surplus capital abroad, affording labor increased employment at home, negotiating wise reciprocal commercial treaties, cooperating with other nations in the elimination of unfair, hurtful, and dangerous trade practices so as to promote fair and friendly trade relations, prescribing a tariff for revenue only, and doing in other essential respects big things in a big way as sound, enlightened, and progressive policy would suggest.

The American Nation must either adopt this wise and philosophic policy for its future and continue to progress, or it must inevitably and as the only alternative adopt the narrow, shortsighted, suicidal policy of commercial isolation not unlike that pursued by China after she had become a world factor in finance and commerce and which has brought her to her present low and despised estate. This latter policy means that the United States shall return to a general and comprehensive system of high protective tariffs—tariffs on the commodities of all producers, from the raw material to the finished product, when selfishly demanded by them, whether really needed or not even from the standpoint of protection. It practically means going backward 40 years, although economic conditions have entirely changed. This policy would assure permanent artificial commercial conditions, a new army of trusts, monopolistic prices to consumers at home, inefficiency in production, stagnation, shutdowns, and an artificially high level of costs of production which would prevent successful American competition in world markets and would compel a return to the old practice under former high protective tariff systems of dumping our annual surpluses abroad at prices far below the domestic

prices charged the American consumer. This policy, so backward, antiquated, and utterly provincial for a full-grown country, would mean the death knell to our present \$13,000,000,000 of international commerce, and along with it our dominant position in the financial and commercial affairs of the world. It would then be entirely appropriate to remit our foreign debts and let the gift become a monument to our economic stupidity and our future national decadence. Bourbon protectionists can not realize that we are living in a new world and that the position of our Nation in the world economy is vastly different from that of the past. From this time the Nation will move forward or backward according to which of these great epochal policies it adopts.

In the language of President William McKinley, "the period of exclusiveness is past. The expansion of our trade and commerce is the pressing problem." Notwithstanding every true sign and wise warning to the contrary, the fight for reaction, for exclusiveness, and for economic isolation is now on. The sudden appearance of this hastily constructed high tariff bill was the signal to all the forces of standpat protection and of greed and selfishness to rally in a grand effort again to get both their arms and feet into the Federal Treasury. The logrollers behind this and other like high tariff bills make the pork-barrel logrollers drop their heads in shame. No person or business can become a beneficiary of one of these general high protective tariff laws without joining with all other beneficiaries, no matter how undeserving or extortionate and upholding their demands. I am persuaded that the proponents of this measure, while recognizing its utter futility as a remedy for the present distress of the farmers, have rushed it before Congress for the purpose of exciting the favorable interest and whetting the appetite of certain wheat raisers and livestock growers, bean, peanut, onion, and other raisers of certain agricultural products to the extent that they will next spring demand that their Representatives here give their support not only to protective tariff items affecting them at home, but to the entire high protective tariff measure the reactionary Republicans expect to lay before Congress next year.

Speaking further along, I also said:

The controlling purpose of the bill is to create the false impression in the minds of the farmers of the Nation that they can be materially benefited by high protective tariffs upon the theory that the tariff will prevent outside competition and thereby enable the farmers to secure higher prices than otherwise for his products in the domestic markets. A few general facts and conditions patent to every sane person utterly disprove this view.

At another point in the same speech, in reply to an interrogation as to the immediate remedies I would suggest, I said:

First, let the Government and the banking and other financial agencies of this country cooperate with the commercial, banking, and other agencies of other countries who want our surplus commodities in reviving and strengthening our international trade and exchange situation. That opens the door; that gives us a free flow of commerce back and forth between nations. This would afford temporary relief. America will have to make large, long-time investments abroad to give us a stable and sound and permanent export situation. In the second place, I would have the farmers of this country who still own a surplus of farm products and livestock given all the credit accommodations possible that will enable them to hold this surplus pending the revival of international trade functions. I do not mean by this to hold up the values of this surplus artificially, but rather up to a fair world-price level at this stage of readjustment. In the third place, Congress could do much to encourage and considerable to aid in bringing the farmer in more direct communication with the consumer. For many years we have heard constant talk about efficiency in production, but we have heard entirely too little about economic efficiency and directness in the distribution of that which the farmer produces between him and the consumer. Cooperative sales agencies, cooperative purchasing agencies, additional storage facilities properly supervised, better transportation, terminal facilities, all these are important steps which are now being pointed out to you by the farmer himself to bring the farmer more directly and in cheaper contact with the consumer, and which, if it enabled him to get even one-third to one-half the level of prices which the American consumers are now paying for his products, would put him in the most independent position economically at this minute. Now, these, in my judgment, are the practical methods by which the agricultural surplus, as well as the other surpluses, we produce in this country will finally be disposed of.

The friends of high-tariff protection from 1920 until the present time, by suggesting every other sort of expeditors and nostrums, have been able to divide the farmers and so to ward off an assault by agriculture upon existing high tariffs. They have in the meantime even brazenly argued that such tariffs had helped agriculture as a whole. They have also doped millions of farmers half to death with high-tariff propaganda. President Coolidge in his Chicago speech, December, 1925, still held out for the application of high tariffs as the best

panacea for agriculture. President Coolidge's agricultural conference in its report of January, 1925, inserted a strong high-tariff provision. Upon the other hand, the appearance of the McNary-Haugen bill in Congress in 1924 was a confession by high-tariff champions that some remedy more potent than the tariff was necessary for the salvation of agriculture. In order, however, to safeguard all the mountain-high rates of the Fordney law for the benefit of certain manufacturers they framed the McNary-Haugen measure upon the policy of perpetuating such high rates by leaving them intact. This bill failed in the House.

The general result of the course of those in charge of the Federal Government in relation to agriculture during the past five years has been to maintain all high tariff rates undisturbed and intact, which has resulted in turning out annually scores of millionaires in the manufacturing industries, while American agriculture as a whole has gone from bad to worse.

We find to-day a continuance of the same old policy which is designed to evade and avoid the slightest interference with the existing high and extortionate tariff rates and to salve and soothe the farmer with the absolutely artificial and arbitrary plan to raise the prices of his products, as is shown by the pending Haugen bill. Let us still keep in mind the notorious fact that high protectionists who have opposed the slightest reduction in the high tariff on manufactures are dominating existing farm relief proposals.

I have patiently, earnestly, and sympathetically studied every phase of the pending Haugen bill, notwithstanding the fact that it is proposed by a group of farm leaders thus far strongly wedded to the existing high tariffs which have wrought such havoc to agriculture. For my life I am unable to conclude that this wholly artificial plan would prove practicable or workable for any appreciable length of time to anywhere near the extent contemplated by its proponents and necessary for any substantial aid to agriculture. It is not based on any sound economic or trade policy, but, on the contrary, it conflicts with each. Existing tariffs have already created an artificial, lopsided, economic situation in this country. But instead of a movement to reduce these tariffs to a decent level, it is now proposed still further to aggravate, dislocate, and demoralize our industrial, trade, and general economic conditions by adopting and grafting on the present tariff structure an additional artificial policy.

This fatuous course baldly proposes to negative such wise policies as low production costs, living costs, transportation and distribution costs, and liberal international trade policies and methods which are calculated to expand our foreign markets and to increase our foreign prices. The policy of the Haugen bill also embraces a permanent system of dumping, which not only flies in the face of the policy of our own antidumping law but of similar laws expressly prohibiting dumping which we find in many or most other commercial nations. The Haugen bill proposes in theory a domestic price level equal to the world price level, plus our tariffs and transportation costs, while it proposes to dump our surpluses at a price less the amount of our tariffs. It would be difficult to imagine any trade practice that would invite and challenge reprisals, retaliations, boycotts, and even prompt governmental protests everywhere, to a greater extent than this proposed system of dumping.

I can not now go into the details of the operation of the Haugen bill, which in my judgment would prove tremendously disappointing and within a brief time more hurtful than helpful. Apart from the question of its workability, why is it sought to compel the farmer who is receiving no tariff benefits himself to pay the cost of the benefits he seeks in the form of an equalization fee? Why not assess this amount in the form of a special excise tax of 1 to 3 per cent on certain industries which are receiving and collecting from the American people in the form of higher prices the full amount of their tariffs? Nothing would be easier than to impose such tax on the finished products of the silk industry, which received average tariff benefits of more than 60 per cent; on the woolen industry, which receives tariff benefits on cloths of more than 70 per cent; on certain portions of the iron and steel industry, which receives average tariff benefits of 28 per cent, and on the aluminum and other industries which in the main are collecting every penny of their tariffs off the American people in the form of correspondingly higher prices?

I was reared in that school of thought which has taught equal rights to all and special privileges to none. The political party to which I belong has lived for more than 100 years, mainly because it has consistently clung to this ancient doctrine. The American farmers as a whole worked together and maintained this doctrine during most of the first 70 years of the Nation's existence. They are still able at any time they may desire to unify their forces, to proclaim and compel the

enactment of sound and suitable policies, giving economic equality to all classes of business, of industries, and to all sections of our common country. The alternative to this wise course is to acquiesce and by implication to ratify all existing policies in support of high tariffs, subsidies, bounties, and all other forms of special privilege, and at the same time seek a suitable share in the loot. We would then have a Government of privilege, by privilege, and for privilege.

Fundamental principles would be forgotten and ultimately would become almost a hiss and a byword among those enjoying special governmental favoritism. If special privilege is outrageously wrong, why should we embrace it even temporarily, instead of fighting to destroy it and restore honest and fair economic policies? The country was never in such urgent need of education on these questions if it is to be saved from the forces of privilege and plunder. If the opposition is not to become submerged by the predatory interests of this country, it must proceed to educate the people along right lines and to combat at every step these sinister forces. The fact that under Republican rule special privilege has reared its slimy head in this country affords no reason or pretext for the champions of sound economic policies even temporarily to surrender and go over to the camp of the enemy, unless they are to lead the public to believe that they have abandoned their principles. If John Smith commits a wrongful act, how can Bill Jones by citing it justify a wrongful act on his part? Where would this practice of adding special privilege to special privilege end, and when would sound principles, thus hopelessly submerged, ever get back to the surface? If we add agriculture to the lists of privilege, there yet remains tens and tens of millions of other citizens on the outside. It would then be in order for them to come in and demand their respective shares of plunder. And in addition there are many other industries to-day seriously laboring under the disadvantages of surpluses, such as the coal, the iron and steel, the textile, the leather, and numerous others. They would soon demand some artificial device calculated to raise their domestic prices still higher and to dump their surpluses. There would be no end.

The Nation can always afford to stand for sound political and economic doctrines and to combat those that are not. It can not, in my judgment, pursue the opposite or mixed course in this respect without inviting ultimate disaster to all. Why has it not been possible to induce the proponents of the Haugen bill to join in a fight for the numerous sound proposals for the relief of agriculture which I definitely set out at the beginning of this statement?

The probable answer is that they are too hopelessly enmeshed in the network of the high protective tariff system. These proposals, if enacted, would place agriculture in a wonderful position. We could and should in this connection offer temporary financial cooperation in the broader and more comprehensive development of farm cooperative organizations in this country. Some such measure as the Aswell bill, with some modifications, carrying, say, \$100,000,000, would meet the purpose of one of the proposals which I set out in the beginning.

The great need of agriculture in this country is concerted action on the part of our farmers in support of a definite program of sound economic and trade policies. There should be no divisions, as there have been for many years. Interested, as I am, in a number of farms, and therefore understanding and sympathizing to the fullest possible extent with deplorable farm conditions, I can not conceive of any public service that I would undertake more enthusiastically than that of aiding, as I have always striven to do, in the restoration of agriculture to its proper and rightful place. The question as to the workability of the Haugen bill has been extensively discussed both pro and con, and I desire somewhat in detail to consider the subject of ultra high tariffs, including their destructive effects upon export markets and export prices, and also their relation to agriculture.

How does the tariff hurt the farmer? This inquiry involves a number of considerations. Whom does it help, whom does it hurt, and in what degrees? What, therefore, is the true nature, scope, and application of the existing Fordney-McCumber tariff system? What place does agriculture occupy in our general economic situation, and what is its relation to these tariffs? In order to reach accurate conclusions on these points it is necessary at the outset to brush aside certain widespread delusions that have been carefully developed by misleading propaganda. One is that high tariffs are chiefly designed to benefit labor and agriculture, whereas the real beneficiary, the manufacturer, has financed and directed every movement for high tariffs, and his agents and lobbyists at Washington have written most of the rates, and written them high enough for every remote contingency.

These manufacturing champions of protection have rarely permitted the consideration of any other economic policies, however sound, but have generally kept the public beguiled and diverted by constantly reiterating the stock phrase, "protection and prosperity." Astonishing to say, a general sentiment in support of extreme high tariffs has been built up by this and similar wholly false slogans in the face of the historic fact that every important panic since the Civil War has occurred either under high-tariff administrations or their high-tariff legislation, such as the panic of 1873 under the Morrill high tariff; the panic of 1890-1894 under the McKinley high tariff, which was not repealed until August, 1894; the panic of 1907-8 under the Dingley high tariff; and the agricultural panic of 1921-1925 under the farmers' high tariff of May, 1921, and the Fordney high tariff of September, 1922. A third popular misapprehension is the extremely wide variance between tariffs as preached and tariffs as practiced. The difference is as wide as the two poles. In theory tariff benefits are held out to all; in practice tariff burdens are imposed upon 85 per cent of the American people.

A tariff under the Constitution is a tax imposed on articles imported from abroad. The tariff as a tax, according to the doctrines of disinterested economic authorities, is the most inequitable of all, because, being levied on consumption, its requires a poor person with a large family to pay a larger amount than a rich person with a small family. The avowed purpose of protective tariffs is, by reducing or preventing outside competition, to enable domestic manufacturers or producers to sell at higher prices than otherwise. There is no tariff protection unless an increase in prices. Any other tariff pretension is a fraud on its face. Tariffs are subsidies or gifts bestowed upon one class of persons at the expense of all other classes. In principle they are unjust and immoral. The chief tariff burdens are not taxes but excessive prices paid for domestic products. Tariff protection offers the greatest possible incentive to inefficiency, bad management, the use of antiquated machinery, and waste in manufacturing and production. It is based almost wholly on the theory of a productive capacity that will only equal domestic consumption.

Typical high tariffs are spread indiscriminately upon food-stuffs, raw materials, and finished manufactures. They increase all production costs, living costs, transportation costs, obstruct export trade, seriously burden international commerce, prevent nations from increasing their incomes, paying their debts, and buying from each other even where mutually profitable. High tariffs are based on the theory that nations can sell more if each tries to buy less, while they ignore the universal truth that the chief source of world income is interchange of goods. Such tariffs are also surrounded by a network of trade restrictions, restraints, embargoes, reprisals, and retaliations which invite or challenge similar high rates and retaliatory or boycott provisions by other countries.

Following the war America found herself in an impregnable position financially, industrially, and commercially. Our national wealth had jumped from \$186,000,000,000 in 1912 to \$320,000,000,000 in 1920. Everyone was prosperous. Unlimited gold and credit, boundless supplies of foodstuffs and raw materials, and a manufacturing and productive efficiency and capacity unequaled anywhere were ours. The other half of the world was hungry, overwhelmed with debt, without foodstuffs and raw materials, cursed with depreciated currencies and collapsed exchanges, and otherwise at our mercy financially and commercially. We had but to cooperate in a business and economic way to maintain the international exchange, credit, and trade situation so as to feed out to other countries in a most profitable manner during all the coming years our increasing surplus foodstuffs, raw materials, and manufactures. This is precisely what we did not do, but instead the suicidal course of economic aloofness and isolation was followed. The result was that from 1921 to 1924 hundreds of millions of persons in Europe were grossly underfed and undernourished, while vast surpluses of unsold foodstuffs were sending American farmers into bankruptcy by the tens of thousands.

The American manufacturers showed profits of sixteen and one-third billion dollars from 1916 to 1920, and though confronted with the opportunity virtually unchallenged to expand and spread over the entire world with their commerce they amazed every enlightened country by their prompt decision to remain at home surrounded by high-tariff walls. The so-called farmers' protective tariff act of May, 1921, was the first definite step in this short-sighted and selfish course. The Fordney Tariff Act of September, 1922, was the second and final step in our world leadership back to high tariffs, high living costs, and general obstruction of international trade.

The real nature of tariffs is determined by their effects on imports of those finished manufactures of general use and uni-

versal consumption. It is amazing to observe that the imports of dutiable finished manufactures for 1924 were no greater than those of 1914, when values are equalized, notwithstanding our great expansion in production and consumption. Here is the exposure of the prohibitive rates and colossal fraud in the Fordney law. I append hereto a copy of a tariff reduction resolution I offered in last February.

Following the war the American people were rolling in wealth, and so demanded many increases of consumption, including various luxuries. What has been happening and all that has been happening, therefore, is that we have been exchanging some of our surplus raw materials for increasing quantities of other raw materials, such as rubber, silk, wool, tin, and so forth, to meet our increasing domestic consumption. This process is not increasing national wealth but only redistributing it.

Our export figures which demonstrate this fact show that exports are less to-day than they would have been according to the annual average percentage of increase during the years prior to the war. Secretary Hoover's annual Yearbooks of Commerce confirm this statement. We should disillusion ourselves regarding the fallacy of swollen imports and exports, bearing in mind that a tremendous portion of the import values are due to increases of price rather than quantity. For example, the increase of silk, rubber, jute products, and tin import values were \$625,000,000 greater for 1925 than 1921.

As further evidence that our chief imports and Treasury revenue relate to raw materials and foodstuffs, rather than finished manufactures, manufactured silk import values were \$11,767,000 less for 1924 than 1921, and the Treasury revenues \$916,000 less, while imports of cotton manufactures were only \$1,568,000 more than those for 1921 and the Treasury revenue only \$2,840,000. The same showing exists as to finished woolen and iron and steel manufactures. It is not difficult, therefore, to understand the prompt increase in wholesale prices during the period in which the Fordney tariff was enacted. The level of wholesale prices went up 15 per cent. The cost of living bounded up from 166 to 175, compared with pre-war cost level of 100. Flushed with tariff success the manufacturers during 1923 operated their plants at near-full capacity. The public went on a strike against the high-tariff prices, with the result that we have seen stagnated and fluctuating prices in numerous lines since that time. The tariff had made production costs too high to sell satisfactorily at home or abroad. Hence production was curtailed during 1924, but somewhat expanded during 1925. Under moderate tariffs both production costs and prices would have been gradually reduced following the war, after the manner of the automobile industry, which constitutes one of the few exceptions to the tariff price rule.

Wages are higher and automobiles are better and about as cheap as before the war. Total tariff price increases to the American people above reasonable prices must aggregate three and one-half to four billion dollars annually. At the same time, as already indicated, we have been simply swapping raw materials with other countries. Our exports of finished manufactures since 1920, it is true, were \$7,827,000,000, but this is near the amount of our loans made abroad, and gold imported since 1920, aggregating \$7,418,000,000, which has chiefly paid for these exports.

What has been the course of tariff defenseless agriculture and tariff protected industry during recent years? Manufacturing concerns have reported more than \$10,000,000,000 for income taxes during the past three years; their capital has jumped from below \$25,000,000,000 to more than \$50,000,000,000 during recent years. In striking contrast farm-land values declined 27 per cent since 1920. The farmer is some \$25,000,000,000 to \$30,000,000,000 worse off now than he was then. His indebtedness aggregates more than \$12,000,000,000. He is worse off than before the war. Most countries have erected tariff barriers against the export of his surpluses. Farm failures during past years increased 1,000 per cent in contrast with commercial failures. Near \$8,000,000,000 of our ten and one-half billion dollars loans made abroad have been placed in Canada and South and Central America, where they would aid exports of our finished manufactures but would not aid our food exports to Europe. Agriculture and labor have never gone to the heart of the tariff question, but agriculture must soon do so unless it is ready to enter upon a state of permanent decay. If the American farmer producing 75 per cent of the staple agricultural products such as corn, cotton, wheat, oats, rye, hay, meats, and lard can not now see that he is receiving tariff burdens rather than tariff benefits, it would be in vain to reason with him.

The existing tariffs hurt the American farmer by (1) increasing his production costs, (2) his cost of living, (3) his transportation rates both on land and sea, (4) decreasing his foreign markets and his exports, and (5) decreasing his prop-

erty values by surplus congestion. The two chief impediments to export trade are high production costs and foreign tariffs against our exports. The Fordney tariff hits the American farmer in such respect. It promotes the former and invites the latter. American manufacturers of machinery and vehicles, for example, are able by reason of low production costs to export their finished products in the amount of \$719,000,000 to Europe, South America, and all other countries, no matter what the state of their so-called ignorant and pauper labor. Cotton manufactures are likewise exported to all countries, including those with ignorant and pauper labor, in the amount of \$148,000,000. These illustrations of low production costs by efficiency, horsepower, and modern machinery, which make possible the sale of a large volume of exports, are in contrast with other commodities of high production cost and no exports or exports at a substantial loss.

The farmer pays artificial tariff prices on every piece of iron and steel—every bolt, nut, rivet, tack—all paints and varnishes, and, in short, all the tools, implements, and materials that enter into farm production, including the manufacture of farm implements of every description. The fact that the American manufacturer of agricultural implements dominates the world destroys the effects of tariffs on the finished product itself, but what is the same thing, he passes on to the farmer the tariff prices of all materials entering therein. The farmer pays artificial tariff prices on many of his seeds, sulphate of ammonia used in fertilizer, bricks, tiles, cement, plumber's material, pumps, padlocks, and most all other materials, except lumber, entering into the construction of tenant houses, outhouses, and farm houses.

The following are a few of these tariff items and rates thereon: Bar iron, 21 to 39 per cent; wire rods, 11 to 20 per cent; iron and steel sheets or plates, 21 per cent; structural iron and steel, 13 to 25 per cent; tubular products, 25 to 33 per cent; wire, 17 to 45 per cent; nails, 8½ to 24 per cent; horse-shoe nails, 9½ per cent; bolts, nuts, rivets, 5½ to 18½ per cent; razors, 137 to 355 per cent; pruning and sheep shears, 78 to 131 per cent; pocketknives, 96 to 235 per cent; axes, 40 per cent; hand and crosscut saws, 20 per cent; files and rasps, 14½ to 49 per cent; blacksmith's tools, 14½ per cent; nippers, pliers, and pincers, 60 per cent; mechanic's tools, 40 per cent; shovels, spades, scoops, and drainage tools, 30 per cent; scythes and corn knives, 30 per cent; horseshoes, 4½ per cent; hinges, 40 per cent; padlocks, 26 to 68 per cent; builder's hardware, 40 per cent; harness, 45 per cent; engines, 15 to 40 per cent; leather gloves, 50 to 70 per cent; jute bags, 20 to 27 per cent; brick, countervailing duty, 7½ to 12 per cent; salt, 19½ per cent; asphalt and bitumen, 30 per cent; machinery other than strictly agricultural, 35 per cent; paints, pigments, and varnishes, 30 per cent; sulphate of ammonia, 9.82 per cent; paint brushes, 45 per cent. It must be conceded that the tariff is a chief factor in the farmer's high production costs.

It is by this time obvious that existing tariffs greatly increase the farmer's cost of living. It would be virtually impossible to point out an article in the kitchen or dining room or parlor, including cutlery, queensware, earthenware, furniture, furnishings of all kinds, or any article of wearing apparel or of use by the individual that is not burdened with a tariff tax. Sewed straw hats, for example, bear a tariff of 84 per cent. Articles of wool as follows: Cheap woolens, 97 per cent; costly woolens, 73 per cent; socks, 57 per cent; gloves and mittens, 55 to 63 per cent; clothing not knit, 55 to 58 per cent; wearing apparel embroidered in any manner, 75 per cent; cheaper blankets, 77 per cent; suspenders, 132 per cent. Articles of cotton as follows: Gloves, 50 to 71 per cent; hosiery, 30 per cent and upward; corsets with imitation or other lace, 90 per cent; men's shirts, 35 per cent; laces, 90 per cent; plain blankets, 25 per cent; towels and sheets, 25 per cent; flax wearing apparel, in part of imitation or other lace, 90 per cent, or embroidered in any manner, 75 per cent; silk fabrics, 60 per cent; floor oilcloths, 20 per cent; linoleum, 35 per cent; rattan furniture, 60 per cent; table and kitchen articles of glassware, 55 per cent; scissors as high as 185 per cent; table, kitchen, and all household cutlery of iron or steel, 60 to 74 per cent; kitchen and household utensils of aluminum, 79 per cent; tinware, not specially provided for, 40 per cent; bathtubs, 56 per cent; automobiles, 25 per cent; automobile tires, 10 per cent; rubber goods, 25 to 38 per cent; cheap or imitation jewelry, 80 per cent; toys, 70 per cent; all laces or imitations, 90 per cent; cotton lace window curtains, 60 per cent; clocks with jewels, 60 to 104 per cent; pianos, 40 per cent; slate pencils, 25 per cent; shoeblacking, 25 per cent; toothbrushes, 25 per cent; undecorated china, 60 per cent; lawn mowers, 30 per cent; stoves, 40 per cent; broom handles, 33½ per cent; indigo, 60 to 91 per cent; kindling wood, 33½ per cent; textbooks, 25 per cent; sugar, 41 per cent.

The tariff increases the cost of the farmer's freights. The railroads consumed 22½ per cent, or 5,986,000 tons, of iron and steel products during 1925. The artificially inflated tariff prices paid for this huge amount together with other purchases must have aggregated \$200,000,000. The farmer shipped 154,564,000 tons of freight during 1924, in which was absorbed the farmer's share of iron and steel and other tariffs imposed on the railroads. Every American ship that carries the farmer's surplus abroad is built of thousands of materials almost without exception subject to excessive tariffs, omitting in particular the item of lumber. The farmer's share of these enhanced tariff prices are passed on to him in the form of higher ocean freight rates. The Fordney high tariff is simply a transfer of the property of the farmers to the manufacturers by making their prices higher than those of the farmer. No farmer, save as to certain minor specialties, ever grew rich through tariff protection, but it turns out an annual crop of wealthy manufacturers.

How is the farmer's export and trade situation injured by high tariffs? In the first place, the whole theory of tariff protection is that producers must be content with the home market; and if they are unlucky enough to have surpluses on hand, it is their misfortune. Tariffs then become helpless to aid. This is not all nor the worst. No American industry which produces a substantial surplus which must be shipped and sold abroad in competition with similar surpluses from other countries derives any advantage at home even from mountain-high tariffs; but, on the contrary, its domestic price levels are chiefly governed by the world prices received for its surplus. Protected industry welcomes these lower domestic prices for farm products and with some chesitiness warns the farmer that he is dependent on domestic industry for such prosperity as he enjoys. The true economic facts are that agriculture is still the basis of sound prosperity in this country. People, first of all, must eat. Of what advantage is any home or other market that pays the farmer less than living prices? There is not the slightest danger of any appreciable invasion with staple food products of our home market, tariffs or no tariffs.

International trade is simply a system of barter or exchange of goods and products between nations. Each nation must sell its surpluses to other nations needing or desiring them, while in turn it purchases from others such goods and commodities as it may specially desire, chiefly those it does not itself produce at all, or in sufficient quantities, or the production of which is not economically justifiable. Under the high-tariff leadership of America more than 50 countries have constructed every sort of tariff and trade barrier, which tremendously handicaps and reduces the volume of trade among nations. The result is that our own country is prevented from exchanging more of its surpluses for a vast number of articles we would gladly and profitably purchase without appreciable displacement of similar domestic articles. Such liberal trade policies would result in increasing foreign living standards and in developing many foreign markets for our foodstuffs, just as Henry Ford educated the American people into a higher standard of travel. Such policy would materially raise the level of world prices for foodstuffs and other commodities. World trade to-day, in 1913 values, excluding the United States, is below that of 1913. Our own exports for 1924 even have only increased in like values \$955,000,000 above 1913. The pre-war rate of gain would make them much higher. But our exports of finished manufactures went from \$1,292,000,000 in 1922 to \$1,842,000,000 in 1925, while exports of foodstuffs fell from \$1,047,000,000 in 1922 to \$891,000,000 in 1925.

The American farmer has undoubtedly contrasted the experience of agriculture and that of tariff-protected industry during the past five years; and if so, he can not fail to discover an irreconcilable conflict between agriculture and industry under the existing tariff and related economic policies. The experience of agriculture with respect to both home and foreign markets spells disaster unless fundamental changes in our tariff and trade policies are promptly made.

Protected industry will never agree for farm prices to be raised by artificial means, such as it itself enjoys, because of the fear of higher living costs in the industrial localities. The sound course would be to lower our tariffs to a moderate level so as to expand our foreign trade and extend and develop our foreign markets for our surpluses in all lines. Our exports to-day should be \$10,000,000,000 instead of less than \$5,000,000,000. No efficient domestic industry would be materially injured, but helped, by the adoption of this sound policy. Agriculture, on the other hand, would be greatly benefited. To-day land values are decreasing because of congested farm surpluses.

In this discussion minor agricultural specialties have not all the time been kept in view. This suggests the inquiry as to what benefits agriculture derives from existing tariffs. In January, 1923, the American Farm Bureau Federation after an investigation reached the conclusion that the tariff benefited certain farmers to the extent of \$125,000,000, while it injured farmers as a whole to the extent of \$426,000,000, and the entire American people to the extent of \$1,715,000,000. These were the minimum findings of the Farm Federation and were made before the full effects of the Fordney tariff had revealed themselves. In the light of subsequent facts and conditions it would be thoroughly safe to double the figures of losses of the Farm Bureau Federation, and decrease its figures showing tariff benefits.

The American farmer can not now fail to realize that he is in no danger from any appreciable competition in the sale of those farm products comprising near 75 per cent of our national agricultural output, such as cereals, cotton, tobacco, hay, and meat products. We import at present more foodstuffs than are exported, but they comprise tea, coffee, cane sugar, spices, cocoa, and tropical fruits, with minor exceptions, which we do not produce. The 12,000,000 pounds of fresh beef that filtered into this country during 1925 is pointed to by protectionists as an economic scarecrow, although the total amount would scarcely supply one meal to the American people. Our total annual meat production is 9,404,000,000 pounds.

American agriculture, comprising 32,000,000 people and shrunken capital of \$49,344,000,000 must not be submerged and denied its rightful place in the general economic situation. It must no longer be grossly discriminated against. No greater calamity could befall this great country than the collapse and decay of agriculture. The loss to the Nation of the sturdy citizenship bred and reared on the farm would be irreparable. The farmers of this country should insist that as the Nation becomes economically independent it should correspondingly throw off all artificial restrictions and restraints of industry and commerce. This policy would require the divorce of the tariff-protected manufacturers from the Federal Government which they now dominate.

#### EXHIBIT

IN THE HOUSE OF REPRESENTATIVES,  
February 1, 1926.

Mr. HULL of Tennessee submitted the following resolution which was referred to the Committee on Ways and Means and ordered to be printed:

#### House Resolution 116

*Resolved*, That it is the sense of the House of Representatives of the United States that immediate investigations and public hearings shall be had and a bill reported to the House of Representatives at the earliest practicable date repealing duties in schedule No. 3 of the tariff act of 1922, the iron and steel or metal schedule, which are useless both from the standpoint of revenue and appreciable competition, and reducing to a moderate or competitive basis for revenue such duties as are either excessive or prohibitive.

Such bill shall propose the repeal of such existing duties, among others, as pig and scrap iron; iron in bars, slabs, blooms, coils, loops, or rods, and muck bars; steel rails; structural shapes, not assembled; boiler and circular-saw plates; galvanized wire for fencing and baling hay; blacksmith's tools; horseshoes, horseshoe nails, and cut nails; tacks and brads of iron or steel; hand, mill, circular, and cross-cut saws; cream separators; dynamite and other explosives; scythes, sickles, corn knives; motor cycles; pruning and sheep shears, cash registers; sewing machines; steam and internal-combustion engines.

Such bill shall also propose and carry reductions to a moderate or competitive basis for revenue of other rates in the said iron and steel schedule No. 3, including such existing excessive or prohibitive rates as 20 to 35 per cent ad valorem on steel ingots; 21 to 29 per cent on sheets of iron or steel; 20 to 33 per cent on tubular products; 64 to 74 per cent on table, kitchen, and household knives; 87 per cent on razor blades; 34 per cent on safety razors; 137 per cent on costly razors other than safety, and 336 to 355 per cent on cheaper razors; 131 to 169 per cent on pruning and sheep shears; 101 to 185 per cent on scissors; 100 per cent on the costliest to 140 per cent on the cheaper nail and barber's clippers; 96 per cent on the costliest to 179 per cent on cheaper pocketknives; 58 per cent on the costliest to 177 per cent on cheaper rifles; 40 per cent on axes; 40 per cent on hinges; 42 to 68 per cent on padlocks; 40 per cent on tinware not specially provided for; 56 per cent on bathtubs; 79 per cent on table, kitchen, and household utensils of aluminum.

SEC. 2. That it is also the sense of the House of Representatives that following presentation to the House of a bill revising the iron and steel schedule as aforesaid, suitable investigations and open hearings on the other schedules of the tariff act of 1922 shall be had with a view to ascertaining and reporting moderate or competitive rates for revenue, and repealing obsolete rates, in the form of a bill or bills,

thereby providing suitable reductions of such excessive or prohibitive rates as the following, among others, in the various schedules of the tariff act of 1922: 35 per cent on textile machinery; 25 per cent on automobiles; 10 per cent on automobile tires; 25 to 38 per cent on rubber manufactures; 20 to 40 per cent on electrical machinery and apparatus; 98 per cent on lemons; 80 per cent on cheap or imitation jewelry; 70 per cent on toys; 90 per cent on corsets with imitation or other lace; 20 to 27 per cent on jute bags; 30 to 45 per cent on certain cotton cloths; 25 to 45 per cent on cotton blankets; 77 per cent on cheaper woolen blankets; 35 per cent on cotton suspenders; 132 per cent on woolen suspenders; 50 to 71 per cent on cotton gloves; 35 per cent on men's cotton shirts; 60 per cent on cotton-lace window curtains; 25 per cent on cotton towels and sheets; 71 per cent on knit fabrics and knit goods of rayon; 97 per cent on cheaper woolens, and 73 per cent on the costliest woolens; 57 per cent on wool socks; 55 to 58 per cent on wool clothing not knit; 62 per cent on knit woolen underwear; 70 per cent average on silk wearing apparel; 50 to 55 per cent on table and kitchen articles of glassware; 7½ to 12 per cent on brick; nearly 20 per cent on salt; 30 per cent on asphaltum and bitumen; 40 per cent on mechanic's tools not specially enumerated; 64 to 74 per cent on clocks with jewels, and 60 to 104 per cent on cheap clocks without jewels; nearly 10 per cent on sulphate of ammonia; 30 per cent average on paints, pigments, and varnishes; 40 per cent on pianos; 25 per cent on slate pencils; 45 per cent on fishhooks; 45 per cent on cheap collar and cuff buttons; 60 per cent on tobacco pouches; 45 per cent on tooth and paint brushes; 25 per cent on shoeblacking; 50 per cent on fans; 128 per cent on thermos bottles; 282 per cent maximum on certain cheaper and coarser raw wools; undecorated china, 60 per cent; glass table and kitchen utensils, pressed and unpolished, 50 per cent; limestone, 77 per cent; certain cement, 16½ to 20 per cent; magnesite, 46 per cent; saddlery and harness hardware, 35 to 50 per cent; fountain pens, 100 per cent; pliers, pincers, and nippers, 60 per cent; lawn mowers, 30 per cent; stoves, 40 per cent; broom handles, 33½ per cent; indigo, 60 to 91 per cent; wood fence posts, 10 per cent; hoop or band iron for baling cotton, 9.34 per cent; kindling wood, 33½ per cent; bookbinders' calf leather, 20 per cent; twine for binding wool, 35 per cent; textbooks, 25 per cent; coal, 8 per cent (countervailing duty). Repeal section 315 of the tariff act of 1922 (the flexible provision).

Mr. JONES. Mr. Chairman and gentlemen of the committee, a long time ago Abraham Lincoln said:

A nation can not remain half slave and half free, and a house or nation divided against itself can not stand.

He might well have added that a nation can not permanently prosper half subsidized and half unsubsidized.

I do not believe that any man can justify an outright subsidy, but the fact remains that for many years the manufacturers have enjoyed a subsidy in the form of a high protective tariff. Strange to say, some of those who are arguing strongest against a subsidy for the farmer are the most ardent advocates of the tariff subsidy. Of course, they do not admit that the tariff is a subsidy, but while it operates indirectly it is a subsidy none the less.

If I were to hold a pistol to the head of the gentleman from Oklahoma [Mr. GARBER] here, and make him give me some money, that would be robbery, would it not?

Mr. GARBER. You would not get any. [Laughter.]

Mr. JONES. If I held a pistol to his head and compelled him to pay some money to CHARLIE CARTER, who needs it, not so much, perhaps, as I, but he needs it just the same—that would also be robbery, notwithstanding I did not personally get the money.

The tariff is a tax. A tax can only be justified as it is necessary to raise sufficient money to pay the legitimate expenses of the Government, economically administered. A tariff the primary purpose of which is to raise essential revenue may be justified, but when it goes beyond this it can not be justified. When Uncle Sam takes the tariff pistol and cocks the rates so high as to compel the farmer and other consumers to pay higher prices fixed behind the tariff wall on the necessities of life than they would be under a revenue tariff, he compels the farmer and other consumers to pay the manufacturers a subsidy.

This subsidy is what has gotten us into all this trouble. The relative value of the farmer's dollar has thus been reduced from 100 cents to from 60 to 80 cents.

My choice of remedies is first to reduce the tariff to a revenue basis and then by reducing freight rates on farm products to a reasonable basis let this country be placed on the solid foundation of fairness to all and build our prosperity on that basis.

That would do away with all subsidies, and give everyone an even chance. But since the powers that control the machinery of this Government will not permit this to be done, my next choice, if anything at all is to be done, is to take a

portion of the customs receipts and pay an export bounty to farmers and cooperatives on the basic agricultural commodities.

You will recall that in the magnificent speech made by the gentleman from New York [Mr. JACOBSTEIN] it was shown that farm prices were below normal. With the same figures in mind some 15 or 18 months ago I introduced a bill to pay such a percentage bounty out of the general customs receipts. Recently I introduced a measure to pay a specific bounty on the various agricultural commodities. If anything at all is to be done, this is the simplest and most practical method. It does away with all the costly machinery and the high-priced board, and gives the farmer the direct benefit of all the moneys used.

Since the enactment of the Fordney-McCumber tariff law the value of the farmer's dollar has been much less than it was under the old régime. I have a list here showing the value of the farmer's dollar at one time, and whereas before the tariff régime it was 100 cents, it now ranges from 60 cents to eighty-odd cents.

That presents the real problem. If the tariff system is to be utilized at all, the natural and logical way is to take a portion of the customs receipts and pay to the farmers or farm organizations an export bounty. Fifteen or eighteen months ago I introduced a bill framed somewhat on the percentage basis of figures presented by the gentleman from New York [Mr. JACOBSTEIN] to pay that bounty. I have made the bounty no more than enough to bring the price of the farm commodities to the level of industrial prices.

Mr. YATES. What is the number of that bill?

Mr. JONES. I have not the number of the original bill, but it was introduced in February, 1925, and may be had at the document room. Recently I revised the measure and provided for the taking of \$200,000,000 of the customs receipts to pay to the farmers in cooperative organizations of farmers a specific bounty; to pay them only out of the customs receipts. The number of the latter bill is H. R. 11449.

Gentlemen, if money is to be taken out of the Treasury of the United States, why do it through an expensive board and expensive machinery? It would take no additional machinery or expensive board by the method which I have proposed; it would merely take some of the funds produced from the customs tariff and give farmers, on the exportation of farm products, the advantage of that.

I am afraid not one of the bills now pending before the House will materially encourage cooperative marketing organizations unless it be the bill of the gentleman from Louisiana [Mr. ASWELL]. Neither of the other two bills will, because under both of the other bills the outsider will have the same advantages as the man who is within the organization. So why will a man come into an organization by virtue of such an enactment? That has been the trouble with all of such organizations. Under the present scheme the cooperative organization must carry the load of the outsider. The outsider gets the benefit of any increase in price provided by the orderly marketing, which is the plan of the cooperatives. Therefore, it is difficult to get them in. The same will be true under the pending measures; a man on the outside can get most of the advantage which he can get on the inside. Naturally he asks why should he join them? At least, the chief difficulty cooperative organizations have experienced in inducing new membership has been along this line.

If you will take the same amount of money or provide a less amount of money, as my bill does, and say that on the exportation of the basic farm commodities there shall be paid out of the customs receipts a bounty to farmers and to cooperative organizations of farmers, then the man who is a member of the cooperative will get from 10 to 20 per cent more than if he stays on the outside, because, as a rule, he is not in a position to export his own commodities. They will want to come in, because it will be to their interest to do so.

I will state that in my revised bill I use some of the schedules provided in the bill introduced by the gentleman from Illinois [Mr. ADKINS]. And I want to say to my friend, Mr. RATHBONE, of Illinois, who said that his legislature had indorsed the Haugen bill, that the Legislature of Illinois unanimously indorsed the Adkins bill, which is a bill along similar lines. Not only that, but the great nation of Germany has recently put this plan into operation. It is not simply an experiment any more; it is a plan which will really reach the thing for which you are striving so far as giving the people who are engaged in farming something tangible from the tariff system.

I make it a measure covering five years, during which it could be tried out. According to my beliefs, if you are not going to reduce the tariff system this is the other alternative, and my only reason for introducing this measure at this time

is this: That ultimately we are going to have to take one of the two horns of the dilemma; we will either reduce the tariff or try the bounty system for agriculture, because no nation can permanently prosper with an unbalanced agriculture. In all the history of the world there has never been a great pastoral country that did not remain great so long as its agriculture was prosperous.

The danger to any nation is that it has a tendency to become over industrialized. That has been the history of the great nations of the world and that is what is facing a great many of the nations of the earth at the present time. The reason they have become overindustrialized is because the industrial groups, being organized, have secured legislation which favors them while the great farming classes, being unorganized, have been the victims of that legislation and without any of the resulting benefits.

I submit that you are driven inexorably to the conclusion that the fair thing is to either reduce the tariff and do away with special-privilege legislation or adopt a plan which will in reality bring the benefits of that legislation to the other great basic groups in this country.

Mr. McLAUGHLIN of Nebraska. Will the gentleman yield?

Mr. JONES. Yes.

Mr. McLAUGHLIN of Nebraska. Will the gentleman please explain wherein his bounty plan would not be a subsidy, if he is opposed to a subsidy?

Mr. JONES. I will say that I do not favor subsidies, but I say that if you have a subsidy, and your party has placed a subsidy on the statute books in the form of the tariff, that it is but right and fair to distribute this subsidy ratably, as far as may be, among all the people of the country. I would prefer not to have any of them, but having them, I would take a portion of that which has been legally fixed upon the people of the United States and see that those who engage in producing commodities—which are more essential, or, at least, everybody admits just as essential—get their fair share of the present system and get a proper distribution of the advantages of it. Besides, since the plan which I have proposed would only equalize farm prices with other prices, it would not in reality be a bounty, but only a process of equalization.

Mr. BURTNES. Will the gentleman yield?

Mr. JONES. Yes.

Mr. BURTNES. I am very much interested in the export-bounty proposition and I want to ask this question: Assuming that the Haugen bill is passed, then I ask you whether the board, if it so desired, could not accomplish just what is intended by the Haugen bill, in the case of many of the commodities, by simply declaring that it will pay an export bounty either out of the equalization fee or otherwise, provided certain proof is submitted to them?

Mr. JONES. I do not think that under the terms of the bill as it is drawn the board would have the authority to pay a bounty. And I may add that if the plan which I have proposed were adopted you would need no board. The customs officials could certify as to the exports and they could go down to "Andy" and get the money. The farmer would get the benefit of it and there would be no doubt of his getting it. He would get it and there is no question about that.

Mr. BURTNES. Just this other question: Would the gentleman have any objection to establishing the equalization fee in connection with the export bounty?

Mr. JONES. I am glad the gentleman asked that question because I was going to say that if you are married to the equalization fee principle you can do it in connection with this bill. Your own bill provides that the equalization fee shall be deferred for two years, so that the equalization fee is an experiment. You can use the same plan here, and if you want to tie on the equalization fee and have it pay a portion or all of the expenses it can apply just as logically and with the same consequent check on production to this measure and you would do away with considerable machinery and do away with additional bureaus. One of the curses of this Nation at the present time is the number of bureaus and the number of different employees of the Federal Government, and this would enable us to get rid of some of those troubles.

If you really want to do something for the farmer and if you really want to give him an equal chance with those in the industrial scheme of this country, this will come nearer doing it than anything else which has been presented. This is the simplest plan that has been brought forward.

Mr. GARBER. Will the gentleman yield?

Mr. JONES. Yes.

Mr. GARBER. I assume the gentleman would limit the operation of the bounty system to the crops of which we have a surplus, would he not?

Mr. JONES. Yes. I have included in this bill the basic agricultural commodities and have them listed here. If anyone is interested I will be glad to have him secure copies of the bill. I have figured it out on the various commodities. I give a bounty of 30 cents per bushel on wheat; 1½ cents per pound on cattle weighing not more than 1,050 pounds, and 2 cents about that; 3 cents per pound on fresh beef; and on corn, 15 cents a bushel; and on cotton, 3 cents a pound, and so forth.

I have taken the import and export figures from the statistical bureau of the Government, and it would take something like \$200,000,000 per year to pay this bounty, and it is to be payable out of the custom receipts of the Government. This would take only about one-third the customs receipts, which is probably about what the farmer pays on the things he must buy. Under the present tariff system industry, by virtue of the tariff tax, gets a subsidy of some billions of dollars out of the consumers, and that is a subsidy just as much as if Uncle Sam levied it direct.

My friends, I have presented this bill, as I say, because I think ultimately we will come to it. However, inasmuch as the Haugen bill is the one that is before the House for consideration at the present time, I want to suggest some amendments which I think should be made to the Haugen bill before it is adopted.

Mr. BURTNES. Will the gentleman yield for just one question before he leaves the question of an export bounty?

Mr. JONES. Yes.

Mr. BURTNES. An objection which has been raised by some to an export-bounty proposition is that in establishing an export bounty there is a question in the minds of many whether the increase proposed by the bounty would actually be reflected back to the producer himself.

Mr. JONES. That is the distinction between my bill and some of the other bills here. The Adkins bill gives an export bounty to all exporters. I limit the export bounty on basic agricultural commodities to farmers and cooperative organizations of farmers qualifying under the Capper-Volstead Act, and they would get the bounty, and they would come into the cooperative organization in order to get it.

Mr. BURTNES. Does not the gentleman think the farmer who refuses to join a cooperative ought also to be entitled to the additional price?

Mr. JONES. I give it to the farmers themselves, but there are very few farmers who do the exporting. It is usually done through some exporting concern.

I regret I can not yield any further, because my time is limited, and I want now to discuss two or three things that are in the Haugen bill.

The Haugen bill is the one in which the House is vitally concerned at the present time because it is the one that has the right of way. I think there should be some amendment of that bill.

In the first place, I think cattle should be stricken from the bill. I have an amendment drafted to do that, and I was glad to hear my friend the gentleman from Texas [Mr. HUDESPETH] say this morning that he has an amendment along the same line. I will support his amendment if he offers it, and I am sure he will support mine if I offer it. As a matter of fact, I do not think it can work on cattle. For instance, here is some one who has 1,000 fat cattle who wants to sell.

If the board is in operation, who is going to buy those cattle and what is he going to do with them when he does buy them; or here is a man who has 1,000 lean cattle and he wants to sell them. Are you going to rent pasture and hire some cowboys to take charge of them? Of course, you can not handle either one of those propositions. The only way to handle the cattle proposition is to handle it through the meats at the slaughtering places. Of course, if you charge the fee on the first slaughter by the butcher or by the packer, the stockman pays it. Now, what are you going to do with your meats? If the board buys the meats or the cooperative organizations through contracts with the board buy the meats, what are they going to do with the meats? Is it going to hire cold-storage plants to store the meat or is it going to contract for its exportation? If it goes into exportation, the packers have the finest system of distribution in all the world. You can not compete with them in the distribution of meat. You would have to use their facilities. The only practical way to handle meats would be to contract with the packers to do so, of course. If you contract with the packer, you contract with the packer on his own terms. Since I was large enough to step over a sand bar, the people of my section have sold their cattle to the packer and every time they have sent their cattle to the market they have sold them on the packer's own terms. Whatever he was willing to offer them, whatever the

market would bring, that is what he was paid. Do you think you will change it under the present system?

Mr. TINCHER. Will the gentleman from Texas yield right there?

Mr. JONES. Yes.

Mr. TINCHER. The gentleman has made a very able argument with respect to cattle, and does not the gentleman admit that every word he has said will apply to hogs?

Mr. JONES. I think so, but I am not so much interested in hogs. I am not as familiar with hogs as I am with cattle. I have the greatest cattle-market district in the United States—I know the greatest in Texas—notwithstanding other claims that are sometimes made.

Mr. TINCHER. If we help the gentleman to get his cattle out of this monstrosity, will not the gentleman help us to get our hogs out?

Mr. JONES. I do not think hogs should be in the bill. That is my own personal opinion, but I am willing to leave that question to the hog people to determine. I am interested in cattle.

Here is another amendment, gentlemen, that should be adopted. There is a provision here that whenever the price of any of these commodities gets below the world price plus the tariff plus normal freight charges, the board shall declare its findings and commence operation in respect thereof. I will submit that this change ought to be made: "And the board may, in its discretion, commence operation." I will tell you why this change should be made. There come times in the marketing of any commodity when the prices are very satisfactory. There come times when there is a world shortage of a commodity and there may be a very satisfactory price. Then why force the board, simply because the domestic price may not be that much above the world price, to tinker with the situation? Why compel the board? For instance, there was a time last year, I think it was, when wheat was over \$2 a bushel, yet the world price was nearly the same. There was a shortage of wheat the world over. Why should the board take charge of a situation like that? I am sure the board would not want to and the farmers would not want it to do so. But under the bill as written it would be compelled to do so.

It should be left to their discretion as it was originally. I want to say that these cooperative associations drafted the first provision so that if a substantial number wanted the board to commence operations it would then be authorized to begin. For some reason it got changed so that automatically they would, under the terms of the bill, be compelled to go in regardless of how satisfied the producers might be.

Mr. FULMER. And that is the way it is with cotton.

Mr. JONES. It was left the way it was on cotton. When a substantial number engaged in the cooperative wants the board to take charge, then it takes charge. I think that is the way it ought to apply to all commodities. If you are going to have this provision it should not be mandatory, it should be left to the discretion of the board.

Mr. GARBER. Will the gentleman yield?

Mr. JONES. I will.

Mr. GARBER. I am very much interested in the gentleman's discussion, but what objection would there be to investing the power of the board to operate on a request of a majority of the farmers producing the crop; that is, permitting the producers to say whether they want the board to operate?

Mr. JONES. That is the identical provision that is in the original bill, and I think it should be restored. I have an amendment to restore it, and I think the one the gentleman suggests should be adopted.

Mr. ASWELL. Will the gentleman yield?

Mr. JONES. I will.

Mr. ASWELL. Would the gentleman from Texas vote for the Haugen bill if the equalization fee is made operative at once?

Mr. JONES. No; I would not. I want to say, however, in connection with that, there is no such proposition submitted to the House, no such bill is before the House. In another place there is a provision that the equalization tax shall be paid at the gin. I think it ought to be transferred to the mill or some other point, for the farmer frequently has not the money to pay the ginner and the ginner has to wait, and therefore I think it ought to be payable at some other point.

Another amendment is to strike out section 18, which is the embargo provision. There is no reason for an embargo provision. An embargo is like what my old law professor used to say about sequestration and garnishment proceedings. He said, "Young gentlemen, the sequestration law is a sharp and dangerous two-edged instrument; and if you are going to use it,

use it with great care, as you are liable to do injury to yourself."

If the country adopts an embargo proposition, it will not only invite retaliatory action on the part of other nations but, even if they did not retaliate, it would tend to destroy our world trade. It would tend to destroy our markets, and we would run into a worse condition than we are trying to avoid. An embargo on cotton would not do any good, for we ship two-thirds of the cotton abroad. An embargo is not necessary on other commodities, because you have tariff provisions that will offset any reasonable increase in price. So the embargo proposition is not proper from any angle, and it ought to go out of this bill. To my mind, there is no question about that.

Regardless of whether I may support this measure or any other measure, whatever measure Congress does pass I want it in the most practicable and workable form that can be had.

During the last few years legislation has been passed primarily benefiting nearly every industry except agriculture, but for many years every time anyone advocated farm relief there have been many who have smiled cynically and in side remarks have whispered "demagogue."

But I want to tell you that all your boasted industry, all your much-heralded prosperity, all your skyscrapers which kiss the morning sun are alike dependent on the success of agriculture. Without it your smokestacks would rust in idleness, the song of your spindles would be silent, and bats would inhabit your factory buildings.

There is at present grave danger of this country becoming overindustrialized. England is recognizing her danger in this regard. In all past history of the world there has never been a great nation organized on a sound agricultural footing that did not remain great so long as her agriculture was prosperous. One horn of the dilemma must be chosen. Our special-privilege legislation must be repealed or our agriculture must be stabilized. Otherwise the flower of our prosperity must begin to wither. No other choice is open to us. [Applause.]

#### MESSAGE FROM THE SENATE

The committee informally rose; and the Speaker having resumed the chair, a message from the Senate, by Mr. Craven, one of its clerks, announced that the Senate had passed without amendment the bill of the following title:

H. R. 10202. An act granting an extension of patent to the United Daughters of the Confederacy.

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

Senate Resolution 219  
IN THE SENATE OF THE UNITED STATES,  
May 9, 1926.

*Resolved*, That the Senate has heard with profound sorrow of the death of Hon. EDWIN FREMONT LADD, late a Senator from the State of North Dakota.

*Resolved*, That as a mark of respect to the memory of the deceased the business of the Senate be now suspended to enable his associates to pay tribute to his high character and distinguished public service.

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

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

Attest:

EDWIN P. THAYER, *Secretary.*

#### FARMERS' RELIEF BILL

The committee resumed its session.

Mr. FULMER. Mr. Chairman, I yield 25 minutes to the gentlemen from Mississippi [Mr. QUIN]. [Applause.]

Mr. QUIN. Mr. Chairman, I can not be interrupted, and I hope the Chair will protect me for the 25 minutes that have been allotted to me.

The CHAIRMAN. The gentleman desires not to be interrupted during his remarks.

Mr. QUIN. Mr. Chairman, for several days every viewpoint possible has been expressed upon farm legislation. You have three bills before you. I lay down the proposition, stereotyped as it may seem, that agriculture is the basic industry of this Republic; that it never has since the Civil War had a square deal; that certain industrial enterprises of the United States have not only been safeguarded, but have been highly protected by the votes of the American Congress. I lay down the proposition that now is the time to give an equality in legislation to the farming class of people and raise them up to somewhere near the level of the protected industrial enterprises of America. I take for my text, "By their fruits ye shall know them." [Applause.]

The people of the United States through the American Congress delegated to a number of gentlemen the power to legislate in their behalf. This Agricultural Committee went out before the whole world, these doctors that have failed to diagnose the case of the sick farmer of the United States. You have heard their speeches. Here is the famous Doctor FORT, from New Jersey. I listened to his fine, analytical address, and I wondered, "Whom does he represent?" [Laughter and applause.] His whole speech was that of a critical attitude toward the farmers of the United States. I looked at the map to see where he came from. I find that he comes out of the rocks of New Jersey, with smokestacks everywhere, factories and spinning wheels, and that on the reservations are rich and wealthy people, God bless them, from New York City. Of course, he looks at the matter from the standpoint of the consumer. My good friend, Doctor FORT, wants to get the food on the table and the cotton and the wool on the backs of his constituents as cheaply as he can possibly get them. I thought that he would give the farmer everything the hen has laid except the egg, and this morning he came back before this House and agreed to give the farmer the eggshell. [Laughter.]

The next gentleman who attracted my attention was my distinguished friend and neighbor from the State of Louisiana [Doctor ASWELL]. He said that this Haugen bill is unsound and uneconomic. I happen to be a neighbor of that splendid gentleman, and, God bless the State of Louisiana, my sainted mother was reared there. I know it is a great State. But let us see about this unsound and uneconomic business. The gentleman from Louisiana forgets that he and his crowd have been before this Congress yelling and whooping for protection on sugar. [Laughter and applause.]

Mr. ASWELL. Oh, the gentleman ought not to state that, because that is not true.

Mr. QUIN. The gentleman did not vote for it?

Mr. ASWELL. No.

Mr. QUIN. Well, the gentleman at least confesses he has been voting against the sugar farmers of his State.

The CHAIRMAN. The gentleman from Mississippi notified the Chair that he would not be interrupted, and the gentleman from Louisiana, the Chair thinks, should not interrupt the gentleman.

Mr. ASWELL. But I ask the gentleman to state the facts. I never voted for a tariff on sugar.

Mr. QUIN. Did not the gentleman vote for that tariff in the caucus?

Mr. ASWELL. No; I did not.

Mr. QUIN. Well, the gentleman's State did worse than that. Back yonder in 1890, when the iniquitous McKinley tariff was put across this Congress, they gave every pound of sugar 2 cents out of the Federal Treasury. Every farmer who grew a pound of sugar in Louisiana had old sugar cane awhooping her up, and they got millions on top of millions of dollars out of the United States Treasury, and made prosperity blossom all over the State of Louisiana, and yet my distinguished friend in his eloquent style told you that this Haugen bill is a subsidy and would destroy our institutions, and that there is coming down from certain quarters in the United States a great radicalism which is going to destroy the stability of the Government!

It did not hurt the morale of my good friend from Louisiana when they dug out of the Treasury 2 cents a pound for every pound of sugar they grew in Louisiana. They got that bill through for 15 years, but it happened that after about three and a half years the people of this Government repealed that thing—the sugar bounty—which my friend and fellow citizens enjoyed out of the United States Treasury. Doctor ASWELL says if you give the farmers a nickel out of the Treasury now it would destroy the Government and ruin the country. But down in the very State that my friend comes from those sugar farmers have patches on their breeches as big as the head of a whisky barrel. [Laughter.] They are stoop shouldered from toting mortgages on their plantations and equipment, and they can not draw a thing on earth out of a bank except their breath. Yet the gentleman from Louisiana is here talking against the farmer. He knows that all he proposes to give them is a little soothing sirup. This Haugen bill has the vitalizing force in it. This Haugen bill has the stuff that will get the grapes, and every man on this floor knows it. [Laughter and applause.] Subsidy! Why, who ever heard of my friend from Louisiana being afraid of a subsidy before? Two or three falls ago there came a drought in his district, and he heralded the fact in the newspapers that he was going to take out of the Treasury of the United States \$500,000 to give those folks feed and seed and clothing, and he even asked the delegation from Mississippi to help him, but, as much as I love the farmer, his

resolution was too rank for me. [Laughter.] The gentleman actually introduced a resolution in Congress on another occasion to take out of the Treasury of the United States \$500,000 to buy the seed to be placed in the flooded area. Yet this bill that is going to stabilize the price of five basic products, so far as the farmers are concerned, is a subsidy, and he can not vote for it; he can not do anything except kill it. "By their fruits ye shall know them."

We had another distinguished doctor who came from that grand old State of Kentucky. He said this bill is unsound and uneconomic and that he would not vote for any bill that carries any subsidy.

I heard my friend speak on this floor. I heard a speech he made once before on the farmer. Doctor ASWELL was going to give them a little soothing sirup. The gentleman from Kentucky got out his hammer and hit everything. He hit wheat, he hit cotton, he hit everything, and finally wound up by taking the poor old sugar farmer of Louisiana and knocking him in the head and chucking him in the river. And while they are wearing patched breeches, he said he is going to plow up his old tobacco patch and his old mint julep bed if the Haugen farm bill passes and sow it in cotton and raise 26,000,000 bales, flood the markets of the world, and scare the life out of every farmer in the cotton-growing States. Now, 26,000,000 bales! I can see the gentleman from Kentucky along in the hot days of August plowing down a row and a woodpecker flying up and knocking on a dead limb about 20 yards away, so that the sound would be heard 300 yards away, and by the time he gets to the end of the row a cottontail rabbit runs under the beam of his plow, and there is a jaybird sitting in a sapling crying, "Too slick, slick, dave, dave"; and about the time frost comes in that cold climate, the latter part of August or the 1st of September, and kills the cotton, then Doctor KINCHELOE will say, "This cotton business will not do for me." And yet he is going to raise 26,000,000 bales of cotton and flood the world with cotton and fix it so that the cotton farmer can not even exist. My friend KINCHELOE introduced a little bill here in Congress in 1922. Do you know he vehemently and viciously assaulted this Haugen bill, asserting it is "uneconomical." He actually introduced a bill to take out of the Treasury of the United States \$50,000,000 while our Government was helpless, recovering from the World War. And what was he going to do about it? He was going to have the Government of the United States pay these tobacco growers down in his district \$50,000,000 for a shirt-tail full of stingy green tobacco. [Laughter and applause.]

How was he going to use it? Then the Government was to sell it on credit, without profit, to these poor, pauperized bankrupt nations, Italy and France, and a few poorer paupers of Europe, who have not paid what they borrowed from us, and take chips and whetstones as pay, and everybody knows they have never been able to pay even chips and whetstones for the billions of cash they borrowed from Uncle Sam during the war. Yet this bill now intended to help the farmers of the United States is "unsound" and "uneconomical," but Doctor KINCHELOE thinks it was sound and economical and fundamental business economies to go down into the Treasury and to put the tobacco growers' hands in there and take out \$50,000,000.

Mr. KINCHELOE. Will the gentleman yield?

Mr. QUIN. It looks to me like, my friend, if I had done a thing like that I would expect this House to rise up en masse and unanimously proclaim me king of demagogues, and put on my head a crown and say, "We challenge the world." [Laughter.] "By their fruits ye shall know them!"

There is another great statesman who has come on the floor. He comes from the cyclone State of Kansas, our good, genial friend, Doctor TINCHER, this famous doctor who saw proper to come out and lambast all the agents and representatives of the suffering farmers from the Northwest who appeared before the committee. He almost refers to them as criminals because they had the audacity to come before a committee of the Congress and ask that justice be given to the farmer. You know in the West and Southwest banks have been failing—in the State of Iowa, in the State of Montana, in the State of Minnesota, and in other Western States. There great banking institutions were tumbling down.

The farmers in that territory were unable to meet their obligations and they were crying aloud for help. They gave forth the Macedonian cry. But the gentleman who has changed his position from a former occasion, Doctor TINCHER, and judging from his appearance on this floor, and from the thunders of his voice—I think he must eat for breakfast in the morning strokes of lightning, the moon and stars. It looks to me as if he ate for dinner the sun, comets, constellations, and continents, and that he eats for supper thunderbolts, cyclones, and tornadoes—Rough House TINCHER, from Kansas. [Ap-

plause.] This is the man who, when the Haugen bill was up before, stated that this bill was a great and splendid thing for the farmer. This time it is "unsound and uneconomical." What else did he do? He introduced a miserable bill here—I have got it right on this table—where he proposed in 1923 to dig down into the taxpayers' money and take out of the Treasury of the United States more than \$2,000,000,000, to hand over to the wheat farmers of the West, to pay what he said was the loss on the price of wheat to the producers, because the Government fixed a guaranteed price during the World War, yet he voices in ponderous tones that the Haugen bill is a subsidy—unsound and uneconomic now. Was he a statesman at that time, when he was running for Congress, or is he a statesman now when he tells us he is going voluntarily to retire? [Laughter and applause.]

I just want that gentleman's attitude on the two occasions to be made clear to the citizenship of this country. Ah, these gentlemen who can see so far ahead of them, who were so strong for the farmer in previous sessions, including this rough-house orator from Kansas, know that this measure now before the House known as the Haugen bill is not nearly so much of a subsidy as that which the gentleman from Kansas advocated in his wheat bill. I will put it in the RECORD. I will also put in the RECORD a bill which was introduced by that other wonderful economist, the gentleman from Kentucky (Mr. KINCHELOE). I will not put into the RECORD anything unkind against the gentleman from Louisiana, because he is my neighbor. [Laughter.]

The gentleman from Kentucky even had the nerve to say that, with some others, he went before the Committee on Ways and Means and made a speech before that body for the purpose of digging this \$50,000,000 out of the Treasury and handing it over to his tobacco farmers. Do not you know that there is not a Congressman on the floor of this House except him who had the gall to go upon a demagogic mission like that? I have before me the speech that my good friend from Kentucky made on this floor in which he stated that he had been before the Committee on Ways and Means. It is in the CONGRESSIONAL RECORD. "By their fruits ye shall know them." In that speech the gentleman from Kentucky said:

I have introduced a bill to amend the War Finance Corporation act.

He says further—

I, with several others of my colleagues, went before the subcommittee of the Ways and Means Committee and made a statement to them and appealed for the passage of this bill.

After the hearings these Republican members of the Ways and Means Committee turned down my bill. Did he mean to say that there was a Democratic member on that committee who was so demagogic as to help to report that bill out? This same statesman from Kentucky says this Haugen bill is "unsound and uneconomic."

There are certain Members on this side who voted for the thieving Fordney-McCumber tariff bill, yet they can not come up and vote for this farmers' bill, but get a hammer and knock it on the head. They talk about subsidy. In all the history of this Republic some portions of the United States have been living off this Government. My friends, I know that a majority of seven or eight million people in the last election voted for that thievery of high tariff to go on. I did not believe in it, and I do not believe in it yet. A majority of our people by a majority vote govern the fortunes of this country. The people in the East, who have got the money and influence sufficiently to fool the folk in the West—and, Lord knows they are getting to fool some of them in the South—voted to continue that subsidy to protect industry. The protective tariff is just as much and even more of a subsidy than what you have in the Haugen bill to-day. Through the protective tariff you take out of the pockets of all the combined consumers of this Republic more than \$2,000,000,000 per year. It does not come out of the Treasury, but it comes from the sweat and blood of the toiling masses of this Republic.

Not only do you make multimillionaires through all the North and East, particularly in New England, but you actually put in that form of subsidy a guaranteed wage to the employees engaged in those lines of industry. Not only is that a subsidy, but you put through this Congress—and some Democrats helped you to do it—all this appropriation for the railroads after the Government took them over and before we turned them back, amounting to practically \$2,000,000,000.

I want the gentleman from New Jersey (Doctor FORT) to hear me. He said this Government ought not to guarantee a profit to the farmer. Yet he knows that under the tariff law this Government guarantees a profit to every manufacturer in New England. He knows that this Government, under the

nasty Esch-Cummins railroad bill, guarantees a big profit to the railroads of the United States. He knows in addition to that that it gives a guaranteed fair wage to every employee on those railroads.

Upon another occasion here we had up what is known as the ship subsidy bill. Well, where were some of these gentlemen who are now denouncing as a subsidy to farmers the Haugen bill? [Laughter.] That bill proposed to turn over \$3,000,000,000 worth of ships and give them away for \$250,000,000. You did worse than that after you gave in that bill the \$3,000,000,000 worth of ships to the Ship Trust, you voted to give out of the United States Treasury \$75,000,000 a year for a period of 10 years, making in all a subsidy of \$750,000,000 to the Ship Trust to operate the ships which you gave the trust. Yet you did not call that a subsidy. You voted for it with a good taste in your mouth. I want to say, however, that I do not believe the gentleman from Kansas [Mr. TINCHER] participated in that proposed steal. I want to do him justice.

Not only that, but we voted to hand out about \$3,000,000,000 inside of 20 years to the World War veterans of this Republic, which I think is right. You give \$192,000,000 a year to the soldiers who whipped my father and those associated with him under the Confederate flag in the war from 1861 to 1865. You say that is not a subsidy.

What is a subsidy? When the farmer is prostrate down on the ground, his products so cheap till he is in danger of losing his home—and he is the very foundation stone of all this country—laboring not union hours but 15 hours a day for an existence, for a birthright that all of us under this flag hold, when his friends ask Congress to put up a little money to make certain a fair price for his toil, you call it a subsidy and refuse to support it. Who, I ask, is for anything unsound or uneconomic? Some of them say it will not help the farmer. But Doctor KINCHELOR, who is one of the doctors who knows, said it will help the price of cotton. I wonder if Doctor FORT understands what cotton means?

I do not believe he ever was in a cotton patch in his life. He spoke of the cottonseed. Why, my friends, cotton is the greatest of all agricultural products. I am proud that gentlemen have seen proper to treat cotton fairly in this bill. The reason I am for this bill is because you deal with cotton and all the basic crops in it. This bill is going to do good and I know it. You can not fool me on what will help the farmer. I can scent it just as a good coon dog can smell a coon. [Laughter.] I know this is going to help the farmer. Cottonseed! Why, three-fourths of the olive oil and butter you have in this country comes out of cottonseed oil. Do you know you get from the cottonseed alone a cake that the niggers eat just like they eat bread? It is good to feed to cattle and it is a fine fertilizer. [Laughter.]

The oil itself represents one of the great commodities of this Republic. You take the cotton itself—why, cotton brings to this country the balance of trade. It is what causes gold to flow from Asia, Japan, and China, and from all the countries of Europe and keeps the balance of trade of the world with this Republic. Cotton, that fleecy staple. You can manufacture it into the form of rope and make a cable strong enough to hold the mighty ships which float on the seven seas. In time of peace and in time of war it is the most valuable product of the world. It is absolutely necessary for every cannon that fires a bullet. Cotton makes three-fourths of the silk. Why, the silk you see these ladies wear at these fine entertainments comes out of the Mississippi long-staple cotton. They ship it over to Japan and China and they are smart enough to make it into silk. Cotton clothes the Chinese coolie; it puts raiment on the backs of poor children in the huts and the hovels and it puts raiment on the backs of the people in the palaces of Europe and in the mansions of the entire civilized world.

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

Mr. HAUGEN. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. ASWELL. Mr. Chairman, I yield myself five minutes.

Mr. QUIN. The gentleman from Louisiana will have to yield himself more than five minutes before he can ever justify his position against the farm legislation, known as the Haugen bill. "By their fruits ye shall know them." Cotton, that one product I spoke of, growing in a few of the States of this Republic, is safeguarded and protected in this legislation. One hundred million dollars in this bill is to guarantee a just and fair price for cotton.

Cotton not only clothes the poor and rich alike but even the flag of our country, which floats over the dome of our Nation's Capitol, comes out of the cotton fields of the South. So gentlemen ought to be here proclaiming the virtues of this

Haugen bill and endeavoring to put agriculture on somewhat of an equal footing with the protected industries of the United States instead of slandering this measure and endeavoring to kill it. They ought to be here at work doing their best to put this into legislation and to give the farmers their just deserts. Some of them seem to have the spirit of wanting to put the heel of the oppressor down on the neck of the farmer, the one man in this Republic who has never yet received not only a subsidy but has not even received partial justice.

All of us know we can not do anything in the way of a tariff to help agricultural products. You can help sugar and butter and you can help dairy products, but you can not help wheat and corn. Everybody knows you can not do anything for cotton in the way of a tariff, it matters not if you put \$1,000,000 a bale on it, because 75 per cent of the cotton produced in the United States is exported to foreign countries; it is there manufactured into cloth and brought back here and sold at an enormous profit. The only way you can help the farmer is by direct legislation like you have in this Haugen bill. All of you men who have pretended to be sweating blood for the poor farmer had just as well realize that the farmer has sense enough to know that when we put \$350,000,000 in a bill to subsidize the basic farm products and keep them so he will get a just price for them that is legislation in his behalf.

If you are going to propose to loan him a few dollars, he, already owing \$13,250,000,000 and unable to pay the interest on it, with patches on his breeches, will have a bad taste in his mouth because he realizes that the American lawmakers have seen proper by subsidy legislation, like the tariff, railroads, and national banks, to make multimillionaires out of a certain portion of the population of the United States. Whenever the United States Congress has before it a bill to give not only a fair deal, but justice to the farmer, some folks talk about its being "unsound economically, unsound and unfundamental." These people who talk can fool themselves, but they are not going to fool the farmer that follows the plow. The man behind the plow is coming into his own. You may kill this bill, but I want to tell you they are going to sharpen some blades and fasten onto old mowing machines. Then they are going to start on the bank of the Pacific Ocean and come clean across the country to the great Mississippi River and mow down these anti-Haugen bill Congressmen just like they mow down wheat. That is what is going to happen to them, and it should happen. Then they will cross over the Mississippi River and mow their way to the Atlantic Ocean, cutting hip and thigh every enemy the farmer has in Congress. God speed the day.

I want men put in the United States Congress—I do not care what party they are in—who will stand up for and give agriculture its just dues; to give the man who stands behind the plow his justice and his rights. I want the votes of the American Congress to be just—not only just in itself, but just in reality.

If Congressmen vote a subsidy for ships, if Congressmen vote a subsidy for protected industries, if men can vote a subsidy for the great and rich railroads, if Congressmen vote a subsidy to the banking system, if men can vote a subsidy to the man who went out to fight for his country, why can they not vote for a subsidy which will give the farmer a fair and honest price for his toil? [Applause.] He is the man who deserves it. "By their fruits ye shall know them." [Applause.]

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

Mr. QUIN. Mr. Chairman, I ask unanimous consent to revise and extend my remarks in the Record and to include certain bills, documents, reports, and so forth.

The CHAIRMAN. The gentleman from Mississippi asks unanimous consent to revise and extend his remarks in the Record in the manner indicated. Is there objection?

There was no objection.

The matter referred to is as follows:

NATIONAL COUNCIL OF  
FARMERS' COOPERATIVE MARKETING ASSOCIATIONS,  
Washington, D. C., May 7, 1926.

Hon. PERCY EDWARDS QUIN,

House Office Building, Washington, D. C.

DEAR MR. QUIN: We have been listening with keen interest to the debate on the farm relief bills. Having a similar interest with you in the welfare of the farmer in your district, and he expecting us to work together intelligently and sympathetically in his interest, and in order to bring to your attention our reactions of the debate, I trust that you will receive in the right spirit our view of points that are made for or against the bills by the friends or opponents of what we regard as the measure which will best serve our people. The progress of the de-

bate clearly indicates that there is a grave farmer problem and that cotton during the past four or five years has been one of the least adversely affected of our basic agricultural commodities during this period.

The address of Congressman JACOBSTEIN, of New York, clearly indicates the reason why the business representatives of the cotton growers of the South were not interested in relief legislation until this session of Congress, and the facts brought out by the gentleman, which are well known to the cotton cooperatives, clearly indicate that of all the agricultural crops which look particularly discouraging, so far as future prices are concerned, cotton looks the worst. Of course we will not admit that even though the price of cotton as compared to the all-commodity price has been higher during the past three or four years than it was at the inception of the war; that the price of cotton in comparison with the all-commodity price at that time was fair to cotton, and therefore we do not look with satisfaction upon prospective prices for cotton in the future that will put us below the pre-war exchange ratio. We do not believe that there is any power which can be exerted by the individual farmer himself or by the combined business interest in the South, including the business organizations of the cotton growers, that can prevent a most disastrous collapse of the cotton market during the current year. Indeed, it is entirely possible that this collapse may come before the forthcoming crop comes to harvest. With the economic equilibrium of our best foreign customer for cotton greatly disturbed, if not completely demoralized, through the existing strike in England, with a possibility of sympathetic strikes occurring in other European countries, and with the price of cotton now made by the combined influence of the foreign buyers and not by the seller, the business welfare of the cotton growers of our entire section is in the balance, and nothing save the strong hand of our Federal Government is in a position to safeguard the interest of our people.

Fortunately for the cotton growers at this time the balance of power in the passage of this particular measure lies with the Representatives in the cotton States. For many years our Representatives in Congress have not been in a position to exert their influence in an effective way toward protecting and enhancing the best interest of their constituents, but now, as if by act of Providence, the Republican Party is divided between the interests of the producer and consumer, this legislation will be determined one way or another according to the attitude of Representatives in Congress from the cotton-producing South. It is needless to remind you since the time of the war between the States the Southern States have not had an equality of economic opportunity with the Northern and Eastern States, and for many years our producers have been suffering from the economic injustice and inequality of which the midwestern farmers are now complaining. Not since the war of 1861 has the midwest recognized its common interest with the agricultural South, and perhaps never before has the South had the opportunity of cementing that bond of common interest as it now has. Therefore the hundreds of thousands of intelligent farmers and business men from Arizona to North Carolina are watching with unprecedented interest the fight which their Representatives are making in Congress for equality of agriculture with other industries. We have always felt, and still believe, that the statesmanship and courage of our Representatives in Congress is such as will assure to the workers in their chief industry, stability, permanence, and prosperity, and the men are depending upon their Representatives to bring about this desirable end.

Upon you men rest a great responsibility and upon your acts rest the hopes and the happiness of millions of southern people who have trusted you and who have confidence in you to look after their interests in national legislation.

We trust that you will not permit this issue to become confused in your mind. The issue is clearly one of equality for agriculture with other industries. The bill simply provides machinery for bringing that about. Effort has been made to confuse Congressmen in the belief that this is unsound legislation, but among the best economists in the land are those who have indorsed the bill as sound economically and financially. Argument that this bill provides a subsidy different from that established by many precedents regarded as sound governmental policy is without foundation.

We analyzed in a recent statement issued to all the Members of Congress this phase of the bill. In this statement we showed that it is an established policy of the Federal Government to make investment and assume the risk in developing and pioneering large enterprises for the national welfare which are beyond the ability of its individual citizens, or until the Federal Government has proven its practicability. This measure should be looked upon and regarded by the friends of agriculture as a test or demonstration in the stabilizing of values of our principal staple commodities, looking to the ways and means of solving that great problem; it has ample precedents for doing so in industry without being characterized as a subsidy. We assert that no sound thinker desires a permanent subsidy for any American industry. On the other hand, the farmer has the right to expect that his industry shall be brought within the protective system in whatever way the peculiarities of his business may require, the same as in the case with the other major industries of our country. The best agricultural minds of this day and age and the farmers' own leaders of the North,

South, and West are united in the support of the Haugen bill, which they believe will bring about this relief, and, further, agriculture has the right to expect its friends in Congress to support their interest in this matter. The burden should be on those who are opposed to this legislation to work out a better solution. No one believes that the Haugen bill is a perfect bill that will not need change as experience in the operation of the law may develop, but we all believe that it contains the basic machinery of a plan that will eventually do what is necessary to put agriculture on a basis of equality with other industries.

Space will not permit going into detail as to how this law will help cotton; but it should be sufficient to say that if we could control the movement of the American crop, we can control the price of the crop within the limitations of the operations of the law of supply and demand over a period of years and can get for the crop the highest price which the world is able to pay for that commodity, the same as other highly organized industries which control the supply in this country are now able to do. We have no doubt as to the practicability and desirability of this legislation for cotton. We respectfully ask that you use your influence and your vote in giving this much-needed assurance of protection to the cotton industry, bearing in mind that, first, the existing surplus of cotton; second, the prospective large crop which is now being planted; third, the known inability of many farmers to take advantage of a system of orderly marketing due to the crop-lien evil and the generally poor financial condition of the cotton grower; and, fourth, the impending possible price decline due to political and economic disturbances in the countries which are large consumers of our staple.

Finally, in view of the fact of the possibility of an agricultural alliance with the Middle West, which section, incidentally, does not produce any crops which southern farmers are not capable of producing advantageously, and the further fact that the southern Representatives are in a strategic position by having the balance of power in the enactment of this legislation—with these important facts before us, we ask you to stand by your people in this great hour of opportunity.

Respectfully submitted.

AMERICAN COTTON GROWERS' EXCHANGE,  
C. O. MOSER, General Manager.

HOUSE OF REPRESENTATIVES,

December 5, 1923.

Mr. TINCHER introduced the following bill; which was referred to the Committee on Agriculture and ordered to be printed:

A bill (H. R. 172) to provide relief to persons who owned wheat of the crop of 1917 before the announcement of the Food Administration price-fixing policy with respect thereto, and who sold such wheat after August 11, 1917.

*Be it enacted, etc.*, That the Secretary of Agriculture be, and he is hereby, authorized and directed to investigate, determine, and pay the amount of the actual loss sustained by any person, firm, association, or corporation that owned actual wheat of the 1917 crop, in the ordinary course of his or its business, before the announcement on August 12, 1917, by the Food Administration of the price-fixing policy with respect to said crop, and did not dispose of such wheat by contract or otherwise until after the said announcement. The measure of such actual loss shall be 60 cents per bushel. Each claimant shall pay such expenses as may be necessary for him to incur to secure the presentation to and filing with the Secretary of Agriculture of his claim in proper form for allowance under this act. No claim shall be allowed or paid by the Secretary of Agriculture unless it shall appear to his satisfaction that the loss was not the result of purchases for the purpose of investment or speculation or of realizing a profit on such wheat greater than that realized customarily on wheat in the ordinary course of the grain business at the time of the purchase of the wheat. No award of payment shall be made on account of any claim not presented to and filed with the Secretary of Agriculture before the expiration of three years after the effective date of this act. The decision of the said Secretary of Agriculture shall be conclusive and final, except that no settlement of any claim submitted hereunder shall bar the right of recovery of any money paid by the Government to any party under the provisions of this act because of fraud with respect to such claim, and the right of recovery in all such cases shall exist against the executors, administrators, heirs, successors, and assigns of any such party or parties. For the purpose of this act the Secretary of Agriculture or any representative specifically authorized in writing by him for the purpose shall have the power to require, by subpoena, the attendance and testimony of witnesses and the production of all books, papers, and letters or other documents relating to any claim under investigation. And in case of disobedience to a subpoena, the Secretary of Agriculture, or his duly authorized representative, or any party to a proceeding before the said Secretary, may invoke the aid of any court of the United States in requiring the attendance and testimony of witnesses and the production of books, papers, and letters or other documents under the provisions of this act, and any failure

to obey the order of the court pursuant thereto may be punished by such court as a contempt thereof; and the claim that any such testimony or evidence may tend to criminate the person giving the same shall not excuse such witness from testifying, but such evidence or testimony shall not be used against such person in the trial of any criminal proceeding.

SEC. 2. That all payments made and expenses incurred under this act by the Secretary of Agriculture shall be paid from the funds remaining available for the purposes of the act of Congress approved March 4, 1919, entitled "An act to enable the President to carry out the price guaranties made to producers of wheat of the crops of 1918 and 1919 and to protect the United States against undue enhancement of its liabilities thereunder," and so much of said funds as may be necessary is hereby appropriated and made available to the Secretary of Agriculture for said purpose until such time as he shall have fully exercised the authority herein granted and performed and completed the duties herein provided and imposed.

SEC. 3. That the Secretary of Agriculture shall file with the Secretary of the Senate and the Clerk of the House of Representatives of the Congress, at the beginning of its next regular session following the session during which this act shall become effective, a detailed statement showing the name and address of each claimant hereunder, the amount of his claim, the quantity of wheat covered thereby, and the amount, if any, awarded such claimant.

IN THE HOUSE OF REPRESENTATIVES,

April 12, 1920.

Mr. KINCHELOE introduced the following bill, which was referred to the Committee on Ways and Means and ordered to be printed:

A bill to amend the War Finance Corporation act

*Be it enacted, etc.*, That the War Finance Corporation act, approved April 5, 1918, is hereby amended by adding to Title I thereof a new section, to read as follows:

"SEC. 22. That the corporation shall be empowered and authorized to pay to any person, firm, corporation, or association engaged in business in the United States the contract price of supplies of tobacco hereafter purchased, or agreed to be purchased, by the Italian or French Governments, or any other European government buying any of said tobacco which has and maintains a government monopoly thereon, from any such person, firm, corporation, or association, and to accept in full payment of the moneys so advanced the bonds, obligations, or other evidence of indebtedness to be issued by either of said governments for the payment of moneys so advanced, to bear interest at the rate of 6 per cent per annum from the date of such advance: *Provided*, That the total advances to be made by the corporation shall not exceed \$50,000,000: *Provided further*, That the War Finance Corporation is hereby authorized and directed to retain a first-mortgage lien in the bonds, obligations, or other evidence of indebtedness to be issued to it by either of said Governments upon all the tobacco so purchased by either of them and upon all the warehouse receipts issued by either of them, upon all of the said tobacco so purchased, to better secure the payment of the indebtedness so incurred.

"There is hereby appropriated, out of any moneys in the Treasury not otherwise appropriated, the sum of \$50,000,000, or so much thereof as may be necessary, for the purpose of making payments by the said corporation as and when required under the provisions of this section."

Mr. ASWELL. Mr. Chairman, I yield myself five minutes. Mr. Chairman and gentlemen of the committee, my neighbor and friend the gentleman from Mississippi [Mr. QUIN] has made a reputation as being a friend of the farmers. I regret exceedingly, and it pains me personally, to see him in this hour of his opportunity yielding to an insidious lobby of big corporations and going back on the farmers who have made him what he is. He proposes, as he states, to vote and work for a direct Federal tax, an equalization fee on each cotton farmer at the gin of at least \$10 a bale, as witnesses testified. The State of Mississippi produced last year 2,000,000 bales of cotton. Yet the gentleman who has pretended so long to be the friend of the farmer proposes to vote in this body to place a Federal tax on the farmers of Mississippi amounting to \$20,000,000 a year.

The State of Mississippi last year shipped into its borders 7,000,000 bushels of wheat, and without reflecting the increased price back to the producer of wheat, as it will not do, the gentleman from Mississippi proposes to tax his own people further on their bread alone the sum of \$3,500,000. In his proposal here to-day he is camouflaging when he talks about a subsidy. He is trying to get your attention away from the vital question of the equalization fee or Federal tax on each farmer at the gin. He proposes to tax the farmers who have made him what he is \$20,000,000 a year on their cotton and \$3,500,000 a year on their bread, which means \$23,000,000 a year additional Federal tax. In that position he is not representing the great people of Mississippi. He has gone back on the farmers

who have made him. They are my neighbors and friends, and I will stand by them and for them. I can show you, gentlemen of the committee, that he does not speak for the people of Mississippi.

I propose to read a telegram I received this morning from Mississippi. I will give you, first, the gentleman's name. I do not know him personally, but I have asked several of the Mississippi Members, and they say he is one of the foremost men in the State. He lives in the capital of his State, Mr. L. J. Folse, general manager, Mississippi State Board of Development, a new organization to develop that great State. This is what he has wired me:

Hon. J. B. ASWELL,

*United States Congress, Washington, D. C.:*

I compliment you on your stand regarding the Haugen bill. The language used by you as quoted by Associated Press is identically what I used in McComb, Miss., three days prior to your statement.

McComb is in the heart of PERCY QUIN's district.

Mr. MANSFIELD. That is his home.

Mr. ASWELL. That is his home. [Reading:]

The subsidy and dole program of Great Britain has brought them to the verge of civil war. There is no higher expression of the communistic tendency of this country than the Haugen bill. I am certain that every farmer in Mississippi is patriotic and independent enough, and is so confident of his own ability to work out his future with a reasonable amount of cooperation that if put to a vote Mississippi would overwhelmingly repudiate this socialistic Haugen measure. The marketing of farm products in America is a business matter and not a political one. We do not feel any legislation at all is necessary in the matter; and if the National Congress will place the responsibility for a proper marketing system upon the bankers and merchants of the country, where it properly belongs, the business men can build a proper marketing system; and the only reason why we have not had it is because of the utter indifference of business and the extreme activity of the demagogue. The defeat of the Haugen bill ought to be accepted by every patriotic American as a reaffirmation of our confidence and belief in the principles upon which this country was founded and upon which its future rests.

L. J. FOLSE,

*General Manager Mississippi State Board of Development.*

[Applause.]

Mr. TINCHER. Mr. Chairman, I yield 20 minutes to the gentleman from Ohio [Mr. BEGG].

Mr. BEGG. Mr. Chairman and gentlemen of the committee, it will not be my purpose in the brief time allotted to me this afternoon to discuss in detail any one of the so-called agricultural bills. There are a few, it seems to me, signboards that we all ought to notice as we are passing on, and I shall only undertake to call attention to those.

In the first place, I want it definitely understood it does not make any difference to me what the political future of myself or my party is, if in order to insure such political future I must vote for something I believe to be bad for the future of my country. [Applause.] I do not claim any distinct quality on that line above the rest of you men. I do think sometimes we are stampeded to be for or against a proposition through information that has been sought to be furnished us by men who are on the pay roll of some organization at so much per month to furnish this information, and yet they undertake to speak for all the people of a particular class or group. I do not believe that is sound doctrine on which to legislate, and I do not believe such men can speak for the entire people a bit better than you or I.

The statement was made the other day that the greatest farmers' organization in the United States had indorsed the Haugen bill. If that is true, then my information is in error, because I understand the grange is twice as large as any other organization among the farmers in America, and that they not only have not indorsed it but have gone on record as being against it and opposed to it. That is the kind of information I get. In addition to that, not 30 per cent of the farmers belong to any organization. Who is speaking for them?

I want to call the attention of my colleagues to another thing—and let me say in passing I am not one of these Congressmen who lives in a city and represents only a great industrial section. I think 75 per cent of my constituency make every dollar they have by tilling the soil, and I know that practically every blood relative I have or ever did have continues to get his livelihood even to-day through that process; and if I believed the Haugen bill was economically a sound piece of legislation, and if I believed that the price my children would have to pay for the mistakes of their father was not too high, and that the Haugen bill would give the farmer more money for his product, without doing damage to the great

mass of people unorganized, I would be for it; but I am not only not convinced, I am convinced that every man who votes for the Haugen bill, if by any hook or crook it should be enacted into law, will live to regret the day he was ever permitted to cast his ballot therefor.

Now, why? And before I go any further with the discussion I want to propound two or three hypothetical questions to those supporting the Haugen bill. I do not want you to answer them in my time, but I know some of you are going to speak in the future and I want you to tell me what you will do if the Haugen bill becomes a law and these things happen.

The first question I want to propound to you is this—and I only go by what is written into your proposed law—I propounded this question to the chairman of the committee who drafted the bill and who is its author and the answer was not at all satisfactory. Suppose the bill is enacted into law, what will you do if I make a deal with an Englishman or a citizen of any foreign country that we will split 50-50 on the profits and the Englishman comes into the American market and buys 100,000,000 bushels of wheat at the surplus price or at the world price, which I am going to assume is \$1, and if wheat is \$1 in the world market, then the local or domestic price is \$1.50 because you add 42 cents tariff and the freight, which will make the local or domestic price \$1.50.

If this bill is written into law and my English friend buys 100,000 bushels of wheat and sells it back to me, do not you have to buy my wheat for \$1.50? He paid you in America \$1 a bushel and never shipped it out of the United States; he then sells it back to me and I will either make you buy it at \$1.50 a bushel or I will dump it on the market at \$1.40 a bushel and break the market.

Mr. HAUGEN. Will the gentleman yield?

Mr. BEGG. No; the gentleman can answer that in his own time. I know what the answer will be. They will say that the board would not sell unless they would agree to ship it out. How would they compel the purchaser to ship it out of the country? I do not want to see the time when the United States will say to any foreigner, "You can not sell in the markets of the United States." In other words, I do not want to see the time come when America will be led into enacting an embargo act. I do not care what the article is that the embargo is written on, it will make trouble with the rest of the world. America once tried it and they took it off the statute book right away.

Mr. BURTNES. Will the gentleman yield?

Mr. BEGG. No; I can not yield. Now, I want to ask you gentlemen what is to prevent my going into Canada—I use that for a foreign market—and buying 100,000,000 bushels of wheat at \$1.10 a bushel? Let me say that is the world market. Then let me go into the market to-morrow and drive the market up to \$1.15. I ship it over to America and let America pay the tariff cost—you are obligated to pay the tariff plus the transportation; what is the trouble in my manipulating the market there so that I make a clear profit without any risk?

Oh, it is a great business, the greatest piece of mechanical speculative machinery that I have ever seen in my life. If I can understand the English language, and I admit I know nothing about cooperative marketing, especially of wheat or anything of that kind—but this problem is so simple it does not take a Wall Street broker or banker to analyze it and see the possibilities under it.

Now, I want to propound another question. Suppose the equalization fee is to go in, and they say it is going in in two years, the Government is going to pay the bills until that time, and after that time, of course, the farmers are willing to bear their own burden. I will have something to say about that later. But what I want to ask is this question: Here are two farmers, one living on one side of the road and the other on the other. They are both living in a real agricultural territory. Mr. A is a stock feeder—feeds a lot of cattle and a lot of hogs. He can not produce enough feed to fatten his stock for the market. Mr. B, his neighbor, raises corn. Now, if Mr. A goes over to Mr. B and buys a thousand or 10,000 bushels of corn, will there be an equalization fee on that sale? I asked this question of the chairman of the committee, the author of the bill, and he said it was optional. He says that is the right of the board to determine whether to put an equalization fee on corn fed into livestock. If they do there is bound to be a discrepancy and unfairness with the man that does not pay an equalization fee on the corn that he feeds into his livestock. If they do not, what percentage of corn in the United States will have to bear the equalization fee which is the charge for the operation of this great burdensome piece of economic machinery. What percentage of corn bears the burden?

I have not verified the figures, but I get them from the Agricultural Committee, that not 10 per cent of the corn of the United States is processed for anything other than feed. Now, think of it. Ten per cent of the corn of the United States has to bear the unfair burden of operating this so-called economic scheme. Either your scheme is economically sound or it is not. If it is economically sound, the price of all agricultural commodities will rank together. It can not be otherwise. If it is economically unsound, which I think it is, it will bring wreck on the people that you are trying to benefit.

I want to propound another question, another dilemma, and I want to see how you answer this. The only speech I have heard on the Democratic side that was not raising an awful howl against the tariff being too high was the speech of the gentleman from Texas [Mr. HUDDSFETH].

Let me propound this to you: Suppose the Haugen bill succeeds. Its very success will be its ruin. And why? Do you expect an American farmer to feed \$1.40 corn in competition with the Canadian farmer, who is feeding the same kind of livestock on \$1 corn? It just can not be done, because Canadian land is even cheaper than the land in the United States. Do you expect the American rancher down in Texas to feed cattle, paying this enormous—I will not say enormous—equalization fee, whatever it may be, plus the tariff of 15 cents a bushel on corn, plus the freight; or do you expect the cattleman of the North to whom the Texas rancher has sold the cattle to feed the cattle \$1.20 corn, in competition with the Canadian or the Argentinian, with his cheap forage, without again jacking up your tariff and making it higher than it is to-day?

If there is any one thing that the Democratic Party has ever stood for, so far as its pledges are concerned, it is to lower the cost of living. It makes interesting reading to go back as far as 1824 and peruse the editorials from the New York press. They prophesied just exactly the same things that you gentlemen are prophesying to-day. You can read an editorial in the New York papers of that day and it sounds just as if it was written to-day. They talked about the tariff being a subsidy for the few, being a tribute levied upon the masses for the benefit of the few. Either I am unable to reason, either I am absolutely thickheaded, or else the men who are trying to make the principles of the Haugen bill compare with and work as the tariff does can not reason or are not honest. There is no more comparison between the economic principles of the protective tariff and the question of a subsidy than there is between the darkest night and the brightest day. What is a tariff? You gentlemen all know who wrote the first tariff. It was James Madison, of Virginia. If James Madison were living to-day he would in all probability be a Democrat. He not only put a tariff on manufactured articles but he put a tariff on raw products, and why? They put the tariff on at first to protect industry. The employee in those days was only thinking about getting enough to eat and developing his country; but to-day we do not levy a tariff in order to protect industry as an industry. Not on your life. You give American labor wages 25 per cent more than anyone else in the world, and the manufacturer in this country will manufacture and sell goods in all the markets of the world in competition with the world without a tariff. If you compel the manufacturer to pay wages from three to ten times as high as his competitors, then you can choose between one of three things. You must either give them a tariff, close the factory, or cut the wages. There is no other answer.

This Haugen bill is a subsidy if it is anything in the world. The bill says \$375,000,000 for the first two years. Let me ask you a practical question. Suppose it develops that \$375,000,000 is not enough. We establish the machinery, we pledge the credit of the United States to pay the bill. Suppose it costs a billion dollars. Will we pay it? Of course we will. We have paid bills ever since I have been in Congress with not half the legal responsibility that will be tacked onto the Government if we pass the Haugen bill. Provide a subsidy? Never for an industry that is self-supporting, that is producing more than is required for the necessities of life. There are only one or two cases where in my judgment a subsidy would be justified in any Government. If there was a demand for any necessity of life, and the economic condition of the people engaged in the production of that necessity did not permit them to produce a sufficient amount to meet the needs of the people, and if you could not encourage production, and if competition was so keen with the rest of the world that the farmers could not compete and there was a shortage, and we could not get it in any other way, then there might be a justification for a subsidy. I have wondered sometimes, since I have been studying this question for a month, whether my ability to reason has become distorted.

How can you pay a bounty and then curtail production when you have a surplus to begin with?

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

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

Mr. BEGG. Mr. Chairman, there are two conditions when I would pay a subsidy, and then only rarely. Some one asked a gentleman on the floor the other day if he had voted for the ship subsidy, and he said he had. If the shipping business affected only a part of the people, there would be no justification for a subsidy at all, but if the welfare of the whole people depends upon the ability to ship to the markets of the world, and the merchant marine can not live without a subsidy, then I have no apology to offer to anybody for being for a subsidy.

My good friend from Nebraska [Mr. McLAUGHLIN] on Saturday went on to recite how much money we had given to the railroads as a subsidy in the early days, so that they would build a road out through his country and on out through that great, unexplored, unknown West. Is there any difference between developing an unexplored wilderness rich in fertility and minerals by the granting of a subsidy and doing the same thing to correct an overproduction? I said a moment ago that I would not vote for a nickel to subsidize anybody in America. I want my farmers to know that. You do not have to send them word, because I told 500 of them three weeks ago that I would not support a bill to give them 5 cents out of the Treasury, because I do not believe you can pass a law to put value into a bushel of wheat that is not there. Here is what I will do, and this is just as far as I will go.

We spend annually now about \$42,000,000 in developing agriculture. We have been doing it ever since I have been in Congress and a long time before; I do not mean \$42,000,000 a year, but I should suppose, in a total, we have spent \$150,000,000 in the development of agriculture. Now, I am willing to do this. After having spent Government money to help production, I am willing to loan to the leaders of agriculture \$100,000,000, if it needs it, to perform an experiment in developing a market so as to get on the same plane as we have other products, but any scheme to handle the surplus that is not sound enough economically to command the respect of private capital is too unsound for me to put Government funds into its treasury.

Mr. MADDEN. Will the gentleman allow me to read a telegram in connection with what the gentleman has just stated?

Mr. BEGG. Yes; I will.

Mr. MADDEN (reading)—

CHICAGO, ILL., May 9, 1926.

MARTIN B. MADDEN, M. C.,

Washington, D. C.:

Give us a national charter for America's credit trust—cooperative marketing. Purpose to comply with your suggestion on farm relief in lieu of a subsidy. Unlimited capital pledged. We are well organized for this purpose and want to count you in. Letter follows. Answer now.

Maj. A. E. GAGE,  
President Economic Science Federation.

I want to say I do not know who these people are, but there is a proposal to furnish money to market farm products.

Mr. BEGG. Now, Mr. Chairman, the argument has been made repeatedly by both sides, more generously on the minority side than on the majority side, that the present Fordney-McCumber tariff bill had not benefited the farmer. I want to challenge that statement, and in support of my challenge I want to give you a few figures. And let me say to this House membership and to the Democrats I am not alarmed about newspaper threats I have read in the papers that if we did not pass the Haugen bill the West will revolt so far as the Republican Party is concerned; that does not alarm me at all. They will only revolt a short period. Why? There never has been since the dawn of the United States a low-tariff party nor a free-trade party without a financial panic save in the World War and in the Mexican War. There never has been a time, Mr. Farmer and you farmers' Representatives—there never has been a time when the price of a bushel of corn and wheat or a pound of beef or pork or wool has brought as much in the market under a low tariff or free trade as it always has done under a high tariff. And I will say again something else, and you can take that to your constituents out in the West.

There never has been a low tariff party in power nor a free trade one without free soup houses in the city, without idle labor—except in the World War and in 1846, the Mexican War—and if you can show me where I am misquoting I will make a public apology before this Congress. Now, there is no

use to deny it, we are not demagoging this afternoon, but we are facing facts and arguing on history.

Mr. ASWELL. Will the gentleman yield?

Mr. BEGG. I can not. There never has been free trade or a low tariff party in power without free soup houses, without idle labor, and when labor is idle she only eats 50 per cent of the farm products a year, as when she works, and if the American farmer wants to take revenge—and that has been hinted at on the floor—if they want to take revenge and want to vote to cut the tariff that will close every mill in my district, because there is not a mill producing to-day that is not compelled to have a tariff, and if you throw the employees in other centers out of work I will guarantee the American farmer that which always has happened is likely to happen, namely, they will get less for a bushel of wheat than they got this year. Take that story to them. The Republican Party has been as good a friend to the farmer as the Democratic Party ever dared be. See if that is true. Now, I suggest to low-tariff advocates wool never sold on the farm—that is, by and large—on an average for over 20 cents a pound under free trade or a low tariff, save during the war, and nobody is going to claim prosperity because of a war. Now, wool since we have had the emergency tariff act jumped since the passing of the act from 11 cents a pound, of the grade of which I am speaking, and never sold less than 45 cents a pound. Well, if wool is 20 cents under a low tariff and 45 cents under this tariff, the Fordney-McCumber, there is a differential in favor of the farmer of 25 cents a pound.

Take a farmer who had sold 1,000 pounds of wool last year. There is one of three things. He either has \$250 less debt or else more money in the bank or else more property. He has \$250 more assets than he would have had with a low tariff unless the next low tariff violates every precedent that has ever been made since Washington's administration.

Mr. HUDSPETH. Will the gentleman yield?

Mr. BEGG. Briefly.

Mr. HUDSPETH. The gentleman means under no tariff at all he got 20 cents; does the gentleman mean that?

Mr. BEGG. I said low tariff or free trade.

Mr. HUDSPETH. We have either had a sufficient tariff or no tariff at all. Under no tariff wool went as low as 4 cents a pound.

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

Mr. BEGG. Could I have a little more time? I think I could get through in five minutes.

Mr. KETCHAM. Mr. Chairman, I yield to the gentleman five additional minutes.

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

Mr. BEGG. Now, gentlemen, keep in mind this \$250. Let us take wheat. This is not hearsay. Under free trade—and that is the Democratic policy, as I understand it—Canadian wheat averaged 5 cents a bushel more than Minneapolis wheat of the same grade. I get these statistics from the Department of Agriculture, and you can get them there; and if they are not accurate, you can charge the Department of Agriculture with the error.

I will cite the average price of typical grades of wheat at Winnipeg and Minneapolis between the years 1920 and 1926. In 1920-21 the price at Winnipeg was \$1.89 and at Minneapolis 12 cents higher per bushel, or \$2.01. In 1921-22 the price at Winnipeg was \$1.30 and the price at Minneapolis \$1.48, or 18 cents higher. In 1922-23 the price at Winnipeg was \$1.12 and the price at Minneapolis \$1.26, or 14 cents per bushel higher. In 1923-24 the price at Winnipeg was \$1 and the price at Minneapolis was \$1.24, or 24 cents higher. In 1924-25 the price at Winnipeg was \$1.58 and the price at Minneapolis was \$1.66, or 8 cents higher. In 1925-26—42 weeks—the price at Winnipeg was \$1.51 and the price at Minneapolis was \$1.68, or 17 cents higher, an average of 16 cents higher at Minneapolis than at Winnipeg during the six years quoted. The average for the period of time I have read—and that is not hearsay—is 16 cents a bushel in favor of the tariff. For the period of 42 weeks, 1925-26, the price was 17 cents higher at Minneapolis under the tariff, and when free trade prevails it is 5 cents higher in Canada. There is a differential in wheat of 22 cents a bushel. If the average farmer of the country sold a thousand bushels of wheat last year, that gives him \$220 on his wheat crop last year in excess of what he would have received under low tariff, and that with the \$250 excess that he got for his wool makes a fund of \$470 in his bank which he would not have had otherwise.

Let us take the item of cattle. I am giving you Mr. Haugen's figures on cattle. Mr. Haugen last fall went over into Canada to buy steers. He paid \$4.60 a hundred. Add \$1.50 a hundred from the tariff and freight 42 cents and you have a total of \$6.52. Mind you, Canadian cattle delivered at his farm at \$6.52, with a tariff of \$1.52 a hundred on that weight of steer, when there never was a time when he was in the market when he could have bought the same cattle in Minneapolis, nearer home, for less than \$7.60.

What happened? Why, the tariff. Who got the difference between \$4.60 and \$7.80, or \$3.20? Who got the difference? The man who sold the steer, Mr. Farmer.

Mr. HUDDSPETH. The man who raised the steer?

Mr. BEGG. Yes; the man who raised the steer. Nobody else. If he sold an 800-pound steer at \$1.50 a hundred, that is \$12. That is \$12 for an 800-pound steer received because of the tariff. Suppose he sold 10 of them.

There you have a difference of \$590 on three little bits of crops on any 80 acres of land that can be produced in Ohio. I do not mention the 5 cents a dozen on eggs, or the tariff on butter or lard or hogs. I do not mention any other than the three items, and there is not a farmer in Ohio who has not to-day in bank between \$700 and \$1,000 more than if we had free trade. Why do you not tell the truth?

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

Mr. BEGG. Give me five minutes and I will quit.

Mr. KETCHAM. I yield to the gentleman five minutes more.

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

Mr. BEGG. I will not be one who will subscribe to the doctrine of going out and telling the farmers that they are the worst-off people on earth, because they are not. Who are they in America who own some of these automobiles in the world?

Ninety per cent of the automobiles of the world belong in America. I do not believe there are many farmers in the United States that do not have one or more of them. The automobile is not alone a luxury; it is partially a necessity. Not all the radios are in the cities. There is not a nation in all the world where agriculture and labor in their prosperity can be compared with agriculture and labor in America to the extent of one-tenth.

Now, my friends, if old, stolid, sober, experienced England can be almost uprooted and thrown into nobody knows what to-morrow by reason of the same mistake—a dole that you are asking us to hand out, only to a different class of people—if they can be thrown into turmoil, who is there who wants to stand up here and say, if we once begin to pay out a subsidy, or dole, or bounty, or gift, or anything you want to call it, where it will end? In God's name, the man who gets something for which he does not give something is damaged by the receipt thereof, and if you once begin with the farmer you can not quit without paying the price, and the price may be trouble. The price has been trouble in Great Britain, and she has not yet freed herself from the parasite of the unemployment dole. I ask you, join together and use your brains. Help the American farmer if you can; but you can not pass a law to put more value into his corn than is put there by honest toil. Do not, I pray you, go forth demagoguing with a promise for the sake of a reelection for yourselves or your party. [Applause.]

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

Mr. BEGG. Yes.

Mr. FLETCHER. What bill are you for?

Mr. BEGG. For the Tincher bill.

Mr. SUMMERS of Washington. Did the gentleman vote for the McNary-Haugen bill, which did not carry a subsidy?

Mr. BEGG. I did not. [Applause.]

Mr. HAUGEN. Mr. Chairman, I yield 30 minutes to the gentleman from Illinois [Mr. WILLIAMS].

Mr. WILLIAMS of Illinois. Mr. Chairman and gentlemen of the committee, it is my purpose, in the time allotted to me, to discuss the Haugen bill, the principles underlying that bill, and the things its authors and those who are supporting it believe it will do for the basic agricultural commodities of the country. However, the remarks just made by the gentleman from Ohio [Mr. BEGG] perhaps would justify me in stating that in so far as the question of the tariff is concerned there is nothing in the hearings of our committee, covering a period of more than seven weeks, that even indicated that there was any sentiment or feeling among the agricultural interests of the West and Central West of dissatisfaction with the protective tariff. Every witness, so far as I recall, who was interrogated upon that point, without any regard to politics—and we had representative men speaking for the farm organizations from various

sections of the country—made the statement that the farmers were not here fighting the protective-tariff system; that they were not here complaining about the rates and provisions carried in the Fordney-McCumber tariff law, but they were simply here urging a program that they believed would assist agriculture in getting the full advantage which a protective tariff gave to other groups and to other interests.

The gentleman from Ohio spoke about a revolt. While I do not intend to talk politics or say anything unkind, the farmers of the great Mississippi Valley, or at least a very large per cent of them, regard the Democratic Party as a sort of agricultural pest, just as they think of the cutworm or the weevil. They have that feeling and regard it in that manner because they have seen and know what the Democratic Party does for agriculture whenever they have an opportunity to write their doctrines on the statute books and administer the laws of the country.

This party almost bankrupted the farmers of Illinois, Iowa, and those great agricultural States during the Cleveland administration. They mortgaged their farms so that they might enlarge their barns for the purpose of supplying adequate sleeping quarters for the unemployed who came their way. They knew all about that. They will not soon forget it. If there should be a revolt in that part of the country, I will say that it will not inure to the benefit of the Democratic Party. The Democratic Party is the third party in these States, and if my friend from Arkansas [Mr. OLDFIELD] keeps coming into those States and talking tariff it will become the fourth party, I fear. [Laughter and applause.]

Mr. GARRETT of Tennessee. Will the gentleman yield?

Mr. WILLIAMS of Illinois. Yes.

Mr. GARRETT of Tennessee. Do the farmers of the Mississippi Valley hold the Democratic Party responsible for the condition that exists just now?

Mr. WILLIAMS of Illinois. They very largely do. They know that when the Republican Party came into power in 1921 agriculture was prostrate and that we have been laboring with the problem ever since of stabilizing and putting agriculture on its feet. The farmers of that country know that 1920 was when the bottom dropped out of agriculture.

Mr. HUDDSPETH. Will the gentleman yield?

Mr. WILLIAMS of Illinois. Yes.

Mr. HUDDSPETH. From the gentleman's remarks, I take it that you do not expect any votes on this side to pass the Haugen bill?

Mr. WILLIAMS of Illinois. The people whom I am talking about are not greatly concerned about and do not mind very much the attitude of the Democratic Party on this or any other question. Not only during the Cleveland administration have the farmers of the Middle West suffered from Democratic fallacies, but in 1914, on the very day war in Europe broke out, the farmers of my State and the grain-producing States of the Central West were fast getting into the same condition of insolvency, bankruptcy, and ruin that they experienced during the Cleveland administration. I was in a little town in one of the counties in my district on that day making a campaign in a primary, and the farmers were selling their wheat for 61 cents a bushel. Of course, the war came on and during the war we had the highest protective tariff we ever had in this country. So there is no great danger of any revolt among farmers growing out of a discussion of this question—however it might damage some of our Republican friends—that will inure to the benefit of our Democratic friends in the great grain sections of the West and Northwest.

Now, what is it we are trying to do here?

The statement has been frequently made that we have a farm problem in America. We do have a farm problem in this country. We have many farm problems in this country. Many of them are of such a nature that they can not be cured by legislation and the farmers of the country know and appreciate that fact. The problem we are considering here under the Haugen bill is how to assist in stabilizing the four or five great commodities of which we have a large exportable surplus.

As to all the agricultural production of America that is perishable or semiperishable, which comprises more than 50 per cent of the total value of farm production, there is no very great complaint as to present conditions, except that the operating costs of the farmer, like they are for everybody else in the country, are high. Whatever difficulty American farmers, engaged in producing these commodities, may have, intelligent farmers believe can be solved and must be solved largely through cooperative marketing, through the efforts of the farmers themselves and financed by themselves. This great spread between the price received by the producers of many commodities and that paid by the ultimate consumer can not be abridged except by the farmers themselves organizing and

retaining control of their commodities until they are placed in the hands of the ultimate consumer. [Applause.]

There are two branches of agriculture that are important. First, of course, is the producing end.

For many years Congress has by legislation and by liberal appropriations—and the States have assisted in the same way—been helping the American farmer to produce better, to produce more scientifically and to produce more of the food-stuffs and products of the farm.

It has been very helpful to agriculture. We have now reached a point where the American farmer is perhaps the most efficient producer of any farmer in the entire world. But there is another part to successful agriculture, and that is the marketing of the products of the farm after they are produced. We have not kept pace; we have not made the progress along this line of our agriculture that we have along the producing line.

The attention of our committee was called a year or so ago to this fact, which impressed me. It was stated that for the year 1923 the growers of melons in the States of Georgia and Alabama, two States which produce very fine melons for the New York and eastern markets, brought to the growers of those melons on the cars at the shipping points an average of 5 cents each. The freight rate to New York City was between 6 and 7 cents, making the price less than 15 cents per melon laid down in the city of New York, and yet those same melons, for which the producers in Alabama and Georgia got 5 cents per melon and the railroads got 7 cents for their transportation, sold to the consumers of melons in New York on the average from 90 cents to \$1.25 apiece. This condition exists as to many products of the farm. In the interest not only of the man who produces this class of agricultural products but in the interest of all the consumers, this great spread should be lessened. This is one of the problems of the farm in which all the people are interested in reaching a proper solution. I have thought, and I still believe, that the solution of these problems is by cooperative marketing, and we are making great progress in cooperative marketing in this country. Last year the cooperatives did a business of over two and a half billion dollars, or more than one-fifth of the value of our entire agricultural production.

However, in the Haugen bill we are undertaking to deal with a different problem. The great commodities of which we produce a large exportable surplus—

Mr. TINCHER. Will the gentleman yield?

Mr. WILLIAMS of Illinois. Yes.

Mr. TINCHER. Handling the commodities with the cash appropriation provided for in the Haugen bill, in accordance with the terms of that bill, will have what effect on the cooperatives the gentleman has just referred to?

Mr. WILLIAMS of Illinois. If the gentleman from Kansas will permit me, I will come to that in the development of my thoughts on the Haugen bill.

Mr. TINCHER. I shall not interrupt further. I did not suppose the gentleman would object.

Mr. WILLIAMS of Illinois. I think the bill introduced by the gentleman from Kansas [Mr. TINCHER] will be very helpful in marketing and in taking care of the kind of farm products I have just mentioned, but we are here dealing with a question and a problem more fundamental than perishable foodstuffs that can be taken care of by cooperation.

During the war the American farmer, acting on the request of the Government, overstimulated production. We largely increased our production of cotton and of wheat and of corn and of the great basic foodstuffs and at large expense to agriculture. Billions of dollars were invested by the farmers of the country in additional equipment so that they might produce those things that the world needed and that they were told were required to insure the winning of the war for the United States and for our allies. We all know with what wonderful patriotism they responded to the call of their country, but the very readiness of that response meant, later, almost their utter undoing. At the close of the war farm products were high and there had been a most tremendous production of wheat and corn and cotton at exorbitant costs to the producer; 1920 came along and we had deflation and the bottom dropped out of the prices of farm products, and they have never since approached a proper ratio relation with other commodities. The farmer's real trouble dates from the summer of 1920.

Now, what is the difficulty? If all the farmers of the United States could be organized into a cooperative marketing organization, the situation would be entirely different. For instance, if 100 per cent of the cotton farmers were organized, they could control the price of their cotton; but they are not organized perhaps to a greater extent than 7 per cent or 10 per cent, and it is utterly impossible for the small percentage in these cooperative organizations to carry enough of the crop

and finance it to have any appreciable effect on the value of the whole crop. We have this anomaly in respect of cotton, and it is startling when you stop to think of it. In the summer of 1924, when the United States Department of Agriculture issued its first statement as to probable output of cotton for that year, it was stated we would produce 12,500,000 bales of cotton. Cotton was then selling at 30 cents per pound. Three or four weeks later the Department of Agriculture, on account of favorable seasonal conditions, made a supplemental report in which the production of cotton for that year was estimated at something over 13,000,000 bales, and a little later it was found that the crop would approximate 14,000,000 bales, and cotton dropped to 24 cents a pound. Therefore, under our present marketing system and through the inability of the cotton farmers to cooperate and to organize as they should, but probably will be able to do in the years to come, we have found that a crop of cotton of 14,000,000 bales brought the cotton planters of the South over \$300,000,000 less than would a crop of 12,500,000 bales.

Mr. ASWELL. Will the gentleman yield?

Mr. WILLIAMS of Illinois. Yes.

Mr. ASWELL. Will the gentleman explain to the House how the Haugen bill will help the price of cotton when there is no tariff on cotton?

Mr. WILLIAMS of Illinois. Yes; I will do that. That will be quite easy, and I will do that later.

Mr. ASWELL. That has not been done in this debate or in the seven weeks of hearings.

Mr. WILLIAMS of Illinois. Now, take the case of corn. In 1923 we had an estimated corn crop of 3,000,000,000 bushels. In 1924 the corn crop was 2,400,000,000 bushels or 600,000,000 bushels less than the crop of 1923, and yet the value of the 3,000,000,000-bushel crop was more than \$350,000,000 less to the farmer than the short crop of 2,400,000,000. Now, there is something radically wrong about that.

Mr. ASWELL. Will the gentleman yield?

Mr. WILLIAMS of Illinois. Excuse me just a moment.

Mr. ASWELL. I will wait until the gentleman has finished.

Mr. WILLIAMS of Illinois. Under conditions as they exist at this time, conditions over which the farmer has no control, a bumper crop instead of being a blessing is a disaster in disguise. We think there is something wrong with a situation like that.

The theory of the Haugen bill is not that you can change the law of supply and demand. This can not be done by law, but we realize that with these great bumper crops, with their large surpluses, the next year a short crop, the next year maybe a short crop or a large crop, yet through a series of a few years, three years or five years, production and demand balance each other in all our great staple commodities. We have been producing cotton in this country for more than 100 years, and so have other countries of the world. We have had great surpluses that brought down the price. It has at times ruined the cotton planter of the South, and yet we have no surplus in cotton. There is not enough surplus cotton in all the world to run the spindles of the world 90 days. It is the same way with all great staple food crops—no surplus over a series of years, but violent fluctuations from one year to another because of imagined surpluses or deficits which has caused such great disaster to the American producer.

The theory of the Haugen bill is this, as I understand it: The farmers, not being able to organize and cooperate and control the crop market, believe they should have the assistance of the Government in setting up machinery that will enable them to levy an equalization fee on the whole production of any one commodity, thereby creating a fund that can be used in the orderly marketing of that commodity, a fund that can be used when there is a surplus in lifting that surplus off the market so that it may not have a depressing and ruinous effect on that part of the production consumed in the United States.

Mr. ASWELL. Will the gentleman yield?

Mr. WILLIAMS of Illinois. Yes.

Mr. ASWELL. The gentleman said he was in favor of an equalization fee on all the products.

Mr. WILLIAMS of Illinois. Oh, no; the gentleman knows my position on the Haugen bill. I am not in favor of a subsidy. I am not in favor of that part of the bill. I do believe in the theory of the bill—that the American farmer is entitled to a price on that part of the product consumed in America comparable to the price that is paid to industry and labor for their products. [Applause.] Is there anything unsound about that? Who will say that the producer of the foodstuffs of America, that feed all of our people, is not entitled to an American price for that part of the product which is consumed by the American people? He pays the American

price for everything he consumes, and he is the greatest consumer of all classes of people in America. That is the principle on which the Haugen bill is drafted.

If the thing we are attempting to do is proper and right for the farmer, it can not be unsound economically. If a plan can be devised where the farmer bearing his own cost, at his own expense, can be enabled to market domestically at a fair American price the part of the crop used here, that can not be economically unsound. Of course, as to the part sold in export, we are not going to dump it at a low price in other parts of the world; we will sell it for whatever it will bring in the world market. Here has been the great difficulty and is the problem we are trying to solve—when we produce 800,000,000 bushels of wheat in the United States we consume 600,000,000 bushels, leaving 200,000,000 that must be sold in export to foreign trade. We are not able to control the world market on wheat, and the producers of wheat sold in the world market will have to take such price as they can get for that part of their crop; but is it fair to the farmer, is it right, that the small percentage that is used in export, which is often sold for less than production, shall be allowed to depress the American market for 600,000,000 bushels sold in this country? We are trying by this machinery to obviate that. Men who have given this great study, able men, say that it is economically sound to enable the American farmer to so market his product, to so control his supply and market it in an orderly way, that he will have the same bargaining power that others have in other industries.

Now, he walks up to the counter and says what will the price be on this and what will you take for everything he buys to operate his farm. Everything he has to sell he has to call up over the telephone and say to the dealer, "What is the price of this"—wheat, cotton, or whatever he has to market. Whatever the price is, that is all he gets.

If the machinery we have in this bill will do the thing that its authors believe and hope it will do, it is certainly a good thing. If it works, it will help everybody in the United States. If it fails to work, it would not hurt anybody but the American farmers themselves. [Applause.]

Mr. CONNALLY of Texas. Will the gentleman yield?

Mr. WILLIAMS of Illinois. Yes.

Mr. CONNALLY of Texas. This board that is appointed declares an operating period on corn; they find that corn in Canada is worth, say, \$1 a bushel. What is the tariff on corn?

Mr. WILLIAMS of Illinois. I think 15 cents.

Mr. CONNALLY of Texas. They buy the corn then at \$1.15?

Mr. WILLIAMS of Illinois. The board under the Haugen bill, notwithstanding the statements that have been made, has no authority to buy or sell a single thing. The board is at no time in business and neither is the Government at any time in business.

Mr. CONNALLY of Texas. Who pays this board?

Mr. WILLIAMS of Illinois. The cooperative associations who handle the commodities sought to be placed under the operation of the law.

Mr. CONNALLY of Texas. Then it is the cooperative with the sanction of the board?

Mr. WILLIAMS of Illinois. Yes.

Mr. CONNALLY of Texas. It gets the money from the board?

Mr. WILLIAMS of Illinois. Yes.

Mr. CONNALLY of Texas. That is what counts. The cooperative buys the corn at \$1.15 plus the freight. How large a fee would you collect back on that corn?

Mr. WILLIAMS of Illinois. The gentleman from Texas, I think, knows that I can not answer that question.

Mr. CONNALLY of Texas. I am not undertaking to embarrass the gentleman.

Mr. WILLIAMS of Illinois. I know that.

Mr. CONNALLY of Texas. I want to know how it will work out with corn.

Mr. WILLIAMS of Illinois. That will necessarily have to be left with the board.

Mr. CONNALLY of Texas. In other words, in order to make this plan workable we must, in the nature of things, give the board absolute power to say what the fee shall be and when it shall be levied on all of the products that go into the market.

Mr. WILLIAMS of Illinois. Absolutely; and I say to the gentleman from Texas that I can see nothing wrong with that. It is a board of farmers dealing with their own products, and they certainly have the right to have something to say as to what those things are worth.

Mr. FULMER. And the Interstate Commerce Commission fixes rates without anybody saying anything about it.

Mr. WILLIAMS of Illinois. Certainly.

Mr. CONNALLY of Texas. If the gentleman's premise is correct that this is a board of farmers, and they are going to fix their own equalization fee, surely they will fix it pretty small.

Mr. WILLIAMS of Illinois. Just as small as they can. The thing that we are seeking to do in this bill, as I understand it, is exactly what the gentleman from New Jersey [Mr. FORT] so ably explained ought to be done in his first speech which he made to the House on the farm problem, except, of course that the gentleman from New Jersey believes that this can be done without an equalization fee on production.

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

Mr. HAUGEN. Mr. Chairman, I yield the gentleman five minutes.

Mr. TINCER. Mr. Chairman, if the gentleman feels that he will not be able to finish in five minutes I shall be glad to yield him 10 minutes additional, and I do so.

The CHAIRMAN. The gentleman is recognized for 15 minutes.

Mr. WILLIAMS of Illinois. I have not the time to go into the details of how this board will work. That will be discussed under the five-minute rule. Objection has been made here to the board and as to the manner in which it is constituted. I think the gentleman from Louisiana [Mr. ASWELL] in the able address he made thought that a board on which there would be only three representatives from the cotton section might not look after the cotton planter as adequately as it should, or at least he expressed some fear that there might be danger in placing his great industry in the hands of a board with only three members representing that particular section of the country. That is exactly how the Federal Reserve Board is organized. You have three members.

Has there ever been even a suspicion that any action or lack of action on the part of that great board has been against the interests of any section of our country? Certainly not. That board functions and functions well in the interest of all the country, and if we have this board created as contemplated here, constituted as it will be of representative farmers, of men who have a knowledge of and are interested in all these great commodities in which we are dealing, that board will deal justly and equitably with all American agriculture and no one need have any fear as to the constitution of the board. [Applause.]

They say it is radical, that it is unworkable. It is not more a radical proposal than when Senator Aldrich and others first commenced talking about the idea of an asset currency 15 years ago. It took a long time to convince the bankers and the financiers of the country that you could create an organization which every national bank would be forced to enter, whether voluntarily or not, that would be workable, and yet no one, I take it, would repeal the law that federated and created this great system which is able to mobilize all of the money and all of the credit of America and use it at the points in the country where it is most needed. There is considerable analogy between this bill and the Federal Reserve Board bill so far as the mechanism of the two boards is concerned. We believe that for agriculture a great board that has a comprehensive view of the whole agricultural situation, that could find out what would probably be a surplus in this given commodity, and to deal with cooperative organizations, handling that commodity, that could take any surplus off the market and carry it over to a lean year or handle it in a way that would not depress the market, would be helpful to agriculture.

And it would be. I do not know whether this will work as we think it will or not, but it is the only constructive program submitted to this Congress to reach the fundamental difficulty of agriculture concerning these great exportable crops which have been causing the farmers such distress.

Mr. COOPER of Wisconsin. Will the gentleman yield for a brief interruption?

Mr. WILLIAMS of Illinois. Certainly.

Mr. COOPER of Wisconsin. I have listened to the arguments for the Haugen bill and against the Haugen bill, and I am much impressed with the merits of the measure, but I have been unable myself to understand why there is any real good reason for the postponement of the equalization fee. Why not have it go into operation at once and let it work out its own salvation?

Mr. WILLIAMS of Illinois. I was just getting ready to discuss that. The farm organizations which appeared before our committee for seven weeks during which this problem was being discussed from every angle all went on record without a single exception as saying they wanted to finance their own rehabilitation by this equalization fee on production. They said that they believed that it was workable and practicable,

and that agriculture was not asking and did not want any subsidy out of the Treasury of the United States. [Applause.] In the whole record covering thousands of pages that statement was repeatedly made. It was iterated and reiterated by the responsible farm leaders of this country, and I can say to-day I think I know that that is their opinion and their view and that now they would like to see this bill restored to the form in which it was when presented to the committee.

I am not going to discuss how this change took place. I do not know. I opposed it and other members of the committee opposed it, and I am opposed to it now. I am opposed to it in the first place because I do not believe in subsidies. I stood here on this floor under the administration of President Harding, a man we all loved, who served in the Senate while many of us were here in the House, and I was one of those who on one occasion was at the White House and talked about the ship subsidy bill coming up for consideration in the House. The people of my district, including farm organizations, were opposed to that subsidy, and I voted against the administration of my own party and the policy of the leaders of the party because I was opposed to a subsidy. It is absolutely indefensible. We want to give the American farmers of our section of the country what they say they want and not give them something they do not want and say will ruin them. They want the equalization fee made effective at once and want us to cut out the subsidy and pass the bill as the farm organization presented it to the committee.

Mr. KETCHAM. Will the gentleman yield?

Mr. WILLIAMS of Illinois. I will.

Mr. KETCHAM. Does the gentleman recall anyone responsible—of course they are all responsible—any one farm leader who appeared before the committee and advocated a subsidy?

Mr. WILLIAMS of Illinois. They all said they did not want it.

Mr. KETCHAM. Does the gentleman further recall any farm organization in the country that has gone on record in favor of it?

Mr. WILLIAMS of Illinois. I never have.

Mr. KETCHAM. On the contrary have not they all opposed it and repeatedly declared against it?

Mr. WILLIAMS of Illinois. Absolutely so. This amendment in this bill that calls for \$375,000,000 subsidy upon the Treasury has placed the great farm organization in a compromising and untenable position which they deeply deplore and I am sure they regret the action of the committee in reporting out this kind of legislation. [Applause.]

Mr. BEGG. Will the gentleman yield?

Mr. WILLIAMS of Illinois. I will.

Mr. BEGG. Did I understand the gentleman to say these same farm organizations testified against a subsidy and then a subsidy was put in and then authorized the statement it should be taken out.

Mr. WILLIAMS of Illinois. No; I did not say authorized.

Mr. BEGG. I did not quite mean that, but I mean is the gentleman speaking for himself here knowing—

Mr. WILLIAMS of Illinois. I am speaking for myself. I am speaking for every member of our committee with possibly three or four exceptions, and so far as I know every farm organization that appeared before our committee.

Mr. BEGG. If the gentleman will permit another question, I do not desire to interfere with his argument. How did this subsidy get in?

Mr. WILLIAMS of Illinois. I do not know; but the gentleman from Indiana [Mr. PURNELL] says, "To get votes." I do not know about that.

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

Mr. WILLIAMS of Illinois. Yes.

Mr. TINCER. What is the gentleman's idea of the effect which the subsidizing of this industry would have?

Mr. WILLIAMS of Illinois. I think it would be ruinous. I do not think it would be a check on overproduction for two years. The farmers do not want it. They want to levy a fee on their own production, and that would help them the same as a subsidy paid out of the Treasury and act at the same time as a stay on production.

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

Mr. WILLIAMS of Illinois. Yes.

Mr. PURNELL. The gentleman knows that I was a member of the committee who was not in favor of the subsidy idea, and was in favor of putting an equalization fee on all farm products and making it effective at once, and in favor of asking for only sufficient money out of the Federal Treasury to set up the machinery. But this, which I think the gentleman will admit, ought to be said in favor of those advocating this revolving fund as a temporary expediency, and that is that it will take at least a year to educate these farmers, and that the

revolving fund, such as may be necessary to stabilize these various products, will only be called into requisition for one year. I am not saying that in justification of the revolving fund, because the gentleman knows that he and I were in accord on that proposition in the committee.

Mr. WILLIAMS of Illinois. I do not yield any further. I have only a few minutes.

Notwithstanding what I have said about the revolving fund and the subsidy, if the bill is not amended, as surprising as the statement may seem to some of my colleagues, I intend to vote for it in its present form, and for this reason: It does embody the essential principles for which these great farm organizations contend. Under it we will get a board, with the broad power that it must have to command action, and an equalization fee that will automatically go into effect without congressional action; and, in my opinion, we will not be called upon for the \$375,000,000 subsidy. Gentlemen must remember that we are not voting the money out of the Treasury to-day. It is just an authorization that may be followed by an appropriation or not, as Congress in its wisdom may determine when that matter comes up.

Mr. GARRETT of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. WILLIAMS of Illinois. Yes.

Mr. GARRETT of Tennessee. The gentleman has referred to this as a "revolving fund." I would like to get it clearly in my head, if I can. I do not see what there is in this bill that makes it a revolving fund. It is not expected that any part of it will be repaid?

Mr. WILLIAMS of Illinois. It will revolve out of the Treasury until [laughter] I think it might be called a semi-revolving fund.

Mr. GARRETT of Tennessee. There is absolutely no provision in the bill under which any part of it will be repaid?

Mr. WILLIAMS of Illinois. Oh, no. It is not contemplated that it ever will be.

Mr. PURNELL. That was a misnomer. The original idea was to create a revolving fund and make an equalization fee. This was an eleventh hour proposal that came in.

Mr. GARRETT of Tennessee. The gentleman is justified in using the expression because that expression is in the bill, but the bill is not justified in using that expression.

Mr. JACOBSTEIN. In discussing this with Farmer QUIN I was informed that what they had in mind was a sinking fund, a reserve fund, not a revolving fund.

Mr. WILLIAMS of Illinois. What we had in mind, I will say to the gentleman from New York, was a law that would authorize an equalization fee on production. That would create a fund on each commodity, to use to carry over the surplus and to market the surplus of that commodity. We were asked for an equalization fee and no subsidy. [Applause.]

Mr. Chairman, my time has about expired and I only want to add that in my work on the Committee on Agriculture and in the consideration of this great problem I have attempted to help frame a bill and get it enacted into law along the general principles of the Dickinson bill. This is what the farmers of my State have indicated they want. I believe such a bill is economically sound and will give the farmers an opportunity to place agriculture on an economical parity with industry and labor, this is all they ask—to this they are entitled. This is the legislation urged before our committee by Sam H. Thompson, president of the American Farm Bureau Federation, by Earle Smith, president of the Illinois Agricultural Association, and by George Peake, chairman of the Committee of Twenty-two named at the Des Moines conference. These gentlemen are all honored citizens of Illinois, and in my judgment represent not only the sentiment of the farmers of Illinois but also that of a large per cent of our bankers and business men.

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

Mr. ASWELL. Mr. Chairman, I yield to the gentleman from Mississippi [Mr. WHITTINGTON] 20 minutes.

The CHAIRMAN. The gentleman from Mississippi is recognized for 20 minutes.

Mr. WHITTINGTON. Mr. Chairman, the question of agriculture presents an important problem. It is our most difficult economic question. The problem is not political or partisan, but it is economic, and I shall so treat it.

This is no time for oratory or high-sounding phraseology. It is an occasion for clear thinking and for keen analysis. I shall undertake to speak as one business man to another, as one Member of Congress to another Member of Congress, who is vitally interested in the agricultural situation.

Let me say, in order that you may get the slant of my views, that I represent a cotton constituency. The district from which

I come produced in 1925, 905,054 bales, or approximately one-eighteenth of all the cotton raised in the United States. There are 11 counties in the district, and all of them produce staple cotton, and in addition to its staple production there is raised short cotton in one of the counties. The district has a practical monopoly on Delta staple cotton, 1½ inches and longer. While I am a lawyer, I have been engaged in the production of cotton for some 25 years. For several years I was interested in raising short cotton in south Mississippi, and for the past 20 years I have been raising staple cotton in the Mississippi Delta. I knew from experience, as well as from study and observation, the difficulties confronting the cotton grower. My possessions consist principally of farm lands, and in common with my constituents I am interested in agricultural relief as I am interested in no other question.

I am now, and have been since 1920, a member of the Staple Cotton Cooperative Association. I noticed an advertisement of this association in one of the newspapers in my district a few days ago. The facts contained in the advertisement may be of interest to the Members of Congress. This association has received to date more than 258,000 bales of cotton. It has paid to its members this season more than \$21,000,000. Its credits and loans to its members during the current year will exceed \$1,500,000. The advertisement of the association contains this significant statement:

While the rest of the country is besieging Congress for some sort of farm relief, we have availed ourselves of the facilities already afforded by the Federal intermediate credit banks and the Federal Farm Loan Board.

The discount corporation, operating in connection with the association, cooperates with the banks. I quote this further statement from the advertisement:

These two institutions (the cooperative association and the discount corporation) stand for soundness, conservatism, and safety, which are the only foundations of business success and permanent prosperity.

From time to time I have sent to the association to which I belong, and also to others in the district who have given a study to agricultural legislation and have manifested an interest in the agricultural situation, a copy of the several agricultural bills introduced. I have requested the views of the cotton growers in and out of the association as to the effect the legislation would have on cotton. The responses that I have received to date are to the effect that cotton can not get any benefit from the passage of the Haugen bill, for the principal reason that this bill makes the tariff the yardstick, and there is no tariff on cotton, nor could a tariff on cotton be included in the bill, under the rules of the House. The president of the above association advises me that no benefits under the Haugen bill will accrue to staple cotton unless there is a tariff of at least 10 cents per pound.

#### BASIC INDUSTRY

Agriculture is our basic industry. But farming is more than an industry. It involves the economic welfare, the social progress, the racial character, and the national security of all the people. All groups and all classes of people are affected by agriculture. Nearly one-half of the average family income is spent for food. Most of the remaining one-half is spent for clothing. The farm serves the most universal of human needs. The success of the merchant, the banker, the professional man, and the wage earner in the city and town is dependent upon the prosperity of the farmer. The question materially affects the whole population.

#### ECONOMIC SIGNIFICANCE

The National Industrial Conference Board of New York has just completed an exhaustive study of the agricultural situation. The following facts give the important place that farming holds in our economic system:

The agricultural industry exercises normally a purchasing power of nearly \$10,000,000,000 annually for goods and services produced by others.

It purchases about \$6,000,000,000 worth of manufactured products annually, or about a tenth of the value of manufactured goods produced.

It supplies materials upon which depend industries giving employment to over half of our industrial workers.

It pays indirectly at least two and a half billion dollars of the wages of urban employees.

It supplies about an eighth of the total tonnage of freight carried by our railroad systems.

Its products constitute nearly half of the value of our exports.

It pays in taxes about one-fifth of the total cost of government.

Our farms and farm property represent nearly one-fifth of our tangible wealth, and agriculture has contributed in recent years about one-sixth of the national income.

The current value of the total capital invested in agriculture in 1919-20 was \$79,000,000,000 as compared with \$44,000,000,000 invested in manufacturing industries, \$7,000,000,000 in mines and quarries, and \$20,000,000,000 in our railroads in 1919. The value of capital invested in agriculture in 1921 was \$65,000,000,000 against \$44,000,000,000 invested in manufacturing industries.

#### THE PROBLEM

For many years agriculture has not yielded adequate returns. Manufacturing and other industries are in a better position than the industry of the farm. General business has been prosperous and wages have attained unprecedented high levels. But farmers are discontented; agriculture is out of joint. There is a real problem.

The farmer's problem is a part of our problem. The farmer's welfare is an important part of our welfare. There is a disparity between the farmer's income and the income from other industries. For the crop year of 1923-24 the net return to the farmer on his investment was 2½ per cent; for the crop year 1924-25 the net return was a fraction more than 4 per cent after allowing farmers and their families a monthly wage without board of \$35. But in 1923 the income of corporations manufacturing food products, metal products, textiles, and textile products was 10 per cent and more on their investment.

The total value of all farm property in 1913 was \$45,227,000,000; in 1920, \$79,607,000,000; in 1925 the total value of all farm property had been reduced to \$59,154,000,000. However, in terms of 1913 purchasing power, the total value of all farm property in 1925 was only equal to \$38,188,000,000.

Again, the total farm indebtedness in the United States in 1910 was estimated at \$4,320,000,000, and it had grown to \$12,250,000,000 in 1920, and it is approximately that amount to-day.

The industrial conference board finds that the return on the capital invested in agriculture, including the value of food, fuel, and shelter supplied by the farm, during the five years prior to the war, averaged 5½ per cent, but during the five years since the war averaged only 4 per cent, and that the net return on the individual farm operator's investment is only 2 per cent.

The problem becomes perilous when we consider that the rate of farm failures from 1910 to 1924 shows an increase of over 1,000 per cent in contrast to that of commercial failures, which has remained practically the same per year during the same period. Most of the bank failures in the United States are located in the agricultural regions, and the number of bank failures in 1924 was 915, or 42.05 per cent larger than the number of failures in 1893, which was 642. The decline in the economic position of agriculture is reflected in the frequent and numerous foreclosures of mortgages to satisfy indebtedness on farms.

The earnings of the farmer are smaller than those of any other workers. The actual earnings of the farmer in 1924 in return for his labor are computed by the conference board at \$730 on the average, as against the average earnings of \$1,256 by workers in the manufacturing industry, \$1,572 by workers in transportation, \$2,141 by clerical workers, \$1,678 by ministers, \$1,295 by teachers, \$1,650 by Government workers, and an average of \$1,415 per worker in all groups other than the farmer. The food, fuel, and housing supplies on the farm the board appraises at about \$630 per annum, which leaves the average farmer a cash income of \$100 out of his labor during the year 1924.

The problem of agriculture is intensified by the abandonment of farms and the exodus of the farm population in recent years.

It is said that farm values were too high in 1920.

This is true in many instances. But there has been since 1913 an increase in national wealth in the United States from \$200,000,000,000 to \$380,000,000,000. While farm values have decreased since 1920 the national wealth has increased. Since 1920 farm values have decreased more than \$20,000,000,000 and the losses in prices on farm commodities amounted to \$10,000,000,000 more, but at the same time our national wealth has increased some \$80,000,000,000, or from \$300,000,000,000 in 1920 to \$380,000,000,000 in 1925.

#### CAUSES

The capable physician in treating disease seeks the cause. The quack undertakes to treat the disease by removing the symptoms. The physician relieves or controls the cause and thereby removes the symptoms.

The faithful public servant seeks the cause of the agricultural problem, while the politician would relieve the symptoms by a temporary palliative. But a temporary palliative is worse than useless as a remedy. Political expediency can not take the place of sound and economic law. Human laws can not override natural laws. There must be no faulty thinking. There must be proper analysis. Let us be sensible; let us do a little clear thinking.

#### ALLEGED CAUSES

Some say that the cause of the farmer's trouble is that the farmer is lazy and indolent. I deny the charge. While the workers in transportation have eight-hour laws, while organized labor has short hours, while the employees of the Government have short hours, while the Adamson law provides short hours for transportation, the farmer toils from sun to sun. As a class he is industrious; he is not idle; he is not lazy.

Some say that the farmer has too many automobiles. But all the joy riding is not done by the tillers of the soil. Statistics show that there is a larger per capita ownership of automobiles among the workers in transportation and in other industries than among the farmers. The ratio is larger for the town than for the country.

It is said that the farmer does not use intelligence. But he has increased his yield per acre so far as the yield is determined by intelligence. However, farming is the greatest gamble in the world. The yield is determined by many natural forces over which the planter has no control. Storms, pests, weeds, disease, rainfall, weather play an important part. The farmer by intelligence has engaged in intensive farming, but it frequently happens that the rainfall is a more important factor in the yield.

It is also said that the farmer should reduce production. But he can not solve the problem merely by cutting down production. He can not determine production like the manufacturer. The manufacturer knows the demand and regulates his production, but the cotton grower in America can not know the production in Egypt, Peru, Brazil, or India. Moreover, the matter of determining production is not only important, but it is difficult. In 1919, 33,000,000 acres of cotton produced 11,421,000 bales, while 33,000,000 acres produced 9,762,000 bales in 1923. The boll weevil and unfavorable weather conditions reduced the crop. The products of the farm are for the markets of the world. The farmer must compete with the farmers of other countries. He produces for the world market. The failure to reduce production is not the real cause of the farmer's plight.

It is said that the failure to diversify is at the bottom of the farmer's troubles. Lack of rotation is urged as the cause of the farmer's condition. Farmers have striven to diversify as much as possible. But diversification that forces farmers to undertake production that is unadapted by reason of soil, climate, and other features is uneconomic, and will produce more economic ills. The cotton belt is essentially a one-crop country. Cotton is the money crop. There should be as much diversification as possible; there should be rotation to preserve the soil; but the lack of these is not the cause of the farmer's condition.

#### REAL CAUSES

But what is the real cause? Has the farmer a real complaint? It is not a sufficient answer to refer him to the laws of supply and demand, and to the doctrine of the survival of the fittest. The farmer asks that the protection that has been extended to manufacturing be accorded to him.

I have read the hearings before the Committee on Agriculture. I have read the testimony of Mr. Frank W. Murphy, of Minnesota. I do not know him, but I judge from some remarks that have been made on the floor during this debate that some think he is a little bit careless in handling the truth. However, he has pointed out the chief trouble. He has diagnosed the farmer's case, and Hon. FRANKLIN W. FORT, the distinguished statesman and publicist from New Jersey, agrees with the diagnosis made by Mr. Murphy. The cause of the farmer's plight, according to Mr. Murphy and according to Mr. FORT, is the American protective system. By the protective system I do not mean merely the tariff. The system embraces the tariff, transportation, banking, and labor. The tariff protects the manufacturer; the transportation act provides a fair return to the railroads; the Federal reserve act protects the bankers; immigration laws protect the laborer. Manufacturing, transportation, banking, and labor have been provided for, but the farmer is left out. No benefits accrue to the farmer under the protective system. The farmer wants an even chance with the industrial workers. Two ways are open: Either farm products must rise in price or other commodities must come down.

But there is another cause. There are approximately 6,500,000 farmers in the United States. They are unorganized. The multiplicity of numbers is the principal handicap; it is at once the strength and the weakness of the American farmer. The farm population, according to the estimate of the Department of Agriculture on January 1, 1926, is 30,655,000, and there has been a net decline of more than a million since 1920, with a decline of 479,000 during the year 1925 alone. Because farmers are unorganized they exercise comparatively little control over supply, demand, or price. Others who sell fix their prices. When the cotton grower goes into the market he asks the buyer what he will pay for his cotton. It is stated that there are probably 150,000,000 farmers in the world.

The 6,500,000 farmers in the United States are competing with each other and with the other 143,500,000 farmers in the world to sell their products to buyers that are organized. No other industry could survive under such a system.

There is the problem of the surplus. The manufacturer can adjust the volume of his product to the estimated requirement of his market. The farmer can not do this. In many crops weather and pests have more weight than acreage in determining the yield. Droughts, floods, boll weevil, and other pests and diseases make accurate adjustment of production impossible.

Moreover, the aggregate value of a large crop is less than that of a small crop. The cotton crop of 1924 was 13,153,000 bales; its value was \$1,487,000,000. The cotton crop of 1923 was only 10,140,000 bales, and while 3,000,000 bales less, this crop brought \$100,000,000 more than the crop of 1924. The average acreage for cotton in the United States for the years 1921-1924 was 35,000,000 acres; yet the yield in those years, due to uncontrollable influences, varied about 2,250,000 bales.

In 1925 the corn crop was one-half billion bushels in excess of the corn crop of 1924, and yet the value of the corn crop for 1925 is materially less than the value of the corn crop for 1924.

Fifty-two million acres of wheat in 1924 produced 862,627,000 bushels, while the same acreage in 1925 produced 669,365,000 bushels. The corn acreage in the United States in 1920 and in 1924 was approximately 101,000,000 acres, and yet on the same acreage there was a variance in the total yield of 858,000,000 bushels. The control of the acreage, therefore, is not a complete control of production. The 1924 corn crop was 20 per cent less than the 1923 corn crop, and yet it sold for about \$350,000,000 more than the 1923 crop.

Wild speculation frequently injures the farmer. Illegitimate speculation should be curbed. Exchanges are necessary, but there is too much fluctuation, and there is too wide a variation in prices.

The spread between the producer and the consumer is entirely too great. On May 7, 1926, Mississippi peas raised in the truck section of the State, were selling in New York at from \$4.75 to \$5 per hamper. The grower received \$1.25 per hamper. The express rate was 80 cents per hamper, in car lots.

Mr. B. F. Yoakum, former president of the Frisco Railroad, found that the farmers received an average of \$16.14 per ton for cabbage for which the consumer paid an average of \$60 to \$75 per ton. The farmer received an average of \$31.97 for tomatoes for which the consumer paid an average of \$100 per ton. Hon. Franklin D. Roosevelt traced a crate of celery from the producer in Norfolk, Va., to the consumer in New York. He found that the producer sold the crate for \$0.40 to a commission man. Commission men sold it as follows: Commission man No. 1 sold it for 60 cents, No. 2 for 75 cents, No. 3 for 90 cents, No. 4 for \$1.05, No. 5 for \$1.15, No. 6 to buyer for grocery stores for \$1.25. The last buyer sold it to the retail grocer for \$1.35, and the grocer sold it to the ultimate consumer for \$2.60. The consumer paid 6½ times what the producer received. The producer got only 15 per cent of the final selling price.

The farmer receives \$1.25 for his wheat, while the public pays \$1.68. The farmer receives \$0.55 for his corn, and the consumer pays \$1 a bushel. He receives \$6.50 a hundred for his cattle, while the consumer pays between \$0.50 and \$0.60 a pound. It is said that on the average the producer receives but 38 per cent of what the consumer pays for his crops.

The price ratio between what the farmer sells and what he buys is against him. The farmer's dollar must be equal to anybody else's dollar. This is the principal trouble of the cotton farmer to-day. The cotton grower is in a worse position than any other farmer at this time. Cotton is selling at from 2 to 4 cents a pound to-day less than it costs to produce it. The costs of production are high; cotton labor is more

than double the pre-war prices. Machinery, farm equipment, necessary household supplies, and living are nearly double the pre-war costs. Industry receives higher prices, while the return to the farmer is utterly inadequate.

Then, too, the question of taxation vitally affects the farmers. Their taxes are largely for schools, roads, interest, and sinking funds for bond issues. The burden of taxation on the farmer has increased, and frequently there is no corresponding benefit to the farmer. Taxes on farm property are too high. From 1914 to 1925 taxes increased approximately 140 per cent, while the value of farm products increased only 58 per cent. A study shows that it takes nearly four times as much produce or products at the farm to pay the taxes in 1925 as it required in 1913. In 1923 the taxes of the farmer were 9 per cent of his gross income.

The great cause, however, is lack of organization. What lesson does the farmer get from organization in America? What organization does the farmer need? He requires business leadership. The talent required in leadership is for selling and for marketing. It is not necessarily in the matter of production. It would be difficult for the average farmer to supply the necessary leadership in organization. Who manages the United States Steel Corporation? Is it managed by a man technically skilled in the manufacture of steel? No. It is managed by Judge E. H. Gary, a trained lawyer and a business executive. The president of the United States Steel Corporation is Mr. Farrell, who has been trained, not in the production and manufacture of steel, but in the sale of steel products.

Moreover, the problem is national; it is vast; it is not local. It is not confined to any one group. The entire country is interested in the problem. The foreign trade of the United States depends very largely upon cotton production; the export-trade balance is determined by the shipment of our agricultural products to our foreign customers. The balance of trade in favor of the United States means a great deal. The export of agricultural products has given to the United States in the five pre-war years and in the five postwar years a favorable trade balance of \$870,000,000 a year. During those 10 years the amount of our exports of the five large groups of agricultural products was \$1,870,000,000 annually.

The real cause of the problem is the inability to properly market and control the surplus. Both causes result from lack of proper organization among the farmers. Proper organization, that will result in proper marketing, is the real remedy. The surplus must be handled and controlled. The average production of cotton over a period of five years is about 11,500,000 bales. The world needs the average production. In the case of cotton the surplus means the large crop, or the production above the average. In the case of wheat and corn the surplus means the export surplus. Cotton is a world crop, and the price of cotton, wheat, and corn exported, as they come into contact in the world markets with the products of other nations, determines the domestic price. The farmer does not ask any legislation that is not fair to all the people of the United States. I do not ask for my constituents any legislation that discriminates against other sections of the United States, for while we are Mississippians we are at the same time Americans. [Applause.]

#### THE MISTAKE

I believe that those who are responsible for the American protective system are responsible for the plight of the farmer to-day. It is a mistake to interfere with economic laws by legislation. The farmers, and particularly those of the Corn Belt, have been taught that their agricultural ills can be cured by laws.

Protection has been extended to other classes and the farmer has been taught that he can be benefited by this protection being extended to him. It is said that the protective tariff is responsible for better standards of living. We have heard during the course of the debates in Congress this session much about the bread lines in the fall of 1920 and 1921. We have heard about the unemployed on the Boston Commons. Both manufacturing and farming suffered from deflation in 1920. Every great war has left political and economic ills to vex both the victor and the vanquished.

I was raised on a cotton farm. The cotton of the South must compete with the cotton of other countries in the markets of the world. The poor are always the first to suffer in any great calamity. I do not forget the unemployment following the deflation in the industrial East, but I recall the poor farmers of the South, whose cotton declined from 40 cents to 10 cents a pound in 1920. Lower prices for the products of the farm make peasants of that class of American citizenship that is the bulwark of our institutions. There must

be better living conditions for the laborer in industry, but at the same time there must be better returns and better living conditions for the men and women on the farms, and particularly the cotton farms of the South. At best, the farmer's life is one of toil, hardship, and deprivation. When you recall the idle laborers of the industrial East following the period of deflation, do not forget the poor toiling men and women in the cotton fields of the South.

The farmer knows that a mistake has been made. His troubles have been fomented by political agitators. The real, honest-to-goodness farmers are not responsible for all the plans that have been proposed for his relief. Economic travail brings forth a litter of political demagogues who promise easy cures for agricultural ills. The farmer realizes very largely that production and consumption control prices, and that the laws of supply and demand can not be repealed by legislation.

He knows that his problem is economic and not political. He knows that protection stifles initiative and breeds economic stagnation. He protests against the unequal advantages that have been accorded to manufacturing, and he asks that the protection be eliminated, or that, as an expedient, it be extended to him.

#### THE TARIFF

The United States has had a protective tariff for more than 100 years. The principle was inaugurated in 1816. It grew until 1828, after which year rates were gradually lowered until the War between the States. Then they were raised. Since the War between the States tariff rates have never returned to the level of the middle of the last century. Under the Fordney-McCumber law, enacted in 1922, we have the highest rates in our history.

England abandoned the protective tariff 75 years ago. The United States has retained it, and with few exceptions has continued to raise the rates. But the United States of 1925 is different from the United States of 1913. We are now the great creditor Nation of the world. The effect of the tariff is economic. The question of a tariff should be economic rather than political. The fact that the United States is now the great creditor Nation of the world is going to contribute very much to the solution of the protective tariff question. We have become a lender instead of a borrower. We are no longer in our economic infancy. We now import considerable quantities of foodstuffs and raw materials. Manufactures are a more important part of our exports than ever before. We have rapidly increased our loans abroad until the foreign loans of American citizens now aggregate over \$9,000,000,000. This amount is aside from the sums due our Government in an almost equal amount from foreign governments. Our factories are producing more than is needed for our domestic consumption.

I come from a staple cotton district, and whenever I am convinced that a tariff will be good for my constituents and at the same time fair to the United States I will stand for a tariff on staple cotton. This will give you the slant of my views in the matter of a tariff. Our exporters must be able to collect. Our foreign investors must collect their interest; our Government must collect its debts. But foreign governments or customers can neither pay their foreign loans nor buy our exports unless they are in turn permitted to export their products to the United States. Sixty per cent of the agricultural imports into the United States to-day are in direct competition with the products of the American farmer. A century of the tariff has molded our industrial enterprises and influenced economic thought. If the United States is to maintain its position as the great creditor nation of the world, the tariff must be lowered and not raised. It should be lowered sensibly and gradually, but the protective system should be dismantled. The remedy is not to increase the system, but to restrict it. There must be agreements on tariffs and on ship subsidies. Some foreign creditors can only pay by shipping. Ship subsidies therefore would result in inability to collect foreign debts and realize on foreign securities. There must be agreements about foreign investments. We have made mistakes; I think we agreed to pay the railroads too much because of Government operation during the war. We have made errors; we have lost heavily because of our faulty analysis, and we plunged into the disasters of 1920 and 1921. We sent our goods to an impoverished Europe that needed them but was unable to pay. We bought marks; recently we have bought foreign securities until the foreign obligations to us are piled like Ossa on Pelion. I repeat there is no way for our foreign customers and our foreign debtors to pay unless they are permitted to sell their products in the United States. The strengthening, therefore, of the protective system means economic financial ruin.

The arguments for the protective tariff are hoary with age. The hackneyed expressions of better standards of living and the

full dinner pail have been put aside by our best thinkers and most profound economists. They may serve the purposes of the politicians, but they can not withstand the keen analysis of the clear-thinking business man. They are evidences of loose thinking.

The development of the automobile industry in the United States without a tariff is a refutation of the argument that American industry needs a protective tariff to promote higher standards of living. The employees in the automobile industry receive the highest wages of almost any industry. My argument places the American system on merit, volume, and small profits, rather than protection; it invokes time-saving and labor-saving devices, simplification of methods, standardization of products, and cheapening of processes. Moreover, the laborer in the protected industry does not get the benefit of the tariff; it goes to the manufacturer.

#### TARIFF ON COTTON

A tariff on agricultural products does not protect the farmer. There is a tariff of \$0.42 a bushel on wheat, \$0.15 a bushel on corn, and there is a tariff on steers, swine, and butter. As long as the farmer produces an exportable surplus the tariff does not mean anything to the farmer. The surplus, however small, must be sold in the markets of the world, and the world market price determines the price of the whole crop. The pending legislation is a confession that the wheat grower and the corn grower get no benefit from a tariff. Senator ARTHUR CAPPER, of Kansas; Senator ALBERT CUMMINS, of Iowa, and the statesmen from the Corn Belt admit that a tariff on wheat and a tariff on corn are ineffective. Approximately 25 per cent of American wheat is exported, while only 1 or 2 per cent of our corn is exported. About 65 per cent of the cotton crop is exported.

Staple cotton is largely raised in the district I represent. By staple cotton I mean cotton 1½ inches and longer in staple. The annual production for 1914 to 1924 of staple cotton in the Mississippi Delta was about 500,000 bales. About 25 or 30 per cent of this amount was exported. If a tariff on wheat and corn are not effective, if it does not protect the farmer, manifestly a tariff on staple cotton would not benefit the cotton grower. About 800,000 bales of so-classed 1½ staple is produced annually elsewhere in the South and about 65 per cent of it is exported.

No one contends that a tariff generally on cotton would protect the American cotton grower. In 1925 the United States produced about 54 per cent of the world's supply of cotton. Cotton and tobacco are practically the only surplus crops in which our product exercises a dominant influence in the world market.

But we have had a tariff on staple cotton. Under the emergency tariff act of 1921 there was a tariff of 7 cents per pound on staples of 1½ inches and longer. This tariff was in force until the Fordney-McCumber Act was passed about October 1, 1922, when it was repealed. Why was the tariff enacted in 1921? The United States imports certain varieties of cotton, and particularly long-staple cotton 1½ inches and longer. From 1915 to 1919 we imported annually an average of about 200,000 bales of Egyptian and other staple cotton. Egypt produces long staple cotton. But during the year 1919 there was a great deal more Egyptian cotton imported than ever before in one year, principally because of the demand for automobile tires, with the result that the deflation of 1920 found something like 550,000 bales of Egyptian cotton on the American markets. In the meantime similar cotton had been grown at large expense in Arizona and California. Since 1920 the imports of Egyptian cotton have been about 200,000 bales annually. What was the effect of the tariff on cotton? A careful study of the price shows that the tariff did not have any effect on raising the price of similar domestic cotton.

The conclusion from a careful study of cotton shows that it was no more effective on staple cotton than it is now on wheat or corn. I may say in passing that I am surprised to find that the Government has no accurate statistics on the domestic production and the domestic consumption of staple cotton, and that I am trying to secure legislation that will provide such information, which will be very valuable in marketing staple cotton. The figures I am using are the best estimates I am able to obtain from the Bureau of Agricultural Economics. Correct statistics will have an important bearing on a tariff on staple cotton. The tariff of 1921 was enacted to protect Pima cotton grown in Arizona. Of course it had no effect on Delta or upland staples 1½ inches and longer. The growers of long-staple cotton depend upon foreign markets for a sale of a large proportion of their product, and unless the importation of staple cotton increases very largely, a tariff on staple cotton would be ineffective. The staple-cotton grower to get the tariff would

have to make concessions to the manufacturer that would only result in benefit to the manufacturer.

Mr. SPROUL of Kansas. Will the gentleman yield?

Mr. WHITTINGTON. In a few minutes I will be glad to yield. I desire first to finish my statement, and if I do not anticipate and answer your question, I will gladly yield.

#### SUBJECTS OF PENDING LEGISLATION

There are three bills pending; they are known as the Haugen bill, the Tincher bill, and the Aswell bill. In the Tincher bill and the Haugen bill the agricultural products are divided into classes and commodities. The basic commodities are cotton, wheat, corn, cattle, swine, and butter.

The Aswell bill provides permanent legislation for organization, marketing, and selling. It is the best permanent treatment of the problem and of the subject matter before us.

The Tincher bill establishes a Federal farm council and is designed to aid in the development of cooperative and other associations for marketing agricultural commodities, and is intended to assist in the distribution and proper handling of the surplus of such commodities. It provides agricultural relief by providing for loans to cooperatives and other agencies. Its design is to stabilize the market for farm products and to promote orderly marketing. It keeps the business of marketing farm products in the hands of farm-controlled organizations. It promotes farm organization. It will help the farmer who has products to sell by enabling him to hold his product if necessary. I think the bill should be amended. There is no tariff on cotton, and there should be a separate fund to cover the handling of cotton. I should like to see the loan fund increased from \$100,000,000 to \$150,000,000 and I believe that the commodities should be separated into cotton and other classes as in the Haugen bill. The financing and marketing problem would be similar. Seventy-five million dollars should be at the command of cotton, and the remainder should be used in the marketing of other commodities. I realize that the amount is large, but it is a loan, and under the Tincher bill the Government of the United States can lend its aid in stabilizing markets and promoting the orderly marketing of agricultural products. I believe that a better solution of the farm-relief question would be the combination of the loan features of the Tincher bill as a temporary relief with the marketing features of the Aswell bill as a permanent relief.

#### HAUGEN BILL

The outstanding features of this bill are that it creates a farm board, encourages the organization of producers, and declares it to be the policy of the bill to—

protect domestic markets against world prices and assure the maximum benefits of the tariff to agricultural products.

It provides for an equalization fee to be levied upon cotton, wheat, corn, and other agricultural products with the understanding that the equalization fee on cotton is to be deferred for two years, and in the meantime the Government is to advance \$75,000,000 to cotton and \$75,000,000 to wheat and other products. The equalization fee would be \$2 a bale on cotton. The losses, if any, in the operation of the loan of \$75,000,000 during the two years, in so far as cotton is concerned, would fall on the Government. The equalization fee is compulsory. It must be paid by every cotton grower, to create a fund to cover losses in operations, to handle large or surplus crops.

There are some objections to the Haugen bill, and unless these objections are removed it can not be sound legislation nor provide a real economic solution to the agricultural situation.

The use of the tariff on wheat and corn will result in price fixing by the Government. The embargo in the bill is unsound. The compulsory equalization fee is wrong. It ought to be voluntary if levied at all. The subsidy feature should be eliminated.

Will the proposed legislation benefit all classes and all commodities in agriculture? I have already spoken of the benefits to be derived from the Tincher bill and the Aswell bill. I now consider the effect of the Haugen bill on the cotton grower.

The declared policy is to make the tariff effective; it is inoperative so far as cotton is concerned. The bill therefore provides that in the case of cotton the equalization fee is to be levied and the equalization fund provided for the promotion of orderly marketing of cotton and to stabilize the price.

I maintain that the price of wheat and corn can be stabilized and they can be marketed orderly just as well as cotton. If orderly marketing and stabilization are good for cotton they are good for wheat and corn. Why make the cotton farmer pay more for his wheat and corn, in the form of pork, in order that the cotton farmer may merely market his crop

orderly? Adequate and cheap loans would enable the cotton farmer to market his crop orderly and at the same time it would enable the wheat and corn farmer to do the same thing.

For instance, in 1924, 564,000 bales of cotton were produced in the Mississippi Delta, and the value of this crop was \$70,000,000. In 1925, 964,000 bales were produced, and one-half of this crop was the very lowest grade we have ever had, and yet this crop will be marketed at \$90,000,000, or 30 per cent more than the value of the crop of 1924. This situation has been brought about by orderly marketing and by adequate credits and finances that enable the orderly marketing.

Under the Haugen bill, the domestic price of wheat will be increased 42 per cent to the grower of cotton, the price of corn will be increased 15 per cent, and the result will be that the farmers of the Delta and of Mississippi will pay millions of dollars more for their bread and millions of dollars more for their pork, thereby materially increasing the cost of their production without any corresponding increase in the price of their cotton.

Moreover, under the Haugen bill it is contemplated that the surplus of the wheat and corn will be sold more cheaply in the foreign markets and to foreign labor than it is sold to labor in the United States. We might just as well be plain about the matter. As a cotton farmer I will be increasing the cost of my production, of my meat and bread, to use plain language, without getting any corresponding benefit under the Haugen bill; that is to say, it will still further foster the American protective system. It simply means doubling the tariff to the cotton grower.

If the surplus of wheat sells in the foreign markets more cheaply than to the American laborer, will not the manufacturer come to Congress and say: "You have reduced the cost of foreign labor by selling it wheat more cheaply than to the American laborer, and you have thereby reduced the cost of foreign goods; you must now raise the tariff in the United States." Will not that result? If it does result, then the sale of cheap wheat and corn abroad will result in further disaster to the grower of cotton in the South, who must sell his cotton in the markets of the world, in competition with cotton grown in Egypt, India, Peru, and other foreign countries. It must be kept in mind that the purpose of the equalization fee on cotton is to stabilize the market, and on wheat, corn, and other products, is to sell these products in foreign markets for much less than the domestic prices.

I want my criticism of the Haugen bill to be constructive. If the tariff yardstick can be eliminated, if the embargo can be left out, if the equalization fee can be made voluntary, if the subsidy can be made a loan, I will support the Haugen bill as an emergency measure. I believe that there is an emergency confronting the cotton grower. He needs help and he needs it now. He can not await the reformation of our tariff system.

Let me say a word about the postponement of the equalization fee on cotton for two years. It is said that it was postponed to educate the cotton grower. It was postponed to get southern votes, according to the indisputed testimony before the committee. It was postponed in order to promote, and in a measure force, cooperative marketing.

I know the cotton farmer and he has heard of the equalization fee. It is far better to educate him before we force equalization on him, for he will revolt. We have talked about his independence; we have emphasized that in many cases to his hurt, but he must have a day in court. I do not want to force an equalization fee on him. I do not want to force him to join any organization. Sound legislation will enable him to work out his own salvation. If the equalization fee is sound it will enable him to lift himself up, so to speak, by his own boot straps. But it must be voluntary.

The Haugen bill unless amended, as I have indicated, promotes political control of agriculture. The farmer becomes the football of politics. I want to help the wheat farmer of the West and the corn farmer of the Middle West, but at the same time I want that help extended to the cotton grower. If we made a mistake in the amount that we agreed to pay to the railroads during the war, will it solve our agricultural problem to repeat the mistake? I believe that we can render to agriculture the same aid that we are now rendering to transportation, and I think we can do it without any subsidy.

The Haugen bill promotes centralization and bureaucracy. It fosters price fixing. It puts the Government into the business of merchandising. It contemplates that the board will, in reality, fix the price of cotton.

I shall not speak of the constitutionality of the equalization fee. It strikes me that it is a tax upon production. The bill admittedly provides a subsidy.

Agriculture expects legislation at the hands of Congress. They are entitled to the sound relief that Congress can give.

As the bills have been submitted by the committee, I believe that the Tincher bill is the best of the measures proposed for the temporary relief of agriculture. But we should go further and enact measures for permanent relief.

#### REAL REMEDY

None of the bills will give complete relief. There is no perfect law. I have no panacea for all of our agricultural ills. It is said that the farmer is capable of production, but that he is incapable of selling. He should be encouraged. The Government has been of great assistance to the farmer. Congress appropriates millions of dollars annually to promote agriculture. It has enabled him to increase production. There should be a further coordination of Government information to aid voluntary adjustment of production to demand and consumption. The real remedy for the farmer is organization. There must be organized selling to compete with organized buying. Organization is essential to effective merchandising. The Government has loaned money to the railroads. The need of the farmer is not so much more credit as cheaper credit. Because of the fact that the industry is basic the Government is justified in advancing by way of loans sufficient funds to form the initial capital that will enable farmers to organize to handle their surplus crops. But organization must be voluntary.

Agriculture's need, I repeat, is for efficient and competent leadership in organization. The farmer can not be legislated or forced into effective organization. In Mississippi the cooperative associations are realizing the value of the voluntary features in connection with cooperative marketing. Members are permitted to retire after one year; they are not required to pool their crops. The voluntary features should be emphasized.

I desire to say in this connection that there is a great deal of misconception relative to the cooperative associations. There are those who believe that their success depends upon the control of the commodity. There are others who contend that the real benefit of the cooperative comes from better service in marketing, both for the producer and the consumer. The purpose of the organization should be not to hold the product, not to arbitrarily fix the price, but to market intelligently.

Again, there is a great difference of opinion as to what is meant by orderly marketing. It is difficult to define the term. By orderly marketing I do not necessarily mean the holding of the product. It involves simply the sale of the product at a price that is fair both to the consumer and the producer.

The surplus must be controlled. The crop must not be dumped on the market. But every real friend of the farmer recognizes that while the total price of the large crop ought to be at least as much as the total price of the small crop, the price per pound or per bushel will likely be less.

The great aim of all legislation should be to promote organization among farmers for selling their products. It is to foster cooperative marketing. The organization of farmers should be as efficient as the organizations of consumers; the growers should be as well organized as the buyers. But mere organization will not solve the problem. Cooperative marketing associations have in many cases pursued wrong methods and wrong policies. The methods of handling one crop will not apply to all crops. Raisins and cotton, for instance, can not be marketed in the same way. Perishable crops and nonperishable crops must be handled differently. The pooling of perishable crops, under proper circumstances, is profitable. But pooling implies control of the crop. A pooling association, as I have been able to study the question, is not able to render satisfactory service to its members unless the association controls a large percentage or monopoly of the product.

Again, many cooperative associations have failed because of excessive overhead expenses. There must be competent leadership; there must be business and executive ability, but the management of the ordinary marketing association does not require a great deal more executive ability than the management of a banking or commercial organization doing a similar volume of business. To put a \$5,000 man in a \$25,000 job will not solve the problem of marketing. I have studied cooperative marketing as it obtains in various parts of the country, and I am sure that many mistakes have been made by the organization paying a larger salary than it should pay for the services rendered. Salaries should be adequate, but promoters of cooperative organization in various parts of the country by insisting that the managers and employees of the organization be paid salaries that are entirely too high for the volume of business transacted have contributed to their failures. The farmers ought to profit by mistakes in this and other regards. Some organizations should pay high salaries; others should not. It depends upon the volume of business. The cotton organizations and the cotton cooperatives are profiting by the

mistakes of the past in methods and operations. The organization of the future can render better service than the organization of the past. The farmers should not despair because of mistakes; they should be used for stepping stones in the progress and development of organization for marketing and for controlling the surplus, that is absolutely essential to the prosperity of the farmer.

I can not emphasize too much the voluntary features in connection with farm organization. The farmer is an individualist. He should have the right to market cotton without pooling, and he should have the right to withdraw from the association after any crop year if he is not satisfied with the management or operation of the association. The great vice in the Haugen bill is that no benefits can accrue to farmers unless they join the cooperative organization.

The passage of the bill means that every farmer would be forced indirectly to join a cooperative association, whether he wanted to or not. Moreover, the so-called equalization fee on every cotton grower would be handled by Government officials, and the organizations, under the Haugen bill, would be under the control of politicians rather than business men. The wrong organization is worse than no organization at all. The public opinion among farmers must demand organization before organization can be successful; it must be voluntary. The Government should provide the machinery to enable farmers to organize properly and to control associations or other institutions to market and handle farm crops, all of which organizations, to be successful, must be under the control of the farmers themselves. The Government should aid these organizations by loans, and, if necessary, by assisting them to establish their initial capital; but membership in these organizations must be voluntary if they are to be a success. Our farmers must be free, and their freedom should be fostered.

The organization must be farmer owned and farmer controlled. I maintain that the Government can aid the farmer to help himself by fostering and promoting voluntary organizations and by lending the farmer money in promoting these organizations, just as the Government has loaned the railroads money. In other words, my remedy is for the farmer to organize and control his own association. I do not want the politician to take charge of the farmer's business. Farming is an administrative problem; it is a business problem; it is not a political problem.

Under the Tincher bill and under the Haugen bill the Government can make its loans to cooperative associations or to any other organization or association that it may choose. The purpose is to see that the farmer gets a fair price for his product. As I say, the Tincher bill or the Haugen bill, if properly amended, will give temporary relief, but permanent relief can only come as a result of organization among the farmers and complete coordination and correlation of organizations handling the same products in the same territory or country.

The problem of the farmer will be solved when the manufacturer and the farmer are brought closer together, when the producer and the consumer are neighbors. Why are the great agricultural counties of Lancaster and York, in the State of Pennsylvania, so prosperous? It is said that the value of agricultural products in Lancaster County, Pa., exceeds that of any other county in the United States. It is because these agricultural counties are located near the industrial centers of Reading, York, and Hanover, where the consumers are close to the producers. There must be cooperation between the city and the farm. Manufacturing and industry must be located in our great agricultural regions. This involves the question of transportation, which I can not discuss here.

Agriculture furnishes one-eighth of the total tonnage of freight carried by the railroads. It pays, however, approximately 19 per cent of the total freight of the country. There should be a readjustment of freight rates so that the farmer's product, constituting 8 per cent of the volume of traffic, should not have to pay 19 per cent of the freight income. The general level of freight rates may not be too high. A flat reduction may not be desirable, but a revision of the entire rate structure should be made, so that it will remove the preferential rates given the large industries and cities and the discrimination that exists against the small towns that are shipping and receiving points for the farmers. Every dollar saved in reduced shipping and freight rates is a dollar in the pockets of the farmer.

Moreover, there should be a revision of the tariff to reduce the cost of articles consumed by the farmer, to bring closer together the farmer's price and the price that he must pay for his agricultural requirements.

Organization of farmers will enable them to secure cheaper credit, reduce the interest item, and will enable them to eliminate very largely the spread between the producer and the

consumer. There is a place for the middleman; there is a place for the man who brings the producer and the consumer together in the market. He will find his proper place always when farmers are efficiently organized.

A majority of American farmers are owners of their homes. The farm is different from the store; it is different from the office. It is the farmer's home. Home ownership must be encouraged in the solution of all agricultural problems. It means better agriculture. It means a better country. The market of farms is the world. The farmer's real remedy is better markets at home and abroad.

Commercial fertilizer is a large item in the cost of crop production. The United States has spent millions of dollars in the erection of nitrate plants at Muscle Shoals. Muscle Shoals was developed primarily for the manufacture of nitrate for munitions in times of war and for the manufacture of fertilizer in times of peace. The equipment for the manufacture of nitrate should be utilized by the Government. Every effort should be exerted to conserve the money that has been invested in nitrate plants, and it should be demonstrated whether the production of nitrate is practicable and profitable. I maintain that it is the duty of the Government to dispose of Muscle Shoals so that the nitrate plants shall be utilized in the production of fertilizer. Of course, I think that the adjacent States should share in the power to be developed at Muscle Shoals over and above the power required in the operation of the nitrate plants. I might not advocate the establishment of the nitrate plants as an original proposition, but the Government has spent millions in building the plants, and if the Government can not operate the plants so as to produce nitrates, or if it can not lease the plants so as to secure the production of nitrates at a reasonable cost to the farmer, it will then be time enough to say that all of the power generated at Muscle Shoals should be used for industry and commercial purposes. Cheaper fertilizer means much in the solution of the farm problem, and if power can be produced cheaply for other purposes at Muscle Shoals, surely it can be utilized in the manufacture of fertilizer.

I have already referred to the burden of taxes on farm lands. The taxes on farm lands in many counties of Mississippi have been increased 250 per cent in the last 10 years. Other sources of revenue must be added to that of the farm. If other sources can not be provided, then the taxation on farm lands must be lowered. There must be economy in county, State, and national affairs. Waste and extravagance must be eliminated.

Unlawful combinations and monopolies among manufacturers who pool their operations in determining the unfair prices farmers pay for the necessities of life must be eliminated. The costs of production to the farmers will thereby be reduced.

The cotton growers of the South are interested in foreign markets. Our foreign customers consume more of our cotton than our domestic customers. As a result of the World War our foreign customers were impoverished. Their markets have largely been lost to us. It is the duty of the Government to promote and negotiate trade relations between the United States and foreign countries that will promote business. Foreign markets mean much to the cotton farmer.

I can not emphasize too much the stabilization of the currencies and the rehabilitation of the countries of Europe in the solution of the problem of the farmer and especially the cotton farmer. The farmer sells in an open world market at a price largely determined by the inexorable law of supply and demand. He buys in a protected market, and to-day he pays approximately war prices for labor, freight, and all products of industry. In the case of the cotton grower, he receives to-day less than the cost of production.

A prosperous agriculture means a prosperous country. The farmer that I know and the farmer that I represent asks no special favors. Emergency relief is needed. However, the vital thing in agriculture is to develop a program and a policy that will put the business of farming on its feet and assure a reasonable opportunity to make a fair profit. The farmer feeds the Nation and feeds the world. His industry is basic. The food supply of humanity must be safeguarded. The farmer asks that laws be passed and that laws be repealed, so that agriculture can be given the same square deal that should be given to labor, banking, manufacturing, and transportation. [Applause.]

Mr. TINCHER. Mr. Chairman, I yield to the gentleman from Ohio [Mr. BURTON] 10 minutes.

Mr. BURTON. Mr. Chairman, I have the keenest appreciation of the disadvantages of the farmer. There is an agricultural problem, and we must take into account the importance of this basic industry and the fact that so many of the best of our citizenry are engaged in an occupation which has often been unprofitable. I am willing to go far in rendering aid, provided

it is within the scope of our constitutional powers, and provided the action is fair to the whole country and helpful to the farmer himself.

At the very outset, however, I have the conviction that the Haugen bill, so called, contains several provisions which are clearly unconstitutional. A good deal has been said on the general subject, but very little has been set forth in regard to our right to pass this bill.

At the beginning I call attention to the method of selection of the Federal farm board, for which there is a provision in the bill. The provision is for the selection of a Federal farm board to be composed of 12 members. How are the members to be selected? Section 3 of the act provides that there shall be a Federal farm advisory council to be selected by bona fide farm organizations and cooperative associations.

This council shall nominate to the President three individuals from each of the 12 Federal land-bank districts eligible for appointment to the board. This takes away the appointing power of the President. Let us go back to the fundamentals of the Constitution itself and read the pertinent portions of Article II of section 2, clause 2, defining the powers of the President. This is the language:

And he shall nominate and, by and with the advice and consent of the Senate, shall appoint ambassadors, other public ministers and consuls, judges of the Supreme Court, and all other officers of the United States whose appointments are not herein otherwise provided for and which shall be established by law, but the Congress may by law vest the appointment of such inferior officers as they think proper in the President alone, in the courts of law, or in the heads of departments.

It thus appears that the appointing power alike involves a grave responsibility and confers upon the Executive a prerogative which is an important part of our political system. I do not think we fully realize how comparatively limited in number are the officials of the United States Government who are chosen by the elective franchise. There are three kinds: First, the Members of the House of Representatives, whose election is provided by Article I, section 2. Who shall choose them?

The electors in each State shall have the qualification requisite for electors of the most numerous branch of the State legislature.

According to the amendment of the Constitution, article 17, providing for popular election of Senators, there is the same provision for electors as above, that they shall have the qualifications requisite for electors of the most numerous branch of the legislature.

We come, then, later to the selection of presidential electors for choosing the President and Vice President provided for in Article II, section 1, clause 2, which provides that they shall be appointed in such manner as the legislatures thereof may direct. There is thus a certain latitude in each State in this regard. At one time, as I understand it, presidential electors in South Carolina were chosen by the legislature. There are certain general constitutional provisions in regard to the qualifications of electors—as the fifteenth amendment—under which the right of a citizen of the United States to vote shall not be denied or abridged by the United States or by any State on account of race, color, or previous condition of servitude.

Then in amendment No. 19 there is a similar provision—

The right of citizens of the United States to vote shall not be abridged by the United States or by any State on account of sex.

It will be noted that these provisions in the two amendments are in their nature prohibitive against discrimination; they are not affirmative. The right belongs to each State to specify qualifications. Each State may authorize a property qualification; an educational qualification may determine the age at which the elector may first have the right to vote, and numerous other provisions. But it will be seen that the whole executive department, all the machinery of administration, is left to the appointive power of the Executive or, in the case of minor offices, to the courts of law and the heads of departments, as stated by the Supreme Court of the United States in the case of *Kain v. U. S.* (177 U. S., p. 293):

The fitness of the appointee must be determined by the appointing power.

Of course, there can be machinery, as under the civil service, for the naming of eligibles for subordinate positions. Now, let us consider this provision. It absolutely limits the power of the President in his choice to one of three persons from each one of these 12 farming districts.

The right to determine fitness does not exist or would not exist if this provision were adopted. We must always take into account in determining the desirability of a statute not only the statute itself but the precedent that it creates and

just where might we land if this proposition is constitutional. There is now pending a bill for the establishment of a department of education. If this proposed law is desirable and a precedent, then it might be provided that when that department is organized the President shall select a member of his Cabinet from any one of three designated by the American Education Association. Let us go a little further: When you establish such a principle you might make it a law of the United States that the Comptroller of the Currency or even the Secretary of the Treasury shall be chosen from a list of eligibles of three selected by the American Bankers' Association. Let us take another illustration: Suppose a board should be created for the settlement of labor disputes. It might be enacted that the members of that board should be chosen from eligibles selected by the American Federation of Labor.

To my mind, Mr. Chairman, this provision, which may seem so insignificant—and which is a recognition no doubt, or attempted recognition, of some of the very best of our citizens—has in it elements of danger of the most serious nature. It would be a long stride toward doing away with government of the people, by the people, and for the people and substituting government of the groups by groups and for groups. Some one may say in the words of the old inquiry, "What are you going to do about it? Suppose this list of eligibles should be presented to the President and he should choose one of them, what would be done in that case?" In the first place, we might have a President of the type of Cleveland or Wilson, who would positively decline to comply. In the next case, situations might arise where the validity of their action would be questioned, and, still further, and most conclusive it is not for us, the lawmaking power, to pass a statute which is clearly unconstitutional.

Some persons may say there is a supporting illustration in the railway transportation act of 1920. That act, in section 304, creates a Railway Labor Board, and it is specified that there shall be nine members, three to be suggested by the railroad employees, three by the managers of the railways, and three to be chosen by the President independently, but if anyone uses that illustration he must be confronted immediately with the unanswerable argument that membership in this board is not according to an ordinary case of appointment.

It provides for the establishment of an arbitral tribunal, and is no exception whatever to the general rule. Of course, the question of the constitutionality might be raised as well there as here.

I pass now to a second feature of the bill, upon which I am frank to say I have a certain amount of doubt. A person in reading this proposed law with its complicated provisions, with its wide ramifications, with the great margin of uncertainty as to what is to be done in different cases, would inevitably rise from the consideration of it with the conclusion that something is wrong about the proposed act, but as to just where he shall put his finger he is a little doubtful. The first point, in regard to which I am frank to admit I have some doubt, is that there is no distinction between intrastate and interstate commerce. I do not desire to take the time of the committee in a discussion of that phase of the matter, as there are other things of which I wish to speak, because this would take me far afield, and would require all of the time allotted to me in speaking of that single subject. On this I have to say that it will be observed that the equalization fee to be collected applies to both interstate and intrastate transactions. The purposes of the equalization fee are set forth in section 9. That section, which is not happy in its syntax, is evidently intended to bring this statute within the provisions of the interstate commerce act.

You have a provision that one of the cooperative associations or some processing organization takes over the specified basic products of a farmer. Let us take an illustration. Suppose a farmer in the State of Minnesota has a thousand bushels of wheat. He hauls that wheat to the mills at Minneapolis and sells it there. It may be the intention that the flour shall go into interstate commerce, but there is nothing conclusive to that effect, and the decisions of the Supreme Court are unequivocally to the effect that until that question is decided, or unless it is in the course of business so thoroughly established that it inevitably is a part of interstate commerce, then it is an intrastate transaction. There has been a rather recent decision of the Supreme Court of the United States, that of *Heisler v. The Thomas Collier Co.* (260 Sup. Ct. Repts.), in which it is held that the Pennsylvania tax on anthracite "when prepared and ready for shipment" as applied to coal destined to have a market in other States, but not as yet moved from the place of production or preparation, is not interstate commerce.

And I will say that the decisions are clear on this subject, that where there is not a distinction between the interstate and

intrastate clearly set forth in the statute, then and in that case the laws and regulations pertaining to interstate commerce do not apply.

I candidly say to the members of the committee there have been some decisions of the Supreme Court which I think would make it rather difficult for any one to dogmatize at least on this subject. A leading case, which perhaps would make out that transactions such as are contemplated in this bill, are a part of interstate commerce, is the *Swift* case (196 U. S. Supreme Court), in which it was held:

Cattle sent from one State with the expectation they will end their transit after purchase in another State, with only the interruption necessary to find a purchaser in the stockyards, and when this is a constantly recurring course, it constitutes interstate commerce.

In this case, however, there was a violation of the anti-trust laws involved in that it was an alleged combination to suppress competition, but bear in mind the Supreme Court there included the words—

with the expectation they will end their transit after purchase in another State.

In the *Dayton-Goose Creek Railway* case a part of the income of the road was claimed under the recapture clause. In opposition, it was claimed that a large share of the income was earned within the State, but the Supreme Court said the income from interstate and intrastate commerce were so inextricably interwoven that you could not separate the two, and sustained the claim under the recapture clause.

Now, just briefly in conclusion upon this phase of the bill. It is difficult to find an absolute rule upon which a person could rely as applicable; but I think the strong probabilities are that the court would hold in passing upon it that this statute, in that it does not make a distinction between interstate commerce and intrastate commerce, is not valid. I refer especially on this subject to the case of *Hill v. Wallace* (259 U. S. p. 44).

Mr. MOORE of Virginia. May I ask the gentleman a question?

Mr. BURTON. A brief question.

Mr. MOORE of Virginia. Will the gentleman note the Employers' Liability case (207 U. S.), where the interstate and intrastate transactions are so complicated with each other that the court said that there was no dividing line to be found, and declared the statute invalid?

Mr. BURTON. Yes.

Mr. MOORE of Virginia. They declared the statute could not be supported because the two things were so complicated with each other.

Mr. BURTON. That, no doubt, is a case in point. There is a very easy practical explanation of many activities, apparently local, which are nevertheless part of interstate commerce. Suppose there is a railroad company that runs through three States, and they have an equipment that is used for through traffic in those three States. That is necessarily interstate commerce. But suppose part of the equipment used only within one State is dangerous, and a car so used is attached to another that runs through three States; it might promote an accident. So very properly the court might say that you could not sever the car which would be used on the same train with others which were used in interstate commerce. I come now to another constitutional objection to this bill.

Say what we may of the Haugen bill—and I say in regard to this infirmity mentioned in selecting the board it attaches to at least one other bill pending here before the House—there is within it an exercise of powers which come under the provisions of the Constitution relating to the taxing power. You can not deny that the proposed equalization fee is an excise tax. It is not a mere license. First, consider the magnitude of transactions involved and the very great amount that must be collected. Provision is made right away for \$375,000,000.

To digress for a moment, I certainly wish to commend the gentleman from Illinois [MR. WILLIAMS], who spoke a few minutes ago, in that he opposed this large appropriation from the general funds of the Treasury, an appropriation which would require a remodeling of our taxing system and the imposition of additional taxes.

You may call this equalization fee by any other name that you will, but it is a tax; it is an excise tax. You are all familiar with the provision in the Constitution—I do not have to read it—to the effect that all taxes must be uniform. Now, how can you make that tax uniform in the very nature of the case? There must be such varied transactions with respect to the agricultural products of the country. Some of them would be sent out of the country. Suppose a cargo of wheat were sold in Minnesota and the contract was for a purchase at Liverpool.

That does not go to any cooperative association. That does not go to any substitute for a cooperative association. There is no plan for imposing a tax upon that in this bill. All exports of grain and meats that may be sent out of the country are outside of the collection of your equalization fee, and thus your tax is not uniform.

Let me give you another illustration. Probably the largest share of the corn in the country is fed to hogs or to stock. Well, let us see what you would have under these circumstances. Here is farmer A on one farm in Illinois; he sends his corn to an elevator, and there it is measured, and by the provisions of the law the equalization fee must be collected on that corn. Farmer B feeds his corn to hogs. How can you establish uniformity in the tax that is levied on those two uses of corn? It is utterly out of the question. Does anyone suppose that you can organize a system so that all of any commodity, corn, wheat, or whatever it may be, can be included so that you may levy a tax on it?

Of course there may be evasions of any revenue law. A person here and there might avoid the payment of taxes which others would pay, but that would not make the tax invalid. But the trouble with this provision is that in your machinery for carrying out the law you allow a share of commodities to be so treated that you can levy the tax and others outside, where you can not levy the tax.

There is another thing that I think is more serious than this, and that is the delegation of the right to levy this equalization fee. I pass with brief mention the consideration that I mentioned a moment ago—the utter impracticability of enforcing such a law as this. If it is levied on all the products of the soil, think of the millions and billions of bushels of corn and wheat and other products; and who is so rash as to believe for a minute that without the organization of an army—yes, with the organization of an army—you can levy this tax upon all of them? It is out of the question. One fallacy in the bill is that you can draw a line between the surplus and the domestic demand.

This seeks to confer a power on the board that this Congress has no right to confer upon a board. "The power to tax is the power to destroy." That is language coming down with echoes from the time of Chief Justice Marshall. It is the power most subject to abuse and capable of being exercised as a means of oppression of any of the functions of the Congress or the Federal Government. And do you say you will appoint a board and give that board the power to fix taxes of such magnitude and infinite variety independent of Congress?

There is a brief filed with the McNary-Haugen bill of two years ago that goes at great length into this subject. It quotes a number of cases of licenses. Your attention is called at first to the fact that these are a mere bagatelle in comparison with the taxes contemplated herein. I have no doubt that the Congress can give the Secretary of the Interior the right to fix fees that are to be paid in forests. There is a very large list of them, I believe, on page 89 of this brief of two years ago. But they do not, any of them, rise within shooting distance of the level of such a tax as this.

The thing which is used as authority for this kind of a proceeding is the interstate commerce act. Well, the argument of inconvenience is sometimes of great force in law, and, as Chief Justice Taft says in one of his decisions, there are a myriad of decisions to be made in regard to the fixing of rail-way charges or rates.

Looking around this Chamber, with all the work we have to do, how utterly impossible and how wildly absurd it would be to ask that this Congress fix the rate on a ton of freight to be carried 10 miles from one State to another in every case which might arise.

In the interstate commerce case, which went as far as any and which, I think, went to the very verge in sustaining the right to delegate power, it is laid down with the utmost distinctness, and it has been established most clearly by judicial decisions that there must be a set of rules under which the commission must act. The rates they fix must be reasonable, and then they must take into account various factors. Well, now, with an undertaking of this kind, how are you going to establish any rules?

Mr. HAUGEN. Will the gentleman yield?

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

Mr. TINCHESTER. Mr. Chairman, I yield the gentleman five additional minutes so that my chairman may discuss the constitutional question with the gentleman from Ohio.

Mr. BURTON. I am conscious I have gone over this very superficially and I have been able to touch only the high spots. I did not wish to read to the committee all of the judicial

decisions on the subject, and I have, perhaps, asked you to accept conclusions where they could easily have been supported.

Mr. HAUGEN. I did not rise to discuss the constitutionality of the question with the gentleman but to ask the learned gentleman one question: Does the gentleman contend that a marketing agency has not the power to deduct a certain amount to pay the expenses of transacting the business?

Mr. BURTON. The trouble with the gentleman's question is that it does not reach this proposition at all. A marketing agency to pay expenses is one thing, but a tax levied by a board, shifting in amount, is an exercise of authority.

Mr. HAUGEN. It is simply deducting the amount necessary to pay the expenses. Of course, would the gentleman expect the board to transact business without paying expenses and without paying losses? So a certain amount is withheld and paid into a fund for what purpose? To pay expenses and to pay the cost of marketing the commodity.

Mr. BURTON. It is a very simple transaction when you have a bailor and a bailee or when you have an owner and a commission agent. That is a transaction universally recognized and easy of solution, so that you can fix the rules very readily; but here the Government is delegating a tremendous scope of authority to determine the amount of the tax and to levy that tax on the whole myriad, I may say, of producers throughout the country.

Mr. HAUGEN. Will the gentleman yield further?

Mr. BURTON. Yes.

Mr. HAUGEN. We now have about 12,000 cooperative organizations doing the very thing that is suggested in this bill. We simply set up a large corporation, and we permit them to deduct a sufficient amount to pay the expenses of marketing the commodities.

Mr. BURTON. But the gentleman from Iowa overlooks a vital difference. That is a matter of contract, of relations arising out of membership in an association; it is a matter of voluntary membership, and the individual members bear the losses; but in this case you would collect by a tax from the willing and unwilling.

Mr. HAUGEN. There is no tax about it. It is simply deducted.

Mr. BURTON. I can not agree with the gentleman on that. If it is not a tax, I do not know what a tax is.

Mr. RAINY. Will the gentleman yield?

Mr. BURTON. Yes.

Mr. RAINY. Is not a tax usually defined to be the involuntary contribution on the part of the citizen for the support of his Government?

Mr. BURTON. I do not think in the definitions the involuntary feature is carried. There is a very wide difference between taxpayers as to that question of voluntary or involuntary. I think those who pay who are of the involuntary are very largely in the majority.

Mr. RAINY. We will leave that part of it out. Is not a tax a contribution forced, perhaps, from the citizen for the support of his Government, and what part of this equalization fee will go to the support of this Government?

Mr. BURTON. That is the very point. That is the strongest objection to it. It does not go to the support of the Government.

Mr. RAINY. Then it is not a tax.

Mr. BURTON. Oh, whenever it is collected by public authority, for whatever purpose it is applied, it comes under the general heading of a tax.

I think I am not lacking in sympathy in this matter, Mr. Chairman. I can say to my colleagues from Iowa that I was a farmer's boy out there for the greater share of five years before any one of them, when, in addition to the pests and disadvantages of drought and of flood from which they now suffer, there were the hardships of pioneer life and the rattlesnake and the wolf, the rattlesnake and the wolf as well frequently killing the sheep. One of the most vivid recollections of my boyhood is a total eclipse of the moon 60 years ago this last season. The totality continued for a very unusual time, and, my, how the wolves did howl when the light did not come back. I know the hardships of the Iowa farmer; I know the hardships of the farmers of any State or of any country; but in that occupation of theirs there is a compensation in independence. They are the yeomen of the country more than any other class. [Applause.]

Whenever the tocsin of alarm sounds they are ready to respond, and while I am ready to vote for very considerable appropriations or for methods to aid, when we look at things in the large I think this applies to all our population—the less they are coddled, the less they are aided by subvention, the more they have strength in the elements that enable them to go ahead. I am afraid in the past 10 years, largely due to

the circumstances arising out of the war, we have departed from these old principles of independence which are at the same time the strength and the chief bulwark and promoter of American progress and American institutions. [Applause.]

Mr. FULMER. Mr. Chairman, I yield to the gentleman from Washington [Mr. HILL].

Mr. HILL of Washington. Mr. Chairman, I am supporting the Haugen bill. Agriculture is in the throes of an economic crisis. The farmer is bankrupt. Agriculture is the basic industry of the country. Without it the wheels of industry and every commercial activity would stop. The question logically arises, Why should the farmer be bankrupt when agriculture is the foundation on which the life of the Nation depends? Is the cause of this condition to be found in the operation of the law of supply and demand as it affects the products of the soil, or is the cause an artificial one? In considering this question we can not segregate the industry of agriculture and arrive at correct conclusions from a study of the subject on the basis of such isolation. No industry in this country stands alone or constitutes of itself an economic entity. All industries, including that of agriculture, are indissolubly interrelated through the all-embracing factor of commerce. The industries produce wealth; commerce distributes and markets the products of industry. Commerce does not create wealth; it creates profits and losses on the commodities of wealth which industry has produced. Commerce can not exist without production, for commerce begins where production ceases. But commerce is indispensable to industry, for if the products of the latter can not be distributed and marketed industry can not survive.

But if the machinery of commerce has broken down or has become so expensive of operation as to leave no profits to a particular industry, that industry must either go out of business or the machinery of commerce be so adjusted as to permit it to produce at a profit.

Agriculture is not producing at a profit, and something is seriously wrong either with the industry or with the machinery of commerce.

We are informed that the manufacturing industries of the country are operating and producing at a profit and have experienced an era of unusual prosperity during the past six years. The markets in industrial stocks and bonds have risen to unprecedentedly high levels, and billions in stock and cash dividends have been distributed to stockholders as profits during that period of time. The banks in those sections of the United States where manufacturing is the predominant industry have likewise prospered, due to the great demand for loans on liquid securities.

The banking institutions in the financial centers of the country, with half of the world's supply of gold in their vaults, have freely extended credit at low rates of interest for the launching of new and the expansion of existing business enterprises, for investment and speculation in industrial stocks and bonds, and in addition thereto have advanced credit to the extent of nine or ten billions of dollars to European countries. At no previous time in the world's financial history have the moneyed powers in any country been so completely in control of the world supply of money and world finances as are the moneyed powers of this country to-day. They not only control the banks of this country but the leading banking institutions of foreign countries and our great Federal reserve system. They can and do expand and contract the volume of currency and credit at will; they can make money plentiful or scarce. They can precipitate money panics or avert them. They can build up or break down any industry or enterprise by extending or refusing credit. They control commerce. The economic destiny of the country is in their hands. They control the Government. They are a money trust, and with the object of the more firmly fastening their grip of control upon the commercial and economic life of the Nation, they finance, organize, and foster monopolistic combinations of other businesses, enterprises, and industries.

These moneyed powers own or control the big manufacturing industries; they own or control the railroads of the country; they own or control the old-line life-insurance companies, the telephone and telegraph and big power companies, and they are back of that gigantic movement now under way to bring into one superpower system the control of all the electric power, both developed and potential, in the whole United States. They own or control all these industries and enterprises because of the opportunity for profitable returns they afford both on invested capital and credit advanced and because of the liquid character of their securities. But these moneyed powers do not own the industry of agriculture. They do not want to own it. Why should they invest large capital in farm lands and farming enterprises, pay taxes on the physical values

thereof, pay for maintenance and upkeep, seeding, cultivating, and marketing crops and assume the risk of partial or total failure of crops from drouth, flood, winds, hail, grasshoppers, and other pests, when the sad experience of the farmers amply demonstrates that it is not necessary that these moneyed powers own the farms or conduct the farming operations in order to reap the profits therefrom.

In 1920 farm products were selling at profitable prices, agriculture was on a prosperous basis, and money was flowing into the pockets of the farmers. The money powers had permitted an expansion of credit among the farmers during the war to encourage them to greater production of food supplies to meet the necessities of that crisis. Manufacturing industries and practically every other business enterprise in this country had also prospered during the war period. But when the crisis had passed following the ending of the war, agriculture was singled out for slaughter. The money powers said there was too much inflation of prices. They were not concerned with the inflation of the prices of manufactured commodities or of industrial stocks and bonds, but they were concerned with the inflation of the prices of agricultural products alone. They decided that too much money was being distributed among the farmers, and that money so distributed is difficult of control and does not yield interest. Only credit yields interest; hence the scheme to take the money away from the farmers. The Federal reserve system was employed as the agency to effect this purpose, and in pursuance thereof in 1920 it withdrew credit from agriculture and forced liquidation of the farmers' notes, which resulted in the deflation of farm values to the extent of \$20,000,000,000 and of the values of farm products to the extent of \$6,000,000,000. The bankruptcy of agriculture was inevitable. It was a cold-blooded, premeditated act, and the law of supply and demand had no part in the tragedy. It was a clear-cut case of discrimination against agriculture, for while this scheme of deflation was being executed the Federal reserve system was extending liberal credit at low rates of interest to the manufacturing industries and to the speculators in the stock markets. The farmer was deflated, but the manufacturers and stock gamblers were protected against deflation. The farmers' dollar was reduced in purchasing power to 50 cents or less, while the dollar of the manufacturer was held at par.

After the work of deflating agriculture was accomplished and the discrimination against that industry was established, the tariff rates on manufactured products were so increased as to make certain the perpetuation of such discrimination. It is an artificial and not a natural economic system that is wrecking agriculture.

Every informed person recognizes agriculture as the industry upon which all other industries and commercial activities rest, and no one would acknowledge a wish to have agriculture fail. Even those who are responsible for the economic disadvantage under which the farming industry labors do not want to destroy it. They want simply to hold it down to the lowest economic status where it will continue to produce. They want to keep the farmers' mind in a psychological state of optimism that will spur him on to continued productive activity, in order that they may have the opportunity to commercialize his labors and profit on his production. In their eagerness to reap the largest possible profit from the farmers' production these profiteers have reduced him to a level where little optimism and no remuneration is left to him for his toil.

The progress of man up the ascent of time toward civilization is marked all the way by oppression, struggles, and rebellions. It has always been the organized economic power of the few against the unorganized and undirected force of the many. It has been the marshaling of the collective physical strength of the masses in support of the masters and against the unorganized individuals of the masses. It has been the voice of usurped authority commanding those in whom all authority rests. It has been the dictator standing upon the necks of the people. In 1776 the people of this country promulgated their declaration of independence from such a dictator and sustained that declaration by force of arms and set up in this country a new rule of supremacy, that of the people themselves, and established a government upon the basis of such supremacy. But the forces of special privilege did not relinquish hope nor cease their activities to retain or regain their economic power over the people. The one overshadowing issue that has persisted throughout the history of this Government is that presented by the struggle between the few who have sought economic advantage through special privilege and those who have contended on behalf of the masses of the people for equal rights to all and special privileges to none. In this prolonged struggle the special-privilege

class has won and the people have lost. Again the dictator stands upon the necks of the people—the dictator of special privilege and of economic supremacy.

But a new declaration of independence has been promulgated by those who are opposed to special privilege and they are prepared and determined to fight to sustain that declaration. This new declaration of independence is that the people shall have freedom from economic bondage; that they shall have freedom from the unequal struggle against special economic privilege; and that the Government with its institutions shall be restored to them and be made to function on behalf of all the people on the basis of equal rights.

The fight to sustain this new declaration of independence is on now in the effort to restore the principle of equality between the industry of agriculture and the manufacturing industries and other business and commercial enterprises of this country.

The fight is centered around H. R. 11603, known as the Haugen bill. The principles and objects of the bill are clearly and comprehensively set forth in the committee report thereon, from which I shall quote as follows:

For many years the producers of the Nation's basic agricultural crops have been seeking a way to adjust supply to demand in their most profitable markets, through control of agricultural surpluses. The bill provides a way in which this may be accomplished.

The administrative body is a farm board directed to promote stability and effective protection for agriculture. The objects sought under its operations are:

- (1) To give producers of farm crops power to influence their price as effective as that possessed by other industrial groups;
- (2) To secure a protected price to the producer of crops like wheat, pork, and beef, of which a relatively small surplus enters world trade;
- (3) To afford all the advantages of orderly marketing through control of surplus to the producer of a crop like cotton, of which the American supply is the dominant factor in the world price;
- (4) To enable producers of meat animals to maintain a stable level of swine and cattle population by steady prices and by promoting carry over of corn from years of high production to years when the yield is low; and
- (5) To promote cooperative associations by making it possible for them to control the movement to market of temporarily unneeded quantities of a commodity without imposing on their members alone the entire burden of withholding, removing, and disposing of them.

Through the operation of the equalization fee, which requires every unit of a commodity to bear its share of the cost of its stabilization and protection, the effect of this plan is to provide 100 per cent co-operation of all producers in financing transactions necessary to the control and disposition of crop surpluses. It takes 100 per cent co-operation to deal effectively with the surplus, and it is impossible to get such complete cooperation otherwise than through Government action. Honest, able, and sincere men with extraordinary ability have attempted it and have failed.

Bills for the management of agricultural surpluses in the Sixty-eighth Congress met with certain objections. Although your committee does not feel that they were valid, changes have been made in the present bill to meet them. The bill is drawn to conform as closely as possible to the recommendations of the cooperative marketing associations that have appeared on its behalf before the committee. It was devised after careful attention by operating officials of large cooperatives, and men familiar with sound economics and good practice in the commercial field.

#### SUMMARY OF THE PROVISIONS

A Federal Farm Board is established, with 12 members, to be appointed (one from each Federal land bank district) by the President from a list of 36 nominated by the Federal Farm Advisory Council. The council is composed of four men from each land bank district, who serve without salary and who are chosen at conventions of farm organizations and cooperative marketing associations within each district.

The board is given definite powers and duties to assist all producers of agricultural commodities in their work for orderly marketing, whether producers of "basic agricultural commodities" (wheat, cotton, corn, butter, cattle, and swine) or producers of other agricultural commodities.

In the case of basic agricultural commodities the operations of the board will be through contracts with cooperative agencies, created by the producers themselves, or with processors of the commodity, or with other agencies if there is no cooperative association capable of carrying out the agreements. The board can not enter into the contracts, however, until after it has found that certain specified conditions exist. In the case of cotton, it must find that there exists or is likely to exist a surplus above the requirements for orderly marketing and that the cooperative associations or other organizations representing the producers thereof are in favor of the board taking a hand; and in the case of other basic agricultural commodities the board must find that there is or is likely to be a surplus above

domestic requirements, and that the domestic price does not reflect substantially the competitive price outside the United States plus the amount of the tariff and the transportation costs and charges to the United States.

After the finding of the necessary facts, the board will assist in removing or withholding the surplus by entering into agreements, under which the board will undertake to pay, out of the equalization fund for the particular commodity, the losses, cost, and charges involved in the purchase, withholding, and selling of the commodity or any food product thereof. Advances may be made out of the equalization fund for these purposes. The profits will accrue to the equalization fund.

The board is also authorized to make loans to cooperative associations of agricultural products not included within the list of basic agricultural commodities, for the purpose of assisting them in controlling the surplus of their commodity, or for the purpose of assisting them in the purchase and construction of the facilities to be used in the storage or processing of the commodity.

In order to finance its operations on basic agricultural commodities, the bill provides for the payment of an equalization fee upon the processing or first sale (as the board may determine) of the commodity, so that the producers of the commodity may eventually finance their own stabilization program. An equalization fund for each commodity will be established, and the fees on that commodity will be placed in the proper equalization fund. Collection of the fee is deferred for two years on all commodities, and the operations during that period will be financed out of the revolving fund.

The board is given no power to buy or sell on its own account, whether directly or through agencies.

The bill provides for a revolving fund of \$375,000,000. Of this sum \$100,000,000 is set aside for cotton; \$250,000,000 for the other basic agricultural commodities; and \$25,000,000 for loans to cooperative associations handling other agricultural products, and for the purchase of warehousing or processing facilities.

I am supporting the Haugen bill for the reasons set forth in the analysis and summary of its provisions just quoted. I believe this bill will go a long way toward establishing the parity between agriculture and the other industries of this country. The establishment of such parity is the only remedy that will afford relief to agriculture. The farmer must have a price for his products in the domestic or home markets that will reflect the same degree of protection against cheap labor, cheap materials, and cheap lands in foreign countries as that afforded to manufactured products in the home markets. The mere extension of Government credit to the farmer will not solve his problem. What he needs is a price that will enable him to produce at a reasonable profit. There will be no difficulty in securing credit if he is placed on a basis of profitable production. Moreover, he needs this protection of price to enable him to liquidate the credit heretofore extended to him and which he can not liquidate under the present price conditions. The farmer is entitled to be placed in a position where he can receive the benefit of the tariff laid on the importation of the commodities which he produces, so that he may share the benefits of the protective policy of this Government on a basis of equality with the manufacturer.

The chief purpose of the Haugen bill is to make the tariff on basic agricultural products effective in order that the farmer may have protection in fact and not merely in name through the tariff on such products. Those who are opposing this bill base their opposition mainly on the fact that it will render the tariff effective as a protection to agriculture and increase and stabilize the price of its products. The manufacturing interests did not oppose the levying of tariff rates on agricultural products in the Fordney-McCumber tariff act because they knew that such levy by that act alone would be ineffective as a protection to any agricultural product carrying an exportable surplus. They knew that the foreign market would determine the price not only of such surplus exported, but of that part sold in the domestic market as well, notwithstanding the tariff duty thereon. But the manufacturing interests are bitterly opposing the Haugen bill because it will make the tariff on wheat and the tariff on other basic agricultural products effective as a protective tariff, and thereby place agriculture on a basis with manufacturing under the protective policy of the Government.

Why does the manufacturer oppose the Haugen bill? Why can he not be fair-minded on the subject and be willing that agriculture enjoy the same economic privilege that the Government confers upon the manufacturer?

He is opposing this bill for the same basic reason that capital and industry have always opposed the policy of unionized shops. The opposition to the latter is for the obvious reason that in dealing with labor on the basis of the individual they can control wages and through the control of wages control

labor. But when labor through organization can compel the fixing of wages on the basis of collective bargaining, the control of labor is weakened. Through organization labor seeks to protect itself against its absolute economic control by capital and industry. And, so, through the enactment of the provisions of the Haugen bill the farmers are seeking to protect themselves from the same control by eliminating the economic discriminations against them under the existing system of our protective tariff policy. Capital and industry oppose every movement that strikes at their grip, or seeks to loosen their hold, on their commercial supremacy of the country.

It is shown that by reason of this discrimination the farmers of the country have received \$13,200,000,000 less for their crops since 1919, than they would have received had they been permitted to share the benefits of the protective policy of the Government on an equal basis with the manufacturers. And in addition to that staggering loss of more than \$2,000,000,000 a year for the past six years on crop values the farmers have sustained a shrinkage in the value of their farms of more than \$20,000,000,000 since 1920.

Is the protective policy of the Government the special and exclusive privilege and property of the manufacturer? Unquestionably he thinks it is, and the Government has encouraged him in this belief, for it has permitted him to have the exclusive enjoyment of the privilege throughout all the years since we have had a protective policy. But it is not his exclusive right. The Government does not belong to the manufacturer alone. He has simply usurped the instrumentality of the Government to promote his own economic advantage by securing for himself the exclusive benefits of the tariff protection. A protective tariff can be justified only on the ground of protecting a domestic industry against a foreign industry, and there can be no justification for favoring one domestic industry at the expense and to the material detriment of another domestic industry of equal or greater importance to the economic welfare of the country.

The manufacturer has wrongfully enjoyed the exclusive benefit of tariff protection for so long a time without interruption that he now claims it to be his exclusive and special privilege. Selfishness and greed are the only inspirations for such claim.

What has been the result to agriculture of this system of special privilege? In addition to what has already been shown in that respect let me read a number of excerpts from the committee report on the Haugen bill:

In summing up the causes of the farmer's difficulties, the conference board declares that while 60 per cent of the farmer's income depends on world conditions of supply, demand, and costs, which are out of his control, most of the elements entering into the expense of operating the farm—that is, the cost of agricultural production—are determined by domestic conditions which place the costs for the farmer on a higher level of values than the world level of values which determines the bulk of the farmer's income. Having to produce at a level of high costs, the farmer must meet competition which, producing at lower cost, limits the market for his surplus in accordance with the abundance or scarcity of world crops.

#### FARM VALUES BELOW PRE-WAR

The total value of all farm property in 1913 was \$45,227,000,000; in 1920, \$79,607,000,000; and in 1925, \$59,154,000,000. Reduced to terms of 1913 purchasing power, however, the total value of all farm property in 1925 was only equal to \$38,188,000,000 of 1913 purchasing power. In other words, all farm property in the United States in 1925 had only 84.4 per cent of its purchasing power in 1913.

Farm lands in the United States as a whole have an actual exchange value or purchasing power approximately 20 per cent less than the purchasing power of the same land in 1910, according to comparative figures from the United States Bureau of Census for 1910 and 1925.

#### FARM BANKRUPTCIES INCREASE

This situation is illuminatingly reflected in farm bankruptcy statistics. The rate of farm failures from 1910 to 1924 shows an increase of over 1,000 per cent, in contrast to that of commercial failures, which has remained practically the same per year during the same period. Capital invested by farm operators decreased from \$47,000,000,000 in 1920 to \$32,000,000,000 in 1925, a loss of approximately \$3,000,000,000 per year.

#### BANK FAILURES

The decline in the economic position of agriculture has been the chief cause of the enormous number of bank failures in the United States since 1920, without parallel in any previous period in our history.

The number of bank failures in 1924 (915) was 42.5 per cent larger than the number of failures in 1893 (642). The number of

failures for the period 1920-1925, inclusive (2,494), was greater than the number of failures during a period of 26 years up to 1920 (2,424). Most of the failed banks were located in agricultural districts.

The following table showing bank failures in the United States since 1920 does not include figures for closed national banks which were reopened without having been placed in the hands of a receiver. Except for the years 1924 and 1925, figures for other banks do not include banks reopened in the same year in which they were closed.

*Bank failures by years ending on June 30, 1920 to 1925*

[Statistics obtained from the Comptroller of the Currency]

Year ended June 30—	National banks		Other banks		Total	
	Number	Liabilities	Number	Liabilities	Number	Liabilities
1920.....	5	\$1,930,000	44	\$18,955,000	49	\$20,885,000
1921.....	28	17,301,000	290	96,124,000	318	113,425,000
1922.....	33	20,287,000	863	95,029,000	396	115,316,000
1923.....	37	20,076,000	237	64,550,000	274	84,626,000
1924.....	138	74,743,000	777	223,188,000	915	297,931,000
1925.....	102	53,315,000	440	118,728,000	542	172,043,000
Total.....	343	187,652,000	2,151	616,574,000	2,494	804,226,000

\* \* \* \* \*

WORKS ON NARROW MARGIN

Actual earnings of the farmer in 1924 in return for his labor are computed by the board at \$730 on the average, as against average earnings of \$1,256 per wage earner in the manufacturing industries in the same year, average earnings of \$1,572 by transportation workers, \$2,141 earned by clerical workers, an average of \$1,678 earned by ministers, \$1,295 by teachers, about \$1,650 by Government employees, and an average of \$1,415 per worker in all groups other than farmers.

The food, fuel, and housing supplied by the farm the board's report appraises at about \$630 per year, which leaves the average farmer a cash income of about \$100 out of the \$730 earned by his labor during the year 1924. An average return of about \$400 is allowed on the capital invested, making the total average cash income per farmer operator about \$500 a year. Since the cost of food and clothing purchased by the average farm family during the year runs to about \$475, the average farm income is only slightly more than enough to purchase the necessities of life.

Since these figures represent averages, there are as many worse cases as there are better ones, and in many instances, therefore, farmers have had to forego payment of interest on debt or taxes, to say nothing of repairs, equipment, and maintenance and proper care of the fertility of the soil, in order to pay ordinary living expenses.

\* \* \* \* \*

FARM DEBT REMAINS UNPAID

As a result of high costs and impaired income of the farmer, the total farm indebtedness in the United States, which was estimated at \$4,320,000,000 in 1910, had grown to \$12,250,000,000 in 1920 and stands at approximately that figure to-day. The real debt is larger than the figures indicate, because prices of commodities which must pay the debt are, in many instances, lower than they were when the debt was incurred.

The foregoing facts and figures indicate both a measurement of the farmer's ability to pay and the extent of the redistribution of wealth between farm and other industries that has taken place and is continuing in the United States.

Can it be questioned by any honest-minded person that agriculture is in the throes of an economic crisis and that the solution of its problems are beyond the power of the individual farmers and of the cooperative organizations of farmers? The problems are of national magnitude and of national concern. They arose out of economic conditions fostered by the Government and our national policy of special privilege. The solution must come from the Government. The Haugen bill points the way.

When the railroads come to Congress and ask for legislation, their requests are granted; when the banking interests ask for legislation, their wishes are promptly gratified; when the manufacturing industries seek greater protection through the tariff the favor is readily conferred. But when the agricultural interests come to Congress and seek redress of their economic grievances they are told that their situation is unfortunate, but that it would be economically unsound for the Government to do anything to relieve their distress. They are told to go back home, work a little harder, be more saving, and wait patiently for the adjustment of their economic difficulties through the operation of the natural law of supply and demand.

But I say to you that the farmers have listened to that kind of advice for the last time. They know their problems are not the result of their own delinquencies and that they can not be

adjusted by the operation of the natural law of supply and demand. They know that they are the victims of an artificial system of economics for which the Government is responsible and they are demanding the relief that they have proposed.

The agencies of Government have been employed and the powers of the Government have been invoked to make agriculture contribute its wealth of production to the support and maintenance of the Nation without profit to the producer. Under the present economic system the farmer is prostrate. The Government has brought him to this estate and only the power of Government can release him from it. His dilemma must be recognized and his oppression relieved.

For six years the farmer has been producing his crops at a loss, not because his productions were greater during that period than formerly nor because the requirements therefor were less. His losses are not due to the operation of the natural law of supply and demand. They are due to artificial causes that have suspended the operation of that law.

If the farmer is compelled to produce and sell on the basis of the law of supply and demand, then in the interest of simple justice to him he must be permitted to buy upon the same basis. If he must sell his products in a competitive world market, he is entitled to buy his supplies, merchandise, and equipment on the basis of that market. On the other hand, if the manufacturer is to be protected in the markets of this country against foreign-made goods so that the law of supply and demand does not operate to fix the sale price of his merchandise on the basis of the world market, is not the farmer entitled to the same degree of protection in order that he may likewise be relieved from the operation of that law? The farmers are not demanding or advocating that the policy of tariff protection be abolished, but they do demand their right to share in such protection on the basis of equality with the manufacturers. Can it be honestly contended for a moment that the 30,000,000 farmers of this country have not the same economic rights under our Government as those engaged in manufacturing? But the moneyed powers decreed otherwise. They decreed that the farmer had no economic rights which they or the Government were bound to respect, and upon that assumption proceeded to formulate and execute plans to reduce him to bankruptcy.

The farmers of the country are besieging Congress, demanding relief from this economic oppression. And since the Government is responsible for the oppression, their addresses to Congress are justified. They are not pleading for a favor; they are demanding a right. It behooves the Congress to heed this demand, for the Government was not established as a private agency in the hands of the few for the exploitation of human labor and the subordination of human rights.

Lincoln said in his first inaugural address in 1861:

This country, with its institutions, belongs to the people who inhabit it. Whenever they shall grow weary of the existing government, they can exercise their constitutional right of amending it, or their revolutionary right to dismember or overthrow it.

It is undeniably true that the country and the Government belong to the people and that they have the right and the power to dictate the conduct of the Nation's affairs and the character of governmental policies and administration, but it is equally true that the people are not controlling the Nation's business and that their interests are not given primary consideration in the administration of the Government. The sovereign power of the people has been usurped; and while the burdens of the Government still rest upon their shoulders, its control has been taken out of their hands. To the people have been left the political forms, but from them have been taken the economic substance and strength of the Government. This usurpation has not been accomplished by force of arms or by revolutionary methods; it has been effected through the opiates of false teachings. The people have been chloroformed into a false sense of security, and their just powers to shape their own economic destiny have been perverted to accomplish their economic exploitation.

But it is still the people's Government, and it is their combined strength that supports and gives it life. There is no stronger human institution. It is upheld by the collective physical and spiritual forces of the people of this Nation; and if the Government, animated and inspired by this greatest of human forces, were held to the execution of the high purposes for which it was ordained, namely, to establish and insure even and exact justice and equality of opportunity for all men, there would be no agricultural problem for the Government to solve.

But while we have religious and political freedom, freedom of speech, freedom of the press, and the right of peaceable assembly, yet, having permitted to be taken from us our economic freedom, it may be literally said that we have but the husks for our subsistence.

It is becoming more and more difficult for the man of the ordinary walks of life in this great country of boasted freedom to resist successfully the gripping force of economic power that tends to hold him to the status to which he was born. What hope can spring eternal in the breasts of the toilers of the land, those who produce wealth and not simply commercialize it?

They are the victims of a system of discrimination against the masses of the people and in favor of those who, through the prestige and power of great wealth, control and dictate the legislative and administrative policies of the Government. They have harnessed the people's power through the machinery of the Government to place the people in economic bondage.

This is strong language, but it is no stronger than the truth it expresses. We may as well face the issue squarely and meet it now. The issue is, Shall the people of America be free in fact or shall they be content with the mere political forms of freedom? The people have both the right and the power to determine this question as they please. The Government and all powers and rights thereunder are theirs. They can exercise those powers and rights and be the masters of their country and of their own economic destiny or they can continue to be as they now are, the vassals of the money lords. The encouraging sign on the economic horizon is that the farmers—30,000,000 strong—are no longer pleading for their rights but are demanding them.

Mr. HAUGEN. Mr. Chairman, I yield to the gentleman from Ohio [Mr. THOMPSON].

Mr. THOMPSON. Mr. Chairman, I am a member of the Committee on Agriculture from Ohio. I am naturally proud of my membership on a committee composed of such distinguished and able men. I am especially proud of our veteran chairman, Hon. GILBERT HAUGEN. He has been a member and chairman of this committee 10 years, having been returned 14 terms from Iowa. He is one of the oldest Members of the House. He is the personification of courtesy and fairness to his fellow Members, and is a successful man of affairs back home in Iowa. He is a large owner of farm lands in southern Minnesota and northern Iowa and understands the agricultural question as well, and perhaps better, than any other member of this great committee.

So, having confidence in my chairman, I told him I would go along with him on the legislation as far as I could, reserving the right in the end to do what I thought best or what my constituents felt might be best.

The district I represent in Congress is largely agricultural, but not subject to the same conditions as the farming classes farther to the west of us. My district is composed of the seven counties in the extreme northwest corner of Ohio. It represents diversified, intensive farming, and there are many interests that must be considered in connection with legislation such as is before us. With all due deference to our brothers of the West and Middle West, we of Ohio wish to make the observation that Ohio has been a conservative middle ground of thought, political and otherwise. There have swept down out of the great Northwest and West various strange doctrines, such as the Nonpartisan League idea; and out of Iowa came the movement growing out of the activities of that able and brilliant Iowan, Gen. James B. Weaver. His movement was known as the "greenback craze," which one of Ohio's gifted sons—the late John Sherman—met and vanquished by what was known as "resumption of specie payment." Then there came from bleeding Kansas another line of thought, known as populism, with its statesmen, such as Senator Peffer and "Sockless" Jerry Simpson, and this movement grew and thrived until it gathered the proportions of a cyclone, which gathered itself together not only on the prairies of Kansas, but gained momentum at the mouth of the River Platte in Nebraska and resulted in the 16 to 1 storm, which was checked, as it rolled eastward, by William McKinley and Mark Hanna, both of Ohio.

And now we have the "Corn Belt Committee of Twenty-two" from Iowa before us. They mean well; they are our brothers; we love them all, but must stop, look, and listen. Can we agree to give them everything they think they want and everything they demand? During the weary weeks this session that I sat on the Agricultural Committee and listened to the witnesses, none appeared before our committee from Ohio; but, as the hearings were closing, I pointed out to the Hon. Samuel Thompson, head of the National Farm Bureau, how our committee was in sympathy with the farmers' so-called problems and what the Congress and our committee had actually done for the farmers. I said:

I have been sitting around this table for the last two or three years listening to complaints about the ills of the farmers. The Sixty-seventh Congress passed legislation which was supposed to be

beneficial to the farmers. I think it was William Jennings Bryan who said that the Sixty-seventh Congress had passed more legislation that was beneficial to the farmers than any Congress before in the history of the country. You will remember that we passed the intermediate credit act, affording the farmer new channels for credits running from six months to three years commensurate with his production and marketing methods.

We then passed a bill which increased the amount individuals may borrow on farm mortgages through cooperation with the Federal farm-loan banks from ten thousand to twenty-five thousand.

Then we placed the meat-packing industry under Federal supervision, making it possible to ascertain the status of the meat-packing and stockyards activities.

Then, as Mr. FULMER has said, we passed the cotton standards act, which has operated so successfully.

We placed a tax on trading in grain futures, supervised the grain exchanges, and legalized the membership of cooperatives on the grain exchanges.

We legalized cooperative marketing.

We furnished a farm-to-market highway program and appropriated funds to be used for the next three years. We increased the working capital of the Federal loan system, making it possible to float bond issues more easily.

We provided that the interest rate on farm-loan bonds would be increased to 5½ per cent, an emergency act.

Revised the tax schedule.

Reduced the surtax; limited immigration to 3 per cent of the foreign born recorded in 1910 census.

Prohibited the manufacture and sale of filled milk.

Created a representative of agriculture along with industry, commerce, and finance, on the Federal Reserve Board.

Reenacted the War Finance Corporation and extended its usefulness.

Appropriated funds for the Department of Agriculture and enacted an emergency tariff, followed by the permanent tariff.

I want to say in defense of this committee, and in defense of Congress, that we have been trying to help the farmer; we have passed all this legislation, and yet we find that the farmer is still here, still knocking at our doors. Perhaps there has been no nation-wide policy enacted as yet. I understand the cooperatives are coming before us saying that they do not want any legislation outside of this cooperative marketing bill which has already passed the House.

I assure you we want to do everything we can for agriculture. We are perfectly willing, if we can only find the remedy.

Then, note Mr. Thompson's reply to my statement. He said [reading from the record]:

My observation would be this, that the Agricultural Committee of the American Congress will always be a very important, busy, and hard-working committee. Even if you pass this legislation I would not want to promise that we would not be back here again talking to you about something else that would be needed. I feel that as much as we have done toward the help of this industry that we have never had an understanding of the agricultural problem—not even ourselves—as we should have had, much less other people, and we are getting a more complete understanding on the actual industry itself.

Mr. THOMPSON of Ohio. I wish to say in that connection that you are always welcome to come before this committee. We like to meet around this table and thrash out these problems. I want to ask for my own information your opinion of the McNary-Haugen bill. Did you think that that was a fundamental bill or a bill that would allow the camel to stick his nose under the tent, and later on we could amend it and simplify it so that it would have been a real national policy for the administration of agriculture in this country?

Mr. THOMPSON. We felt that that was emergency legislation, and we feel that this will accomplish the same purpose in a better way.

Mr. THOMPSON of Ohio. Of course, many of us, as you know, voted for that bill.

Mr. THOMPSON. We were very grateful for it, grateful to the men that took the brunt of it and made the hard fight. It wasn't an easy thing to do.

Mr. THOMPSON of Ohio. And some of us are still tinctured with the same virus.

Mr. TINCHER. It is the only farm bill that this committee ever reported out where we got licked on the floor of the House.

Yes; we got licked on the floor of the House exactly two years ago this month. Those of you who were here remember that fight. Mr. TINCHER, of Kansas, was battling for the McNary-Haugen bill, and many of the Members voted for it then who will not probably do so now in its present form. The vote was taken June 3, 1924, and the bill received 155 votes, with 223 against it. It was defeated by a majority of 68 votes. I went along with the bill and with my chairman at that time and took 10 of my Ohio colleagues with me; but 10 of them were also against the bill and two failed to vote, making 22 in all, and no more.

I feel that I can not do so well this time, for I possibly shall not vote for the Haugen bill in its present form, or for any of the so-called agricultural bills. My people in Ohio wish no new legislation on agriculture now. They wish to let well enough alone. And I desire to insert in the Record evidence to show that I am sustained in this view by letters and telegrams from organized agriculture in Ohio, as follows:

[Letters]

MONTPELIER, OHIO, May 3, 1926.

Hon. CHAS. J. THOMPSON, M. C.,

Washington, D. C.

DEAR SIR: It is the consensus of opinion among the members of the various farm organizations of Williams County that the farmers have a problem of collective bargaining, but at the present time they are not ready for the adventure in the form of any of the bills presented in Congress.

If there should be some measure or amendment presented that affects the interests of the farmers of your district, we will submit the decision thereon to your own judgment.

Respectfully,

WILLIAMS COUNTY FARM BUREAU,  
PAUL SMITH, President.  
WILLIAMS COUNTY POMONA GRANGE,  
G. H. FAST, Master.

PIERCE & STEVENS,  
Middle Point, Ohio, May 6, 1926.

CHARLES J. THOMPSON,

Representative, Washington, D. C.

DEAR SIR: We sincerely trust that you will not vote for the Haugen bill, as it is undoubtedly unpractical, and the Tincher bill is strictly class legislation. We can cite you to a cooperative elevator that cleared better than \$7,500 last year. So the success or failure of a cooperative elevator depends largely on its manager, and the Government does not hire the managers. It is up to the cooperative elevator to succeed or fail, just as it is up to us, and the writer has been in the trade for 20 years and can prove to you that we can handle grain for less money, with less overhead expense, than any cooperative, and we pay the same prices. We do not believe that God made the world for any one man, or for any set of men, but for the people in general. Trust that you will give these bills your careful consideration.

I am,

Yours very truly,

C. T. PIERCE.

OFFICE OF MASTER OHIO STATE GRANGE,  
Coshocton, Ohio, May 6, 1926.

Hon. C. J. THOMPSON,

House of Representatives, Washington, D. C.

MY DEAR MR. THOMPSON: An inquiry of yours relative to the Grange stand on the Haugen, Aswell, and the Tincher bills has been referred to me.

The Grange has taken no action regarding any particular bill. In Ohio we are somewhat opposed to the theory of anything bordering on price fixing as being unsound.

Doctor Atkeson is keeping in close touch with the situation and can give you the reaction of the organization relative to the different phases of the farm relief bills as viewed by the Grange.

Respectfully,

HARRY A. CATON,  
Master Ohio State Grange.

[Telegrams]

COLUMBUS, OHIO, May 7, 1926.

Hon. CHARLES J. THOMPSON,

House Office Building, Washington, D. C.:

As director of agriculture it is my duty to refute statements that Ohio farmers do not favor Haugen bill. The farm organization leaders who made these representations speak for less than 5 per cent of our farmers. They by no means reflect public opinion in this State. The farm industry in Ohio is in a critical condition, the same as in other Corn Belt States. Our loss in land values has been \$720,000,000 during the past six years. The majority of farmers here want the Haugen bill and are unalterably opposed to Tincher and Aswell bills.

CHAS V. TRUAX,  
Director of Agriculture.

BRYAN, OHIO, May 4, 1926.

C. J. THOMPSON, M. C.,

Washington, D. C.:

We oppose all these bills.

A. G. BROOK, Farmer Grange, No. 2101.

NAPOLEON, OHIO, March 3, 1926.

Hon. C. J. THOMPSON,

House of Representatives, Washington, D. C.:

We are opposed to farm bills Nos. H. R. 11606, 11618, and 11603. Letter following.

H. F. POHLMAN & SONS.

LEIPSIC, OHIO, May 5, 1926.

Hon. C. J. THOMPSON, M. C.,

Washington, D. C.:

Protesting both the Haugen and Tincher bills, we urge you to use your influence against them.

C. A. HIEGEL.

OTTAWA, OHIO, May 3, 1926.

C. J. THOMPSON, M. C.,

Washington, D. C.:

We are opposed to all agriculture relief bills. Would be favor of bill to provide bureau of cooperation in Department of Agriculture if it did not have the Haugen-Dickinson rider.

REESE HICKEY,

President Putnam County Farm Bureau.

[Letters]

MCCLURE, OHIO, May 1, 1926.

Hon. C. J. THOMPSON.

DEAR SIR: In regard to the so-called farm relief bills, copies of which you sent me, we are opposed to H. R. 11603 and H. R. 11606, or any other bills whereby the Government is to control exports or to fix prices in any way.

Do not see any harm in H. R. 11618, neither do I believe that it will be any benefit to the farmers of Ohio.

Yours,

L. I. WINCH,  
Master Bethel Grange.

STOCK FARMS, Napoleon, Ohio.

Hon. C. J. THOMPSON,

House of Representatives, Washington, D. C.

DEAR MR. THOMPSON: After studying farm bills Nos. 11606, 11618, and 11603 carefully we are very much opposed to them.

MR. THOMPSON, I do not believe our Congress can work out a system to satisfy the different farmers of to-day. From my experience I find the element continually asking for help are not the real dirt, hard-working, taxpaying kind, but more often the swivel-chair, hot-air kind, who have not enough real knowledge of our farms to tell a cow from a jackass in the way of conducting our business.

MR. THOMPSON, we are with you every inch of the way with your ideas of economy. Cut down our overhead expenses. Save our money. Let every individual get out and hustle and work his own business. Keep your doors locked to that element asking for millions to help us farmers.

Our present form of government has been very satisfactory. Encourage the thrifty, hard-working, taxpaying farmers, and let the other element take care of themselves.

Our Senators and Representatives elected by the people, paid by the people, that make our present form of government, can better tell our needs than the element I have heretofore mentioned.

Respectfully,

HENRY G. POHLMAN.

NAPOLEON, OHIO, April 28, 1926.

Hon. C. J. THOMPSON,

Washington, D. C.

DEAR FRIEND THOMPSON: Received your telegram and also copies of the three farm relief bills. I have gone over them thoroughly in our farm papers and also in the Blade, and now the bills themselves, and I only hope you will not support them, as they are about as un-American as anything I have studied. The Government has plenty to do to function without trying to help any class of people. As I said before, if we arent regulated too much, we will come out all O. K. I spoke to some of our farmers, and they all said that THOMPSON knows that we are opposed to those measures.

Respectfully,

J. F. VEIGEL.

THE NORTHWESTERN COOPERATIVE SALES CO.,

Wauseon, Ohio, April 29, 1926.

MR. C. J. THOMPSON:

Having sold my herd of cattle, I resigned as director of the Northwestern Cooperative Sales Co. last March. Accordingly I referred your telegram to a member of that board with the suggestion that an expression be given you. My personal opinion is that the dairy farmers and the farmers generally are not asking for legislation such as is proposed in the three bills mentioned.

I believe most of the thinking farmers are opposed to the creation of any more boards and the appropriation of such sums as provided for in these bills.

I am a director of the Ohio Poultry Producers' Cooperative Association, with 1,800 members in Williams, Fulton, Henry, and Defiance Counties. At a meeting to-day of the board of directors I discussed the matter with various members of that board, and there seemed to be no sentiment favorable to any of the proposed legislation. They do not feel that legislation will materially aid the cooperative-marketing movement. Personally I do not believe that the various cooperative-marketing associations in the United States are at the present time well enough organized to successfully carry out the proposed course of action, even granting that the principles involved are economically sound.

Trusting that the above expression may be of service to you, I am  
Very truly yours,

JAY C. BURR.

THE OHIO FARM BUREAU FEDERATION,  
Columbus, Ohio, May 1, 1926.

Hon. C. J. THOMPSON,

*House of Representatives, Washington, D. C.*

DEAR MR. THOMPSON: Just returned from Chicago, and the midwest group failed to indorse the present Haugen bill. Our people in Ohio took action and are still opposed to impractical equalization fees. The expression of the dairy groups has not been in favor of the Haugen bill.

No organization action has been taken on the Capper-Tincher bill, owing to its recent presentation, but it has been the expression of our Ohio leaders that they favor cooperative marketing and extension of intermediate credits acts for the handling of cooperative products, as we believe is expressed in the Tincher bill, thinking that this will tend to the orderly distribution of farm products and maintain a high average price by eliminating dumping at harvest season.

Very truly yours,

L. B. PALMER, President.

NAPOLEON, OHIO, May 8, 1926.

Hon. C. J. THOMPSON,

*Washington, D. C.*

We are utterly opposed to any bills pertaining to farm relief or any appropriations thereto.

J. F. VEIGEL.

BELMOR, OHIO, May 1, 1926.

Mr. C. J. THOMPSON,

*Washington, D. C.*

DEAR SIR: In reply to yours of the 27th, as our grange is inactive at present, some of us got together and decided that we were not in favor of the agricultural relief bill, but were in favor of the other two.

Yours truly,

D. L. HARSHBERGER,  
*Master of Belmore Grange.*

NAPOLEON, OHIO, May 3, 1926.

Hon. C. J. THOMPSON,

*House of Representatives, Washington, D. C.*

At a special board meeting Saturday the agricultural relief bills were carefully considered and the following resolution passed:

"Resolved, That the Henry County Farm Bureau go on record favoring the Tincher bill and that the secretary wire Representative THOMPSON of this action. Steps should be taken in framing the law to clothe the control board with administrative powers similar to that exercised by the Federal Revenue Board."

HENRY COUNTY FARM BUREAU,  
HARRY M. PONTIOUS, *Secretary.*

VAN WERT, OHIO, May 4, 1926.

C. J. THOMPSON,

*Washington, D. C.*

Grange and farm bureau not opposed to Tincher bill, but are to others.

W. O. BLACK,  
*President of Van Wert County Farm Bureau.*  
FRANK BALYEAT,  
*Master of Pleasant Grange.*

LEIPSIC, OHIO, May 4, 1926.

Hon. C. J. THOMPSON, M. C.,

*Washington, D. C.*

Putnam County Pomona Grange and Leipsic Grange go on record as being opposed to House bills Nos. 11618 and 11606.

C. F. HENRY, *Secretary.*  
D. C. HENRY, *Master.*  
J. A. HUMMON, *Pomona Master.*

BRYAN, OHIO, R. D. 5, May 1, 1926.

Hon. CHAS J. THOMPSON,  
*Washington, D. C.*

I believe the Tincher bill comes nearest fulfilling the party's pledge and will do us the least harm.

Personally, I am opposed to all of them.

Very respectfully yours,

W. S. TOMLINSON.

EDON, OHIO, April 30, 1926.

Hon. C. J. THOMPSON,  
*Washington, D. C.*

DEAR FRIEND: Our master, Mr. Bible, received your wire in regard to the farm relief bills to be brought up next Tuesday, and we appreciate your kindness in remembering us.

We had a meeting last night and voted in favor of the Haugen bill, but opposed to the Tincher bill and the Curtis-Aswell bill.

We are not very enthusiastic about any bill of this kind, but the Haugen bill might be of some advantage to us until such time as natural causes make a change and the pendulum swings back again, giving the farmer an equal chance with every other man, which is all any of us ask, or at least we ought not to ask more.

Thanking you again for your kindness and interest in us (this means the whole grange), I am,

Truly yours,

C. M. DAVIS,  
*Chairman Executive Committee.*

SWANTON, OHIO, May 6, 1926.

CHARLES J. THOMPSON,

*House of Representatives, Washington, D. C.*

Please protest the enactment of the Haugen and Tincher bills.

THE SWANTON MILLING & ELEVATOR CO.

One of the principal objections that Ohio people have to these bills is that they set up too much new machinery. It has become the fashion for Congress to create new commissions. And commissions are a bad thing, Lincoln once said. They are not answerable to either the President or to Congress or to the people, but constitute a sort of fifth wheel of government, answerable to nobody and a law unto themselves. No one can be held responsible for what a commission does. There is no one individual who can be held accountable. We are becoming a Government by commissions. The farmers of my country have been wishing for Federal employees of commissions to be cut off and cast out. The passage of this law would add to the pay roll of Uncle Sam and swell expenses. I feel that the farmers are for economy.

The Haugen bill proposes a farm advisory council of 48 members, and among other duties of this council is to nominate 36 candidates, from which the President will make a selection of 12 to compose the Federal farm board, each to draw a salary of \$10,000 annually for his services. The board is given power to select its own secretary and such experts and other employees as may be necessary to carry on its operations.

The Tincher bill would set up an advisory farm council of 36 members and a farmers' marketing commission of 7 members, 1 of whom shall be the Secretary of Agriculture, and 6 members to draw salaries of \$12,000 each. The Aswell bill would borrow \$100,000,000 of the Government.

The measures proposed would vastly increase the evils of bureaucracy, of which there is so much complaint in the Nation. Congress, if it passed these bills now under consideration, would bureaucratize the entire farming industry of the country. It would place it under governmental control and supervision, with a host of high-salaried commissioners and additional inspectors and busybodies. And these are despised by farmers.

If living costs are artificially advanced, it will be necessary to put wages up. Then it will cost more to produce everything, and prices of everything will be higher. And so we will start around again in the old circle—higher cost of living, then higher wages, then higher prices for everything, and higher wages to pay the higher prices for everything, and still higher prices to pay the higher wages, until finally we come once more to the inevitable smash.

There has been already too much of this sort of legislation. Let well enough alone. [Applause.]

Mr. FULMER. Mr. Chairman, I yield 15 minutes to the gentleman from Illinois [Mr. RAINY].

Mr. RAINY. Mr. Chairman, if I may have the attention of the gentleman from Kansas [Mr. TINCHER] I want to reply to the colorful speech made yesterday afternoon by that gentleman in which he took occasion to criticize a great farm paper in my State and to characterize an article, which discussed his bill, in terms most emphatic.

Under the permission I have to extend in the RECORD I will print at this place in my speech the article referred to by the gentleman from Kansas, including the heading.

The matter referred to is as follows:

TINCHER BILL SMELLS BAD

The Tincher farm relief bill, which has the backing of the administration, is being shoved through Congress in the hope of heading off the kind of legislation farmers really want, and at the same time to give the Republican Party an opportunity to say it has made good its promise to do something for agriculture.

The principal feature of this bill is that it establishes a Government fund of \$100,000,000 to be loaned to cooperatives.

The Illinois Agricultural Association sets forth the three principal objections to this bill:

1. It provides no mechanism or funds for making the tariff effective on agricultural products.

2. It makes no provision of any kind for handling the surplus or stabilizing markets or prices.

3. It provides no aid for carrying over surplus production from one year to the next or for finding markets abroad.

Real cooperatives do not want the kind of Government loans provided in this bill. To accept such loans would put them in debt on an unsound basis, and if they attempted to handle the surplus they would do so at the expense of their members and with little hope of success.

The bill will encourage fake cooperatives like the Grain Marketing Co. and lead to an epidemic of promoted cooperatives.

The bill bears all the earmarks of the old Grain Marketing Co. crowd and the legislation and Government help which it has sought in the past. Gray Silver and his associates may not have had a hand in framing the Tincher bill, but they certainly will not be displeased by it.

This bill should be sunk without trace, whether we get anything else or not.

The principal thing about the article to which he objects is the title which reads:

Tincher bill smells bad.

This edition of the Prairie Farmer had been out one week before the gentleman from Kansas discovered this article in its editorial columns, and on the day he made his speech another issue of the Prairie Farmer had made its appearance and had reached this city.

I have carefully read this article to which the gentleman referred yesterday. It is a most careful and a most accurate analysis of his bill, the most careful and the most accurate analysis I have yet seen—a marvel of condensation.

His bill tenders to farmers the old relief, the opportunity which has been tendered them so many times during the period he has served in Congress, representing in part the great State of Kansas; the opportunity to borrow more money directly, and perhaps indirectly; the opportunity to further increase the farm indebtedness of this country. Accepting the opportunities they have had in the last eight years, during the period covered by the service of the gentleman from Kansas, they have increased their farm indebtedness from a little over \$5,000,000,000 until it reaches now the enormous total of almost \$12,000,000,000, and the gentleman's bill proposes to give them an opportunity to add another \$100,000,000 to that immense total.

The trouble with the gentleman's bill and with his proposition is that we thought in the Corn Belt States it was buried long ago. We thought with the continued increase of farm indebtedness and with the continued failure of the remedies he suggests the proposition was dead and buried. It is dead; if it is buried, then it is time for it to smell even worse than this article says it smells.

Now, the gentleman threatens a dire revenge. The Prairie Farmer, he says, is a rival of the farm newspapers, which appear in duplicate in so many sections of the United States and which are owned and edited by a Senator from his State [Senator CAPPER], who has also introduced this bill in the Senate.

He proposes as a measure of retaliation against the Prairie Farmer that Senator CAPPER's paper be placed in every farm home in Illinois, and that is the revenge he proposes. He also calls the author of this editorial a liar, which was a perfectly safe thing to do. He is a thousand miles from here. [Laughter.]

Mr. CAPPER did find his way into nearly every Republican farm home in Illinois just before the recent Republican primaries. I have here the Prairie Farmer, but that is not the only paper in which his advertisement appears. He indorsed Senator McKinley as a candidate for reelection to the United States Senate. At the time Mr. McKinley received this indorsement from Mr. CAPPER he was the most popular man in either party in the State of Illinois, without any question. The World Court had nothing to do with it. As soon as the Republicans

of Illinois found that Senator CAPPER had indorsed McKinley, that was the end of McKinley's popularity with the farmers of Illinois. [Laughter.] Here is a long letter printed as an advertisement in the Prairie Farmer assuring the farmers that Senator McKinley "is helping the farmers and can help the farmers." The letter is from Senator CAPPER.

On the next page appears another advertisement addressed to the farmers with this foreword, "This advertisement is paid for by Illinois farmers as the first step in getting back to a 100 cents farm dollar"—they paid for it themselves—it indorses Frank L. Smith, and announces that Smith is pledged to support the principles of the Federal farm board measure for immediate farm relief. These advertisements went to all the farm homes in Illinois with the result that Republican farmers had the opportunity of voting on the Capper-Tincher bill and on the Federal farm board bill and the latter won by an enormous majority.

Six years ago McKinley had the same opponent, Colonel Smith, of Illinois. Six years ago in the agricultural counties of Illinois, in the counties outside of Cook County, Smith was defeated by McKinley by a plurality of 69,000 votes. This year Smith stood for the Federal farm board measure and McKinley made his campaign with the indorsement of CAPPER, and McKinley was defeated by 89,000 votes in the agricultural counties of Illinois. Where the World Court cut any figure must have been in the county of Cook. Smith carried Cook County by 20,000 less majority than he received six years ago. So the Republican farmers of Illinois had CAPPER and all of his suggestions and arguments and they compared that with the platform which indorsed the Federal farm board measure and the Federal farm board measure received a tremendous indorsement.

Here is another advertisement of Senator McKinley. This is his own advertisement, paid for by himself, and refers to his opponents. I read from it as printed here in another issue of the Prairie Farmer—

They do not like McKinley because he has adhered to the platform pledges of the Republican Party and has supported the policies of President Coolidge.

With these two propositions before the Republicans of Illinois with the Capper-Tincher bill—and that was an issue—and with the Federal farm board measure and with the further pledge of McKinley that he had supported and proposed to continue to carry out and support the policies of Coolidge, the Republicans administered to the most popular man in Illinois a tremendous defeat.

Mr. WILLIAMS of Illinois. Will the gentleman yield?

Mr. RAINY. Yes.

Mr. WILLIAMS of Illinois. The Capper-Tincher bill had not been introduced at the time of the Illinois primaries.

Mr. RAINY. The gentleman is mistaken. The bill itself may not have made its appearance, but the principle of the bill was discussed on the hustings in Illinois, and Senator CAPPER's position was well understood by the Republican voters in Illinois. They were against further loans to farmers.

Mr. WEFALD. Will the gentleman yield?

Mr. RAINY. Yes.

Mr. WEFALD. What does the gentleman think the result would have been in Illinois if the Tincher bill had been an issue out there?

Mr. RAINY. The principle of the Tincher bill was an issue in Illinois, and the policies of President Coolidge were also issues in the Republican primary in Illinois. Senator McKinley was an exceedingly popular man. His personal popularity overcame some of the bad effects of the Capper-Tincher bill, but if the Capper-Tincher bill had been the only issue and had not had the popularity of Senator McKinley to offset some of its unpopularity, the defeat of this measure would have been more pronounced even that it was.

With a great deal of surprise I have listened to the debate, especially on the Republican side of this Chamber, and have heard Republicans denounce the \$375,000,000 revolving fund—and it is a revolving fund and in a moment I will tell you why it is—as a subsidy, and they take their position against the bill on account of the fact that they say this is a subsidy.

I wonder how long it has been since they were so pronounced in their opposition to subsidies? Is it possible that they have forgotten the McKinley law, which went into effect in October, 1890, and which, as to sugar, went into effect in 1891? That law provided for a subsidy on sugar, a bounty of 2 cents a pound on all of the sugar produced in the State of Louisiana. Under that bounty and under that subsidy that law operated for three years. During that period of time in the State of Louisiana the Federal Government paid \$45 per long ton on all the sugar produced in that State, and during those three

years that the bill was in operation the Federal Government paid as a subsidy to the sugar producers there over \$11,000,000 a year. Yet they take the position now as being heroically opposed to this revolving fund, and I am going to call it a revolving fund, because that is exactly what it is. It revolves out of the Treasury, and it revolves back again into the Treasury because it restores the farmer's buying power. He struggles along now with an average income per year of \$750, and this, if it does anything, will give him more than that, and if he gets more than that, it will increase his buying power, and if it increases his buying power, he can take his family to entertainments and pay the tax for taking them there.

A REVOLVING FUND

This is a revolving fund. A great part of it will find its way back into the Treasury—all of it may find its way back into the Treasury. So much of it as may be taken out will be so expended as to increase the earnings of farmers, and when you increase their earnings you increase their buying power. If you can establish equality for farmers with industry they will be able to buy more new automobiles and fewer secondhand automobiles, and whenever they buy new automobiles they will be contributing, in the sales tax they pay, something to the Treasury of the United States. They will be able to take their families to more entertainments and places of amusement, and whenever they pay admission fees over 75 cents they are paying taxes also back into the Treasury of the United States. When they buy more goods upon which tariff taxes are levied, more tariff taxes finds a way back into the Treasury of the United States. Therefore this money is not taken out of the Treasury never to return, as a great many have stated on this floor.

The year the gentleman from Kansas [Mr. TINCHER] came to Congress only 49 banks failed. Last year 542 banks failed, most of them in agricultural districts, with liabilities nine times greater than the liabilities were in 1920. In 1920 the total value of farm property in the United States was \$80,000,000,000. Last year the total value of farm property was less than \$60,000,000,000. The gentleman from Kansas has been in Congress long enough to see the earnings of transportation workers stabilized at \$1,572 per year, and this was accomplished as the result of legislation. Since the gentleman from Kansas has come to Congress the wages of Government employees has been stabilized and increased by legislative enactment, for which he probably voted, until Government employees earn now an average of \$1,650 per annum. When the gentleman from Kansas came to Congress the value of farm property in his State was one-half billion dollars more than it is now. Eight years ago 41 per cent of the population of Kansas lived on farms, now only 31 per cent of the population of Kansas live on farms. Eight years ago the farmers of Kansas received 29 per cent of the total current income of that State. To-day they only receive 16 per cent, and may I call attention in this connection to the fact that the average earnings per year of the farmers of Kansas are now only \$730, and this is true also of other States, and this amount includes the fuel, food, and housing supplied by his farm and estimated at \$630 per year.

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

Mr. SWANK. Mr. Chairman, I yield to the gentleman from Missouri [Mr. HAWES].

Mr. HAWES. Mr. Chairman, Members of Congress understand that the work of this House—at least, the initial work—is done by its standing committees in conjunction with its Committee on Rules. The latter designates the time of debate, the length of time for discussion, the time of voting, and the day upon which discussion can be concluded.

It will not be disputed that standing committees and the Rules Committee may push legislation forward to final consideration or may throttle it and put it in the discard, to be killed and buried without even a decent funeral.

With more than 12,000 bills before the House, the average Member waits until a committee has completed its report before undertaking the special study of a problem that may never come before him for consideration and upon which he may never be called upon to vote.

Among other committees of the House is the Committee on Agriculture, which passes upon problems of agriculture and farming, and to which all farm measures are first referred.

It is composed of 21 members, and I for one have waited with some impatience for five years for that committee to agree upon a constructive program which might give aid and practical assistance to the sturdy men and women who till the soil of the fertile fields of the Mississippi, Missouri, and Ohio River Basins.

These farmers of the great Central West and South produce the wheat, the corn, the hogs, and the cattle that feed not

only our Nation but part of the world, and the cotton and wool that covers our backs.

If the daily toil on their farms should cease for 90 days, the vast population of our country would starve.

If they did not furnish the raw materials for work in the factories, the factories would close.

If the great transportation systems of the country lost their freight and the tonnage were cut down, the wheels of the railroads, having 2,000,000 employees and \$20,000,000,000 in invested capital, would be disastrously injured. A demand would be made for a reduction in wages and a curtailment of interest, depriving thousands of families from earning a livelihood.

Our merchant fleet, carrying the American flag over the seas of commerce, deprived of the product of agriculture, would lie idle at our ports.

The man who makes and sells shoes, the man who makes and sells hardware or clothing or manufactures of any kind, would lose 13,000,000 customers.

Only a slight reflection will cause the intelligent dweller in the big city to realize that the farmer can not be destroyed or crippled or injured without disaster coming ultimately to him.

The sheriff is now calling on the farmer with notice of foreclosure; the bankruptcy courts, for the first time in the history of our country, are controlling the bankrupt condition of farmers; rural banks are closing their doors; farms are being vacated; and the force that feeds the Nation is moving from the country to the city.

The sturdy, patriotic, hard-working farmer has been beset on every side. He buys in a highly protected market. He sells in a world market without protection.

Industry is organized, labor is organized, capital is organized, transportation is organized, all the vital factors of our economic life save one have their organizations and have been the beneficiaries of special national legislation.

The farmer alone has been left to struggle for himself.

For five years I have listened to his appeals, read the speeches in the Record, discussed reports, and waited with impatience for the Committee on Agriculture to act, knowing that until it did act, under the rules of the House, any individual action of a Member of the House would be futile.

After waiting for some five years, this committee has finally reported three bills, fundamentally different and conflicting.

At the conclusion of months of continuous debate, after listening to the arguments on all sides and giving the subject extensive consideration, a divided committee has, for the first time, thrown into the House three great agricultural measures, and Members of the House, for the first time in its entire legislative history, are confronted with the unusual situation of committee disagreement and failure to act in the usual, ordinary process of legislation through a majority and minority report on one single measure.

Confronted with this uncertainty and division and thoroughly satisfied that something practical must be done, I have decided to accept the judgment of the leaders and representatives of the farmers of the Central West, who have been here for months, and shall vote for the bill upon which they have openly united.

AN EMERGENCY

Making due allowance for possible exaggeration, I am convinced that a real emergency exists in the affairs of the farmer.

There is a crisis. The threatened insolvency of the farmer should force action. The time has arrived when technicalities must be temporarily set aside in the interest of practical assistance.

Men may be divided as to whether the emergency was created by natural conditions or by artificial legislation, but there is no disagreement on the fact that the emergency does exist.

For months representatives of the great Central West—earnest, sincere men—have been conferring. They have been willing to compromise; they have been willing to enter into practical agreement that might bring relief; they have finally evolved and presented a measure which, they claim, will work.

I know personally something of the farmer's trouble. Raised in a small town, more or less intimate with the farm, having served on the agricultural committee of my State legislature, and having been active in the development of the public-road problem as it affects the farmer, moving in groups that favor conservation of the "big outdoors," traveling through my State and conversing not only with the farmer but with the local merchant and the small banker, I am personally satisfied that the lamentable condition of the farmer has not been exaggerated. It is so bad that it is hardly possible to exaggerate it.

There are actually 13,500,000 farmers, including farm laborers, on the producing fields of our Nation, or about one-fourth

of the gainfully employed population of our country. This 13,500,000 estimated farm population, the Department of Agriculture estimates, declined by 479,000 in 1925. The farm exodus, including farm laborers, in 1925 totaled 900,000, but an offset in population loss is credited to an excess of 400,000 births over deaths during the year. One editor aptly remarks, however, it is to be hoped that farm relief may come before these infant farmers are old enough to take to the plow.

This exodus is not normal; it is unnatural. It began to grow shortly after the war.

When the gross income of agriculture dropped from \$15,800,000,000 in 1919 to \$9,500,000,000 in 1920, the movement from the farm took impetus, and it has not been checked.

Not since 1919 has the farmer been able to meet his debts.

Conditions are such as to be reflected in acreage, and it is estimated there are approximately 6,000,000 fewer acres of farm land in production to-day than in 1919.

This depression was not created merely by what are called "lean years"; it was largely created by postwar financial readjustment, principally because the farmer, unprotected by the same economic laws and conditions as industry found himself caught in an ebbing tide and unable to handle the readjustment.

Commercial industry, guarded by laws and organization, credits, and banking resources, has been able to adjust itself.

The farmer has not been able to do so. His loans were predicated on high land values. When these loans were called he could not refinance.

The readjustment of prices which industry through its bank credits was able to conduct in orderly fashion created a panic for the farmer. His was a world condition.

Industry alone faced a domestic market protected by a tariff wall. The tariff gave no protection to the farmer. He was advised that conditions would improve. He borrowed money to pay his interest and reborrowed to meet new interest payments.

Statistics of four agricultural States picked at random show that in 1919 there were but 111 bankrupt farmers, while in the same States in 1924 almost 2,000 farmers filed voluntary petitions in bankruptcy; and in 1925, 1,810 found their way to the courts of insolvency.

The following report of the Comptroller of the Currency on bank failures from 1916 to 1925, inclusive, speaks for itself:

	Total State and private institutions		National banks			
	Number	Assets	Liabilities	Number	Assets	Liabilities
1916	41	\$10,512,000	\$16,010,000	13	\$3,868,000	\$3,020,000
1917	35	6,752,000	11,300,000	7	6,895,000	5,282,000
1918	25	9,195,000	10,258,000	2	2,300,000	2,359,000
1919	42		9,611,000	1	553,000	496,000
1920	44		18,955,000	5	2,739,000	1,930,000
1921	330		96,124,000	28	18,806,000	17,301,000
1922	364		95,933,000	33	21,679,000	20,287,000
1923	237		64,550,000	37	21,602,000	20,076,000
1924	777		223,188	138	84,974,000	74,743,000
1925	440		119,728,000	102		53,315,000

Recently there was read to this House a most interesting table that has a direct bearing upon this situation. It represents the purchasing power of the farmer's dollar as compared with other dollars.

This table was originally prepared by the Joint Committee on Agriculture on index numbers running from 1890 to 1920. Former Secretary of Agriculture Wallace brought the table up to 1922, and the present Secretary of Agriculture furnished the figures, based on the same index numbers, for 1923, 1924, and 1925.

This table follows:

*The purchasing power of the farmer's dollar since 1890  
(Includes food and farm products with all other products)*

	Cents		Cents
1890	83	1908	93
1891	89	1909	100
1892	87	1910	96
1893	87	1911	97
1894	85	1912	101
1895	85	1913	100
1896	81	1914	105
1897	86	1915	103
1898	88	1916	97
1899	83	1917	107
1900	86	1918	112
1901	92	1919	112
1902	95	1920	96
1903	88	1921	84
1904	93	1922	89
1905	90	1923	61.3
1906	88	1924	62.4
1907	90	1925	60.3

#### THE SITUATION IN MISSOURI

I am particularly interested in this legislation because my own State, Missouri, is vitally concerned.

The Missouri farmer is calling on us for assistance. He not only demands the right to make his dollar worth what it is to the New England industrialist, but he wants to sell in a protected market if he has to buy there. He is entitled to that protection.

Forgetting, for the purpose of this discussion, the vast mineral resources of Missouri, and, of course, her many millions of dollars in industrial developments, and confining discussion strictly to the farm, no State in the Union boasts a wider range of productivity, a greater fertility of soil, a larger group of natural advantages and water power or greater diversity of farm interests than Missouri. Nor need Missouri be any less boastful of her place among the States in the total of her products of all kinds.

And yet the latest figures of the Department of Commerce show that there are 260,478 farms in Missouri, compared with 263,004 in 1920; that of these farms there are 174,385 owners and 86,093 tenants and managers, compared with 185,030 owners and 77,900 tenants and managers in 1920.

On January 1, 1926, the total farm acreage in Missouri was 32,637,043, compared with 34,774,679 in 1920, a decrease of more than 2,000,000 acres in six years. The average acreage per farm decreased similarly from 132 acres in 1920 to 125.3 acres in 1926.

Missouri's farm lands and buildings, valued in 1920 at \$3,063,967,700, are valued as of January 1, 1926, at \$2,013,565,747, a decrease in valuation of more than \$1,000,000,000 in six years.

Of this \$1,000,000,000 decrease, slightly less than \$28,000,000 is charged by the Department of Commerce to decrease in building valuations, leaving the total \$1,000,000,000 decrease practically confined to land.

The growth of the cotton industry in Missouri should not be overlooked by a student of agricultural economics, because, although cotton-crop acreage has increased, total crop land has decreased. In 1895 there were only 47,772 acres of cotton picked in the entire State, producing 11,816 bales of 500 gross pounds weight.

After the great reclamation work of southeast Missouri, when miles of former swamp land was turned into fertile farm soil at a cost of \$17,000,000, the growth increased.

In 1918 there were 148,000 acres of cotton picked, producing 62,000 bales.

By 1923, 350,000 acres of cotton were picked in Missouri, producing 126,280 bales.

In three counties in Missouri—Dunklin, New Madrid, and Pemiscot—more than 130,000 acres of cotton were picked in 1923, producing more than 75,000 bales.

Horses valued in 1920 at \$77,916,000 in Missouri are now valued at some \$35,000,000 less.

Swine valued in 1920 at \$64,168,000 are now listed at \$37,910,000, or some \$26,258,000 less, although the number of hogs increased in the same period by 574,000.

Corn, which in 1919 was produced on 5,567,079 acres in Missouri, is being produced on about 100,000 acres less in the latest department figures, and the crop fell from 146,300,000 bushels in 1919 to 128,761,000 bushels in 1924.

Figures of certain other products are:

		1924	1919
Oats	acres	1,195,453	1,707,000
	bushels	24,203,271	40,493,700
Wheat	acres	1,441,000	4,564,900
	bushels	19,174,888	65,210,000
Tobacco	pounds	3,925,833	4,057,753

During 1924, 55,000 men left Missouri farms and only 32,000 moved in, according to the annual report of the Missouri Board of Agriculture. The survey of the State sets the total "vacant farm houses" at 28,500, but this is probably high and includes some discarded houses not originally used for dwellings.

Of the 32,000 men who moved on the farms 23,000 were married men and 9,000 single. Of the 55,000 who moved out of the farm area 32,000 were married and 23,000 single.

The net loss of hired farm workers, according to the State agricultural board, was 23,000 men in 1924.

The report further shows that the regularly employed men on Missouri farms is approximately 26,000, or only 66 per cent of the former normal employment of 39,000 men, not including harvest transients.

The Missouri farmer has eliminated one-third of his help and is, presumably, shouldering the added labor on himself and family for economy.

Nor is the picture presented bettered by other pertinent facts. In Missouri in 1910 the total mortgage debt on farm lands was \$112,000,000 approximately. In 1920 it had increased to \$216,000,000. And while figures are not available with any detailed accuracy for the later years, the following statement from the Agricultural Yearbook of the United States Department of Agriculture for 1924 is significant:

Total farm-mortgage indebtedness in the United States has greatly increased since 1920. \* \* \* Most of it \* \* \* has unquestionably been assumed to refund short-time loans to pay interest, taxes, and current expenses.

There is much which might be done by the individual States in helping the farmer in his present plight.

In my own State, for instance, the situation is described by the St. Louis Star, as follows:

#### MISSOURI'S ABANDONED FARMS

Year by year the desertion of farms in Missouri by their owners goes on without any intelligent effort by the State government either to investigate the cause or to remedy it. Yet depopulation of the agricultural districts means depopulation of the State and loss of wealth, because many of those who abandon farming do not migrate to Missouri cities, but remove to other commonwealths. The growth of the cities scarcely more than offsets the decrease in rural population.

According to a report just issued by the State agricultural board, based on United States census figures, the number of farms in the State declined from 185,030 in 1920 to 174,385 in 1925, a decrease of more than 10,000 in five years. Empty farm houses, windowless and standing in jungles of weeds and brush, dot Missouri hills and are scattered over much of what once was regarded as arable land. The number of other farms operated by tenants and not by owners reached 32.6 per cent last year.

Missouri's farmers will continue to desert the fields and hills until the State points the way to a better use of much of Missouri's land. The State agricultural college, reinforced by the State board of agriculture, is doing good work, but something more is needed. Thousands of square miles of hill country, under intelligent State direction, ought to be raising merchantable timber, fruit, or other crops, instead of their present scrub oak and persimmon trees. Much of this land, according to experts, will raise nothing but hardwood timber. Other land is good for fruit and nothing else. It can be made, experts say, to raise these crops profitably.

The abandoned homes ought to be filled with a happy and prosperous population. Dairy farming and fruit growing should be developed under State direction, instead of being left to the help of industrial departments of a few enterprising railroads. When the Missouri State government takes up these problems scientifically and thoughtfully, as is being done elsewhere, Federal census figures will tell a different story.

In view of the fact that Missouri shared proportionately the increases and decreases of the previous 10 years with other agricultural States, it is reasonable to suppose that she has shared the "greatly increased" mortgage indebtedness of 1920 to 1924 and thereafter.

The Agriculture Department statement that a portion at least of this new indebtedness has gone for "current expenses" tells a story in itself. "Current expenses" might well be changed in this report to "living expenses," and be a more honest statement of fact.

The figures on taxation for the last few years are not available in detail for comparison purposes, but it is interesting to note also in the 1924 Yearbook of the Department of Agriculture the following:

Tax delinquency has increased. This is especially significant because farmers do not willingly delay tax payments, but when possible borrow money to meet them. In some western areas local taxes have been delinquent for several years. \* \* \* In most of the important farming regions of the country taxes on farm lands have gone up two to six times as rapidly as the value of the land. Taxes in the last few years have consumed from 10 to 50 per cent of the net farm income in large sections of the country. Tax burdens have been particularly heavy in the North and the West.

I have confined myself to basic figures and statements that have to do with farming in general and not a particular class of agricultural interests.

The Missouri farmer is threatened with complete financial paralysis.

In Missouri from 1918 to 1922 the largest number of bank failures in any one year was 11 and in one year there were only 2.

In 1922 there were 15. In 1923 there were 28. In 1924 the number jumped to 44, and in 1925 there were more than 35.

Since 1922 more than 100 banks have closed their doors in my own State, and the large majority of them by far were in

cities and towns doing business with the farmers of the State and lying wholly in agricultural sections.

All these financial troubles came to the farmer during a period of transition. He was endeavoring to progress toward a higher standard of living. His mud roads were being transformed into modern highways. His wagons were giving place to automobiles, and trucks and tractors were taking the place of the horse-drawn plow and harrow.

The farmer can not be charged with profligacy in turning to the motor vehicle. He is entitled to the same modern conveniences of any other man. And from a strictly business standpoint he was forced to discard his horse for a motor vehicle. It was an essential change in his method of farm operation.

The farmer, trying to keep pace with modern conditions, had to refinance his operations on the farm, and now, in the new management of things, he is confronted with expenses which he should be able to balance from increased prices. But his prices have not increased, so that the efficiency he sought is not reflected in his income.

#### THE TARIFF TAX

We need not discuss here the tariff as an issue politically. Let us see only what is its effect on the farmer or whether he is affected by it.

To dispose of either an ignorant or willfully false claim that the present tariff act does not place a tax upon the things the farmer needs, let us follow the farmer through one day of labor.

His head resting on a 25 per cent tariff-taxed pillow slip, he awakens with the dawn, throws off a 25 per cent tariff-taxed blanket, and arises from a 60 per cent tariff-taxed wooden bed, raises a tariff-taxed window curtain, and lets in the only untariff-taxed thing so far—the sunlight. He pulls on tariff-taxed socks after discarding a tariff-taxed nightshirt, washes his face in untariff-taxed water in a "protected" earthen bowl, dries with a tariff-taxed towel, and sits down at a "protected" breakfast table that is covered with a "protected" cloth.

With tariff-taxed kitchen utensils "protected" as high as 50 per cent and in tariff-taxed aluminum pans Mrs. Farmer has prepared the usual morning meal. They drink coffee sweetened by tariff-taxed sugar and stirred by a tariff-taxed spoon. They cut their ham with a tariff-taxed knife and eat it with a tariff-taxed fork.

Mr. Farmer glances at a tariff-taxed clock, notes that it is 5 a. m., grabs up a 60 per cent "protected" straw hat, dashes out a tariff-taxed door, and starts his daily toll.

Mrs. Farmer later sits down at a tariff-taxed sewing machine to sew on tariff-taxed aprons and shirts with tariff-taxed needles and "protected" thread. Her fingers all through the day hardly touch an untariff-taxed article.

Meanwhile, outside, Mr. Farmer may use a 15 per cent pound tariff-taxed nail pounded by a "protected" hammer; he may be cutting with a 30 per cent "protected" sickle or digging with a 30 per cent tariff-taxed spade or shovel.

His heavier implements are made of "protected" steel. His chicken coops are built of tariff-taxed wire.

He bundles his products in a 15 per cent ad valorem tariff-taxed bag of hemp or flax, tied with a "protected" twine, loads them on a 1-ton truck that runs on 10 per cent tariff-taxed tires, drives over a \$4 to \$15 per ton tariff-taxed cement road to town, and sells the fruits of his labor and his soil in an untariff-taxed and unprotected market at a price fixed probably in Liverpool!

And yet we are told that the tariff works no hardship on the farmer as it is operated to-day. Because there is no direct tariff on farm implements, we are asked to believe that the farmer is "free," when, as a matter of fact, from the condiments on his tariff-taxed kitchen-cabinet shelf to the tariff-taxed button on his shirt, he is "tariffed" for nearly every article that enters his daily life.

Whatever may be the political view of this tariff, from an economic standpoint with relation to industry and labor, the fact is unmistakable that the tariff does affect the farmer on every article except that which he raises or labors to raise, because he must sell in a market where the tariff is of little or no utility.

It is manifest that what the farmer buys is bought at a price fixed by economic conditions in his own country and protected by a tariff, whereas what he sells is sold at a price fixed by world conditions over which he has no control.

#### AGRICULTURAL AND COMMERCIAL INDUSTRY

Agricultural and commercial industry are interdependent. The destruction of either would mean the paralysis of the other. What is harmful, fundamentally, to the one is ultimately ruinous to the other.

The man who makes shoes must sell them to the man who raises corn. If the man who raises corn is bankrupt, then that portion of the market is annihilated for the shoe man. The shoe man must curtail his production if he loses a portion of his market.

If the merchant who sells clothing or furniture, or kitchen utensils, or kodaks, or radios has to eliminate from his clientele the men who raise cotton, wheat, cattle, hogs, or fruit, he will be forced to curtail his production.

If the farmer, who feeds the Nation, is broke, the industries which sell to the farmer will be crippled.

The country merchant is his first contact with commercial industry. The country merchant has his contact with the local bank. And so the chain of contact goes on, from the farm to every branch of industrial or commercial life.

There is a community spirit between the manufacturer and the distributor, the wholesaler and the retailer, the industrial plant and the sales counter.

Rotarians, Kiwanians, chambers of commerce, commercial clubs, Lions' clubs, and similar organizations have bred the spirit of cooperation and concentrated effort in the urban population; but a real, close, intimate, sincere mutuality between city and farm does not now exist.

There was a time in our more contented periods of development when the farm had its peerage, the plantation its aristocracy, and rural America a monopoly on statesmen, leaders, creators of thought, and delightful social life. That was before the day of centralized urban power in finance and labor.

But the 110,000,000 Americans of to-day seem unfortunately to have parted ways. Thirteen millions of them work behind the plow in the wide open spaces, and the other millions are huddled together in the congestion of the cities and towns.

These seem to be entirely oblivious to the problems and conditions of the 13,000,000 farmers.

Part of the actual farm problem grows out of the conditions whereby great metropolitan centers of millions pursue their daily course of life under rules, regulations, laws, and dictations that have in them little or no consideration for the important situation at the crossroads.

The farmer knows what goes on in the city; he is familiar with every economic condition of the urbanite. He understands every law under which the city operates and is conversant with every condition actuating every move in the industrial world.

While he is not part of it, he feels every change, and, having time to study and read, there is nothing in the world which escapes his attention.

Contrasting this general knowledge on the part of the farmer of conditions in the city, the city dweller's usual conception of a farm is limited.

#### POLITICALLY NEGLECTED

The Republican Party has been in control of both legislative branches of Congress for eight years and in control of the executive for six years.

Upon this party must rest the responsibility of failure to give heed and aid to the farmer during that period.

Legislating for the East, they have discriminated against the great Central West.

Some political flourishes have been made to help transportation on our great Mississippi River. The Missouri has had speeches made about it and its prospects. That ended the consideration of the problems of the Central West.

The East, dominating the Republican Party, has its mind fixed on ships and factories, on trade and commerce, on finance and big business.

During these last six years Congress has legislated for almost every interest but that of the farmer.

Laws for industry, in the form of the highest tariff schedule ever passed, have been put upon our statute books. Enactments have been approved in the interests of organized labor, as was proper. Extensive pensions have been granted and regulatory laws passed for various groups at their request.

We have legislated for banks, railroads, industry, labor, veterans, coast-wide trade, export commerce, manufactures, and shipping corporations.

The one single bill which came before Congress in a definite way that was heralded as for the benefit of the farmer—the Muscle Shoals project, which we were told would reduce the cost of fertilizer for the farm—had no sooner made its appearance that it became a vehicle for political logrolling, trading, and skirmishing.

A great deal of this other legislation has been wisely enacted. It has been supported by the Representatives of the great Central West, by the Representatives of the farm, and there is no intention to criticize it.

I voted for much of it, and my only criticism is that at the same time I have had no opportunity to cast a vote directly in behalf of the farmer, nor has any Member of this House.

The great Grain Corporation, which functioned during the war, made a profit of \$51,000,000. It has even been estimated as high as \$70,000,000. This was the profit of the American farmer, but a profit which went into the Treasury of the United States, because it was claimed there was no equitable way to redistribute it to the farmer.

So to-day, in discussing relief for the farmer, we should at least give him credit for the more than \$50,000,000 due him.

It has been stated that, in round numbers, farm-land values have shrunk almost \$20,000,000,000 since the war.

The war-labor scale of wages has been retained.

Immigration, furnishing much of the farm labor, has been curtailed.

The farmer's dollar, as we have seen, has lost its purchasing power and does not compare with the dollar of the industrial worker.

Labor can organize, manufacturers can organize, but the very character of his business and the magnitude of the undertaking prevent the farmer from organizing for his own protection.

He can not, for one thing, organize against the forces of nature, which change without his control and against which he can not make provision.

He is forced to meet world competition in selling price and buys his labor and farm supplies in an organized, protected market.

#### CONCLUSION

The farmer can not organize by himself. The Government, as an economic necessity, should help him organize.

The farmer can not control or modify price levels fixed at the Liverpool market.

The farmer is in distress, but he pays the full price of the tariff given to industry.

The farmer pays his full share of the new standard set for wages of labor and the cost of transportation.

The farmer pays taxes to meet the new cost of waterways and improved highways.

His are tangible assets; his property can not be concealed or hid away; and he is unable to escape any taxation. He has no income from tax-exempt securities.

The farmer contends not only against the artificial conditions and laws created by man but against the uncertain conditions created by nature, with sunshine, rain, snow, frost, drought, hurricane, insects, and disease, all great factors in his economic life.

The farmer gambles with nature; gambles with a controlled market; gambles with transportation costs; gambles with an artificial dollar; gambles with foreign competition; gambles with everything from the seed when planted until its product goes to the market. He gambles through all the months between planting and the harvest delivery.

The farmer's life is one continual gamble—sometimes he wins, sometimes he loses.

The farmer has never won in a gamble with national legislation; he has always lost, because the cards have been stacked against him.

If the farmer must gamble—and his situation demands it—the machinery should be provided for fair play and a square deal.

With the national administration facing the emergency without a policy, with our own House divided in opinion, after hearing four days' debate and reading hundreds of pages of conflicting testimony, I have decided to vote for H. R. 11603 because, so far as I can ascertain, it represents the united opinion of farm organizations and their accredited representatives, because it is their proposed solution, and I want to give a trial to their own suggestion.

The farmer has voted for commerce, industry, transportation, and labor with generous patriotism, wherever and whenever these elements in our economic life have required assistance.

We should now, in the face of his emergency, at this time of his peril, let him have some voice in the control of legislation which he believes will put him back on the road to political equality and prosperity. [Applause.]

Mr. HAUGEN. Mr. Chairman, I yield now to the gentleman from Iowa [Mr. ROBINSON].

Mr. ROBINSON of Iowa. Mr. Chairman and members of the committee, we are trying to find a way for a return of prosperity to agriculture, with considerable confusion both as to the direction and the road. I am supporting the Haugen bill because I believe that it, better than any other proposed legis-

lation, points the way. I ask unanimous consent to extend and revise my remarks in the RECORD.

THE CHAIRMAN. Is there objection?

There was no objection.

MR. ROBINSON of Iowa. Mr. Chairman and members of the committee, we are trying to find a way for the return of prosperity to agriculture, with some confusion as to the direction. Billy Sunday, the famous evangelist, left his hotel in a city where he was about to open services to post a letter. He inquired the direction of a newspaper boy. "You go one block to your left and two blocks to your right, and you'll see it," said the little fellow. "Thanks, sonny, you're a bright young man," said Billy. "Do you know where they have built the new tabernacle?" naming the streets. "Yes," replied the boy. "Well, come there and I'll show you the way to heaven," was Mr. Sunday's rejoinder. "Shucks," said the newsie, "you didn't even know the way to the post office."

The temptation to a man standing before an audience is to say things strongly that he may impress his hearers with his own earnestness and with the truth of the things he says, and the need for their utterance.

Our great business of agriculture is in trouble and when we tell about our troubles we often get enthusiastic and tell them strongly, but it is not my purpose to enter into too much detail regarding our troubles, for the discussion of the past few days has clearly demonstrated that there is an agricultural problem so definite and so certain that we all concede it and inquire not as to its existence, but as to the remedy and cure. We are indebted to our colleague from New York [Mr. Jacobstein] for a very clear and concise showing by means of charts and helpful explanation that must convince anyone of open mind that this national agricultural problem does exist in such acute form that it deserves and even demands our very best thought and attention.

I come from Iowa, the very center of the best agricultural district in America, and, so far as I know, in the world. Iowa, that ranks first in pretty much everything, and yet the farming business in Iowa is in a very unsatisfactory condition; and because it does not prosper our banks, our factories, our stores, our business and professional men do not prosper. All else in a business way is affected adversely. What is the trouble? It is a long story and I shall not here take time to repeat it more than to say it was started by the war inflation, overuse of our credit, boom in land prices, raising of a tremendous crop at the peak of expense, followed by an unwarranted and too rapid deflation before the crop could be marketed without a corresponding deflation in the price of products we buy and a continuation of the deflation and disparity of price values and purchasing ability. True it is that other lines of business and industry were deflated and suffered, although perhaps not to the extent of agriculture, but with this great difference; business and manufacture took their deflation and it was severe, but they soon adjusted themselves to the new conditions. They controlled their production and thereby, to a large extent, controlled and stabilized the price of their products, and soon they were once more doing business at a profit; but agriculture, from its very nature and because of the expansion brought about by the war, which was largely at the request of our Government, could not control its production. The war had ruined the world market. The world needed our surplus agricultural products but could not buy and pay for them at a price at which we could produce them, the result being that the low world price paid for our surplus products largely fixed and made the price paid for them at home; and so we have continued year after year to sell our farm products, with some few exceptions—in case of a crop shortage at home or abroad—at less than they cost us to produce, with the natural result—inability to pay our debts, severe decrease in the price of our farm land, banking institutions forced to take real estate in payment for obligations, inability to dispose of it at a fair price; consequently, failure in some instances and general discouragement to all engaged in agriculture.

Agriculture is the most important industry in America. More people are engaged in it and more capital is employed in it than in any other industry. The world could, if necessary, get along without many of the comforts, luxuries, and pleasures which we now have and enjoy. It is possible to think of a world without electricity, without steam power, without telephone, telegraph, or radio—even without gasoline, although this would be hard to endure—but we can not think of a living world without agricultural products. Continued prosperity in any line of business or profession in this country is to quite an extent dependent upon the success of agriculture, for if agriculture does not prosper to a reasonable extent, ultimately

all other lines of production, employment, and business will be adversely affected. Therefore, it becomes the more important that agriculture be given a fair chance for success.

We have two standards of living in this world. The American standard and the world standard. The American standard is higher than the world standard, and please God may it always remain so until the world standard advances to the American standard and ideal of living. We must not lower the American standard. We have at least two sets of prices in this world; the American price and the world price. It seems very clear to me that the world price, that is the exportable price, the price we receive for our surplus, should not necessarily determine the home or domestic price. We do not permit world prices to control American prices on other things. I can see no more reason for the American farmer selling his products on the American market at the foreign price than there is for the American manufacturer selling his products on the American market at the foreign price or for the American wage earner selling his services on the American market at the foreign price, and I am strongly opposed to this in both instances. Nor should the prosperity of agriculture depend upon a short crop either at home or abroad which compels a satisfactory world price.

The home price should be determined by the cost of production, plus a reasonable profit, just as is done in the case of manufacture, and, generally speaking, the law of supply and demand will do this provided we can have a system of orderly marketing and the surplus, if any, removed from competition with the home market. This is just what we are doing for the wage earner and for manufacture under our labor and immigration laws and the protective tariff. These laws are for the express purpose of giving our home labor and our home manufacture an advantage in the home market a preferential market. We recognize this and believe in it, for the American home market is the best market in all the world. The American consumer—the American wage earner—is the best paid labor in the world, and consequently the best able to buy, and so makes the best home market in the world. We now ask that the home market be just as favorable for the farm as it is for the factory and for labor. We approve of the latter and we insist on the former as simply fair, equal, and right. Has agriculture had this same protection? Only in part, because while our tariff law protects us against imports, it can not protect us to the full extent and becomes almost inoperative when we have a surplus that must be marketed abroad unless we have some method of retaining our preferential home market at the same standard, and this is just what we are proposing to bring about by the Haugen bill, which I am supporting. Under our present tariff law the world can not ship agricultural products to America without paying something for the privilege of our market, just as is true of many of the products of the foreign factory.

If we produced no surplus products from our farms, if the home market needed and used our entire production, it would be very easy under our protective-tariff system to give agriculture the same proportionate protection we give to manufacture, to labor; but we do normally in the average normal year have large surpluses of various farm products that must be sold on the world market, and here at once we come into competition with cheap foreign land, with cheap foreign labor, with cheaper world standard of living and all prices, and immediately our home market is influenced thereby and reduced to approximately what the world will pay us for our surplus, and we lose the benefit of our home market, our preferred preferential market, which we have provided for labor and for factory. The purchasing power of our farm products is reduced and is out of proportion to the price we must pay for the products we buy. We are selling on a low unprotected market; we are buying on a high protected market, and naturally we are on the road to business trouble and failure. The value of anything is comparative. In the main it matters not much what the price is; the real consideration is how much of what I need and must have will what I have to sell buy for me. How much will what I produce secure for me of the things I need and desire. This makes necessary that prices of all general commodities, of labor, and of agricultural products shall have a general fair relation to each other. That all shall have a protected market or none.

I do not wish to weary you with a repetition of figures; it has been very clearly shown by authentic statistics given in the course of this discussion, and I think it is conceded by all, that the purchasing power of the products of agriculture now range from 10 to 15 per cent below their correct standard on the average and with some farm products much lower in purchasing value than this.

What is it that we are proposing in the Haugen bill, which is the bill I am urging you to enact into law? Standardization of the price of agricultural products on a proper ratio to the price of other products. That is all. And how shall this be brought about? By setting up the machinery to handle crop surpluses so that a low depressed world market shall not necessarily mean a low depressed home market, and after a period of only two years during which time we may get an effective organization under way to do this entirely at our own expense, to charge directly to the commodity affected and benefited, the cost of the operation by an equalization fee directed to that particular commodity. What could be fairer? I am not saying to you that the Haugen bill suits me in every particular. I am saying that I believe it is the only bill before us that at all meets the present emergency; and if in its operation we shall find that it can be improved upon—and of what law of importance and general application has this not been true—succeeding Congresses will be here to amend, to correct, and to improve it. I will not for lack of time, and also because it has already been done, attempt to analyze or go into the details of the Haugen bill. I think there is a very general understanding of it. There are many good things in the Haugen bill. It is to my way of thinking so eminently fair. May I mention two outstanding qualities, both relating to the equalization fee?

First. Charging directly to the commodity benefited the cost of such benefit; that is to say, the commodity benefited pays its own bill. At the time it is first placed on the public market a deduction is made for the estimated cost of securing the better market; and if the charge made exceeds the cost, the balance is returned to the party from whom it was deducted when the operation period is completed. Could anything be fairer?

Second. Overproduction or increase of surplus is prevented by this very method, for all surplus in any commodity is a matter of expense to the producer of that commodity. His profit lies not in the surplus he produces but in the amount he produces that can be sold at a profit, consequently he has no incentive to overproduce, but every incentive to produce only a sufficient satisfactory amount that the home market and the world market will absorb at a price that makes his production profitable.

The gentleman from Kansas [Mr. TINCHER], for whose ability I have a very high regard, referred to the equalization fee as a tax on production and gave a very striking and beautiful illustration of his thought, by his reference to his visit to Jamaica, and its tax on production. It does not seem to me that the cases are parallel. As I view it, the equalization fee is not a tax. It is an expense of conducting the business. A contribution on the part of the producer of an agricultural product to the expense of marketing his product, and is only paid if he markets his product on the public market, and it is for the express and sole purpose of securing for him a better price for his product than he could otherwise receive, and so to me it seems like a contribution to his own personal business expense and not a tax.

Some things have been said regarding certain changes made by the committee in the provisions of the original Haugen bill, and the statement has been made that these changes were for the purpose of getting more votes or support for the bill. Undoubtedly it was done and for that purpose. Well, what of it? Surely nothing wrong. It is not a matter of moral principle; it is simply a matter of business procedure, and who shall say at this time in advance of experience with the law which is best, the bill as originally drawn or the bill as it now is?

I know which I prefer, and that is the bill before it was changed, the bill without the so-called subsidy provision and with the equalization fee working from the beginning. But did you ever know of a business transaction involving large and divergent interests in which the completed transaction was not the result of change in the original proposal; of compromise; of give and take; a partial change of views on the part of all parties to the transaction; and while I say freely, if I had my way some things in this bill would be different, I know that I can not have my way entirely. It may even prove that some other way is better, although I would like to risk my own. But I must consider other minds, other interests, other sections of the country, their thought and viewpoint, well knowing that if this proposed law, the Haugen bill, shall prove unsatisfactory, succeeding Congresses will be here to correct, to improve, to amend it as experience shall show to be wise.

It is said that the principal change—that of deferring the equalization fee for two years and providing for a revolving fund of \$375,000,000 in its place, which is limited to the first two years—is in the nature of a subsidy and I think it is, but

even if so it is a limited subsidy for a very limited time. I have consistently opposed subsidies by our Government, and I wish there were nothing in the nature of a subsidy in this bill, but there is and it has seemed best to those in charge of its formation in order to meet the wishes of certain divisions of agriculture whose market conditions are somewhat different than others to include this revolving fund or temporary subsidy for a period of two years.

Surely this can fairly be said: That to a greater or lesser extent subsidy has entered into many of our governmental dealings during the war and the reconstruction period. Do you know of any industry in our country that was as severely dealt with by the deflation and construction period brought about by our Government as was agriculture, in which production and inflation was first desired and secured by our Government and then abandoned without notice, help, or mercy? I think it can be clearly shown that the Government owes to agriculture if not a subsidy substantial assistance in overcoming the difficulties and problems which the Government had no small part in bringing about, and so I believe anyone can be entirely consistent in their general attitude of opposition to subsidies and yet support this revolving-fund plan as simply helping right a business wrong done at the close of a great emergency.

We are a great Nation, great in so many respects—great in our moral outlook; great in our altruism; great in our desire to assist others, especially those less fortunate than are we; great in our treatment of weaker nations; great in our desire to be and do right. We are also great in our vast size geographically, in our miles of territory, in our varied and divergent interests which this naturally causes; and right here we come to the condition that sometimes rightly and necessarily causes us to change our viewpoint, to give as well as to take, to modify our views and desires to meet those of others. It is only the folly of controversy that would set country against city, wage earner against capital, producer against consumer, and it should not be done. Rightly understood, the welfare of each is dependent upon that of the other. Advance and forward movement of every kind is dependent upon labor.

Without competent labor this country would be a wilderness instead of a place of happiness, and I hope always to see labor receiving its fair share of the good things of this world, which means labor well paid, as it now is in this wonderful country of ours. We need the business man—the banker, the merchant, the manufacturer. We need their genius and organizing ability. Much that we now have we would not have, much that we desire would be unobtainable, were it not for them. We need the professional man—the lawyer, the doctor, the educator, the minister—but we need the farmer most of all. The world can not live without his products. We are an interdependent people. We must not forget our need of each other. We must not become sectional. We must help each other and by so doing help ourselves. I love to think of America as one great family—Uncle Sam's family. The children are not all exactly alike. We see things from our individual viewpoint. We are interested in different affairs. We are engaged in various occupations, but we are one family, children of Uncle Sam—agriculture, business, commerce, labor, manufacture, profession—all children of Uncle Sam, under the same obligations, entitled to the same rights, to eat at the same table, to live in the same house, to the same fatherly protection of Uncle Sam, to the same preferential home market, with prices based on the same standards. Has agriculture had this? Only in part—and why? Because of that thing we call surplus, the part we produce more than is needed at home. Surplus—once a good term, now in disfavor! A nation's safety lies in its surplus. America has never known hunger or famine, but the world has; and it is a fearful thing. Our national food surplus makes for safety and should be encouraged to a reasonable extent. But the surplus should be cared for, and not permitted to destroy the industry that protects it; and we have found in our experience that a surplus of farm food products means depressed prices, hard times, and disaster to agriculture. We have found that a short crop may bring a larger return to the producer than a full crop. This should not be so. What is as important in a business way to a nation as its food supply? Why is it not very properly a function of the Government to protect itself in this regard? How can this be better done than by legislation that will at least give the food producer an equal chance with other producers and industries? We ask nothing more.

American labor, American industries are protected in the possession of the American home market for their products by our present laws. Extend this same degree of protection to agriculture. We ask nothing more. We believe in a preferential home market, a home market better than is afforded any-

where else in the world. We prove this by our treatment of manufacture, to which we have wisely given the large advantage of a protective tariff law. We prove this by our treatment of labor, to which we have given the most regular and steady employment at wages much better and higher than is afforded anywhere else in all the world by our labor, tariff, and immigration laws. We are proud of our record along these lines. What have we done for agriculture? We have attempted to give it somewhat the same protection by our tariff laws, but the surplus and the low world market combined have made this to a large extent inoperative.

We come now asking only one thing—that you make it operative; that you do in fact give us the protection you intended giving us under the tariff law now a part of the law of our nation. It is not class legislation; it is for the good of all. If there were now no tariff on the products of the factory, no labor or immigration laws, do you think we would have any trouble in passing this farm legislation for the farmer? Not a particle. Manufacturer, wage earner, and farmer would combine for their mutual interests, and legislation for all these members of Uncle Sam's family would undoubtedly be made into law. Should the fact that the farmer has acquiesced in this helpful legislation for his brothers now militate against him when he asks for help similar and like unto what he has assisted others in getting? Indeed it should not. Manufacturer and wage earner, consumer, should now welcome agriculture into the protected condition they enjoy and give to agriculture the same preferential or preferred home market they so much enjoy to the mutual benefit of all.

Do you realize what it may mean if the present unsatisfactory distressing condition of agriculture continues; what it may mean if the unrest, the dissatisfaction, the movement from the farm, the belief that agriculture is being unfairly treated and discriminated against; the further belief that the East and the great business interests are unwilling to give the farmer the same benefits of the tariff on his product which they claim and secure for themselves? What it may mean if it becomes the belief on the part of a great section of our country that they can not secure equal opportunity and justice and that only one course of action will produce results, that being that manufacturer, wage earner, producer, and consumer shall all go on the same basis as agriculture of disposing of their products on the home market, free from all benefit of tariff and other advantages with which our laws now surround them? I do not believe in this. I do not want to see this. Its possibility is worthy of your consideration.

Do you realize, on the other hand, what a contented, happy, profitable condition in agriculture would mean to this country? How every industry would be favorably affected, how the demand for products of labor and the factory would increase, how it would be to the advantage of every American citizen, business man, profession, and wage earner, how once again farm lands, the basis of all our national wealth, would again be in demand and ready sale.

I come from a family that love the soil. Ownership of it has always been a matter of pride. Improvement of it a real joy. I want to see the ownership of land desired and sought for, the operation of a farm regarded as equal in standing and opportunity to any business or profession, both as to chance for profit and its future. I wish everybody loved and owned a farm. The ownership of land promotes good citizenship, love of country and obedience to its laws.

The passage of the Haugen bill will help bring this about.

Mr. JONES. Mr. Chairman, I ask unanimous consent to have inserted in the RECORD at this point certain amendments which I propose to offer to the bill under consideration.

The CHAIRMAN. The gentleman from Texas asks unanimous consent to insert at this point in the RECORD certain amendments which he proposes to offer to the bill under consideration. Is there objection?

There was no objection.

The amendments referred to are as follows:

Amendment offered by Mr. JONES: Page 9, line 25, strike out the word "cattle," and page 10, line 11, strike out the word "cattle."

Amendment offered by Mr. JONES: Page 10, line 4, after the word "finds" strike out the remainder of the paragraph and insert in lieu thereof the following: "That in the case of any or all of such basic agricultural commodities there is or may be during the ensuing year a surplus above the requirements for the orderly marketing of such commodity or commodities, and that a substantial number of cooperative associations or other organizations representing the producers thereof, are in favor of the commencement by the board of operations in such commodity or commodities, then the board shall declare its

findings and commence operations in respect thereof. Such operations shall continue until terminated by the board."

Amendment offered by Mr. JONES: Page 10, line 24, after the word "and" insert the following: "may in its discretion."

Amendment offered by Mr. JONES: Page 20, line 19, strike out the word "ginning" and insert the word "milling."

Amendment offered by Mr. JONES: Page 23, line 11, strike out all of section 18.

#### RECESS

The CHAIRMAN. Under the order of the House, the committee will now stand in recess until 8 o'clock p. m.

Accordingly (at 5 o'clock and 30 minutes p. m.) the committee stood in recess until 8 o'clock p. m.

#### EVENING SESSION

The recess having expired, the committee resumed its session.

Mr. TINCHER. Mr. Chairman, my understanding, and the understanding of the three gentlemen, is that regardless of the condition of time up to this time we will use one hour each between now and 11 o'clock.

The CHAIRMAN. That is the understanding of the gentlemen in regard to time.

Mr. TINCHER. Yes; that is the understanding, and I yield 10 minutes to the gentleman from Maine [Mr. HERSEY].

Mr. TINCHER. I yield 10 minutes to the gentleman from Maine [Mr. HERSEY].

Mr. HERSEY. Mr. Chairman and Members of the House, I would like to call your careful attention for a short time to the bill under consideration. Two years ago, standing in the same place, I discussed the McNary-Haugen bill presented by the same committee that has the floor to-night. The bill was on this same subject, and while it was a vicious and bad bill, in my opinion, it was much better than this. This bill is a bad imitation of the old McNary-Haugen bill. At that time I made a few remarks upon that bill entitled "Tell the farmers the truth."

But to-night I want to speak upon this bill under the subject "Do not try to fool the farmer." At that time I took my text from President Coolidge's first message to Congress, wherein he said:

No complicated scheme of relief, no plan for Government fixing of prices, 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 real sources for restoration.

To-night I take my text from the same great President, from his last annual message to Congress, as follows:

The Government can not successfully insure prosperity or fix prices by legislative fiat. Every business has its risk and its times of depression. It is well known that in the long run there will be a more even prosperity and a more satisfactory range of prices under the natural working out of economic laws than when the Government undertakes the artificial support of markets and industries.

May I at the outset call your attention to some things which have happened in the past two years, since the first Haugen bill was defeated. Two years ago the farmers were in a very much worse condition than they are now, but the agitation for price fixing and Government subsidies and the attempt to put the Government of the United States into buying and selling products and into private business for the benefit of certain classes still goes on, and the same organizations and the same politicians that appeared two years ago in favor of the first Haugen bill are here to-day in defense of a worse bill than the former, if such a thing is possible.

The same old propaganda of socialism and price fixing, Government ownership, and so forth, has been sent to Members of Congress during the past few months as was sent two years ago.

#### CONDITION OF THE AMERICAN FARMERS TO-DAY

The Bureau of Agricultural Economics upon the agricultural outlook for 1926 in its report states the condition of agriculture in this country to-day as follows:

During the last year agriculture as a whole has made further progress toward normal stability. Apparently the heavy net movement of population away from the farms has declined. Farmers have paid off a substantial amount of indebtedness. Increased sales of fertilizers, machinery, fencing, and building materials indicate that the farm productive plant is being restored.

The gross income from agricultural production for the present 1925-26 season will about equal the \$12,000,000,000 figure of the previous year. The indicated purchasing power of farm products in terms of nonagricultural commodities averaged 89 for the year 1925 (the five years immediately preceding the war being considered as 100). This

index has risen about 5 points per year since the low 1921 average of 69. During the last three months, however, it has stood at 87.

The trend of total crop acreage has been slightly downward in recent years, while population has been steadily increasing. The production of the principal crops has been at approximately the 1919 level during the last three years. Marketings of meat animals, on the other hand, declined materially during 1925 and represent the turn from the peak of the animal production cycle, reached in 1924.

In short, agricultural production has been so readjusted that the farming industry as a whole is now in the best general position since 1920.

The Chicago Tribune in a late issue states the condition of the farmers to-day from the standpoint of a western newspaper and says:

Farming has been undergoing a more rapid industrialization than in preceding years. The whole structure of the industry is being altered at a greater rate than manufacturing. Country life has been changing more than city life.

In all such periods of rapid change there are many who fail to keep pace, and their misfortunes, added to the general distress caused by the price slumps, have intensified the rural situation and delayed recovery. Even in the areas where price recoveries have been so marked, as in the wheat and cotton belts, the restored purchasing power of the farmer has been to a very great degree devoted to the purchase of capital goods in order to reequip the farm plant to meet the new day.

The farm outlay for automobiles has increased from \$50,000,000 to over \$1,000,000,000 per year since 1913. About half the outlay for automobiles is figured as a business expenditure, so that there has been an increase of \$450,000,000 per year in this form of capital expenditure by the farmer.

As a result of the increased capital employed in the business and the increase of taxes the average fixed charges upon agriculture now amount to 17 per cent of the cash income of the business, against 10 per cent in pre-war days. Despite this enforced greater outlay for capital goods the purchasing capacity of the farmer for consumption goods is now practically equal to his pre-war ability to buy them.

The greatest living authority in America upon economic subjects, Roger W. Babson, in May, 1926, speaking of agriculture in the United States, says:

Since the war Europe has fast come back as a producer of both grains and commodities. As a result the demand for our food products has been greatly curtailed. Domestic wheat supplies are small, but there is plenty of wheat, taking the world as a whole. Moreover, the world's acreage is constantly being increased. We have an excess of corn in the United States. Corn in hogs is the most profitable in years, but the majority of farmers had previously sold most of their surplus hogs. Corn is now selling at about the five-year average price prior to the war. Considering the fact that farmers' costs are considerably higher than before the war, this is a serious matter. Rye, flaxseed, and other crops are in abundance. Hog prices are still high, but cattle prices are fairly low. Shrewd farmers can not now see higher prices immediately for any important farm products and fear even lower prices for some.

During the war the producing capacity of our plants in the United States and Canada was greatly increased above normal requirements. Hence immediately following the war there was a great decline in prices. This decline was checked with the Republican victory, which put heart into wholesale buyers of merchandise. Retail sales, however, have not come up to expectations. There has again developed among manufacturers and jobbers a hesitant attitude. Many leading industries are curtailing operations. Competition is becoming more severe every day. This competition is not only local, but Europe is becoming a real competitive factor, and each month is sending more and more manufactured goods into the United States and Canada.

#### FOREIGN COMPETITION HARMFUL

As to what Europe is doing is best expressed by the following estimated figures of our foreign trade during the first three months of 1926. (Computed in millions of dollars):

	Exports	Imports	Balance against us
January	397	417	20
February	353	388	35
March	375	445	70
Total	1,125	1,250	125

These figures are not important of themselves. We have so much gold on the American continent that we can well afford—even to our own well-being—to send more of it back to Europe in settlement of an unfavorable trade balance. The importance of these figures is largely in what they indicate, namely, that European manufacturers

are constantly selling more and more in the United States and Canada and will soon become serious competitors.

Business failures suggest that competition, both local and foreign, is beginning to hurt. The death rate among new concerns which have never been through a business depression is now increasing very rapidly. The truly successful captain of industry is he who can weather a hard gale. Anyone can sail a business ship when the seas are calm. Moreover, when prices are rising it is merely like sailing with the wind. From now on some careful "tacking" will be necessary, even if there are no storms. Overhead must be cut, expenses reduced and competition must be met by working hard and attending to business. Outside things must be cut out. Hand-to-mouth buying will continue for some time to come.

#### THE GOOD OLD DAYS!

I am often asked if the "good old days"—when prices were low and everyone worked—will ever return. It was not so many years ago that we could get a square meal for 25 cents, could buy a suit of clothes for \$15, could buy good shoes at \$3 per pair, could get board and room for \$7 a week, and when we paid only \$1.50 for the first-row seats in the best theaters. Then milk was 5 cents a quart, cigarettes were 5 cents a package with a picture thrown in; street-car fares were 5 cents per ride and ice-cream sodas were 5 cents per drink, and we all went to the nickelodeon or a 5-cent movie for our fun.

The doctor in those days charged only \$1.50 per visit, the dentist pulled a tooth for a quarter, steak was 25 cents per pound, sugar sold at 25 pounds for a dollar, and the butchers used to give us liver for the dog! Of course, wages were then much lower and everybody worked. People then bought washboards instead of ouija boards and developed farms instead of golf courses and subdivisions. Will this time ever again return? Frankly, I do not know; but surely there has been a tendency in this direction during the past few months. Living expenses must come down or 40 per cent of our families will wind up in the bankruptcy courts. Whether this decline in living costs will come about through declining prices or through getting on with less gasoline, less new clothes, and less amusements, only the future can tell. Something, however, is sure to happen. We can't continue long at the present pace with wasting, loafing, and speculating so prevalent.

There is to-day no great emergency, as has been claimed by the proponents of this bill. The farmer is gradually working himself out of the mistakes he has made since the war. His errors were honestly made as follows:

During the late World War the Government under its war powers entered upon a system of price fixing for the products of the farm whereby the normal wheat acreage, for illustration, through this price fixing increased from 52,000,000 to 76,000,000 acres.

After the war there necessarily came an end of price fixing, especially on wheat. The demands of foreign nations upon us during the war for food products diminished when peace was declared until to-day these nations are able to care for themselves, and our export trade in food products has greatly diminished.

The increased production of farm products has still been going on since the war, and the natural result has been an overproduction everywhere, especially in wheat. The well-known rule has become a settled maxim of economics—that the surplus fixes the price of goods; and it has proven true since the war. Two years ago wheat was selling at 90 cents a bushel, much below the cost of production, admitted then as being due to overproduction. There being no foreign market, it was suggested by the first Haugen bill two years ago that the United States buy up for five years all the surplus wheat of the farmer and sell it in Europe for what we could get and the whole Nation bear the loss, because it was argued that this buying up of the surplus would fix the price of wheat at \$1.50 per bushel during that five years. This vicious bill did not become a law, and it is everywhere agreed, except in certain sections of the wheat belt, so-called, in the West, that had this bill been enacted everybody to-day would be growing wheat in the United States and our Treasury would now be in a bankrupt condition.

I might illustrate the result of the surplus fixing the price by the situation in my home county to-day. For the last five years my home county, Aroostook, one of the largest potato-growing counties in the United States, has been growing potatoes in large quantities below the cost of production.

The farmers had devoted their whole attention to potato growing, and there being a large surplus in the Nation during that time this surplus fixed the price, and the price was well below the cost of production. To-day, due to a shortage, my farmers are getting a large price for potatoes, my home county having more than 39,000,000 bushels of potatoes last year, and

are now paying their debts and discharging the mortgages which were put on during these several lean years.

I hope they have learned the lesson not to devote their whole attention to one product of the farm, but to first grow on the farm their living and then if there is a surplus to dispose of it in the domestic market. There is no doubt but what certain Western States, called the Wheat and Corn Belt sections, have to-day an overproduction of wheat and corn, and the surplus having fixed the price no great profit has come to these farmers. They are here seeking legislation that will force the United States to take from its Treasury \$375,000,000 to buy up this surplus and thereby raise the price of wheat and corn.

Two years ago the western farmers had plenty of hogs and corn. Pork was cheap and they disposed of their hogs. To-day they have plenty of corn, and it is cheap, but they have no hogs, and they are asking the Government of the United States to fix the price of corn, because they have only a few hogs to feed.

Everything has been really taken from this bill except wheat. The Salem (Oreg.) Capital Journal states very briefly and correctly the logical end of price fixing of wheat when it says:

What would be the effect of a Government fixed price on wheat? The first effect would be an enormous increase in the production of wheat, with a lessened demand, because of the higher cost of wheat, breadstuffs, and mill feed. The farmers could not sell, because of the immense surplus, and the little export business remaining would be destroyed, increasing our surplus. Most farmers would be compelled to sell for what they could get or keep their wheat, and they would be still worse off. Then would come the demand that the Government establish a wheat monopoly and purchase all the wheat grown, storing or dumping the surplus, or reducing the acreage. Then the Nation would reenact Brazil's experience with coffee control, with a resultant financial crash that would bankrupt everyone. Having guaranteed the farmer profitable prices, it will be next in order for the Government to use its surplus wheat in supplying people who can not afford to pay Government prices, and eventually to feed everybody, just as Rome did during the period of her decadence. Then the idle will clamor for amusement, as they did in Rome, and free baseball, prize fights, and circuses be supplied instead of gladiatorial contests and triumphant parades, and the candidate that promises the best show will get the biggest majority.

The Washington Post, a great morning paper in this city, in speaking of this attempt to buy up the surplus and thereby raise the price of farm products, especially wheat, states the result of such price fixing in a nutshell when it says:

If the Government should fix the price of wheat to accommodate the wheat farmer, it should fix the price of corn for the corn farmer, the price of hogs for the hog raiser, the price of cotton for the cotton planter, the price of potatoes for the Maine and Idaho potato farmers, and so on. Then, having insured the farmers against loss, it would be only a fair deal to insure the workingman against loss by fixing wages throughout the manufacturing and transportation industries. This in turn would require the fixing of prices for manufactured articles and transportation, if the individuals investing in those industries are to be treated as well as the farmers and workers. Finally, in the granting of preferential treatment, the Government would reach salaried men, doctors, lawyers, etc., and guarantee them against loss by fluctuations beyond their control. That is the square deal, and of course the United States Government will never give more or less than the square deal to all citizens. If anybody is to get preferential treatment, all must have it, so that nobody will retain it.

If the Government is to go into the private business of buying and selling the products of the farm for the benefit of farm owners and producers who have a surplus and furnish the money and bear the losses due to dumping in foreign countries, where is to be the limit of such legislation? Are not the manufacturers of boots, shoes, textile goods, machinery, and every other product except that of the farm entitled to have the United States furnish the necessary funds from time to time to buy up their surplus goods and sell them in foreign markets and bear the losses so as to raise the price of goods in the domestic markets of the United States?

#### THE EVIL OF THE SURPLUS

We have never yet as a nation entered upon the policy of negotiating loans that would take from the United States Treasury a gift or subsidy and hand it over to any class engaged in any kind of employment to save that class from losses entailed by overproduction. Are we to do it now?

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

Mr. HERSEY. I have but very little time.

Mr. KNUTSON. How did my friend vote on the ship subsidy bill?

Mr. HERSEY. I think I voted for it. I was in favor of upbuilding the American merchant marine.

Mr. KNUTSON. How about agriculture?

Mr. HERSEY. I am for American agriculture but not for a subsidy for agriculture. My friend from Minnesota ought to see the difference between a subsidy fostered by the American Government to carry on its own business such as shipbuilding or operating railroads in time of war or carrying the mails and a subsidy for the farmers, which is a subsidy for a certain class of producers for private business and not Government business. If the gentleman can not see any difference it would be useless for me to continue that part of this discussion any further.

#### THE FARMER AND THE TARIFF

Certain political demagogues attempting to deceive the farmer for their own selfish purposes and certain fake farm publications have put forth the delusive argument that the farmers' ills can all be traced to the protective tariff—that the farmer is compelled to buy in the protected market and to sell his products in a free-trade market.

I regret that certain politicians in the minority party, seeking vainly for a campaign issue further on, have been attacking the present tariff and claiming that it is responsible for the low price of farm products such as wheat and corn. The Democratic whip of the House, the gentleman from Arkansas [Mr. OLDFIELD] was the keynote speaker at the late Democratic State convention in my State held last month. In his speech before that convention, he said:

I tell you that business is not good except in spots. Here in Maine and in the rest of New England many of your textile mills and shoe factories have been running only part time, while, on the other hand, the agricultural industry is being destroyed.

The outstanding issue of our party is the tariff. We advocate a downward revision of the Fordney-McCumber rates to a point where we will have a competitive-revenue tariff. We insist that in doing this we will not only aid agriculture, but will help business conditions generally.

As I understand it, the wheat and corn farmers do not want the high tariff taken off from their products but they have been told, and many of them have been led to believe, that if the tariff is taken off from the products of the textile manufactures in New England and the South that the farmers would greatly profit thereby by lower prices for those things which they have to buy.

It will be remembered that during the past year many of the textile mills and manufacturers in the East have been obliged to shut down for long periods on account of overproduction, and to-day there are many strikes in these mills. The present protective tariff keeps these mills alive and running a portion of the time. If that tariff was removed these mills and factories must go out of business. There is no question about that. Men would be thrown out of employment, and with these industries paralyzed by free trade European countries would flood our markets with foreign goods that had been manufactured by their own workmen.

In other words, they would have a monopoly, and having a monopoly the logical result would follow that they would fix the price, and having no competition they would fix the price to the farmer much higher than the price to-day. Such has been the history of the past in matters of free trade and such will be the history of the future should we abolish the tariff and make this a free-trade Nation.

I here append a table showing a list of products of the farmer admitted free of duty under the Underwood (Democratic) tariff of 1913 and the rates of duty of like farm products under the Republican tariff act of 1922:

FOREIGN PRODUCTS OF THE FARM ADMITTED FREE OF DUTY BY THE UNDERWOOD TARIFF OF 1913	RATES OF DUTY ON THE SAME FOREIGN FARM PRODUCTS UNDER THE TARIFF ACT OF 1922
Bacon.	Bacon, 2 cents per pound.
Beef.	Beef, 3 cents per pound.
Buckwheat.	Buckwheat, $\frac{1}{2}$ cent per pound.
Cattle.	Cattle, weighing less than 1,050 pounds each, $1\frac{1}{2}$ cents per pound.
	Cattle, weighing 1,050 pounds each or more, 2 cents per pound.
Corn.	Corn, 15 cents per bushel.
Corn meal.	Corn meal, 30 cents per 100 pounds.
Cream.	Cream, 20 cents per gallon.
Eggs of poultry.	Eggs of poultry, 8 cents per dozen.
Flax and hemp.	Flax and hemp: Hacked, 2 cents per pound; not hacked, 1 cent per pound; noils, $\frac{3}{4}$ cent per pound; straw, \$2 per ton.

FOREIGN PRODUCTS OF THE FARM ADMITTED FREE OF DUTY BY THE UNDERWOOD TARIFF OF 1913—CON.

RATES OF DUTY ON THE SAME FOREIGN FARM PRODUCTS UNDER THE TARIFF ACT OF 1922—CON.

Goats.	Tow, $\frac{3}{4}$ cent per pound.
Hams.	Goats, \$2 per head.
Lamb, fresh.	Hams, 2 cents per pound.
Milk.	Lamb, fresh, 4 cents per pound.
Mutton.	Milk, fresh, $2\frac{1}{2}$ cents per gallon.
Potatoes (white or Irish).	Mutton, fresh, 4 cents per pound.
Rye.	Potatoes, 50 cents per 100 pounds.
Seeds (grass).	Rye, 15 cents per bushel.
	Seeds (grass): Alfalfa, 4 cents per pound; alsike clover, 4 cents per pound; red clover, 4 cents per pound; timothy, 2 cents per pound; millet, 1 cent per pound.
	Sheep, \$2 per head.
Sheep.	Shoulders, 2 cents per pound.
Shoulders.	Swine, $\frac{1}{2}$ cent per pound.
Swine.	Veal, fresh, 3 cents per pound.
Veal.	Wheat, 42 cents per bushel.
Wheat.	Wool, 24 or 31 cents per pound, scoured basis.

The cry of the western farmer to-day is for a higher tariff to protect the farm from the foreign market, and an examination of this list will show that the farmer to-day does not want free trade applied to any of these articles.

Secretary Hoover, of the Department of Commerce, in a recent speech before the agricultural commission, appointed by the President, said:

As about 60 per cent of our commerce and industry revolves around the production of American farms, it is obvious that the welfare of our country is closely interlinked with the welfare of our agriculture. Every segment of our economic life is interdependent. The farmer is as much interested in the price of what he buys as he is in the price of what he sells. \* \* \*

Our present margin of exports is considerably less than 10 per cent of our total agricultural products.

On the other hand, we are large importers of foodstuffs, a large majority of which we could ourselves produce, and by such production we would be converting the land now given to export production into domestic production, and thus in this way also tend to free ourselves from dependence on the export market.

It seems to me that there are one or two deductions that can be made.

The first is the American farmer will never be upon a stable basis so long as he is dependent on the one side on competition with cheap foreign labor and lower standards of living in the export market; that he will never be on a stable basis so long as he is competing with imported foodstuffs likewise produced under lower standards of living in the import market. That our drive must be for a balanced agriculture, tuned to the domestic market, increasing in its productivity as the consumptive demand of our country requires.

Second, that any proposal or plan which will result in further unbalance by stimulation any given commodity for export is necessarily a negation of this whole conception, and therefore means, in the long run, a lesser return to American agriculture and implies certain national dangers in dependence upon foreign food supply.

There are two very definite directions in which these policies can be supported and in large measure accomplished. The first is to maintain a tariff on agricultural products on such a basis as will stimulate domestic production, and, I may add, this may be done at no consequential charge upon the consumer in proportion to his gains from a national policy of this character. The application of tariff principles should provide for agriculture the same value in stimulating domestic production as has been the case in industry.

The second direction must be the development of increased domestic consumption of agricultural products per capita of population. This can only take place through development of a higher general buying power. In other words, a higher standard of living of the whole population. In turn this can only be brought about by the elimination of waste and increase in efficiency in our whole production and distribution system. There is room for 20 per cent or 30 per cent increase in our standards of living to-day. This embraces the development of cooperative marketing of agricultural products, but cooperative marketing by farmers is only one sector of the whole battle against waste and for increase in efficiency.

Let us look for a moment at a few of the things the farmer buys that are on the free list. The farmer buys agricultural implements, all of which are on the free list under the Republican tariff. Not only agricultural implements in whole or part, but all repair parts of agricultural implements are on the free list.

The farmer buys binding twine. All binding twine is on the free list under the Republican tariff.

The farmer buys fertilizer. All bones, bone dust, bone meal, bone ash, and animal carbon suitable only for fertilizer purposes; guano, ground or unground, manures, and all other substances used chiefly for fertilizers; potash, potash salts, and phosphates, all of which are used in fertilizers—all these are on the free list under the Republican tariff.

The farmer buys building material. Building brick, cement, stone, shingles, pickets, palings, hoops, staves of wood of all kinds, logs, and timber, either in the rough or hewn, sanded, square, sawed, or planed on one side, sawed boards, planks, and other lumber used for building purposes are all on the free list under the Republican tariff.

The farmer uses leather gloves; he wears boots and shoes; he buys harness and saddles and leather fly nets. Gloves made wholly or in chief of leather, all leather used for harness or saddlery, leather for shoe uppers, shoe vamps, soles, leather shoelaces, boots, and shoes made wholly or in chief of leather, hides of cattle from which leather is made—all are admitted free under the Republican tariff.

The farmer uses whetstones and hones. They are admitted free under the Republican tariff.

The farmer uses horsepads. They are admitted under the Fordney-McCumber tariff. The farmer uses barbed wire in fencing and for other purposes. It is admitted free under the Republican tariff.

This free list eliminates a very large percentage of what the farmer buys. If prices of any of these articles have gone up it is not due to the tariff.

Coal, both hard and soft, slack, coke, and all compositions for fuel in which coal or coal dust is the principal material, are admitted free. Therefore, the tariff has not increased the farmer's fuel bill and is not responsible in any degree for the high price of coal.

Obviously, if wood and lumber are on the free list, any change in the cost of household furniture and other articles made of wood which the farmer buys can not be charged to the tariff.

After eliminating the farmer's building material, his agricultural implements, his barbed wire, his binding twine, his fuel, his fertilizer, his leather goods of all kinds, his household furniture, and whatever other commodities he purchases in which wood enters, what is there left to charge up against the Republican tariff?

To catch votes from the South this bill provides a subsidy of seventy-five millions to buy up the cotton surplus.

In the resolutions passed by the American Cotton Manufacturers' Association at its recent annual meeting in New Orleans that organization not only indorsed the policy of tariff protection, but also declared that it does not increase the cost of living. The resolutions follow:

Whereas tariff agitation constitutes one of the most disturbing influences in the dry-goods market, damaging alike to cotton producer, to mill employee, to manufacturer, to wholesaler, to retailer, and to consumer; and

Whereas importations have increased to the point of seriously interfering with the domestic production of many classes of finer goods in the depression which now exists in the textile industry; and

Whereas the hope of future increase of cotton manufacturing in the South must be along the lines of finer and more diversified products: Therefore be it

*Resolved*, That the American Cotton Manufacturers' Association reiterates its position that the tariff is an economic question and that it should not be treated as a political issue; and

*Resolved further*, That this association favors a tariff that will adequately protect agriculture, manufactures, and all other branches of industry in the United States; and

*Resolved further*, That attention of the President of the United States be called to the classes of goods in which importations are unduly increasing, with request that relief be given as soon as possible through the agency of the Treasury Department, the Tariff Commission, or legislation, as he may deem best; and

*Resolved further*, That in a highly competitive industry like the cotton manufacturing industry, the American Cotton Manufacturers' Association denies that in times of depression such as now exist tariff rates operate to increase the cost of living, for in many cases the manufacturers' selling prices are below the cost of production replacement; and the result of inadequate tariff rates is only to transfer the work to foreign mills, with corresponding loss of work to domestic industry and workers engaged therein, and with no corresponding benefit to anyone except the foreign producer and the importer.

I need not further pursue this matter, as it is very evident that much of this propaganda and the provisions of this bill are purely for political purposes and not to help the farmer.

You ask me what is the remedy, if any, for the losses that the farmer suffers from to-day? I answer that the American Fruit and Vegetable Shippers Association, before the Agricul-

tural Committee last February, stated the remedy in the following plain and simple language, that can be understood by all:

The greatest need now is to educate the farmers to the fact that raising more than can be consumed of any product is an economic waste. We believe when the farmer learns that he can secure larger returns by intensively cultivating 10 acres and producing a higher grade of commodity than by cultivating 20 acres in an indifferent way and securing a poor grade a long step will have been taken toward correcting some of the evils complained of.

The Government's connection with agriculture should end when it furnishes reports of acreage under cultivation, prospective production, market prices in trade centers, etc. When it takes upon itself the actual directing of distribution or sale of the commodities, either directly or indirectly, it approaches communism. If the Government attempts the marketing of wheat and cattle, why not attempt the marketing of cloth, shoes, or any other commodity? This country has been built up by its factories, mines, and merchants as well as by the farmers. Our governmental machine is so nicely balanced that each citizen is closely allied to every other citizen, and when you change the natural course of part of the organization you disorganize the whole and injure everyone in the country. You can not build up one class without taking from some other class. If left alone each class and section will work out its own problems without disturbing the whole. The law of supply and demand is as fixed as the law of gravitation, and is just as necessary. Disturb it and you will have chaos. It may be in a mild form, but it will be chaos just the same, and in the end we shall have to go back to natural laws or civilization will perish.

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

Mr. ASWELL. Mr. Chairman, I yield 15 minutes to the gentleman from Georgia [Mr. RUTHERFORD].

The CHAIRMAN. The gentleman from Georgia is recognized for 15 minutes.

Mr. RUTHERFORD. Mr. Chairman, my time is so limited that I can not yield for a single question.

At the close of the Civil War the small remnant of Confederate soldiers returned to their respective localities to begin anew to rehabilitate their section.

When they reached their homes, maimed and almost exhausted, they found their currency worthless, farms depleted, factories destroyed, labor completely demoralized, and more than \$2,000,000,000 worth of honestly acquired property confiscated.

The reconstruction legislature in one Southern State contracted indebtedness thirty-five times in excess of the public debt of that State in 1850.

From 1860 to 1890 the per capita wealth of the North more than doubled; whereas 6 of the 11 Southern States had not reached their 1860 average by 1900.

No proud and respected people ever faced a more difficult problem. Possessed with strong wills and undaunted courage, they responded to the requirements of the time and met the situation as best they could.

With practically no money and without the assistance of the other sections, they gathered together the remnant of livestock that had not been destroyed by the Union Army and undertook to plant and cultivate a crop in the spring and summer of 1865.

I have not mentioned these facts to revive past sectional differences, but to bring to your attention some of the difficulties that had to be met by my section of the country.

Growing out of what was termed the necessities of the time, our legislature passed a bill permitting a farmer to mortgage his growing crop to obtain advances to assist him in working and harvesting his crop.

As cotton required less skill to cultivate, and being the only safe and sure money crop, the supply merchant or banker insisted that the farmer asking for assistance should plant a definite number of acres of cotton, which was to be either delivered to the merchant and by him sold or delivered to a warehouse and sold and the proceeds applied on the mortgage.

Like all systems of this character, excessive rates were usually charged the debtor, which necessarily kept him in the clutches of the system.

Under a system like this it was practically impossible to urge and stimulate diversification of crops.

I have repeatedly seen our farmers buy what was needed on the farm during the spring at prices based upon cotton quoted at 10 cents per pound, but when they gathered their cotton and put in on the market in the fall of the year the price was from 2 to 5 cents per pound lower than when his indebtedness was contracted.

The cotton speculator knew that the farmers would have to sell the bulk of their cotton from the 1st of October to the 1st of December in order to pay their contract, the result of which almost invariably depressed the price.

In my opinion, it is almost impossible to maintain the price of any basic commodity where the bulk of it is forced on the market during two months of the year.

A story is told of an old negro who shipped his cotton to a factory in one of the cities of Georgia for safe-keeping. After a time he ordered his cotton sold. In the spring he applied to a supply merchant for assistance. The merchant knowing that the negro had shipped his cotton to the warehouse, naturally inquired of him what he had done with the proceeds of his previous crop. In reply to this question the old negro promptly answered, "De ducts got it."

While the southern man ordinarily understood negro phraseology, this was one time that he was not equal to the occasion, so he insisted that the old negro should explain what he meant by "de ducts got it."

The old negro, being equal to the emergency when he wanted credit, said:

When I hauls my cotton to de railroad, de railroad deduct; when it gets to de warehouse, de warehouse deduct; when I has it inshoired, da deduct; when I goes to have it weighed, da deduct; when I takes it out of de warehouse, da deduct; and, boss, when I goes to sell my cotton, de ducts done got it all.

The explanation being satisfactory to the supply merchant, he could not resist assisting the negro, so his mortgage was prepared and the credit extended.

As a result of this iniquitous system and the wide fluctuation of the cotton market, the indebtedness of the farmers of the South necessarily grew.

About this time another class of lenders came into Georgia and began to make loans on farm lands. The lenders, knowing that the farmers were burdened with debts, offered to place loans on their farms at an interest rate of 8 per cent, and in many cases charged as much as 20 per cent commission or fees for negotiating the loans.

While there has been improvement in this field as a result of the establishment of the Federal land banks, the number and aggregate indebtedness of farm loans has grown to an alarming extent.

From the organization of the Federal land banks and joint-stock land banks to March 31, 1926, they have closed 480,623 loans, for the sum total of \$1,875,756,575. In Georgia they have closed 11,583 loans, aggregating \$30,983. In Iowa, 17,484 loans, aggregating \$177,957. In Texas, 55,272 loans, aggregating \$200,673. In Mississippi, 25,349 loans, aggregating \$56,683.

I have submitted the number of loans made and the aggregate amount in the different States to show that farm indebtedness is growing throughout the Union.

In 1920 there were 6,448,343 farms or farm operators. In 1925 there were 6,371,617 farms or farm operators, showing that there were 76,726 farms either abandoned from 1920 to 1925, or that number of farmers had left the farm.

In 1920 there were 310,732 farms or farm operators in Georgia. In 1925 this number had been reduced to 249,104, showing a loss in five years of 61,628.

In 1920 there were 91,852,111 horses, mules, and cattle on the farms. In 1925 there were 83,838,119, showing a loss of 8,013,992 in five years.

In Georgia, in 1920, there were 1,663,592 horses, mules, and cattle on the farms. In 1925 there were 1,602,458, showing a loss of 361,134 in five years.

I am inserting a table sent me by the Department of Commerce, giving comparative number of horses, mules, cattle, swine, sheep, goats, poultry, and beehives on the farms in 1920 and 1925.

While I can not verify the accuracy of this statement I read some time ago a statement showing that the indebtedness of the farmers of America now aggregates more than \$14,000,000,000.

If you will calculate interest on this amount at 6 per cent you will see what a burden is being carried by the farmers. It is now generally conceded that we have an acute farm situation throughout the entire agricultural section of America.

I have not heard this fact denied by anyone who has spoken on either of the bills for agricultural relief. There seems to be considerable diversity of opinion as to the best solution.

Anyone can offer destructive criticism, but statesmen are needed to devise the rightful solution. This farm situation being national in its scope, a solution can not be made from a sectional viewpoint.

We should not even approach a solution of this vital and important question from either a sectional or a political angle. By increasing the purchasing power of the farmers in any section of our country, they are enabled to buy more of the finished products of the cotton crop of the South and vice versa.

I do not think that the cotton farmers of the South are asking for additional loans, as their indebtedness is entirely too large now. As only 10 to 12 per cent of the farmers of the South are members of the cooperative association, it is hardly possible for this small number to control a sufficient quantity of the surplus to enable a stabilization of the price of cotton.

In 1900-1901 the commercial crop of American cotton was 10,339,000 bales. Domestic mills consumed 3,604,000 bales, and 6,807,000 bales were exported. The world's consumption of American cotton then was 10,171,000 bales. While the world consumption covered the entire production, cotton was forced down as low as 8 cents per pound, and was never higher than 10 $\frac{1}{4}$  cents per pound.

In 1903-4 the commercial crop of American cotton was 10,000,000 bales. American mills consumed 3,981,000 bales, and around 6,000,000 bales were exported. The world's consumption of American cotton at that time was 10,083,000 bales. Cotton sold during that time from 9 cents per pound to 18 cents per pound.

In 1904-5 the commercial crop of American cotton was 13,654,000 bales. American mills consumed 4,523,000 bales, and 9,000,000 bales were exported. The world's consumption of American cotton was then 11,838,000 bales. Cotton during this period sold as low as 7 $\frac{3}{4}$  cents per pound and as high as 10 $\frac{1}{4}$  cents per pound.

In 1910-11 the commercial crop of American cotton was 12,000,000 bales. American mills consumed 4,705,000 bales, and 7,700,000 bales were exported. The world's consumption of American cotton at that time was 12,000,000 bales. Cotton sold then as low as 14 cents per pound and as high as 19 $\frac{1}{2}$  cents per pound.

The crop of 1913-14 never sold lower than 12 cents per pound and went as high as 14 $\frac{1}{4}$  cents per pound.

The crop of 1914-15, aggregating 15,000,000 bales, never sold higher than 10 $\frac{1}{2}$  cents per pound, when there was only one-half million bales of cotton more than there was the year before.

Beginning with the year 1915, the price of cotton climbed from the low price of 7 $\frac{1}{2}$  cents per pound to 44 cents per pound in 1919-20.

The commercial crop of 1919-20 was 12,443,000 bales and it sold as high as 44 cents per pound.

Although the commercial crop was only 11,300,000 bales in 1920-21, the price of cotton dropped to 11 cents per pound.

The total production of American cotton in 1920-21 was 13,270,000 bales; 1921-22, 7,978,000 bales; 1922-23, 9,729,000 bales; 1923-24, 10,171,000 bales; 1924-25, 13,639,000 bales.

The world's consumption of American cotton in 1920-21 was 10,330,000 bales; in 1921-22, 12,829,000 bales; in 1922-23, 12,631,000 bales; in 1923-24, 11,241,000 bales; and in 1924-25, 14,247,000 bales.

While the American commercial cotton crop has averaged in five years around 11,000,000 bales, the world consumption has averaged around 12,000,000 bales.

In the fall of 1925, when the bureau estimated the cotton crop at a little less than 14,000,000 bales of cotton, it was selling at around 24 cents per pound. When the next estimate came out, showing a probable crop of 15,000,000 bales of cotton, the price began to decline and is now around 17 cents per pound for middling cotton.

If cotton was worth 24 cents a pound in November, 1925, based upon an estimate of around 14,000,000 bales, why is it not worth 24 cents to-day?

I candidly believe that if some agency had existed, with sufficient funds to have gone into the market and bought the estimated surplus of cotton and withheld it from the market, the farmers would have continued to receive from 22 to 24 cents per pound for their cotton.

Legislation that does not provide a fund sufficiently large to buy the estimated surplus of any basic commodity and hold it for orderly marketing will not materially assist the farmers of this country.

Cotton is one commodity that is only affected by water and fire. It can be carried for 50 years without deterioration in quality, provided it is protected against water and fire.

You may picture for yourself the disaster that would befall the cotton industry of the world if there should be a total failure in cotton production.

It is related that the embargo on cotton during the Civil War so greatly affected the textile industry of New England that an appeal was made to President Lincoln to strive for a cessation of hostilities.

Coming from the cotton section of the South, I know from actual experience that no commodity requires as much hard

labor and longer hours to produce than does cotton. No class of our people is so poorly paid as are the farmers for their labor.

There was a time when but little skill and experience was required to make cotton, but the situation in this respect has entirely changed.

The appearance of the cotton-boll weevil has challenged the best thought and intelligence to provide a method of control of this pest, or ultimately the cotton farmers of the South will be forced to seek other fields for a livelihood. This pest has not only produced great uncertainty as to quantity production, but it has more than doubled the cost.

I do not believe that an equalization fee should be demanded of any class of our farmers, as this would only add another burden.

Under the terms of the Haugen bill, as I construe it, every bale of cotton made would be subject to an equalization fee, as all of our cotton is processed before it is marketed; whereas a large percentage of corn and wheat is not processed, thereby escaping an equalization fee.

Furthermore, as 60 per cent of our cotton is exported and sold on a world market without the benefits of protection, the only benefits the cotton farmer could possibly receive under the terms of the bill would be the hope of orderly marketing and stabilization.

This Congress should at least be as generous with the American farmers as it was in the settlement made with foreign debtors.

While a large portion of the indebtedness of Italy to the United States was for money loaned for rehabilitation after the armistice, under the terms of the settlement she was permitted to settle on a basis of 26 per cent of her total indebtedness, which was an indirect subsidy of about one and one-half billion dollars.

The Government has spent millions of dollars in providing for and maintaining our merchant marine, millions were advanced the railroads for stabilization, and large land grants were made to the promoters and builders of the western railroads.

I will quote from the report of Mr. HAUGEN, from the Committee on Agriculture:

Actual earnings of the farmer in 1924 in return for his labor are computed by the board at \$730 on the average as against average earnings of \$1,256 per wage earner in the manufacturing industries in the same year, average earnings of \$1,572 by transportation workers, \$2,141 earned by clerical workers, an average of \$1,678 earned by ministers, \$1,295 by teachers, about \$1,650 by Government employees, and an average of \$1,415 per worker in all groups other than farmers.

I will also quote from an editorial appearing in the Atlanta Constitution in answer to one appearing in the Philadelphia Public Ledger:

In view of the fact that the President is "against the bill" and will veto it if presented to him, the above recited charges are more windy than weighty. The southern Democrat may not be wise to hook up with the western bipartisan bloc behind the McNary-Haugen bill, and they may not be hundred per cent consistent with Democratic fundamentals in voting for a so-called subsidy, but let it not be forgotten that southern Democrats did not create the conditions that threaten the American farmer with eviction from his farm and homestead, and southern Democrats did not invent the Republican policy of bottle-feeding "infant industries" and "fostering the home market" for the manufacturing kings of the East. Whatever heresy affects southern Democrats in the matter of subsidies and appetite for Treasury treacle was taught to them by the doctrines and practices of Republican past masters.

The eastern journalists and publicists who have the same views as the Philadelphia newspaper do not explain why cotton should be treated as a pariah when Treasury aid may be portioned out to corn, cow, and hog. There should be no subsidies, pure and simple, to any of them, we agree; but whenever any party or administration, for reasons of political advantage or industrial salvation, goes forth to give largess from the public funds, we insist upon the square deal. Cotton has quite as much right to answer the "free feed" call as any of the mills of the East or the fields of the West.

While agriculture in my section of the South is languishing we are making wonderful strides in the development of the textile industry, in harnessing our water power, and in utilizing our inexhaustible clay products.

The Hightower cotton-mill interests of Thomaston, Ga., in my district, recently closed the largest single order for manufactured product that was ever consummated in the United States, namely, \$100,000,000.

We will never have general and lasting prosperity until the farmer's dollar is made equal to a dollar in industry.

We should cast aside all prejudices and work out some reasonable and sane solution of the agricultural situation before adjournment.

While I am generally averse to any legislation giving the National Government control over individual initiative, I do believe that assistance should be given at this time to put the farmers on an equality with industry. [Applause.]

*Number of farms and number and value of livestock, censuses of 1925 and 1920*

	United States		Georgia	
	1925 <sup>1</sup>	1920	1925 <sup>1</sup>	1920
Number of farms, or farm operators	6,371,617	6,448,343	249,104	310,732
Number of livestock on farms:				
Horses	16,535,739	19,767,161	55,785	100,503
Mules	5,730,608	5,432,391	337,984	406,351
Cattle	61,571,752	66,652,559	938,689	1,156,738
Swine	51,842,428	59,346,409	1,274,556	2,071,051
Sheep	(?)	35,033,516	72,173	
Goats	(?)	3,458,925		110,489
Poultry	(?)	372,825,264		7,621,158
Bees (hives)	(?)	3,467,396		136,698
Value of all livestock on farms	(?)	8,013,324,808		155,043,349

<sup>1</sup> Preliminary.

<sup>1</sup> Not available.

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

Mr. RUTHERFORD. Mr. Chairman, I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. ASWELL. Mr. Chairman, I yield two minutes to the gentleman from Maryland [Mr. LINTHICUM].

The CHAIRMAN. The gentleman from Maryland is recognized for two minutes.

Mr. LINTHICUM. Mr. Chairman, I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Maryland?

There was no objection.

Mr. LINTHICUM. Mr. Chairman, when doctors disagree, who shall decide? The Agricultural Committee of this House have for weeks conducted hearings as to the best method of aiding the farmer and have not been able to agree upon any one bill. There are three bills, which, according to the rule, are under discussion—the Tincher bill, the Aswell bill, and the Haugen bill. Years ago, when I was able to guide the plow and lay off, perhaps, as straight a row as any man in this House, I was somewhat acquainted with farm operations and the welfare of the farmer in my section. I have, however, become an agriculturist in recent years and know very little of the problems of the real dirt farmer. An "agriculturist," you know, is one who earns his money in the city and spends it on the farm.

Now, when this Agricultural Committee can not agree, but bring forward three propositions, what is a Congressman from a city district, where the people are all consumers of farm products and not producers, to do but look out for the interest of his constituents and see that no hocus-pocus game or untried law is put over on them. The farmers of my State have certainly not asked me to support any one of these bills, and I am against them.

Speaking of the Tincher and Haugen bills reminds me of a little town where I stopped overnight. There were two hotels, and I asked a citizen where I had better stop. He said, "It makes no difference which you choose; you will wish you had stopped at the other." I think, in this case, I will take no chances and will oppose both.

It is proposed by the Tincher bill to take \$100,000,000 from the Treasury of the United States to loan to the farmers. It is proposed by the Haugen bill to take \$375,000,000 from the Treasury of the United States, or about \$5,000,000 more than the total reduction of taxes about which we boasted only a few months ago. It is proposed to bring the South to the support of this bill by allocating \$100,000,000 to stabilize cotton prices and the balance to stabilize prices of farm products primarily produced in the Central West.

The people of the East and the North pay most of the Nation's taxes, and if this Tincher or Haugen bill should happen to become a law it would be necessary for them to practically carry the farmers upon their backs. It is a subsidy pure and simple, and so admitted to be, and I am opposed to all subsidies. I do not blow hot and cold on such a proposition. I

was opposed to the proposed ship subsidy and voted against it. I was opposed to and am still opposed to the Fordney-McCumber tariff measure, which is nothing more nor less than a subsidy to the big interests of this country.

I can not blame the farmer for complaining about his dire situation and the low market for his products, but what I can not understand is why the farmers of the West continue to vote the Republican ticket and elect those who place upon their backs the burden of a high-protective tariff. This causes them to pay abnormal prices for everything they need outside of their own products, and is certainly one of the main reasons why they find themselves in their impoverished condition to-day. This is a proposition to establish in our own country what might be termed an internal protective tariff. The market of supply and demand is to be set aside, and whenever Providence through its bountiful blessing of sunshine and rains happens to produce a very large crop upon the self-same land, requiring no additional cultivation but some additional gathering expense, the great consuming public of the country is to receive no benefit nor participation from this God-given bounty. It is to be manipulated that the prices may be maintained and the poor and rich both deprived of this munificent gift in our own land while the surplus is to be sold abroad for what it will bring and at low prices.

If prices are rendered high for 1926, what is there to prevent the farmer from planting larger crops in 1927, and where, oh, where, will this great surplus be utilized in order to maintain the standard of prices desired? There is no way by which we can regulate nature, and there is no law, nor can there be one, which will prevent the farmer from increasing from time to time his farm products and thus overwhelm the provisions of this Haugen bill.

It has been said that the farm lands of this country have depreciated some \$20,000,000,000 and that farm products have depreciated some \$14,000,000,000. This may be very true taking war-time prices as the standard for former values of land and products and present prices for depreciation, but who has ever believed that war-time prices would be maintained forever? Certainly they have not been maintained in the vast majority of productions from either land or factory.

I should, indeed, like to know how to help the farmer, but I can not believe that a subsidy can ever give him permanent prosperity. I know so little about the real big farming operations that it is difficult for me to discuss the merits or demerits of these three bills; in fact, it has been so well done by others more familiar with the subject that it would be futile for me to attempt it, but I do know that all such wild-cat schemes as that proposed in the Haugen bill, which lifts from the Treasury of the United States more than the total reduction of taxes for last year in an effort to have the farmer raise himself from the adversities of the past two years to prosperity by his own bootstraps is both preposterous and chimerical indeed.

The real solution of this whole question is to adopt some measure which will bring the producer in closer touch with the consumer. There are too many middlemen. The consumers of my district pay all that any farmer or trucker could ask them to pay for what they consume. But when the farmer receives his price, it is so small that it is impossible for him to maintain his family and procure a livelihood, all because there are too many middlemen living upon the farmer.

There is another element that operates not alone against the farmer, but against the people of our country generally, and that is we are too little prone to work and too largely prone to expenditures for things we can do without. I sincerely hope the Agricultural Committee of this House can bring out a bill upon which they can agree and one which will be in the interests of the farmer, enabling him to help himself rather than to make his industry a subsidized branch of our great productive group. The farmers of my State are not mendicants and are not asking to be subsidized from the Federal Treasury.

No section of our country should be forced to stand and deliver a bonus to another, nor should that section expect it to be done. We should have no privileged classes either under the Haugen bill, the Tincher bill, or the Fordney-McCumber tariff act. Just so soon as we grant such privileges to one class of our citizens the other classes will be impoverished. I can not but believe that the high protective tariff is playing great havoc with the farming industry and bleeding the American consumer.

Mention has been made by my colleague, Mr. BLACK of New York, to the fact that prohibition has also cut into his prosperity, and the Farmers' Yearbook of 1923 is quoted to substantiate this declaration. Certainly it has largely limited the purchase of many farm products, but there are many reasons for his present condition. The tariff bill in addition

to compelling him to pay high prices for goods is also limiting him in his export trade, because "if you would bring the wealth of the Indies home, you must take the wealth of the Indies with you," as has been well said. If we would export farm products to Europe, we must expect to buy some goods in payment thereof from Europe. There has been too much agitation of these matters. It would be well to get busy and legislate to aid the farmer to help himself. You have tried to legislate the country dry, and failed; tried to enrich the farmer by a high protective tariff, and failed. Now it is proposed to enrich him by subsidy, which would fail. Give him a fair deal and a world market and watch him grow in grace, in stature, and prosperity. [Applause.]

Mr. HAUGEN. Mr. Chairman, I yield two minutes to the gentleman from Iowa [Mr. BOIES].

The CHAIRMAN. The gentleman from Iowa is recognized for two minutes.

Mr. BOIES. Mr. Chairman and gentlemen of the House of Representatives, I consider it a high honor to have represented the people of the eleventh congressional district of Iowa in this House during the past seven years. That district is composed of 13 counties, extending from the Minnesota line in a southerly direction more than half the length of the State from north to south, bounded on the west by the Big Sioux and the Missouri Rivers, and on the east by the Mississippi River. In fertility of soil I doubt if it is surpassed by any district in the United States. The people of the district are as intelligent, as industrious, and as honest as the inhabitants of any other district in the United States. The district is essentially an agricultural one, highly adapted to diversified farming. In the natural order of things, under a fair distribution of the favors of this Government, with an equal opportunity and concern for all the people of this Nation, the farmers of this district would be equally prosperous with the other great industries carried on in this country. That such condition does not exist in our district no one will attempt to deny.

In such a situation it necessarily follows that some classes, somewhere in the United States, are profiting at the expense and to the detriment of the people living in my district. That this situation is wrong can not be truthfully contradicted. I have not time to call attention to all the matters and things that conspire to bring about the situation that exists there, but there certainly is a combination of circumstances that has rendered the business of farming unprofitable in this district and that has so adversely affected the farmers' interest as that, speaking broadly and as generally applied, a very small per cent, probably not to exceed 2 per cent, has been the return based upon the fair and reasonable value of the land, allowing a fair and reasonable wage on account of the labor bestowed—in many, many instances an entire loss has resulted rather than the acquisition of any per cent gain.

It is true that we are far removed from the great central markets of the country. The transportation charges are way beyond what the farmer can afford to pay. If freight rates are as low as it is possible to impose them, then, if there is a remedy, it should be adopted. There is a remedy, and while I do not care to dwell upon the proposition, as it might not be considered germane, yet I will venture to call attention at this time to the fact of the existence of the great Mississippi and the Missouri Rivers, which are eternally flowing to the Gulf, touching Iowa upon the east its full length and a considerable portion of its length on the west. If these rivers were improved, as all wide-awake countries of the Old World have improved their waterways, transportation charges would not handicap the farmers of Iowa as they do to-day.

The improvement of these rivers would benefit from thirty to forty millions of people, and the transportation of the great annual products of the Middle West would render the plan a financial success. It is not only the question of the outgoings but of the incomings; it is not only the matter of the traffic north and south, but in conjunction with water transportation of magnificent proportions from the east as far as Pittsburgh, coal, iron, steel, and manufactured goods, of the character that does not call for hurried transportation, would flow in and out.

If there are those living in any part of the United States who prove to be objectors or jesters of and concerning the plan that is now under way, I warn them to give serious consideration to the question and be prepared for what is to come about. Carrying this hint no further, I will address my remarks to the real question before this body.

I believe in the protection system, protection that protects all alike, or that really protects all as equally as is humanly possible to provide.

I have heard it stated by some of the proponents of the Tincher bill that the farmers of this country receive more benefit on account of the tariff laws of this country than any other class of people. If a statement of that kind is entitled to a second thought, will these gentlemen tell us why prosperity generally prevails in this country with all the other big industries excepting the farming industry, and that standing alone conceded in a most unsatisfactory and helpless situation? So far as the general business of this country is concerned to-day optimism lends its influence, but so far as agriculture is concerned pessimism is an added discouragement to all the other handicaps with which the farmers of this country are confronted to-day.

The agriculture situation is at such a low ebb at this time as that the declaration is universal that something ought to be done by way of legislation to remove the inequality existing between the prices of agricultural commodities and the prices attaching to the other general commodities in trade. The price level is not important if equality prevails; the inequality obtaining to-day explains the farmers' trouble, and the search in this direction need not go further.

With regard to the remedy, we have dallied for some years and it seems to me that the time has arrived to provide a remedy now or admit to the country that we are not equal to the emergency. The most recent agitation was commenced last fall—the large meetings and small meetings held in various places throughout the country. Some months ago the Agricultural Committee began its investigation, and during the many weeks that the committee sat in these hearings a number of men of national reputation appeared before that committee ostensibly to assist the committee in the preparation of a bill to be framed that would help the farmers, such a one as would be likely to be approved by the Members of this House, and by the Senate, and one that would appeal to the judgment of the President. Instead of one comprehensive bill being reported from that committee we have before us for consideration three distinct bills, unlike in many particulars, and here submitted for the consideration of the Members of this House. In the history of all prior legislation three bills may have been reported from a committee all ostensibly aimed to the accomplishment of the same end. Not having had the opportunity or the time to search the records from time immemorial, I am not prepared to say that such procedure never occurred before, but I believe I can safely assert that the procedure is unusual and, in my humble judgment, was a mistake.

The question is presented: If 21 men could not come to an agreement upon a bill that should have been reported, after months of study and discussion, how can it be expected that a majority of 435 men may be brought to an agreement with complications multiplied by three? It is rather late to complain of the progress thus made, if it may be termed progress, and we are confronted with the situation as it now exists. It is certainly our duty to lend our best efforts to the perfection of a bill that will result in the most good—that will result in some improvement, some benefit to the agricultural interests of this country; before we surrender we ought to make every effort to agree, and I trust those who have pronounced themselves in favor of either of these bills have not driven their stakes so deeply as that they may not be induced to pull up and move to higher ground, if cool consideration may point that way. The important thing is not so much the consideration as to whose baby it is, but we should all be concerned with regard to the maturity of the infant—providing one fitted to develop and to be of service.

The need in this matter, the unquestioned necessity and demand is known of all men, there is one of two things in waiting at the other end of these proceedings—a legislative act that may be approved as helpful or what will amount to a surrender, an open declaration that this Congress does not possess the ability to discover a remedy or that it has not the disposition to afford a just and honest opportunity to all men living under this Government.

If we may not be able to raise the price of the farmers' products to the level of the prices that organized industry enjoys then let us bring the prices now paid organized industry to the level of the farmers' prices.

I believe I recognize the value of our home markets; I would not destroy that market, because it is a protection to labor and to capital, excepting that its benefits to the farmers do not equal the benefits derived by capital and labor. Apparently capital has always been able to take care of itself; organized labor, in late years, has been alive to its own interests and the laboring men in this country are receiving better pay than in any other place in the world to-day. I raise no question that he is receiving too much, but I am raising the

question that the labor that the farmer devotes to his business is not equally compensating.

I take an interest in the man that "carries the dinner pail," and that interest extends, as a matter of theory, to the men who carry the dinner pails no matter wheresoever it may lead. I want to know that there is reflected in that dinner pail a sufficient wage whereby a condition may be seen at home and in the family of the man who carries the dinner pail comparable to the improved conditions of living in the United States.

The man upon the farm, the members of his family, can not prosper under the rule of the short-hour day, nor can you in the operation of a farm divide the day into three equal parts. Some of you who know nothing about farming may not comprehend such a statement, but it is true nevertheless that you can not commence your chores at 8 o'clock in the morning nor at 7 o'clock; neither can you close your day's work with the chores in the evening at 5 or 6 o'clock. With an eye to prosperity stock must be fed and watered at regular hours, and those hours should not be crowded too closely; the dairy cow must be fed and milked at regular and stated hours, which occur before 7 o'clock in the morning and later than 6 o'clock in the evening. So that the labor that falls upon the farmer and his family is somewhat ruthlessly tied to the task beyond that of any other class of laborers; and yet for that labor to-day he receives the smallest compensation of any laboring man in this country.

Gentlemen, in this connection, there is greatest urge that the situation be remedied and improved beyond any other situation that touches the callouses upon the hands of labor anywhere in this country.

Organization and cooperation meets and overcomes, and can be made to meet and overcome many inequalities and injustices, but the farming industry is so large, comprehends so much, so many side issues that it is impossible within any reasonable time for organization or cooperation to place the farmer where he has a right to stand in relation to the economic machinery of this Government.

While I have not confined my remarks to the provisions of any of these bills presented for consideration, yet I have attempted to describe a situation, the relief from which should be of the serious concern of every Member of Congress and the Executive of this Nation.

This bill, as is the case with the others, will be subject to amendment, and I might be permitted to hazard the guess that if the bill when presented to the President for his signature will have to show an appropriation sufficient to cover all possible contingencies, or it will meet with a sudden veto upon that ground, if upon no other.

I approve of the policy of the individual and the Government paying their debts as soon as it is reasonably possible. I am in favor of a speedy reduction of the national debt, yet I would not object to a few years' extension of the time suggested by our Secretary of the Treasury for the extinguishment of the national debt when it is shown that a diversion of some of that money is applied to the best interests of all the people, as we here now on earth are moving along toward the end.

I entertain sympathy for the individual who makes a bad investment; prosperity everywhere brings joy and contentment. If it becomes necessary, in order to afford to the Middle West reasonable and just freight rates, then I say that bankrupt railroads should be placed in the hands of receivers, the assets liquidated, and the property sold, as is the property handled with the individual and the thousands of companies and corporations all over this land, in the regular way, and, upon the cost of the bankrupt railroads to the purchaser permit the Interstate Commerce Commission to fix fair rates based upon the cost price of the property. This may not be a popular doctrine, but it is one satisfactory to me, arrived at after no great study, but judged offhand from knowledge of the usual procedure—the things that happen naturally to any person, company, or corporation when they have ceased to be reliably solvent—incapable of going ahead under their own power.

I would curtail the extravagance in private and public affairs. It ought to be made known that the people will not approve of the conduct of any man, placed in official position to handle the people's money, who would deal with it other than he would with his own, and in a conservative and honest manner. The position of a guardian or a person standing in any fiduciary relation is a sacred one, and in all such matters the interested parties have a right to demand a square-toed and up-to-the-minute accounting.

I observe that some of the proponents of the Tincher bill pronounce the word "subsidy" as though it stood for a poisonous substance, withering and deadly. When all the forms of subsidy with which the business of this Government is affected

are brought to the open and counted, these wry faces look comical, indeed.

You gentlemen who have spent much time during the past week shouting "subsidy! subsidy!" have not encouraged the release of an ounce of oppression from the backs of the farmers of this country; you have sought to attach to the word some mysterious and damnable meaning which the dictionaries do not recognize. The real meaning of the word, and as given by authority, is expressed in a word of three letters, to wit, "aid." Aid is what the farmers are asking for, and it is what they are entitled to, and this by all the expressions that can be wrung from the words justice and right.

The people have no particular concern as to just how their money may be used, so long as they can be assured that the use is in aid of their enterprises. It is the business of the Government to aid in all good undertakings, and it has exercised that privilege many, many times.

The Government aided the business of manufacturing by the adoption of the protective policy (a subsidy). The Government aided many times the people of the West by establishing reclamation projects—by appropriating money right out of the Treasury that had been first taken from the pockets of all the people.

The Government aided the railroads by the adoption of the Esch-Cummins Act in more ways than one; especially on account of the \$300,000,000 revolving fund written into the law; by permitting the Interstate Commerce Commission to illegally take \$48,000,000 annually from the pockets of those who required sleeping-car accommodations and handing it over to the railroads without any consideration whatsoever; by millions of dollars loaned, at low rates of interest; by grants of land to the extent of an empire.

These instances hardly begin to tell the whole story. Some of the incidents cited are made use of for illustration rather than in criticism. In connection with the tariff, I insist that the farmer's markets are not benefited to the same extent that the manufacturer's markets are. The manufacturer sells in a protected market—the manufacturer is able to, and does, name the price to the purchaser.

The farmer is required to accept the prices that the purchaser names and is further handicapped on account of the world markets, also because he has no power, in his fight with the elements, to cause his supply to approximately meet the demand with such assurance as the manufacturer has. This fact alone places the farmer at the mercy of the world markets, and again he is told what he may receive.

We have heard it said more than once during the past debates of the week that "the farmers receive greater benefit on account of the tariff than any other class of people." I wonder how many believe the statement? If the consumer does not pay the tariff tax, what benefit does the manufacturer receive from the tariff laws?

These questions are not intended as a condemnation of the tariff system, but the contention is that new legislation is necessary to afford the farmer like advantages derived by the manufacturer on account of the "protection" afforded the manufacturer.

Back of the theory of protection has always lodged the thought of the benefit it would bring to the manufacturer directly, and without regard to the incidental benefit that the farmer may derive because of an improved home market, superior to that which might not exist but for a tariff law.

The history of the subject of the tariff in this country stands as proof of our assertion. We have the following from the American Economist of May 7, 1926:

The first general law passed by the First Congress was a protective tariff act, avowedly so. In the preamble it is stated that one of its purposes was "the encouragement and protection of manufacturers."

Naturally, the way exists to do the right thing in all matters pertaining to the human family; it has always been present, ever extending the invitation to humanity to travel by that route. Having in mind the best prosperity of all the people, and the best possible prosperity of our Government, there can be no more urgent question pressing for solution than that pertaining to the rehabilitation, the restoration of the very great and all-important business of agriculture; it is agreed on all hands that this is so. Is it possible that the brains of the American people are incapable of solving the question? Has ambition been directed in other channels, in this time of fast travel, to the extent that we are helpless in this great emergency? If so, then God pity us. If such is our mental condition, let us abandon the air and get back to earth.

In the Chicago Tribune of May 2, 1926, the following appears:

Nations are careful not to allow the solidity of their agricultural foundations to be weakened so that farming is not attractive and remu-

nerative to a large class of citizenship. The type of citizenship produced by agricultural occupation is regarded as essential in the social and political balance of a country.

The foregoing expresses a splendid sentiment, but I believe a practical improvement is possible by recasting the paragraph as follows:

Nations that desire that their government survive should not allow the solidity of their agricultural foundations to be weakened so that farming is not attractive and remunerative to a large class of citizenship. The type of citizenship produced by agricultural occupation is absolutely essential in the social and political balance of a country.

I shall vote for the Haugen bill, because I believe that it is the best one of the three presented. The membership of the farm bureaus of my district favor the Haugen bill, because they sincerely believe that it will result in substantial benefit to the agricultural interests of this country and to the general prosperity of all the people; that it will restore to the farmers again the ability to more ably purchase their normally required necessities.

Farm property in United States worth less than 1913 (dollars of 1913 purchasing power):	
Value of all farm property in United States—	
1913	\$45,227,000,000
1924-25	\$38,188,508,000
Per cent of 1913	84.4
Farm and manufacturing wealth compared (dollars of 1912 purchasing power):	
Manufacturing—	
1912	\$20,785,000,000
1922	\$29,447,109,000
Per cent of 1912	141.9
Agriculture—	
1912	\$12,846,000,000
1922	\$9,244,604,000
Per cent of 1912	71.8
Exchange value of farm lands below 1910 (dollars of 1910 purchasing power):	
1910	\$17,284,260,000
1920	\$14,904,561,000
1925	\$13,647,519,000
1925 compared with 1910—per cent	78.98

Bureau of Census figures for Ohio, Indiana, Illinois, Michigan, Wisconsin, Minnesota, Missouri, Iowa, Kansas, Nebraska, North Dakota, and South Dakota.

Meantime farm debt grows:	
Total farm indebtedness—	
1910	\$4,320,000,000
1920	12,250,000,000
1925	12,250,000,000

Mr. HAUGEN. Mr. Chairman, I yield 20 minutes to the gentleman from Iowa [Mr. RAMSEYER].

The CHAIRMAN. The gentleman from Iowa is recognized for 20 minutes.

Mr. RAMSEYER. Mr. Chairman and gentlemen of the committee, in the time allotted to me I shall devote myself exclusively to the constitutional questions that have been injected during the debate against the Haugen bill; and in the brief time at my disposal it will be impossible for me to yield to questions. If I should get through before my 20 minutes are up, I shall yield back the balance of my time, so that others here who are anxious to speak may have an opportunity to be heard.

#### THE FEDERAL FARM BOARD

Discussion of constitutional questions involved in a bill like this hardly ever arouses much interest. This bill is chiefly economic, and Members' votes for or against this bill will be determined on whether or not they approve or disapprove the purposes sought to be accomplished by the bill. I realize that the discussion on the constitutional phases of this bill will change very few, if any, votes.

Now, the first constitutional issue that has been raised against this bill is directed at the manner of selecting the Federal farm board. Inasmuch as Article II, section 2, paragraph 2, of the Constitution of the United States has been referred to I shall insert it in the RECORD at this place. It reads as follows:

He [the President] shall nominate, and by and with the advice and consent of the Senate, shall appoint ambassadors, other public ministers and consuls, judges of the Supreme Court, and all other officers of the United States, whose appointments are not herein otherwise provided for, and which shall be established by law; but the Congress may by law vest the appointment of such inferior officers, as they think proper, in the President alone, in the courts of law, or in the heads of departments.

The President's power to nominate, and by and with the advice and consent of the Senate, to appoint officers designated in the first part of the provision just quoted, and also the Presi-

dent's power to appoint officers in the latter part of said provision, have been restricted many times by acts of Congress.

I hold in my hand here a pamphlet which is a supplemental brief to a case now pending in the Supreme Court in which this issue is involved, showing 70 acts of Congress imposing qualifications for offices filled by presidential appointment, all of which are in fact restrictions on the appointing power of the President.

Inasmuch as this issue has been seriously raised by the gentleman from New Jersey [Mr. FORT], and also this afternoon by the gentleman from Ohio [Mr. BURTON], I shall have the titles and references to these acts placed in the RECORD. In passing, I simply want to call your attention to the character of these acts. There are 16 acts as to residence and citizenship requirements; 7 acts in regard to political affiliations; 18 acts requiring industrial, geographical, or governmental representation; 20 acts on professional ability; 4 acts on fitness to perform duties of office; 3 acts as to successful completion of examination or period of probation; and 2 acts as to selection from limited number of nominees, which includes the Railway Labor Board. This last act has been the law of the land for six years, and although that law has been assailed time and again and the board has been rather unpopular in various quarters, so far as I know the constitutionality of this provision of the act relative to the manner of making the appointments has never been called in question.

Then, too, the President has restricted himself by Executive order in making appointments of postmasters. Then, another thing about this is: If the President should sign this bill, it is reasonable to suppose that he will follow the law and select one of the three submitted to him and, of course, that would constitute the President's own selection. I do not see just how the constitutionality of this provision of the pending bill, if enacted into law, could be raised. If the President refuses to appoint one of these three to be named under the provision of this bill, or refuses to follow the provisions of the law in any one of these numerous statutes I have called to your attention, there is no way to compel him to do so. You can not mandamus the President to exercise his Executive discretion. If the President should refuse to follow the law in making nominations, the Senate would have something to say. The Senate must confirm; and the Senate might, if the President did not see fit to follow the provisions of these 70 statutes—71 when this bill goes into effect—refuse to confirm his nominations. In studying this subject I find that one court has held to restrict the appointive power to a single individual is unconstitutional. But on the other hand I think it is clear that the Congress is not deprived of all power to limit the field of selection.

Personally I can not regard very seriously the issue that has been raised here as to the constitutionality of the provision of this bill which prescribes the manner in which nomination of members of the Federal farm board shall be made. The provision for making nominations of members of the Federal farm board in the Haugen bill is practically the same as that in the Tincher bill, which was also reported to this House, and the Fort bill and the Dickinson bill carry practically the same provision. The latter two bills were not reported to this House.

I shall place in the RECORD at this place a paragraph from a very able opinion of Attorney General Akerman, back in the seventies, which is right in point. I shall not take the time to read this paragraph, as I must hasten to the other constitutional issue raised during the debates. The paragraph referred to reads as follows:

Congress could require that officers shall be of American citizenship, or of a certain age; that judges should be of the legal profession and of a certain standing in the profession, and still leave room to the appointing power for the exercise of its own judgment and will; and I am not prepared to affirm that to go further and require that the selection shall be made from persons found by an examining board to be qualified in such particulars as diligence, scholarship, integrity, good manners, and attachment to the Government would impose an unconstitutional limitation on the appointing power. It would still have a reasonable scope for its own judgment and will. But, it may be asked, at what point must the contracting process stop? I confess my inability to answer. But the difficulty of drawing a line between such limitations as are, and such as are not, allowed by the Constitution is no proof that both classes do not exist. In constitutional and legal inquiries right or wrong is often a question of degree. Yet it is impossible to tell precisely where in the scale right ceases and wrong begins. Questions of excessive bail, cruel punishments, excessive damages, and reasonable doubts are familiar instances.

At this place in the RECORD I shall have printed a list of the statutes imposing restrictions on presidential appointments:

## STATUTES IMPOSING RESTRICTIONS ON APPOINTMENTS

## A. RESIDENCE AND CITIZENSHIP REQUIREMENTS

## (a) General statutes

1. Consular clerks (sec. 1704 R. S.).
2. Federal Board for Vocational Education, appointed members (39 Stat. 932, sec. 6).
3. Federal Farm Loan Board, members (42 Stat. 1473, sec. 301).
4. Foreign Service officers (43 Stat. 141, sec. 5).
5. Postmasters (33 Stat. 441, sec. 8).
- (b) *Statutes applicable solely to a Territory or possession or to the District of Columbia*
  6. Circuit courts of Hawaii, judges (31 Stat. 157, sec. 80, Am. 42 Stat. 119).
  7. District Court for Hawaii, district attorney (42 Stat. 120, sec. 86 [b]).
  8. District Court for Hawaii, judge (42 Stat. 120, sec. 86 [b]).
  9. District Court for Hawaii, marshal (42 Stat. 120, sec. 86 [b]).
  10. District Court of the Virgin Islands, judges (32 Stat. 1132, Am. 42 Stat. 123).
  11. District of Columbia, civil commissioners (20 Stat. 103, sec. 2).
  12. Municipal court of the District of Columbia, judges (35 Stat. 623).
  13. Police court of the District of Columbia, judges (Pub. No. 561, 68th Cong., sec. 3 [a]).
  14. Supreme Court of Hawaii, judges (31 Stat. 157, sec. 80, Am. 42 Stat. 119).
- (c) *Statutes applicable solely to the Army or Navy*
  15. Army Reserve Corps, officers (41 Stat. 775, sec. 32).
  16. Naval Reserve Force, officers (39 Stat. 587).

## B. POLITICAL AFFILIATIONS

17. Board of General Appraisers, members (42 Stat. 972, sec. 518).
18. Civil Service Commission, commissioners (22 Stat. 403).
19. Federal Farm Loan Board, members (42 Stat. 1473, sec. 301).
20. Federal Trade Commission, commissioners (38 Stat. 718, sec. 1).
21. Interstate Commerce Commission, commissioners (41 Stat. 497, sec. 440).
22. United States Shipping Board, commissioners (41 Stat. 989, sec. 3 [a]).
23. United States Tariff Commission, commissioners (39 Stat. 795, sec. 700).

## C. INDUSTRIAL, GEOGRAPHICAL, OR GOVERNMENTAL REPRESENTATION

## (a) General statutes

24. Advisory Committee for Aeronautics, members (38 Stat. 930).
25. Aircraft Board, military and naval members (40 Stat. 296).
26. Bureau of Fisheries, commissioner (16 Stat. 594, sec. 1).
27. Capital Issues Committee, members (40 Stat. 512, sec. 200).
28. Consular Service, inspectors of consulates (34 Stat. 100, sec. 4).
29. Federal Board for Vocational Education, appointed members (39 Stat. 932, sec. 6).
30. Federal Reserve Board, appointed members (42 Stat. 620).
31. Internal revenue collectors (sec. 3142 R. S.).
32. Mississippi River Commission, commissioners (21 Stat. 37, sec. 2).
33. Railroad Labor Board, members (41 Stat. 470, sec. 304).
34. United States Shipping Board, commissioners (41 Stat. 989, sec. 3 [a]).
- (b) *Statutes applicable solely to a Territory or possession or to the District of Columbia*
  35. Rent Commission of the District of Columbia, commissioners (42 Stat. 544, sec. 4).
  36. Isthmian Canal Commission, members (32 Stat. 483, sec. 7).
  37. Municipal court of the District of Columbia, judges (35 Stat. 623).
  38. Police court of the District of Columbia, judges (Pub. No. 561, 68th Cong., sec. 3 [a]).
  39. Territorial district attorneys (sec. 1875 R. S.).
  40. United States Court for China, district attorney (84 Stat. 816, sec. 6).
  41. United States Court for China, judges (34 Stat. 816, sec. 6).

## D. PROFESSIONAL ABILITY

## (a) General statutes

42. Advisory Committee for Aeronautics, members (38 Stat. 930).
43. Bureau of Fisheries, commissioner (16 Stat. 594, sec. 1).
44. Bureau of Mines, director (37 Stat. 681, sec. 1).
45. California Débris Commission, members (27 Stat. 507).
46. Consular Service, inspectors of consulates (34 Stat. 100, sec. 4).
47. Mississippi River Commission, commissioners (21 Stat. 37, sec. 2).
48. Patent Office, examiners in chief (sec. 482 R. S.).
49. Public Printer (14 Stat. 398, Am. 18 Stat. 88).
50. Rio Grande Commission, commissioners (43 Stat. 118).
51. Solicitor General (sec. 847 R. S.).

52. Steamboat Inspection Service, supervising inspectors (sec. 4404 R. S., Am. 40 Stat. 740).
53. Superintendent of Indian schools (25 Stat. 1003, sec. 10).
54. United States district attorneys (sec. 767 R. S.).

(b) *Statutes applicable solely to the Army or Navy*

55. Department of the Navy, Chief of the Bureau of Economics (42 Stat. 140, sec. 8).
56. Department of the Navy, chiefs of bureaus (secs. 421-426 R. S.).
57. Marine Corps, Major General Commandant (39 Stat. 609).
58. National Guard, officers (on Federal service) (41 Stat. 784, sec. 49).

59. Navy, Judge Advocate General (21 Stat. 164).

60. Officers' Reserve Corps, Army (41 Stat. 775, sec. 32).

61. Regular Army, officers (41 Stat. 771, sec. 24).

## E. FITNESS TO PERFORM DUTIES OF OFFICE

62. Board of Tax Appeals, members (43 Stat. 336, sec. 900 [b]).
63. Steamboat Inspection Service, Supervising Inspector General (40 Stat. 730).
64. Interstate Commerce Commission, chief and assistant chief inspectors of locomotive boilers (36 Stat. 913, sec. 3).
65. United States Shipping Board, commissioners (41 Stat. 989).

## F. SUCCESSFUL COMPLETION OF EXAMINATION OR PERIOD OF PROBATION

66. Civil-service appointees (22 Stat. 403).

67. Consular clerks (sec. 1705 R. S.).

68. Foreign Service officers (43 Stat. 141, sec. 5).

## G. SELECTION FROM LIMITED NUMBER OF NOMINEES

69. Civil-service appointees (22 Stat. 403).

70. Railroad Labor Board (41 Stat. 470, secs. 304, 305).

## THE EQUALIZATION FEE

Now, I come to the constitutionality of the equalization fee. I want to take a few minutes to point out what is sought to be accomplished in the Haugen bill. We have the system of protection in this country. We have had it for over 60 years, and it will probably be the policy of this country for that many more years. The yardstick which we administer to determine the amount of tariff duties to be imposed is the difference between the cost of production here and abroad. This is supposed to apply to agriculture as well as to the industries. Both the ineffectiveness of the tariff on agricultural commodities, in which there is a surplus, and the continued distress of agriculture are conceded.

The last Republican national platform concedes the distressful condition of agriculture and makes a pledge that that condition will be remedied. I read the following paragraph:

We recognize that agricultural activities are still struggling with adverse conditions that have brought deep distress. We pledge the party to take whatever steps are necessary to bring back a balanced condition between agriculture, industry, and labor, which was destroyed by the Democratic Party through an unfortunate administration of legislation passed as war measures.

The pledge of our party reads as follows:

The Republican Party pledges itself to the development and enactment of measures which will place the agricultural interests of America on a basis of economic equality with other industry to insure its prosperity and success.

The last national Democratic platform goes even further and specifically promises the establishment of an export corporation.

What are the objects to be attained by the Haugen bill?

First. In the language of the national Republican platform of 1924, "to bring back a balanced condition between agriculture, industry, and labor."

Second. To make the tariff effective on agricultural commodities.

Third. To stabilize prices on agricultural commodities by the control of the surplus, which on the basic commodities is a national and not a local problem.

Fourth. To regulate the sales of basic agricultural commodities in interstate and foreign commerce and the sales of and transactions in such commodities in intrastate commerce which, if unregulated, would cast a direct burden on interstate and foreign commerce in such commodities.

Fifth. To bring about the orderly marketing of agricultural commodities.

Sixth. To promote the general welfare.

In the machinery set up to carry out the purposes of the Haugen bill there is an equalization fee which may be charged against certain agricultural commodities denominated in the bill as "basic agricultural commodities" whenever the Federal Farm Board shall declare an operating period in any one or more of such commodities.

The gentleman from Ohio [Mr. BURTON] this afternoon assailed this equalization fee as a tax, and because it is a tax he declares it unconstitutional. The gentleman from New Jersey [Mr. FOWLER] quotes a witness before the Committee on Agriculture as admitting that the equalization fee is a tax and, therefore, the gentleman from New Jersey says it is a tax. The gentleman from Kansas, [Mr. TINCHER] relates that when he was down in Jamaica he saw a sign "Pay your production tax here" and then he jumps at the conclusion that the equalization fee in this bill is a production tax and he is against it. These three gentlemen all assert that the equalization fee is a tax, and as a tax it is unconstitutional. I am not admitting that as a tax the equalization fee is unconstitutional. I shall not undertake to defend the constitutionality of the equalization fee as a tax.

In order to promote clear thinking and to arrive at logical conclusions we should first get clearly into our own minds just what a tax is. What is a tax? My answer is: A tax is a pecuniary burden laid upon individuals and property to support the Government. First, a tax is a pecuniary burden, and second, a tax is imposed to get money to support the Government. Every tax is a pecuniary burden, but not every pecuniary burden is a tax. A tax is imposed to raise money to support the Government. As I intimated before, I shall not undertake to show that the equalization fee is imposed under the taxing power of the Constitution. No part of the equalization fee to be collected under the provisions of the Haugen bill is going to be used for the support of the Government. It will be used only to carry out the purposes of the bill.

On the other hand, I think the equalization fee is valid and its constitutionality can be defended under the commerce clause of the Constitution.

I concede this is a new proposition. No court has ever had occasion to pass on a question such as is presented by the equalization fee, or anything like it. It is impossible to cite any court decisions directly in point. I have before you here volumes containing Supreme Court decisions, and I intend to read a few sentences from each of them. I want to make it clear that I am not trying to convey the impression that these cases are on all fours with the case before us.

My object in reading a few sentences here and there from these decisions is to give you the mental processes of the court when the court has before it cases involving transactions in both interstate and intrastate commerce. The transactions in intrastate commerce being so related to those in interstate commerce that if left unregulated would cast an undue burden upon interstate commerce. The question is, How far can Congress go in regulating interstate commerce when the regulation of such interstate commerce will of necessity directly or indirectly involve the regulation of intrastate commerce? The first case is the one involving the "recapture clause" in the transportation act of 1920, *Dayton-Goose Creek Railway Co. v. United States* (263 U. S. 456). In this case intrastate commerce was involved. I quote two sentences on page 474:

The *Dayton-Goose Creek Railway Co.* is a corporation of Texas, engaged in intrastate, interstate, and foreign commerce. Its volume of intrastate traffic exceeds that of its interstate and foreign traffic.

On page 477 I quote the following:

This court has recently had occasion to construe the transportation act. In *Wisconsin Railroad Commission v. Chicago, Burlington & Quincy Railroad Co.* (257 U. S. 563) it was held that the act in seeking to render the interstate commerce railway system adequate to the country's needs had by paragraphs 418 and 422 conferred on the commission valid power and duty to raise the level of intrastate rates when it found that they were so low as to discriminate against interstate commerce and unduly to burden it.

On page 485 the court says:

The third question for our consideration is whether the recapture clause, by reducing the net income from intrastate rates, invades the reserved power of the States and is in conflict with the tenth amendment. In solving the problem of maintaining the efficiency of an interstate commerce railway system which serves both the States and the Nation, Congress is dealing with a unit in which State and interstate operations are often inextricably commingled. When the adequate maintenance of interstate commerce involves and makes necessary on this account the incidental and partial control of intrastate commerce, the power of Congress to exercise such control has been clearly established.

The next case to which I call your attention is the Wisconsin rate case, found in Two hundred and fifty-seventh United States, page 563. To get the issues involved in that case I read on page 579:

First. Do the intrastate passenger fares work undue prejudice against persons in interstate commerce, such as to justify a horizontal increase of them all?

Second. Are these intrastate fares an undue discrimination against interstate commerce as a whole which it is the duty of the commission to remove?

To get more clearly before you how the court regards questions involving transactions in both interstate and intrastate commerce, I read the following on page 588:

Commerce is a unit and does not regard State lines, and while, under the Constitution, interstate and intrastate commerce are ordinarily subject to regulation by different sovereignties, yet when they are so mingled together that the supreme authority, the Nation, can not exercise complete effective control over interstate commerce without incidental regulation of intrastate commerce, such incidental regulation is not an invasion of State authority or a violation of the proviso.

Further, as throwing light upon the question before us, I shall insert in the *Record* without reading the paragraph on page 590, as follows:

In Minnesota Rate cases (230 U. S. 352), where relevant cases were carefully reviewed, it was said, page 399: "The authority of Congress extends to every part of interstate commerce, and to every instrumentality or agency by which it is carried on; and the full control by Congress of the subjects committed to its regulation is not to be denied or thwarted by the commingling of interstate and intrastate operations. This is not to say that the Nation may deal with the internal concerns of the State, as such, but that the execution by Congress of its constitutional power to regulate interstate commerce is not limited by the fact that intrastate transactions may have become so interwoven therewith that the effective government of the former incidentally controls the latter. This conclusion necessarily results from the supremacy of the national power within its appointed sphere."

There is another case to which I wish to call your attention briefly. I can not comment on it, as my time is rapidly coming to a close. This is the case of *Board of Trade v. Olsen* (262 U. S. 1), involving the constitutionality of the grain futures act of September 21, 1922. Prior to this decision the Supreme Court had held unconstitutional the future trading act in *Hill v. Wallace* (259 U. S. 44), holding that local dealings on boards of trade in grain for future delivery could not constitutionally be brought under Federal control by means of the taxing power.

The court in the *Olsen* case, on page 32, quotes the following from page 68 in *Hill against Wallace*:

A reading of the act makes it quite clear that Congress sought to use the taxing power to give validity to the act. It did not have the exercise of its power under the commerce clause in mind and so did not introduce into the act the limitations which certainly would accompany and mark an exercise of the power under the latter clause.

And again quoting from *Hill against Wallace*, page 69, the court said:

It follows that sales for future delivery on the board of trade are not in and of themselves interstate commerce. They can not come within the regulatory power of Congress as such unless they are regarded by Congress, from the evidence before it, as directly interfering with interstate commerce so as to be an obstruction or a burden thereon.

You will note from this last quotation that the court gives some weight to what Congress regards as necessary from the evidence before it.

Further, as giving the attitude of the court involving mixed transactions of interstate and intrastate commerce, I read the following from page 35:

This case was but the necessary consequence of the conclusions reached in the case of *Swift & Co. v. United States* (196 U. S. 375). That case was a milestone in the interpretation of the commerce clause of the Constitution. It recognized the great changes and development in the business of this vast country and drew again the dividing line between interstate and intrastate commerce where the Constitution intended it to be. It refused to permit local incidents of great interstate movement, which taken alone were intrastate, to characterize the movement as such. The *Swift* case merely fitted the commerce clause to the real and practical essence of modern business growth. It applies to the case before us just as it did in *Stafford against Wallace*.

The last reading is on page 37. The point I want you to get here is that the court leaves something to the judgment of Congress in determining the extent to which intrastate commerce should be burdened whenever Congress decides to exercise its undisputed power to regulate interstate commerce.

I read on page 37. First, I read a paragraph quoted by the court from *Stafford against Wallace*:

Whatever amounts to more or less constant practice, and threatens to obstruct or unduly to burden the freedom of interstate commerce, is within the regulatory power of Congress under the commerce clause, and it is primarily for Congress to consider and decide the fact of the danger and meet it. This court will certainly not substitute its judgment for that of Congress in such a matter unless the relation of the subject to interstate commerce and its effect upon it are clearly nonexistent.

The court further says:

In the act we are considering, Congress has expressly declared that transactions and prices of grain in dealing in futures are susceptible to speculation, manipulation, and control, which are detrimental to the producer and consumer and persons handling grain in interstate commerce and render regulation imperative for the protection of such commerce and the national public interest therein.

As I have said before, I am simply undertaking by the few quotations I have given you from court decisions to get before you the mental processes of the court when the court has before it questions involving mixed transactions of both interstate and intrastate commerce. I shall not undertake to explain just to what extent the equalization fee, if placed into operation, would affect intrastate transactions or to what extent the intrastate transactions in basic agricultural commodities will, if unregulated, cast an undue burden on interstate transactions in such commodities. Conceding the right of Congress to regulate interstate transactions in the basic agricultural commodities, it appears to me clear that a law to include the regulation of intrastate transactions in such commodities, which, if unregulated, would cast an undue burden on the interstate transactions in such commodities, would be valid and constitutional.

There are many more cases along the same line. I have made no attempt to brief all the cases along the line of the cases that I have cited you. In the report accompanying the McNary-Haugen bill of two years ago is a very exhaustive brief on this subject prepared by the legislative council of the House of Representatives in support of the constitutionality of the equalization fee in that bill. When the McNary-Haugen bill was under discussion two years ago I do not recall that anyone seriously questioned the constitutionality of the equalization fee in that bill. The equalization fee provision in that bill was practically the same as the equalization fee provision in this bill. After a rather exhaustive and careful study of the constitutionality of the equalization fee provision in the present Haugen bill I give it as my opinion that its constitutionality can be successfully defended under the commerce clause of the Constitution. [Applause.]

THE CHAIRMAN. The time of the gentleman from Iowa has expired.

MR. HAUGEN. Mr. Chairman, I yield to the gentleman from Missouri [MR. DICKINSON].

MR. DICKINSON of Missouri. Mr. Chairman, of the three pending agricultural bills, I shall support the Haugen bill, which is so earnestly favored by the farm organizations of Missouri and of the country. It seeks to establish a Federal farm board to aid in the orderly marketing and in the control and disposition of the surplus of agricultural commodities. It is named the Haugen bill after the chairman of the Agricultural Committee.

Its declaration of policy is set forth in section 1 of the bill, reading as follows:

SECTION 1. It is hereby declared to be the policy of Congress to enable producers of agricultural commodities to control a supply of such commodities sufficient to stabilize their markets against undue and excessive fluctuations and to distribute the benefits and costs thereof to all producers of such commodities; to minimize speculation and waste in marketing; to encourage the organization of producers of agricultural commodities into cooperative associations; to protect domestic markets against world prices and assure the maximum benefits of the tariff upon agricultural commodities; and to provide for the control and disposition of the surpluses of agricultural commodities, for the purpose of promoting the orderly marketing of agricultural commodities in interstate and foreign commerce.

It provides for a Federal farm board, for a revolving fund, and an equalization fee. It is not only supported by the farm organizations of the country but is indorsed by the American Federation of Labor.

It should have generous support from all classes and all sections of the country, with no pending opposition bills to thwart its enactment into law.

The Tincher bill, called the administration bill, does not seem to meet the situation. It seeks to furnish credit rather than a constructive program for real relief. So far, the administration has shown little interest in farm legislation.

The Aswell bill has much of merit in it, but apparently provides for no present relief. The advocates, however, of all proposed legislation admit the serious condition of agriculture, and the need of helpful legislation. It is to be regretted that the great agricultural committee was not able by a majority vote to report out one bill, instead of three.

MR. B. F. Yoakum, chairman of the Frisco Railroad, one of the best posted men in the United States on agriculture, and co-author of the Aswell agricultural bill, one of the three reported from the Agricultural Committee of the House, says:

The American farmer is in a worse situation to-day than at any time in his history. Primarily he is the victim of the worst system of distributing and marketing in the world. (B. F. Yoakum, chairman, Frisco Railroad.)

The Kansas City Star, which widely circulates in Missouri and Kansas, in a recent issue says:

There is no question as to the seriousness of the farm problem presented by the farm surplus. Every farmer knows it by hard experience. The country knows it as well. When agriculture is depressed the country can not be prosperous.

It has been well stated by a Missouri farmer in a letter addressed to me on May 7, 1926, of which I quote a part here:

DEAR MR. DICKINSON: Agriculture is the basic industry of the country. Every other business depends upon it, but the farmers as a class receive less benefits from legislation than any other group. Industry has its tariff that increases the price of manufactured articles above the world level. Labor has its immigration law that keeps out competition and the Adamson law that regulates its hours. The railroads have the Interstate Commerce Commission, "a Government agency that fixes the price of transportation, and the Esch-Cummins law that keeps rates high enough to give them interest on their investment. The banks have the Federal Reserve Board, "a Government agency," that fixes the price of credit, and the Federal reserve banks that protect them in times of need.

Before the war the Tincher bill might have served, for at that time we were a debtor nation. We owed billions of dollars to Europe and each year paid our interest, our shipping charges, and other debts by exporting large quantities of farm products. Since the war, however, we have become a creditor nation and the postwar reversal of trade balances, the passage of the Adamson law, the immigration law, the Esch-Cummins law, etc., have placed the farmers at such a tremendous disadvantage with other economic groups that it will not solve their problems or give them the desired relief.

It is said the farmer tills the soil that plants may grow that man may live. The farmer is nature's agent in promoting life by cultivating the soil for the growth of plants for food for animals and man.

Why should the great basic industry, agriculture, be told to work out its own salvation, and that it needs no legislation, when the other great industries are cared for by Federal legislation? Manufacturers, railroads, great banking interests, labor, and mines are all cared for. The depression on the farm is due largely to the fact that the favored classes want to buy the products of agriculture at low prices while they have been able to force up their prices by legislation demanded in their interest.

The tax upon the farming interest is too heavy and depression results. He is demanding relief and fair and equal treatment before the law. He must be raised to the high level of other industries or the tariff wall must be lowered and more reasonable freight rates granted and encouragement given to the farmer to cultivate the soil, so that profit may result, and his heavy burden lessened, else bankruptcy will continue and increase until agriculture will cease to be profitable.

Some measure of relief must come without delay. Taxation direct and indirect must be lowered. The products of the farm should reach the market, foreign and domestic, with a reasonable net profit to the producer, so he may be encouraged to produce again. The middleman, the profiteer, the transportation agency, should not be permitted to reap so largely the benefits and profits due to those who have created the very necessities of life. Agriculture needs encouragement. Digress here for a moment the States should cease levying taxes on farm lands for State purposes.

The farmers produce a surplus in almost every line—grain, meat, and raw material for clothing and other purposes—and should be permitted to reach the world market and have a reasonable net profit as a result, else depression will continue and ability to make ends meet be lessened. Banks continue to fail because of frozen assets, farm mortgages increase, foreclosures multiply, abandonment of farm for city life, less travel on railroads, decrease in freight and passenger travel, and further abandonment of short-line railroads, with increasing charges for shipments and travel on long lines, with discrimi-

nation between sections of the country. Class legislation for favored interests is transferring the wealth of the country from the many into the hands and pockets of the few. It is an unhealthy condition when 2 per cent of the people own over one-half of the wealth of the Nation. Governments are not created for the benefit of the few but for the helpful concern of all the people.

A great difficulty about farm relief by legislation has been the greedy desire of the specially protected interests to save themselves at the expense of the producing masses. And now these same interests are insisting that they be not disturbed by any legislation enacted for agriculture; that they must have their level of prices, insuring large profits, while they must know that excessive profits wrung by law from the many for the benefit of the few will ultimately react to their damage, while the many are impoverished and thereby unable to buy from the protected few. No country can live and perpetuate its prosperity by transferring the wealth of the country into the hands of the few. Nor can it prosper by impoverishing the farmer, and he is entitled to the fostering care of Congress as much as any other prime industry and he should not be compelled to feed the world at a sacrifice.

The manufacturers can control their production and fix prices by aid of tariff laws and controlled output, making contracts for sales in advance of production. Not so with the farmer. His production depends largely upon natural conditions that he can not control and upon the uncertain yield that determines largely the supply to meet the demands for food products and changes in prices according to supply and demand.

Following the war our national wealth had jumped from \$186,000,000,000 in 1912 to \$320,000,000,000 in 1920, and the values of farm products were up. Then came deflation, higher tariffs, and increased freight and passenger rates, and values of farm lands and their products fell, loans were called, bankruptcy and foreclosures followed, frozen credits brought bank failures, while prices of protected interests were upheld by favored laws.

As a result of the war the United States became the great creditor nation of the world. It ceased to be a debtor to the European nations, and so broken were these nations by the destruction of life and property by a cruel World War that their ability to purchase our surplus products was reduced; their gold was gone, transferred to the United States. High tariff walls have shut out their products from the United States. They could not pay their indebtedness, but had to make long time settlements. Trade and commerce fell down, their power to purchase our surplus farm products lessened, and suffering resulted in these countries, and depression of farm values in our country, and the farm problem is brought to Congress. Legislation is demanded.

Manufacturing concerns have reported more than \$10,000,000,000 for income taxes during the last three years. Their values increased from below \$25,000,000,000 to more than \$50,000,000,000, while in contrast farm-land values declined 27 per cent since 1920, and the farmer is \$25,000,000,000 worse off now than he was in 1920 and his indebtedness aggregating \$12,000,000,000, with no incomes to report.

The existing tariffs hurt the American farmer by increasing his production costs, his cost of living, his transportation rates, decreasing his foreign markets and his exports and decreasing his property values.

We note that the March income tax approximates \$500,000,000. This represents in part the toll taken from American production. The increase in incomes and resulting increased revenue from taxation is due to the energy and industrious effort of the toiling masses in every line of endeavor. The real wealth of the country rests in and is evidenced by the improved condition of the multitude who toil and by their labor produce wealth, in their struggle for existence and the betterment of their condition. And in their well-being and prosperity rests the real wealth of the country, and not the concentration of the money and property in the hands, possession, and control of a very small per cent of the people, while the many struggle to produce and to meet the demands of life.

Big business with large net profits have doubtless contributed largely to the big showing for March receipts from incomes. It does not necessarily mean increased prosperity for the masses. It is stated that in 1925 the American Telephone & Telegraph Co. made \$107,000,000 net; General Motors, \$106,000,000; Ford Motor Co., \$115,000,000; United States Steel, \$90,000,000; Standard Oil, \$100,000,000; the rubber barons, \$100,000,000, of net profits in 1925.

Ninety-four industrial corporations last year each made over \$100,000,000 in net earnings.

Never a year in the history of the Government when so many industrial and transportation companies made record profits as in 1925. Not even during the war, as stated by Mr. SHALLENBERGER in the House in a recent speech. And yet during the last five years agriculture has lost \$25,000,000,000. So revenues from large incomes can increase, and yet the basic industry of agriculture suffers heavy loss. A few, 2 per cent owning over one-half of the wealth of the country, can swell income revenues on profits exacted from the toiling millions who have no net incomes upon which to pay income taxes.

The fundamental thought of true democracy is "Equal rights to all and special privileges to none." How far removed from this righteous doctrine did our Republican friends in control take us by the enactment of the Payne-Aldrich tariff law, repudiated on direct issue by the people, and later by enactment of the Fordney-McCumber Tariff Act, the present law, destroying equal rights for all by the guaranty of special benefits by excessive tariff rates to a class that largely dominates the Republican party by contributions of large sums of money to fill its partisan treasury in exchange for the enactment into law of tariff benefits that enable the manufacturers to levy excessive tributes upon the consuming masses. Strange indeed is the fact that the political philosophy of Lincoln and Jefferson were the same. One the patron saint of the Republican Party, the other the father of the Democratic Party. Each resting his faith upon the rights of man, to equal rights. How far afield has the Republican Party wandered from the faith of Lincoln in its blind allegiance to special interests, the antithesis of the teachings of Lincoln, who would have spurned such alliance. The latter-day Republican is far removed from the teachings of the Great Liberator, who followed the teachings of Jefferson.

No wonder that millions of Republicans, still believing in the teachings of Lincoln, are breaking away from standpat Republicanism, tied up with special interests. No wonder that the western farmer, discriminated against in legislation, has become restless and is breaking away from party control. No wonder that labor everywhere is dissatisfied as it struggles for existence, while the wealth of the country, produced by those who toil, is owned by a few, who reap where they have not sown. These high tariffs do not create prosperity; they do not prevent bankruptcy, and bank failures, and strikes, and unrest.

A brief editorial, clipped from the Warrensburg (Mo.) Star-Journal says:

#### SOME PLAIN FACTS

The Jefferson City Capital-News discusses one of the most important questions before Congress as follows:

It was brought out in the congressional hearings on farm relief measures that the shrinkage in values of farm property in five years amounted approximately to \$25,000,000,000, or over five billions more than the estimated valuation of all the railroads in the United States. When the present transportation act was passed, the stocks and bonds of the railroads were worth on the market a little over \$12,000,000,000, but the act provided machinery for its execution, and this machinery determined upon \$19,000,000,000 as the basic value of railroad properties, with an authorized return of nearly 6 per cent. The railroads since then have been producing a gross revenue of \$6,250,000,000 annually, or one-third of their estimated value. Meanwhile the farmers of the country, with an estimated investment of \$60,000,000,000, deducting the shrinkage of values, produced a gross return of only about \$12,000,000,000, although 11,000,000 of our people are engaged in agricultural pursuits.

The railroads have been going forward through virtual subsidies from the public, guaranteed by law, while the farmers, denied even ordinary credits, have been slipping backward. The railroads have been transacting their business, thanks to the favor of the Government, in a rising market. The farmer has been selling in a falling market, and buying in a dear one. Through the system of Government regulation, which prescribes rates and thus insures adequate return to the railroads, the railroads have nearly ceased to be competitive. The farmer must patronize the roads, with competition eliminated, and must pay the rates thus designated by law, but when his product reaches the market he must compete with all the world.

According to the school of political thought which devised the transportation act, it is legitimate to insure to the railroads a fair return upon capital invested, but it is paternalistic to finance the farmer in the disposition of his surplus, or, in fact, to help him in any way. There never was such inconsistency since the world began.

When surplus manufactured articles are shipped abroad and sold to foreigners at reduced prices the price of the same articles sold in this country to farmers and other consumers is not reduced but held at high prices by reason of the Fordney-McCumber high tariff law, that shuts out competition from abroad and enables the tariff-protected manufacturer of the United States to have a monopoly of the domestic market here,

and to charge excessive prices to the American consumer, who is at the mercy of the robber tariff.

This condition can not continue without continuing the hard struggle of the farmer, while the special interests will continue to fatten by reason of favored laws written in their interest.

Agriculture not only needs protection from high and exorbitant tariff rates, but it has a right to demand and to receive reasonable freight rates for the shipment of its surplus products, and it is also entitled to the full benefits of a credit system which will give equality of opportunity with other industries.

We want no monopoly of money, but we need a democracy of credit, with reasonable interest rates secured by property values.

We must preserve and retain our confidence in the superiority of the public will over the selfishness of others, who are not willing to trust the general public and refuse to record their wishes as expressed by the ballot. Legitimate business will thrive best when all the people are contented and reasonably prosperous.

It is admitted that "agriculture is in a bad fix; that it is unfair to compel the farmer to accept the low world price for his wheat, pork, beef, and cotton, while his production costs are fixed in the most highly protected market in the world, and under generous wage scales and increased tariffs, which reflect themselves in the cost of merchandise and freight rates." The claim that the farm problem is working out its own solution is asserted by those who set up no such claim when they were seeking helpful and favorable legislation for manufacturers, railroads, banking interests, and labor.

The provisions of the Haugen bill, to my mind, more nearly meet the emergency under existing conditions, and should be enacted into law, so that the surplus products of the farm may bring to the producers a fair return. As to corn, comparatively little is shipped abroad, but it is fed into cattle and hogs, and as beef and pork are helped so will corn likewise be helped. It is believed that the passage of the Haugen bill will lead to a great national farm reorganization, adjusted to the needs of agriculture in all sections.

Both parties in their national platforms have promised relief and helpful legislation for agriculture. The Republican Party is in full control of both branches of Congress and every committee having charge of legislation, as well as in control of the Executive department, and no legislation for the farmer can come without the consent of the dominant party, which is responsible for high-tariff rates and increased freight rates.

A reduction of both is demanded by agriculture and the Democratic party. Bring this relief and the producers and consumers will be largely helped.

The importance of this great basic industry is shown by the fact that at the peak of prices in 1919, the investment in agriculture in this country was given out as \$79,000,000,000, and \$86,000,000,000, in round numbers, for business and industry; neither so large now, because values have dropped.

The President of the United States, in his speech before the American Farm Bureau Federation at Chicago, was unfortunate in declaring that agriculture is substantially on a free-trade basis in respect of the things it buys, when it is well known that high-protection tariff rates have imposed enormously increased prices upon the consumers of the country and exacts heavy tariff tribute upon practically every manufactured article that the farmer is compelled to buy, and under and by virtue of the existing Fordney-McCumber Act staggers under an enormous load by reason of the exaction of the increased prices of the things that the farmer must buy. It is no answer to say that farm implements are on the free lists, when the steel and other products that go into the manufacture of these implements are highly protected, thereby forcing up the prices of the implements, the purchase of which must be made or the cultivation of the farm abandoned.

There would be less urgent necessity for farm legislation if there were no discrimination in favor of the other great industries against agriculture.

The majority in control should by united action permit legislation to lower those high tariff and freight rates so hurtful to agriculture.

It is stated that wheat reaches the seaboard in Canada at half the freight rate that wheat grown in the United States is permitted by our railroads to reach the seaboard for shipment abroad; as reasonable rates should be for our surplus as for Canada.

The farmer can not limit his production like the manufacturer. He must cultivate to the extent of his ability. He must raise a surplus for sale.

The suggestion to limit production means no surplus with which to purchase necessities he must have and must procure

by sale or exchange of his surplus. The price of his surplus is reduced by the freight charges, and what he purchases is enhanced in price likewise by the added freight charges. So he pays both ways. While he buys in a protected domestic market and sells in a world free market, transportation and the tariff and the middleman's charges absorb the value of his surplus products.

There is a trend of labor in this country, which apparently can not be checked, from agriculture to industry, because industry pays more than agriculture can afford to pay. But industry can not continue to prosper and employ labor unless agriculture can buy, for lay-offs, with fewer days of work or reduced wages, and idleness, and strikes result.

Twenty years ago 60 per cent of our population was agricultural and 40 per cent urban. Ten years ago the urban figure stood at more than 51 per cent. In the meantime, of course, a more general use of farm machinery resulted in greater production for workers, so that the percentages do not indicate accurately the productive position of the agricultural area. Farm production is increasing, but not as fast as the population. The total value of farm crops and livestock in 1923 was estimated at \$16,000,000,000. The value of industrial products that year was about \$65,000,000,000. Compare these figures with the value of farm products in this country in 1914, estimated to be ten billions, and the value of manufactures, about twenty-four billions. Note the comparative increase between the products of the farm and of manufacture.

This whole question of agricultural and industrial production, urban and country population, and relationship between agriculture and industry are tremendously important and requires the best thought of Congress, to the end that relief come to agriculture.

The high-tariff manufacturers of the United States took autocratic control of the Republican organization, financed it, controlled the Metropolitan Press, and dominated the policies of the Republican Party, forced it to enact high-tariff legislation in their own interest, increased freight and passenger rates, and invited by their action other countries to do likewise in self-defense, thereby depressing commerce between nations and lowering the price of our surplus products of farm and factory when sold abroad, crippling especially the farming class by depreciating the price of their products while protected industry held a monopoly of the home market and could sell at lower prices the surplus from their own factories. Our foreign trade is lessening by reason of such policy, as stated by Mr. HULL in his discussion of the tariff:

Perhaps the most striking features of the Fordney-McCumber Act were the new and high rates for the iron and steel schedule. Iron and steel products constitute the major cost in almost every industry in the United States. Coal and iron are the two great basic commodities that underlie all industry. Carnegie and his associates boasted 25 years ago that they could produce the cheapest steel in the world and would soon control the world's markets.

The United States has the richest and greatest iron-ore reserves, the largest coal reserves, best skilled labor, and best business management.

In the face of all these facts and conditions new and uncall-for higher tariffs are given the steel industries, so that their enormous profits can be further increased and higher prices exacted from all people compelled to buy the products of steel and iron. The cutlery tariffs averaged 107 per cent, pocket knives 146 per cent, the cheaper grades 179 per cent, scissors and shears 185 per cent. These amazing rates cost the people \$50,000,000 annually.

The railroads consumed 22% per cent of iron and steel products, or 5,986,000 tons, during 1925. On these and other products purchased for all purposes the railroads pay increased tariff prices of nearly \$200,000,000 annually, which they pass on to the shippers in the form of higher freight rates. The farmer not only pays his share of this, but he is also a consumer of iron and steel products in the amount of nearly 20 per cent of the entire output. So he falls heir to this additional tariff burden. The building and bridge trades consume 18 per cent, thereby unduly enhancing the cost of building.

The American people are penalized by the woolen tariff schedule to the extent of \$250,000,000 to \$300,000,000 annually. Is it any wonder that these great protected industries grow enormously wealthy and enjoy exorbitant profits and incomes? Is it any wonder that through favored protection laws more than half of the wealth of the United States is held and owned by 2 per cent of the people, while 98 per cent toil and struggle for existence and for reasonable profits? Is it any wonder that agriculture is demanding consideration at the hands of Congress?

I again quote here from Hon. CORDELL HULL, a recognized tariff and revenue expert:

The story of agriculture for the years 1921-1925 is tragic. The value of farm lands alone declined 31 per cent, or \$17,000,000,000.

This colossal loss, together with abnormal losses on farm products, make the farmer \$25,000,000,000 to \$30,000,000,000 worse off than in 1920, and worse off than he was before the war, despite unprecedented high tariffs on all agricultural products since May, 1921. His indebtedness aggregates near \$12,000,000,000. Most countries have erected tariff barriers against his export surpluses in retaliation for our high tariffs. Farm failures during past years increased 1,000 per cent in contrast with commercial failures. Nearly \$8,000,000,000 of our \$10,500,000,000 loans made abroad since the war have been placed in Canada and South and Central America, where they would aid exports of our finished manufactures but would not aid our food exports to Europe. The farmer has seen high tariffs thoroughly tried out in practice, and if he can not now see that he is receiving tariff burdens and not tariff benefits, it would be in vain to reason with him.

Agriculture has never gone to the heart of the tariff question; but should it fail soon to do so it is destined to a state of permanent decay in this country. There is no more sound economic law than that tariffs are helpless to benefit an industry with a substantial surplus, which must be annually sold abroad in competition with important quantities of like products from other countries. The American farmer, therefore, who produces of the total agricultural output some 80 to 85 per cent of the staple agricultural products, such as corn, cotton, wheat, oats, rye, hay, lard, meat products, and tobacco, much of which must be exported, can not hope to receive any appreciable tariff benefits. The existing tariffs, on the contrary, hurt the American farmer by (1) increasing his production costs, (2) his cost of living, (3) his transportation rates on both land and sea, (4) decreasing his foreign markets and his exports, and (5) decreasing his property value by surplus congestion. The tariff is a tremendous factor in the production cost of the farmer as it is in his living costs. There is scarcely an article which he can purchase for any purpose at a price that is not tariff inflated. His agricultural machinery was placed on the free list while high duties were imposed on all the materials entering into the same, and the fact that the manufacturer dominates the world compels the farmer to pay high-tariff prices just the same. While the inevitable logic of high tariffs is that home production should not exceed home consumption, ultraprotectionists are striving to expand the exports of industry while they are advising the farmer to restrict his output to the home demand. They tell him that he should be content with home markets. In the first place, the farmer's home market is secure, regardless of tariffs; secondly, of what concern is the home or any other market to the farmer unless he can sell at a price above the cost of production? The farmer is interested in prices above all else. High-tariff advocates also tell the farmer that his collapse in 1921 was primarily due to commercial depression, whereas in truth the commercial depression was primarily due to the agriculture collapse and loss of purchasing power.

Agriculture continues as the basis of all sound domestic prosperity. Under existing tariff and trade policies industry will soon submerge agriculture, and then the rule will be reversed. The farmer undoubtedly knows now just what has been happening to him during the past five years. In 1920 the exports of all foodstuffs and food animals were \$2,034,000,000, compared with similar exports of \$892,000,000 in 1925. Only 17 per cent of our imports of foodstuffs in 1925 were competitive. Attempts are at times made to mislead the farmer by pointing to the large volume of agricultural importations. They dodge the controlling facts that most importations of foodstuffs are tropical fruits, coffee, sugar, tea, and other products that we do not produce at all, or if so, in insufficient quantities. Tea, coffee, sugar, spices, and cocoa comprised \$620,000,000 of food imports in 1925. We produce none of these except some sugar. We must import wool and Egyptian cotton to the extent of \$162,000,000 unless we are to freeze. Raw silks amounted to \$396,000,000 and crude rubber to \$437,000,000. We produce neither. A fair volume of winter fruits come in from southern countries at a time not to compete with our own. We do not produce enough hides, and so we purchased \$96,000,000 worth of hides in 1925.

Some complain of the heavy cost of the Haugen plan. It is stated that new corporate financing in the United States during April reached a total of \$438,299,000, which is far in excess of the amount provided in the Haugen bill—\$375,000,000—as a revolving fund for a period of two years for the great basic industry of agriculture—which may be reduced by amendment.

I quote here some figures relating to industries other than agriculture:

#### PRIVATE INVESTMENTS

New corporate financing in the United States during April reached a total of \$438,299,000. With the exception of last January, when the total of new corporate investments reached \$545,870,000, the total for April is the high mark. The total of new corporate investments for the first quarter of this year reached a level of more than \$1,640,000,000. Industrial financing and investment thus far this year has reached a total of more than \$1,462,000,000.

Few persons realize the enormous amount of new American capital issues offered in American and foreign investments since 1920. It is

estimated at more than \$27,700,000,000, of which about \$24,000,000,000 was in domestic corporations or enterprises and about \$3,700,000,000 in foreign corporations.

These offerings cover only five years, whereas the total American investments in foreign government and industrial securities on January 1, 1926, amounted to approximately \$10,500,000,000. This is something like one-sixth of the total estimated national income.

And yet with this object lesson, of great corporate investments, seeking to gather into their coffers the benefits largely flowing from agricultural efforts, they hold up their heads and cry aloud, subsidy, subsidy. Billions appropriated for every conceivable project, but when you talk of lending a helping hand to the farmer the cry of subsidy and economy is raised. You have more than doubled over 1913 the cost for military purposes, appropriated by this Congress, in the aggregate nearly a billion dollars. All other great industries cared for, the farmer now asks for consideration.

Let not the consumer be disturbed. He will not suffer by fair treatment of the farmer producer. It is the middleman, the distributing agent, the transportation from the farm to the consumer that is responsible for the high prices paid by the consumer. Your loaf of bread, your charges for meats, do not change with the rise and fall of prices for wheat and beef and pork. The charges made to you remain at a high level.

I have said so much about tariff and freight charges so as to stress the evil from which so much of the trouble comes. But the farmer must sell his surplus and reach the markets of the world at reasonable expense, and for that he needs the helping hand of legislation and should not be told by the powers in control to work out his own salvation, nor be told to raise no surplus, for he must have a surplus to sell in order to buy for his needs and to pay his taxes and other burdens. Without surplus on the farm for sale our foreign commerce will decrease, and our prosperity end. We must have a surplus of farm as well as factory to buy the needed surplus products of other countries.

I want to insert here the purchasing power of the farmer's dollar from 1912 to 1925, inclusive:

	Cents		Cents
1912	101	1919	112
1913	100	1920	96
1914	105	1921	84
1915	103	1922	89
1916	97	1923	61.3
1917	107	1924	62.4
1918	112	1925	60.3

These figures, as furnished by Secretaries of Agriculture Wallace and Jardine, show the low purchasing power of the farmer's dollar since the enactment of the Fordney-McCumber tariff law, showing that it has been a strong agency in depreciating the value of the farmer's dollar.

I also insert here a table of comparative prices of farm implements in 1914 under Democratic tariff laws and in 1924 under Republican tariff laws:

Implements	1914	1924
Hand corn sheller	\$8.00	\$17.50
Walking cultivator	18.00	38.00
Riding cultivator	25.00	62.00
1-row lister	36.00	89.50
Sulky plow	40.00	75.00
3-section harrow	18.00	41.00
Corn planter	50.00	83.50
Mowing machine	45.00	95.00
Self-dump hay rake	28.00	55.00
Wagon box	16.00	36.00
Farm wagon	85.00	150.00
Grain drill	85.00	165.00
2-row stalk cutter	45.00	110.00
Grain binder	150.00	225.00
2-row corn disk	38.00	95.00
Walking plow, 14-inch	14.00	28.00
Harness, per set	46.00	75.00

I desire to give here the agricultural situation as shown by the North Central States agricultural conference executive committee of 22:

#### The agricultural situation

##### BUYING POWER CUT IN HALF

[National Industrial Conference Board]

[Four years, 1920-1923. 1914=100]

Beef cattle	52
Swine	62
Wheat	45
Corn	57
Oats	48.5
Barley	49

FARM SHARE OF CURRENT INCOME LOW  
[National Bureau of Economic Research]

Farm population, per cent of total current income	29.9
Per cent of total:	
1919	17.7
1920	13.4
1921	9.9

## AGRICULTURE'S SHARE OF NATIONAL WEALTH DECLINING

[Bureau of Historical and Statistical Research, Department of Agriculture]

	1900	1912	1923
Total wealth... billions of dollars..	88.5	186.3	320.8
Farm wealth... do.	22.1	49.8	64.3
Farm share of total... per cent	25	26.7	20

ALL FARM PROPERTY IN UNITED STATES WORTH LESS THAN 1913  
[Figures from National Bureau of Economic Research and Department of Agriculture]

[Dollars of 1913 purchasing power]

Value of all farm property in United States:	
1913	\$45,227,000,000
1924-25	\$38,188,508,000
Per cent of 1913	84.4

## FARM AND MANUFACTURING WEALTH COMPARED

[Bureau of Census figures reported in February bulletin National City Bank of New York]

[Dollars of 1912 purchasing power]

Manufacturing:	
1912	\$20,785,000,000
1922	\$29,447,100,000
Per cent of 1912	141.9
Agriculture:	
1912	\$12,846,000,000
1922	\$9,244,604,000
Per cent of 1912	71.8

## EXCHANGE VALUE OF FARM LANDS BELOW 1910

[Bureau of Census figures for North Central States used—Ohio, Indiana, Illinois, Michigan, Wisconsin, Minnesota, Missouri, Iowa, Kansas, Nebraska, North Dakota, South Dakota]

[Dollars of 1910 purchasing power]

Exchange value:	
1910	\$17,284,260,000
1920	\$14,904,561,000
1925	\$13,647,519,000
1925 compared with 1910 per cent	78.98

## MEANTIME FARM DEBT GROWS

Total farm indebtedness:	
1910	\$4,320,000,000
1920	12,250,000,000
1925	12,250,000,000

A large crop is a national blessing to be fed more largely when cheap and surplus sold when prices justify.

The Haugen bill provides the machinery for our surplus production to move to the markets of the world in an orderly way.

The condition of agriculture is not disputed. The difference of opinion is over the remedy. The Haugen plan is proposed by the farm organizations. Why not test it out until a better plan is devised? No other apparently workable or worthwhile plan has been proposed. If defective, let it be amended after trial. Do not cry subsidy, when Congress came to the aid of the railroads after the World War and appropriated \$2,000,000,000 for their aid. If the railroads broke down and needed aid, is not agriculture entitled to helpful legislation? Railroads are now in better condition than ever before, stabilized as they are by the Esch-Cummins law. This agricultural measure will help every other great industry while it stabilizes the products of the farm. Let it have a fair trial.

Agriculture asks to be put on an equality with other industries. It will not be satisfied with less. This Government has no right to relegate agriculture to a position of comparative inferiority with industry. Or by discrimination compel agriculture in the future to be used merely for supplying cheap food and cheap raw material to industry. The defeat of fair legislation for agriculture makes an issue that will be settled in the forum where the voter records his will.

If the Haugen bill fails of passage or enactment into law, I am ready to vote for any measure helpful to agriculture.

The agricultural district which I represent and the great State of Missouri, so largely agricultural, is vitally interested in this proposed legislation and deeply concerned about the purchasing power of the farmer's dollar.

During my term in Congress I have always given first concern to agriculture, the basic industry in my district, and shall continue by my vote to try to represent its best interest as long as I am trusted to serve them here. And while the Haugen

measure may not be perfect, it is the one bill that seems to best represent agricultural thought and wishes, and I shall cheerfully support it. If it has defects, they will appear on trial and can be amended. No comprehensive bill for any great measure is ever perfect. It has to be tried out.

No one can predict with certainty the result of legislation. Our duty is to represent as best we can the thought and wishes and needs of our district and of the country as far as we can. No general law is perfect when first enacted; after trial it may need amendment.

My first duty is to agriculture. The cities and towns in my district are dependent upon the prosperity of the farm, and this duty it has been my endeavor and pleasure to always recognize by every vote I have cast and every speech I have made since I have been a Representative in Congress.

Mr. HAUGEN. Mr. Chairman, I yield to the gentleman from Missouri [Mr. MAJOR].

Mr. MAJOR. Mr. Chairman and gentlemen of the House, as a Representative from a great agricultural State and of a district where agriculture is one of the chief industries, I desire to make a few observations on the legislation now before our body.

I have been waiting with much solicitude for the report of the Agricultural Committee of this House on what that body would recommend to us in the way of farm legislation, and at last, after many weeks of hearings and deliberations, that committee, whose special province is to consider and report on legislation affecting agriculture, has presented us not with a bill which a majority had agreed upon, but with three distinct and separate measures, namely, the Haugen, the Aswell, and the Tincher bills. We have now had five days and two nights of debate on these proposed measures, and much has been said for and against each. There seems to be a unanimity of opinion that agriculture is in sore straits and something should be done to give relief to this great industry—the diagnosis has been as varied as have been the remedies offered for the cure of its ills. Agriculture is entitled to a square deal at the hands of the Government and should be treated fairly. There should be no governmental favorites. No business or industry should be placed in a position where it can be preyed upon by any other business or industry. Agriculture is sick and the question is, What can we do to relieve the situation? Just look into conditions and see what the trouble is and what has happened and is happening to the farmers.

In 1900 the farm lands and property in the United States were valued at approximately \$20,000,000,000; in 1910 this value had increased to \$40,000,000,000; in 1920 to \$77,000,000,000. These returns show that the farm lands and property of this country had steadily increased in value in times of peace and in times of war until 1920, when they reached the high point. Now, what of the past three years—what has been the condition of the farmer during this time, and apparently without any obvious reason? While everyone around him has prospered, his prosperity has gone; his land has depreciated in value, as well as everything else he owns, while what he has to buy has kept up in price, if not actually increased. His dollar has been reduced to about half in purchasing power, while his State, county, and local taxes, as well as his debts, have doubled. His freight rates have steadily increased, until they have reached the point where they at times equal the price he receives for his products. Approximately 25 per cent of the farmers in the great West and Central West are bankrupt, and are only saved from eviction and actual bankruptcy by the leniency of their creditors. Farm lands have decreased in value from one-third to one-half.

The National Industrial Conference Board, with headquarters in New York, has submitted to the American people its profound conclusion after one year of continued and earnest study that the average income of the American farmer for the year 1924 was \$736, as contrasted with the average income for transportation workers of \$1,570, of \$1,250 for manufacturing wage earners, of nearly \$1,700 for ministers, of over \$2,100 for clerical workers, of \$1,650 for Government employees, and even of \$1,300 for teachers.

The following table will show the depreciation in the purchasing power of the farmer's dollar from the year 1913 down to and including 1925:

	Cents		Cents
1913	100	1920	96
1914	105	1921	84
1915	103	1922	89
1916	97	1923	61.3
1917	107	1924	62.4
1918	112	1925	60.3
1919	112		

My colleague, Congressman STRONG, a Republican from the State of Kansas, had inserted in the RECORD sometime ago a

table showing the difference in the cost of farm implements in the year 1914, when the Underwood Tariff Act (a Democratic law) was in force, and in 1924, under the Fordney-McCumber Tariff Act (a Republican law). The table follows:

Implements	1914	1924
Hand corn sheller	\$8.00	\$17.50
Walking cultivator	18.00	38.00
Riding cultivator	25.00	62.00
1-row lister	36.00	89.50
Sulky plow	40.00	75.00
3-section harrow	18.00	41.00
Corn planter	50.00	83.50
Mowing machine	45.00	95.00
Self-dump hay rake	28.00	55.00
Wagon box	16.00	36.00
Farm wagon	85.00	150.00
Grain drill	85.00	165.00
2-row stalk cutter	45.00	110.00
Grain binder	150.00	225.00
2-row corn disk	38.00	95.00
Walking plow, 14-inch	14.00	28.00
Harness, per set	46.00	75.00

Most all of these implements have at least doubled in price.

The farmer's products, stock, and other property have fallen in value, while farm implements, building material, fertilizer, fencing, fuel, clothing, boots and shoes, and everything else he has had to buy, as well as freight rates, have remained at wartime prices. There is no just relation between the price he gets for his wheat and the price the consumer pays for the flour; between his beef on the hoof and the beef on the block; between the price he receives for his hogs and the price the consumer pays for pork and its products; between the price he receives for his hides and the price he has to pay for his shoes. There can be no question but what there is something wrong between the price the farmer is paid for his products and the price at which they are sold to the consumer. This difference between what the farmer receives and the price paid by the consumer for the products of the farm is an outrage and should not be tolerated or permitted in an enlightened country. What is this difference? Of approximately \$22,500,000,000, representing the total value of the farm products produced and sold in this country last year, the farmer received approximately \$7,500,000,000, while the speculators, middlemen, and transportation companies exacted the exorbitant toll of \$15,000,000,000—the farmers receiving one-third, the speculators, middlemen, and transportation companies two-thirds, a tribute out of all proportion of right and justice, and something which should not be allowed or tolerated by the lawmaking power of this or any other nation. But this is exactly what we are permitting to take place in this country and making no effort to prevent. We are sitting by and permitting this enormous toll to be taken from the farmers.

Instead of receiving but 35 cents of the consumer's dollar, as he does under the system now in vogue, he should receive the 65 cents now taken from him by the speculators, middlemen, and transportation companies. Instead of receiving the one-third he should receive the two-thirds, and in this way he would receive a fair return on his investment and labor, and compensatory prices for his products. Just look a little further: He is compelled to take what is offered him for what he has to sell, and is compelled to pay what is asked him for what he has to buy. He has no part in fixing the price of his own products or anything to say as to the price he is charged for what he has to buy. Under the present system he pays tribute to all other industries, but is denied any part in establishing the price of his own products. He must sell for what he is offered and in purchasing pay the price asked. It is heads they win and tails he loses. I submit that he should have the same say and influence in conducting his business as other businesses have in conducting theirs. His business should be placed on an equal footing with other industries. While he is asking no special privileges or special favors, we should see that he is given equal protection, equal privileges, and accorded fair treatment to the end that other industries shall not be permitted to prey upon his business to his detriment and utter ruin.

I assert that other industries of this country have been favored with special legislation at the expense of the farmer; and this policy should, must, and will be changed. By legislation he is compelled to purchase his farming implements, tools, fuel, building material, fertilizer, fencing, clothing, boots and shoes, and everything else he uses in a protected market, and must dispose of his products in the market of the world in competition with the world. He has witnessed the manufacturers of this country given the benefit of the highest protective tariff law in our history; the railroads given laws which en-

able them to fix compensatory rates that they may operate at a profit; virtually every business the recipient of beneficial legislation except his, and his the one business more entitled to the fostering care and protection of the Government than any other.

That the farmers are in distress and greatly in need of beneficial legislation admits of no argument. While the past few years, according to statistics, have been prosperous years for many forms of business, such has not been true of the farmer. He is getting the worst of it and is being hard hit on all sides. He labors from sunrise to sunset; he gambles with the elements, the drought, the flood, the storm, the winds, the heat, and the cold; he battles with the devastations of crawling and flying insects and the ravages of disease, and for all his work, his risks, his worries, and his troubles, he finds himself getting deeper and deeper in debt as he struggles for a livelihood. Out of the six and one-half million farms owned in the United States by individual farmers a few years ago, by reason of failures and foreclosures these farms are now owned by less than 3,000,000 farmers.

What are we going to do about it? What can we do that will relieve the situation and bring back prosperity to this great industry? In April, 1924, when this same subject was before us, I made the following suggestions, which I now repeat, for conditions have not changed:

First of all we should work on the Fordney-McCumber Tariff Act, the schedules of which were fixed at the command and behest of the predatory interests of this country without regard to the difference in the cost of production at home and abroad. Its purpose was to shut out all competition from abroad, and its effect is to foster, encourage, and permit the formation of trusts and trade combinations in this country to the end that the farmer is compelled to do his buying in a market where there is no competition and in this way pay tribute to the manufacturers of this country far beyond a fair and reasonable profit. He is forced to sell in competition with the world and to buy in a protected market where there is no competition. Congress has simply "hog tied" him, and the manufacturers are permitted to take from him what they decree. Shall we permit these conditions to continue? This Congress probably will, but the farmers of this country have awakened and will not much longer submit to this kind of treatment. There will be a Congress elected that will do what should be done in his behalf.

Second. We should do something to reduce the excessive freight rates which the farmer is compelled to pay and with which he is confronted in both buying and selling. Excessive transportation charges increase the price of everything he has to buy and decrease the price of everything he has to sell, the transportation charges in many instances equaling the price that the farmer receives for his products. Legislation perfecting the inland waterways of the country would do much to bring down the excessive transportation charges he is now compelled to pay.

Third. Taxes should be reduced, expenses curtailed, and economy practiced as well as preached.

Fourth. We should devise and put into effect some intelligent and comprehensive agricultural policy or plan whereby the farmer will be able to receive from the consumer compensatory prices for his products; legislation that will improve, stabilize, and make permanent our markets abroad.

These are a few of the suggestions that I would make for the relief and betterment of the great agricultural interests of this country. There may be others and I will gladly support any plan in which I believe there is merit and which will improve the situation.

In this Congress there are in the Senate 56 Republicans, 39 Democrats, and 1 Farmer-Labor; in the House 247 Republicans, 183 Democrats, 2 Socialists, 2 Farmer-Labor, and 1 Independent. So it can readily be seen that the Republicans at least have the votes to enact any legislation that their leaders might devise for the relief of agriculture. But will they do anything? If not, why not? Is it possible they do not know what to do? Do you believe that this is the *one* question on which their leaders are unable to agree upon any plan of relief? Can it be possible that effective relief would interfere with some other interest that stands closer to the "powers that be" than agriculture? There are individual Members who would not only be willing but would take pleasure in assisting in the enactment of legislation that would relieve the situation, but such legislation will not be forthcoming from this administration.

No man can serve two masters, and neither can a political party. No surer way could be devised, in my opinion, to block effective agricultural relief than that which we are now witnessing on the floor of this House. A great committee of 21 members, 13 of whom belong to the majority party of this House, supposedly selected because of their knowledge of and interest in the problems of agriculture, after weeks of assid-

uous labor have presented the House with triplets—HAUGEN, ASWELL, and TINCHER—all three of which are now cavorting in the House, muddying the waters and befuddling the issues to the end that this much-needed relief will be denied, and with the hope that the responsibility can not be fixed. So we witness the spectacle of a great party either unwilling or unable to devise, work out, or agree upon some plan to solve this, what I consider the most important and far-reaching problem before this Congress. The party now in control had no difficulty agreeing upon the provisions or the enactment into law of the Fordney-McCumber tariff bill for the manufacturers, the Esch-Cummins railroad bill for the railroads, the immigration bill for labor, and the Mellon tax bill and all other measures in which the interests and big businesses were interested. Can it be that the great manufacturing centers of New England are interested in seeing that the prices of the products produced by the great agricultural interests are kept as low as possible, and that these interests have the ear of the administration? The answer to this question is the key to the situation that now confronts us. The agricultural industry is entitled to just consideration and fair treatment at our hands and we should do something to the end that it no longer is permitted to remain the prey of the great manufacturing interests of New England. Congress, the greatest legislative body in the world, ought to be able to solve this problem. The reason for which government exists is that one man, if stronger than another, will take from him whatever that other possesses and he desires, and what is true of the individual is true of industries and businesses.

A great industry in dire distress, crippled and bleeding, is knocking at our door and imploring us for help, relief, justice, and fair treatment. To this they are entitled and I, as a Member of this House, am going to do my best to see that it is accorded them. While the Haugen bill is not perfect, I can not but feel that it would come nearer giving relief and meeting the situation than either of the other bills. It is the measure asked for by the great farm organizations—and they ought to know what they want—and I will support this bill in the hope that it will bring relief to agriculture—an industry in which approximately 40,000,000 people are engaged; in which there is invested approximately \$65,000,000,000; which annually buys \$6,000,000,000 worth of the goods and services of our other industries and supplies the materials upon which depend industries giving employment to nearly half of our industrial workers; and which supplies about one-fifth of the tonnage of freight carried by the railroads. Its products constitute nearly half of the total value of our exports; it pays in taxes one-fifth of the total cost of our Government, and farms and farm property represent more than one-fifth of the total national tangible wealth, and contributes, normally, about one-sixth of the total national income.

The Aswell bill has many good features, but, in my judgment, does not reach the situation or furnish the immediate relief that is necessary; while the enactment of the Tincher, or administration bill, would be giving to the farmers a present very much like the one given the good wife by her indulgent and generous husband who, after looking for several hours for an appropriate Christmas present, finally compromised with his conscience and presented her with a new axe.

I want to state here and now that if the Representatives of this House, regardless of political affiliations, who represent agricultural districts will be just as loyal, just as interested, and just as alert to the interests of the farmers of their districts as the Representatives of the manufacturing sections are to the manufacturers' interests, we will then get for the farmer what is due him and what he is entitled to and not until then. And in conclusion I want to say to the farmers of this country that when they realize that the leadership of the Republican Party, as constituted and controlled, is more interested in the manufacturers, big business, and the wealth of the country than in what concerns them and their business and is beneficial to them and their interests and bear that fact in mind in selecting the men they send to Congress to look after their interests, then and not until then will they be able to secure legislation which is necessary for their well-being and prosperity and to which they are so justly entitled.

Mr. TINCHER. Mr. Chairman, I yield to the gentleman from Michigan, a member of the Committee on Agriculture [Mr. KETCHAM], 20 minutes.

Mr. KETCHAM. Mr. Chairman and members of the committee, the Committee on Agriculture has been subjected to considerable good-natured banter for having presented three bills to the House of Representatives seeking to improve the agricultural situation of the country. In a few instances this good-natured banter has given way to actual criticism. After dis-

cussion of nearly a week, during which time it has been frequently observed that a number of speeches on this subject have been of an unusually high order, I think we will all agree that the whole problem has been somewhat clarified and that the judgment of the House upon this vital matter will be much sounder by reason of the fact that under the action of the committee full freedom has been given Members to present their views as to the merits of the respective plans.

After such complete discussion there is practically no new ground for one to cover in the closing hours of the debate, and I shall not therefore attempt to cover the field of discussion in relation to all the bills, but simply rise to offer a few observations as to the course my own mind has been taking during the weeks and months we have had farm relief under consideration.

In the first place, Mr. Chairman, I place myself squarely with all those who believe that no permanent prosperity can come to the United States unless the millions of our people who are engaged in the great fundamental business of providing our food supply and a large proportion of our raw materials for industrial processes are placed and maintained on a plane of economic equality. It is intolerable to me to think of any permanent classification of the people of the United States into different economic grades. Every effort must be made to make the rewards for equal effort, equal investment of money, and equal brain power in various callings and occupations fairly comparable. Particularly must we be mindful of the important part the farmers play not only in the maintenance of our economic structure but also our social and governmental organization. He is indeed blind to the best interests of his country who can not see the value of a contented, prosperous, and progressive agricultural population. Among the people on the farm is to be found the highest percentage of home ownership. Here, also, we find the highest percentage of native-born citizens. Here we find a strong backbone of constructive, conservative thought that is especially essential to our steadiness in times of distress, uncertainty, or panic. Therefore, it seems clear to me, Mr. Chairman, that from the purely personal standpoint, as well as from that of the responsibility which we bear as Representatives in the greatest legislative body, the world knows that the sentiment in this Chamber should be nearly unanimous in striving to work out any legislative enactments that may be needed to improve the economic situation of the American farmer. I have been highly gratified to receive personal assurances of a desire to measure up to this opportunity and responsibility from every section of the country represented in this body.

We may differ widely as to the extent to which we think legislation can be helpful, but in my judgment there is an overwhelming majority of this House on both sides of the aisle that would vote within an hour for any constructive plan that could be proposed to improve our present agricultural situation. Believing, therefore, that there is a real agricultural maladjustment that can be met partially by legislation, and that this House is ready and anxious for a constructive suggestion, I am presenting my views upon the question briefly in the feeling that not since I have been a Member of this body have we faced a weightier responsibility than that immediately confronting us.

In the first place I desire to present what I regard as a fair statement of the present condition of agriculture. We speak of the buying power of the farmer's dollar as an indication of his situation. We also speak of the purchasing power of the farmer's product in relation to the same subject. The purchasing power of the farmer's income is also used as a standard of measurement. Owing to the fact that all three of these expressions are frequently used interchangeably by public speakers and have indeed so been used by various Members in the discussion of pending bills, an attempt to clarify the meaning of these expressions may not be untimely. In the course of his eloquent and forceful speech last Friday the gentleman from Kentucky [Mr. KINCHELOE] made this statement during the course of a sharp attack on the Fordney-McCumber tariff law:

You have decreased the purchasing power of his dollar of \$1.01 when that bill became a law to \$0.60.

The fact is that when the Fordney-McCumber law became effective, in September, 1922, the purchasing power of the farmer's dollar was approximately 56, and in March, 1926, it was 62. Still others have stated that the purchasing power of the farmer's dollar is at its lowest point in the history of the country. The fact is that the lowest point in said purchasing power in the 15-year period between 1910 and 1925 was 40, which was reached about March of 1920. It is further true that the present purchasing power of the farmer's dollar is as high as it has been since 1916. Only in 1924 did

it reach 62, where it is at the present time. If you are describing the present situation of the farmer in terms of the purchasing power of his production, it is likewise untrue to say that he is in the worst position he has ever been. The facts are that in 1922, when the Fordney-McCumber tariff bill was enacted, the purchasing power of the farmer's product was 69. It has steadily increased from that point upward to 1925, when it reached 89. For the last six months it has remained stationary at 87. Still another measure of the farmer's situation is found in terms of the purchasing power of his income. Beginning with 1922, both gross and net income of the farmers of the country have increased. The exact figures are 1922, \$543; 1923, \$701; 1924, \$764; and 1925, \$876. Mr. Chairman, my purpose in submitting these figures, which are official and authentic, is twofold: First, to answer the oft-repeated and emphasized charge that the protective tariff is directly responsible for the present situation of the farmer; and, second, that there has been no improvement in recent years, but that the situation is continuously growing worse. When judged by the buying power of his dollar, the buying power of his products, or his net income, he has improved his position perceptibly since September, 1922.

Expressed in terms of percentage, the purchasing power of his dollar has increased nearly 11 per cent, the purchasing power of his product 26 per cent, and his net income 61 per cent.

The following index comparisons between the prices the farmer receives on four of his principal commodities in contrast with the prices paid for four groups of articles that make up the largest share of his purchases are submitted in the hope that they will be helpful in the consideration of proposed farm legislation.

The same periods, 1911-1914, and 1921-1924, have been used in preparing each table, and 1913 is taken as the base at 100 per cent, with the exception of the agricultural and nonagricultural table where 1910-1914 is used as the base:

*Sales*  
[Farm prices]

	Wheat	Corn	Hogs	Cattle
1911	109	92	84	76
1912	112	110	90	87
1913	100	100	100	100
1914	110	115	102	106
1921	147	90	105	91
1922	130	95	113	92
1923	123	127	95	96
1924	139	145	100	98

Wheat constitutes 11.56 per cent on farm commodities sold, corn 4.46 per cent, hogs 12.46 per cent, and cattle 15½ per cent.

*Purchases*  
[Wholesale prices]

	Cloths and clothing	Building materials	House furnishings	Metals
1911	95.8	97.6	93.5	89
1912	97.2	98.5	94	98.6
1913	100	100	100	100
1914	98	97	99	87
1921	179.5	165.4	195.1	120
1922	180.8	188.4	175.8	122
1923	200.1	189.1	183.1	144.4
1924	190.9	175.1	172.8	134.5

Cloths and clothing make up 9.8 per cent of our purchases; building materials, 5.37 per cent; house furnishings, 3.34 per cent; and metal products, 8.35 per cent. Purchases are not made at wholesale by the farmer, and the figures given in this table would need to be increased by the percentage that the retail price bears to the wholesale price in each classification.

[Farm price index]

	Agricultural	Nonagricultural
1911	95	95.5
1912	99	100.3
1913	100	104.5
1914	102	97.4
1921	116	167.4
1922	124	168
1923	135	171.3
1924	134	161

Three other factors that have largely contributed to the unequal situation the farmer faces are shown in the following table:

	Union wages	Farm labor	Freight rates
1911	96	93	100
1912	97.6	97	100
1913	100	100	100
1914	101.9	97	100
1921	205	144	191.6
1922	193.1	140	191.6
1923	210.6	159	172.5
1924	228.1	159	172.5

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

Mr. JACOBSTEIN. The gentleman does not seem to maintain that the farmer's position is normal?

Mr. KETCHAM. I do not.

Mr. KINCHELOE. Mr. Chairman, will the gentleman yield now?

Mr. KETCHAM. I really ought to yield to the genial gentleman from Kentucky.

Mr. KINCHELOE. The figures that I used I got from Secretary Wallace, who is now dead. They gave the purchasing power of the farmer's dollar up to 1922. I wrote to Secretary Jardine to give me the purchasing power of the farmer's dollar for 1923, 1924, and 1925, and he gave it, and it went up in 1925 to 60½ cents. The gentleman may dispute that, but that is my authority.

Mr. KETCHAM. I think the authority is very good, but I think the gentleman from Kentucky, and I say this in all kindness, did not interpret the figures correctly.

Mr. KINCHELOE. And I say that I did interpret them correctly.

Mr. BURTNESSE rose.

Mr. KETCHAM. I shall have to refuse to yield.

Mr. BURTNESSE. Is not the difference to be found in the purchasing power of the dollar and the purchasing power of the products?

Mr. KETCHAM. So far as our present problem is concerned, stated in terms of agricultural and nonagricultural indices, the problem before the American farmer and the country is to devise ways and means whereby a nonagricultural index may be increased approximately 13 per cent. Question, "How shall it be done?" Three legislative remedies are submitted for your consideration: The Aswell bill is predicated upon the assumption that the spread between the consumer and the producer is altogether too wide and that if better marketing machinery could be set up to lessen the number and the expense of the intermediate transactions, the net result would be a large increase in the price of the product to the original producer without at the same time affecting the cost to the ultimate consumer. The Tincher bill attacks the problem from the standpoint of better merchandising. Secretary Jardine states the proposition in these words, "My own conviction is that the central problem in this whole matter is one of merchandising." His point is well illustrated in the case of wheat. The high point in marketing this important grain crop so far as quantity is concerned is September. Conversely, this month represents almost the low point of the year so far as price is concerned, and the farmer is primarily interested in the price that prevails at the time he markets his wheat.

The theory of the Tincher bill is this, that cooperative agencies are rapidly developing, and in view of the fact that their capital is ordinarily so limited that they can not store any considerable quantities of wheat, they must take the crop as it comes and in turn pass it on to those who have storage and capital facilities for handling it until the consumptive demands require it to be fed into the food stream. Looking at the problem in a broad way there seems to be no reason why the wheat price in September should be essentially different than at later periods in the year, and yet it is well understood that under normal crop conditions the low point in the annual wheat price corresponds almost exactly with the point of greatest marketing. The Tincher bill is built upon the theory that this price inequality which directly limits the income of the American farmer, and therefore affects the prosperity of not only the farmer himself but of all other groups as well because it decreases his buying power—is a matter of public interest, and it proposes that loans shall be made at low rates of interest and for long periods of time, not to individual farmers but to cooperative organizations to enable them to carry these seasonal surpluses along until they can be fed into the food stream without a depression of price. The purpose of the bill, as stated by the Secretary, is to stabilize prices, and if prices are stabilized, I think all would agree that it would certainly

be at a higher level for the farmer than at the present time, because so large a per cent of his grain is marketed at the low price period. Neither the Aswell bill nor the Tincher bill propose to change radically the marketing systems which have been built up in the country through so many years of conscientious effort. They are designed to supplement and improve the present marketing agencies and to that extent are not revolutionary.

The proponents of the Haugen bill maintain that the chief element in the farm relief program is the question of our exportable surpluses, and evidently are not only enthusiastically committed to the proposition of eliminating these surpluses from their depressing effect upon prices, but are unwilling that any other plan may be tried. With reference to these three bills, I can make my position clear. Two years ago I supported the McNary-Haugen bill, not because of its so-called price fixing nor its government in business, but solely upon the theory that it was designed to make the protective tariff, in which I am a firm believer, fully operative upon those crops in which we have an exportable surplus through the device known as equalization fee. This plan has been described so many times and is so thoroughly understood that I will not refer to it further at this time. At the hearings before the committee, my questions to the various witnesses will show that I was willing to go along with the Haugen bill as it was originally drafted, incorporating the principles of an equalization fee. I am less convinced now than I ever have been as to the practicability of the equalization fee. I think it but fair to say that I have now passed fully into the state of mind described by the judge on the bench as that of a reasonable doubt. I had further concluded to support the original Haugen bill because there was no doubt in my mind but that it represented a very substantial and well-considered group of farmers in the country, whose chief agricultural interest is centered in the basic commodities of the bill. However, I have now deliberately reached the conclusion that I can not support the Haugen bill for the following reasons:

First. Because it embodies the subsidy idea, against which every farm leader spoke before the committee, and against which every farm organization has gone on record in its great annual meeting, where the well-considered views of the membership are expressed in resolutions and where mere expediency in securing votes is not a controlling factor. When the motion was presented by the gentleman from Minnesota [Mr. ANDRESEN] deferring the equalization fee for two years and providing the subsidy of \$350,000,000 to care for the losses that might be sustained pending the establishment of the equalization fee, I announced that I would have to part company. I can not support the idea of a subsidy and I can not conceive the Haugen bill to be successful at all with the equalization fee eliminated. I know full well that the proponents of the bill say that the equalization fee is still retained, but I do not believe any considerable number of the Members of this House believe in their hearts that if the bill were enacted with the subsidy feature in it that there would be any great chance of ever establishing the equalization fee or production tax in its place. A simple test of the truth of this assumption is to be found in the attitude of the representatives of the cotton growers of the country. With the subsidy in the bill, a considerable block of votes would be cast for the bill. Without such a subsidy I believe that the vote against the bill would be as nearly unanimous as it was from the cotton growers in the case of the McNary-Haugen bill of two years ago. The outstanding defect in the Haugen bill as it now appears is that, in my opinion, it would defeat the very purpose it seeks to correct, namely, that of control and handling of surpluses. Just a moment's consideration will make this point clear I feel sure.

The farmer in the last analysis is an individualist. He must meet his own bills, both of a public and private nature. He must pay off his own mortgage. He must strive in every possible way to increase his income and to limit his expenditures within that income if he is to succeed. Should the Haugen bill pass and the news go to the various sections of the country that specialize in the basic commodities enumerated in the bill, I can not conceive that any farmer who saw in it an opportunity to get a greatly increased price for his products would not immediately make plans to greatly increase his acreage, because the restraining influence of the equalization fee would be lost and he would know that the losses on all the excesses that he might produce would be made up out of the Public Treasury. Just what this would mean in the way of defeating the purpose of the bill can easily be seen by a glance at the variations in acreage and yield in wheat. We have gone from the extremes of 54,000 to 75,000 in acreage of wheat and from 636,000,000 to 1,000,000,000 bushels in yield, and the inevitable result is shown in the net results of such operations.

In 1915 we produced a billion bushels of wheat, for which we received approximately \$950,000,000. The following year we produced 636,000,000 bushels, and received nearly \$100,000,000 more for it than we did for the crop of the preceding year, which was 400,000,000 bushels greater. Speaking of deferring the equalization fee for two years and then putting it in operation, can anyone imagine a more difficult situation than would be created in the operation of this bill under the circumstances I have described? If ever a surplus would be produced, it would be next year, and I think every level-headed man will recognize the insurmountable difficulty of placing an equalization fee on wheat in the face of a tremendous carry over such as, in my opinion, would be inevitable under the inspiration of a direct subsidy from the Treasury of the United States.

Mr. Chairman, as Members of this body we are confronted in the last analysis then with this situation: Shall we discard the marketing systems and market agencies that have been built up through long years of painstaking effort and substitute a new governmental agency that of necessity must to a large degree completely change all that we have set up, or shall we encourage the organization already set up by farmers themselves to work out their own problem? The cooperatives of various kinds to-day are estimated to handle one-fifth of the products of the farm. With sufficient capital, and with the governmental encouragement offered under the terms of the Tincher bill, it is reasonable to suppose that they will grow rapidly and will overcome many of the difficulties that have prevented their proper development up to this time. My choice has been determined, and I shall do what I can by my voice and vote to take this forward step in the solution of the great farm problem. Our discussions have been very earnest, not to say heated, at many times, and personalities have been occasionally indulged in, but this question is too big for considerations of such character to influence our judgment. I am further convinced of the practicability of the step I have decided to take, because, in my opinion, this legislation will be the only kind that can receive Executive approval if enacted. I have no sympathy for the attitude of mind that suggests reprisals upon other groups of our citizens if his own wants are not met. I do not believe the American farmer wishes any advantage for himself that means a detriment to any other particular group. All that he is asking for is that so far as legislation is concerned you will give him an opportunity to place himself upon an equal footing with other citizens. Believing that the terms of the Tincher bill will enable him to take the necessary steps by eliminating the seasonal surpluses, which after all are the largest factor in their effect upon the price to the individual farmer, I sincerely hope that the measure may receive your favorable consideration. It is an immediately practical and sensible step to be taken, and it should be given a fair trial.

The gentleman from New York [Mr. JACOBSTEIN] has summarized my views aptly in a closing sentence from his brilliant analysis of the agricultural situation, given last Thursday, in the course of his remarks on this bill. I quote:

It is my belief that the farmer can profit in the solution of his problems by more effective and more extensive cooperation, by the application of larger use of long-time loans for capital expenditures, and for the building up of a sinking or reserve fund to be used in financing the carry over of the surplus in such a manner as to exercise a restraining influence not only on immediate market prices but on future prices through a regulation of production.

[Applause.]

Mr. ASWELL. Mr. Chairman, I yield 15 minutes to the gentleman from Alabama [Mr. ALLGOOD].

Mr. ALLGOOD. Mr. Chairman, I regret that the great Agricultural Committee of this House can not agree, and therefore have reported three agricultural bills instead of getting behind one bill with all their might and main and passing it. With three bills there is absolutely no hope of any of them passing; therefore I doubt very seriously if there will be any farm relief measure passed at this session. If 11 men on a committee of 21 members can not agree on a measure, they can not expect a majority of 435 Members of this House and a majority of 96 Members of the Senate to agree on a bill which will be accepted by the President, whose attitude seems to be that the farmer must work out his own salvation. But the farmers of this Nation know that they have not had a square deal from Congress, and it is my opinion they will charge this up to President Coolidge and his administration when voting time comes.

This bill seeks to equalize and stabilize the price of corn, wheat, livestock, butter, and cotton, and provides an appropriation to be known as a revolving fund for this purpose. It also provides for an equalization fee for each of these products.

However, in the case of cotton, the equalization fee is not to be applied for two years from date of passage.

AGAINST TAX ON COTTON

I can not and will not vote for this measure unless it is amended. If it is amended so that a majority of the cotton farmers can by direct vote pass on this matter of equalization fee, then I would be willing to give them the opportunity to do so. I am interested directly in the protection that this bill, if amended, gives to cotton and the cotton farmer. It provides \$75,000,000 for the purpose of buying cotton when there is a temporary surplus and the price slumps below the cost of production. Statistics show there has not been more cotton produced than has been consumed during any five-year period in the last 25 years; therefore if the Government will provide a fund to remove the temporary surplus and hold this surplus until a year of low production comes and feed it back into the market, it certainly will help regulate the price of cotton; and if, in addition to this, the majority of the cotton farmers of the South want to vote an additional \$2 per bale to add to the revolving fund, they should have the right to do so. There is no damage to cotton that is properly stored and insured, but there were millions of dollars of loss to cotton farmers and merchants in the South last year by a temporary surplus. If this bill had been in operation, I honestly believe that we could have maintained the price throughout the season at 25 cents a pound, whereas several million bales were forced on the market at 18 cents per pound, causing losses of hundreds of millions of dollars.

Agriculture is the basic industry of this Nation and is as much entitled to protection as are the railroads, the manufacturers, and the moneyed interests. The railroads are guaranteed a profit by the Esch-Cummins law. The manufacturers are protected by a high tariff law passed by Congress. The bankers are protected by a great Federal reserve system, authorized by Congress. Industrial laborers are protected by a strict immigration law, passed by Congress. The farmer has to sell his products in the open markets of the world without laws favorable to the carrying on of his business.

The farmers throughout this Nation have lost multiplied millions on account of unstable conditions growing out of the war, and they have made their appeals to Congress and to the President, and instead of hearing their appeals this Congress has heard the appeals of the foreign nations and have voted to cancel more than \$6,000,000,000 due our Government by these nations. The President and his advisers preach economy but practice profligacy by appropriating almost \$700,000,000 a year for the Army and Navy, which is almost double the amount appropriated before the war.

This bill, if amended, will help take the panic out of the cotton farmers' life. The cotton farmer has been crushed to earth by panics oftener than any other class of farmers in America. The panic of 1860 and 1865 was produced by the Civil War, in which 4,000,000 slaves were freed, valued at \$2,000,000,000. These former slaves went to producing cotton in competition with the white men, women, and children of the Southland, who were forced to grow cotton in competition with negro labor, which is the cheapest labor in this country. They live in cabins, with few of the necessities of life, and on a low order, but can produce as much cotton as the white man, and therefore they have helped swell the production, which in turn has caused cotton to be sold at a low price.

Our people had to produce cotton, because it is their only money crop. They owed debts, and they believe in paying their debts. By growing cotton from year to year it has run down the fertility of the soil, and as a result we have had to resort to commercial fertilizers. In the year 1925 the southern cotton farmers bought 4,000,000 tons of commercial fertilizers, which at \$30 a ton would cost \$120,000,000. The operation of Muscle Shoals as a fertilizer plant would help reduce this burden on the farmer. The Fertilizer Trust does not want this competition, and their friends have been able to hold up and defeat legislation seeking to operate Muscle Shoals for fertilizer purposes, notwithstanding the fact that the original act of Congress providing for the development of Muscle Shoals specifically states that these properties must be used for the production of fertilizer in time of peace. Our cotton farmers have been crushed by panic after panic. In 1908 there was what was known as a money panic. A few big financiers called their loans, and as a result a panic came with the banks of the Nation full of money. This was the panic in which scrip was issued and used for money.

There was a big slump in the price of cotton at this time which cost the people of the South many millions of dollars. Again, in 1914 the cotton farmers were struck to the earth by a panic produced by the outbreak of war in Europe. In the

years 1915 to 1920 we of the South saw the boll weevil spread almost entirely over the Cotton Belt, and its ravages left bankruptcy and desolation upon thousands of cotton farms. In 1920 a world cotton convention was held in New Orleans in which the representatives of cotton manufacturers from 23 countries participated. This conference caused our newspapers to be filled with propaganda to the effect that there was a worldwide cotton shortage and that the world could consume 15,000,000 bales of American cotton at good prices. War prices still prevailed on all commodities which the farmers had to buy. Our cotton farmers, in order to produce this crop, bought on credit high-priced mules, farming implements, fertilizer, and labor; but after the cotton crop was planted and before it could be marketed the price fell from \$200 a bale to \$60 a bale, thereby bringing to bankruptcy thousands of farmers, merchants, mule dealers, men of varied business interests, and many banking institutions.

PROHIBITION AND THE FARMER

I have heard many reasons given for the farmers' troubles. However, the least plausible one that I have heard argued here was mentioned by the gentleman from New York [Mr. BLACK]. He states that prohibition is responsible for the hard times of the farmer. I know from a southern standpoint his argument will not hold, because cotton is a dry plant; it does better in a dry climate and under dry conditions than any other plant. [Laughter.] Everybody knows that from an economic standpoint if people spend money for whisky they thereby have less money with which to buy the necessities of life, among which necessities are many things manufactured from cotton. The business people of this Nation realize that whisky and business will not mix. The railroads do not employ men who drink to run their trains; it is not safe business. Henry Ford is the outstanding business man of this age and employs thousands of men. He absolutely will not employ a man who drinks. Even Germany prohibited liquor during the war because they realized their soldiers could not stand against the sober Americans [Applause.]

Farming is a scientific business and it takes a clear head and steady muscles to succeed, and even with these attributes there are still those who are not able to hold their own in the unequal struggle in which the farmer finds himself to-day.

But I must get back to the subject of farm relief. Gentlemen, if the Members of this House and the Senators and the President of the United States were forced to leave their places to-morrow to go into the fields of this country, if they were forced to go on the lands that are under mortgage to produce crops for the next three years under the conditions that the farmers are facing to-day, then if you could be returned to Congress you would give relief to agriculture in more ways than one. You Republicans would reduce the tariff taxes which are filling the coffers of the tariff barons. The debt of the farmers of this country is more than \$12,000,000,000 and the interest they pay each year approximates \$100,000,000. The farmers should have their interest rates reduced so that they can borrow money at the same rates as does big business. If you men could be returned to this Congress after farming for three years you would be in favor of helping reduce railroad rates. You would not depend on the Committee of Agriculture to bring forth all the agricultural relief needed. It can not be done. The other committees of this House must help in order to bring relief.

I see that the time allotted me is about consumed, and in conclusion I want to appeal to you to amend this bill, striking out the tax on cotton so that we of the South can vote for it, thereby giving relief to our people and also help you western Congressmen to give relief to your people. If you do not amend this bill and give relief to agriculture, gentlemen, you can rest assured that the distress of our farmers will rise up day by day like Banquo's ghost to haunt you, not only in this Congress but in the Congresses to come. As one friend of the farmer I want to say the battle is on and we will never turn back. [Applause.]

Mr. HAUGEN. Mr. Chairman, I yield to the gentleman from Minnesota [Mr. WEFALD].

Mr. WEFALD. Mr. Chairman, there is a good deal of truth in the assertions made in this debate that much politics is wrapped up in the movement that has presented the Haugen bill to Congress and that now asks for its passage. If there were no politics in it this bill would not be here. It has also been charged that the Haugen bill originates out in the radical part of the Northwest, in Minnesota. That is also true if the thing of getting one's eyes opened makes a person a radical, for the farmers of Minnesota and North Dakota have had their eyes opened and the eye opening process is spreading to Iowa and other great agricultural States.

## MINNESOTA FARMERS FIRST TO WAKE UP

I had the honor to be a member of the Legislature of Minnesota in 1913. A few of the country members undertook to investigate the practices of the Chamber of Commerce of Minneapolis. Due to a mistake in the choice of the leaders who handled the investigation no real result was accomplished in that session although much crookedness and many evil practices of the grain trade were discovered. The same fight was taken up in the next legislature, but the farmer leaders persisted in making a fiasco out of the investigation due to political rivalry, but the light of day was thrown further into the dark corners of the secret chambers of the chamber of commerce.

## "GO HOME AND SLOP YOUR HOGS"

The farmers of North Dakota had to market their grain in Minnesota, and in view of the revelations made by the Minnesota Legislature a representative committee of farmers called on the North Dakota Legislature to ask certain wrongs redressed and to have certain things done, but received as an answer, "Go home and slop your hogs." The statesman who uttered these kind words caused the Nonpartisan Political League to spring into existence, which washed back over into Minnesota and threatened to overrun the whole West. The gruesome after-war deflation of the farmers caused both Republican and Democratic politicians in the Northwest to adopt the Nonpartisan League method of proselyting and organizing, and they were soon more radical than the original radicals. They stole the thunder of the supposed radicals and have now, I believe, honestly come to believe that the farmer must have a square deal at the hands of the Government. Many of the men who come down here to agitate for the Haugen bill and whom you call radicals are good stand-pat Republicans or Democrats at home, who in their home precincts thunder at the radicals and assure the merchants and the bankers that the East would gladly do what the farmers asked them to do if only such men as they were in Congress.

## ON THE FIRING LINE SINCE 1913

Personally I have seen the farmers' movement in the Northwest develop ever since 1913, and have since that time to some extent had a hand in it at nearly every stage of the game. I was drafted for Congress by the farmers and laborers of my district. I came here and gave the McNary-Haugen bill unstinted support in the first session of the Sixty-eighth Congress, and sat on the mourners' bench when the good stand-pat Republicans and Democrats most rudely killed it.

## PLAYING POLITICS WITH FARM LEGISLATION

The gentleman from Iowa would not even give me five minutes' time to discuss his bill, "for," said he, "you are for it anyway, and we must give time to those whom we can hold in line by letting them talk." I acquiesced, bit my lip, and voted for the bill. But in the following campaign, lo, and behold! the gentleman from Iowa turned up in my district and put in two weeks campaigning for my Republican opponent, and I had to do much explaining, because people believed that I had been against the McNary-Haugen bill when the author of the bill came out to campaign against me. The biggest newspaper in the district opposed me and valiantly supported my Republican opponent, playing up all the time his pledge to support a reintroduced McNary-Haugen bill, which the paper itself did not believe in. After election this newspaper played up the fact that the ninth Minnesota district had repudiated the McNary-Haugen bill because WEFALD's opponent had supported it and had been overwhelmingly beaten. One of the candidates for the Republican nomination for Congress in my district this year has recently telegraphed the gentleman from Iowa that he is for the Haugen bill now, first, last, and all the time, and asked the gentleman from Iowa, if possible, to have his telegram read on the floor—which I hope he will do. It might pass the bill. Yes; there is enough politics connected with the Haugen bill to make your head swim. Mr. HAUGEN, I suppose, will come out in my district again and campaign for my Republican opponent. Yet I am for the Haugen bill, although not one single farmer has instructed me or asked me to vote for it. My farmers leave it to me to act as I think best.

## CONGRESS VOTES "TAX SUBSIDY" FOR THE RICH AND INCREASES THE FARMERS' BURDENS

I am for the Haugen bill, because, under the circumstances, it will give us the only possible method of getting anywhere near a square deal alongside of capital and industry. If the Haugen bill is a subsidy, then those who now fight it should be for it, for they have been strongly in favor of subsidy for the railroads and for industry. They have given special privilege legislation to the banking interests. They were willing to vote a subsidy outright from the Treasury to shipowners and were willing to make the shipping magnates a present of the fleet of

ships owned by the Government. In the 1924 Congress a bounty of 25 per cent of the taxes due were voted income taxpayers—a clear gratuity. This Congress voted a subsidy, amounting to \$375,000,000, to taxpayers, most of it going into the pockets of the rich. In the passage of the tax bill 42 men received a tax subsidy of \$20,000,000, and the whole Federal inheritance-tax scheme was wrecked in favor of 213 men. There is no difference between letting some men keep in their pockets money that they otherwise were obliged to pay out and putting a little money in the pockets of some other man. You must either call the tax bill a subsidy measure or you should call the Haugen bill a tax-reduction measure likewise, because, if passed, it will ease the indirect tax burden of the farmer.

This House has passed the Parker-Watson railroad labor bill. Under that bill occasion might arise by which the laboring men may increase their income in wages away and beyond the amount of money asked in the Haugen bill to set up a marketing machinery. This bill passed practically unanimously. The Mills bill asks for payment of \$250,000,000 to American citizens who suffered losses caused during the war by German submarines. This is nothing but a subsidy.

## POLITICS! POLITICS! POLITICS!

Talk about politics! Was there no politics back of the tax bill and all the other measures, past and pending? Is there no politics back of the other two farm bills before the House? Do not those who support the Aswell bill rattle the dead bones of Jefferson and Jackson and beckon us back to the dead past? It is inconceivable, however, how Jefferson, had he lived now, who gambled big in the Louisiana Purchase, should begrudge the farmers a paltry sum like that asked for here to put their business of marketing in shape, and it is past my understanding how Jackson, should he come storming back, should line up with the money devil against the farmers.

## REPUBLICANS FILLED THE FARMERS' SILO WITH PROMISES

Talk about politics! What about the Tincher bill? Is TINCHER too innocent to play politics, he the Rollo of the Coolidge administration, who, like Rollo of old, no horse can carry? He the chevalier of the high-protective tariff, whose tariff arguments flash like he was swinging three swords at one time with one sword in the air always, has he passed beyond the stage of politics? I remember at the close of the first session of the Sixty-eighth Congress, when the Republican leaders were filling the farmers' silos with promises for the coming campaign, he was in the silo and "tramped her down" with puffs and snorts; he put on a very clever performance.

Give the Republicans a clear majority—

He said—

and we will show you what we will do for the farmer.

Of course, the Tincher bill is a political bill, and it is a better bill than the other farm bills that have been written at the White House breakfast table. It has a pancake flavor, but previous administration measures did not even have that. But I am sorry to say that even what little flavor it has will be taken out of it if it should become the bill that will displace the Haugen bill and come up for final action.

## THE WHIP SEES THE PRESIDENT

The Washington Star for May 7 carried a story in which the Republican whip, Mr. VESTAL, gives the views of President Coolidge on the pending farm bills. It reads in part:

The President is understood, however, to have given Mr. VESTAL the impression that his approval of the Tincher bill depends to a large extent upon the elimination of anything that might have a smack of Government price fixing or control.

The story stated that Mr. VESTAL's impression of the meeting with the President was that the President was against the Haugen bill and for the Tincher bill, with the proviso I have quoted.

Talk about political or nonpolitical farm-relief bill. I quote from the Star article:

Mr. VESTAL declared the discussion of farm-relief legislation in the House has reached the point where the party leadership must take a hand in lining up the faithful. Inasmuch as this task falls upon the party "whip," Mr. VESTAL explained that his first step was to learn first hand from the President his opinions regarding this legislation and to hear him personally discuss the several bills.

## REPUBLICANS ALLOWED TO "INSURGE" ON FARM BILLS

Whatever farm bill is finally written, if any, it will be written at the crack of the whip. The faithful must be true to their faith. The sheep must follow the shepherd. But the whip did not say that a farm-relief bill had to be written.

The tax bill had to be written, and that was written at the crack of the whip. The tax bill was a test of party regularity; upon the vote on the tax bill depended the Members' committee assignments and patronage. Had a Republican Congressman jumped over the traces on the tax bill, he would have been an outcast, to be classed with the Wisconsin insurgents.

There is one issue before Congress, however, where the average Republican Congressman will be allowed to insurge, provided that his insurgency does not help to pass a real farmers' bill, the Haugen bill, for instance. The stage is set so that now any and every Republican Member of this House can vote on farm relief so as to square himself with his constituents. Of course, they must all go back to their constituents and admit that no bill was passed, but each and every one can say, "I voted right, and when there are more brave men like me in Congress everything will be O. K."

#### REPUBLICAN LEADERS "KIDDED" WESTERN REPUBLICANS

The Republican leadership of this House has been able to put anything over that the occupant of the White House ordered them to put over. The contempt in which farm relief legislation is held by that leadership is best attested to by the fact that neither the Speaker, the floor leader, nor the chairman of the Rules Committee have ever given out anything relating to the President's wishes on farm relief, nor does it appear that any of these gentlemen have made a trip to the White House to see about what can be done for the farmer, while the whip, a subordinate official of the organization, is sent down to see just how many lashes shall be administered if danger should arise. This action on the part of the House leadership is perhaps the reaction on the ultimatum delivered by the Minnesota rural Republican Members of this House, as reported in the Washington Post a little while ago, that "they were tired of fooling" and "sick and tired of being kidded." Lucky for these men that the stage is set so that they are allowed to insurge, for the time being allowed to be as radical as the Farmer-Labor Members from their State.

#### FARMERS NEED MORE THAN THE HAUGEN BILL

I admit that the Haugen bill is not all that the farmer needs. What he does need is a "Dawes plan," by which he could be rid of half of his debts at least. Then he would need no special legislation, providing that the Federal reserve act, the Esch-Cummins law, and the Fordney-McCumber tariff law were rewritten in favor of all the people and not allowed to stand on the statute books as they are now, special interest acts pure and simple. But as long as this can not be accomplished the wisest political move on the part of any leader in Congress is that of the gentleman from Arkansas [Mr. OLDFIELD], who, while opposed to the Republican Party, and an outstanding and outspoken Democrat, offers the farmer his hand to help him out of the Republican mess right now, knowing that the Democrats could at the best not get into complete control of the Governmental machinery until three years from now. He knows that each year under the present arrangement takes billions of dollars out of the farmers' pockets or, rather, keeps the farmers' pockets empty.

#### SURPLUSES GOOD FOR ALL BUT THE FARMERS

Under the present system of distribution and financial arrangement for the farmer his surplus crop eats him up. The Haugen bill, it is hoped, will help him take care of his surplus in the right manner. A surplus is a good thing for everybody but the farmer. A national favorable balance of trade is nothing but a surplus, but a surplus in the farmer's granary sends him to the poorhouse. The farmers who raise wheat, corn, or cattle have had their eyes opened to this fact. Eventually the cotton growers will also become wise to it, and then perhaps something can be done.

Were the farming sections of the South fully aroused as to the situation and would they join hands with the West, the Haugen bill could be passed and any kind of other proper legislation could be written.

#### NEW YORKER MAKES A FARMER-LABOR SPEECH

The gentleman from New York [Mr. JACOBSTEIN] made a convincing speech the other day, illustrated with charts prepared in the Department of Agriculture, showing the disparity between prices on agricultural and industrial products, and made the deduction that the farmers of the United States by reason thereof had lost \$13,000,000,000 during the last five years. It was a good farmer-labor speech and was a surprise coming from New York. When the fact is borne in mind that the farmer sells his products in a wholesale market and buys all he needs in a retail market, I think it can be stated that the farmer's loss is considerably bigger than the gentleman calculated it to be.

#### FARMERS ADVISED TO DEATH

What the farmers have lost in this manner is not the full farm loss. Increase in the tax and interest loads has also become almost unbearable. This has come about to a great extent by the farmer accepting bad advice. The same powerful forces in this land that now cry out against Government assistance to the farmer have in the last decade or two advised the farmer to do this, that, and the other that would help him stimulate production, and this advice has included almost everything imaginable from county agents and good roads to consolidated schools, and there has been an orgy of expenditure of money in all such fields of activity.

#### THE FARMER HAS PAID THE FIDDLER

This advice has in a roundabout and well concealed way come from the big financial interests that have fattened and thrived and grown prosperous on every step of advance the country has taken. All these things cost money that had to be raised by taxes. In every case, from that of county agents and good roads to schoolhouses, a small subsidy was granted from State or Federal Treasury, but the farmer had to furnish the bulk of the funds, borrowed in the money markets, for which he pays interest and for the upkeep of every kind of public institution he pays taxes that are increasing by leaps and bounds. The situation now is that with the advent of county agents, good roads, and improved schools the farm conditions have retrogressed so that the farmers are on the point of sinking to the level of peasantry.

#### SMALL TOWNS DOOMED UNLESS FARM RELIEF

The intermediary between big business and the farmer, in putting over this pre-war farmer uplift program that has cost the farmer so much money—the small-town business men—are now also facing extinction. In the Northwest these people are waking up, they sense the danger to some extent. The New York Commercial in an editorial of December 31, 1925, says:

Ten years ago the small-town market absorbed 21½ per cent of the retail volume in the United States. To-day the same stores are absorbing approximately 14 per cent—a loss of 33 per cent in 10 years.

The small town is part of the rural country. The decline in small town business and profit again increases the tax load of the already overburdened farmer. The situation is so serious that it is a question in many places how long other than trunk highways can be kept up and schoolhouses be kept open. Some places schools are now virtually eating up the whole community.

There is only one remedy; farming must be made a profitable and paying business again. With farm income robbed of more than \$13,000,000,000 in the last five years, it is very easy to understand how village trade has decreased 33 per cent in 10 years.

#### FARMER BLED TO DEATH WITH TAXES

The report of the Secretary of Agriculture for 1923 says: In most farming States taxes on farms have more than doubled.

The same report, speaking of farms in Ohio, Indiana, and Wisconsin, which in 1913 averaged income of \$1,147 and paid taxes of \$112, or 9.8 per cent of the income. The same farms in 1921 had an average income of \$771 per farm and paid a tax of \$253, or about one-third of the farm income. The Secretary's report for 1923, speaking of taxes and interest, says:

Our investigations lead us to estimate the property taxes and interest combined paid by agriculture in the year 1920 at about \$1,457,000,000, in 1921 at \$1,684,000,000, and in the year of 1922 at \$1,749,000,000.

These staggering amounts steadily growing, but the report of the Secretary for 1924 does not estimate the amount of taxes and interest paid. It would make sad reading. But speaking of taxes it says:

Tax delinquency has increased. This is especially significant because farmers do not willingly delay their tax payments, but when possible borrow money to meet them. In some western areas local taxes have been delinquent for several years. An increase in taxes coincided with a decline in the means of payment. In most of the important farming regions of the country taxes on farm lands have gone up two to six times as rapidly as the value of the land. Taxes in the last few years have consumed from 10 to 50 per cent of the net farm income in large sections of the country. Tax burdens have been particularly heavy in the North and the West.

#### INTEREST SUCKS THE FARMERS' LIFE BLOOD

The 1924 Agriculture Yearbook, speaking of the matter of interest paid by farmers, giving the result of a survey, says:

The interest paid in 1923 by these farmers ranged from \$90 in the North Atlantic States to \$390 in the Western States. A large per-

centage of the net cash farm receipts in all sections, ranging from 10.1 per cent in the North Atlantic to 38.4 per cent in the West North Central States, was used in the payment of interest.

PASS THIS BILL AND CALL IT TAX REDUCTION

If the Haugen bill can not be passed because it is called a subsidy, give it another name—call it a tax-reduction measure for the farmers and pass it. Do something to enable the farmers to pay their delinquent taxes, you men who passed the tax bill of 1926, by which the tax burden was lifted off the shoulders of those who were strong and who could bear them. This Congress almost lifted all tax burdens from the shoulders of the automobile industry. The tax on Ford touring cars—such cars as the farmers use—was reduced about \$10 per car, and Mr. Ford turns around and increases the price on that particular kind of car about \$30.

I am in favor of the passage of the Haugen bill, and I will gladly vote a tax to raise the \$375,000,000 called for in the Haugen bill, or any other amount of money that may be needed to put agriculture on its feet. And at that I have, perhaps, voted against more appropriations than almost any man in this House in the time that I have been here.

IF THE FARMER "STRIKES"—GOD HELP US!

Much silly talk has been indulged in in this debate pointing to the lesson to be learned from the strike now shaking England to its very foundations. It is pointed out that the strike is the result of the payment of a subsidy to the miners that eventually had to be withdrawn. The lesson to be drawn from the English strike is that we must not let our farmers get into such an economic condition as were and are the coal miners of England, for should our farmers be forced to strike, and should God send a poor year besides, God help this country! Your heaps of gold in the United States Treasury, your stocks and your bonds, and your devilishly cunning schemes of bartering will not save you.

MR. MADDEN HOLDS THE PURSE STRINGS—HE SAYS, NO!

One of the most astounding speeches ever made in this House was made by the gentleman from Illinois [Mr. MADDEN] on Saturday last, when he served notice that he will turn the key in the doors of the United States Treasury against the farmer. The record shows that after a heated controversy it was accepted that he only spoke for himself in his capacity as chairman of the powerful Appropriations Committee, but that is sufficient; we know what it means.

It is a sad commentary upon the state of affairs in this House that a gentleman holding such views as he sways such tremendous powers. He said in his speech on Saturday that what we seek to be done under the Haugen bill can be done, but only through private capital. He said—

and you can get private capital if the men who are interested in the prosperity of agriculture will devote their energy and genius to create a sentiment among those people in the country who have money to invest instead of trying to invade the Treasury of the United States.

That a speech like this in the Congress of the United States can be made in full earnestness and be called the words of a statesman! Mark these words—

create a sentiment among those people in the country who have money to invest.

My God! That such a gentleman holds in his hands the purse strings in this House. I like the gentleman personally, but his advice will be about as inviting to the farmers as if he should invite me to jump in and take a bath in the inkiest stream in and outside of Christendom that winds through his home city, the Chicago Drainage Canal.

MR. MADDEN KNOWS A LOT, BUT HE DOES NOT KNOW THE FARMER

The gentleman from Illinois must know that loans to farmers are not considered good loans any more. Farming is a hazardous business; farming does not pay; farmers are behind on payments on interest and taxes, and those "who have money to invest" invest money in order to collect the interest. All farm credit is based upon the security that a mortgage on his farm and his chattels afford. The acts of Congress during this Republican administration have shifted the tax burdens from the strong to the weak, from the money lender to the borrower. The greatest borrower in the land is the farmer. The saving in taxes in our big industry is reflected in increased profits and earnings. Our money masters have loaned to the farmers what they consider it safe to loan him and have for the time since the war turned their eyes to the European money-lending market with two things in view—first, to loan more money to safeguard their previous loans there; secondly, with an eye to high interest rates. Our bankers are too busily engaged now loaning money to farmers in Europe to bother about loaning more

money to American farmers, who have already been advanced the limit. The proposal of the gentleman from Illinois is more astounding when I read further on in his speech the following statement:

I want to tell you that I know, as the result of conversations with men who have money and who have interest in the country's welfare and who really believe, as I believe, that unless we do something more to recognize the rights of agriculture than we have been doing in the past, the fortunes that have been derived from other sources and are now existing are not as secure as they might be.

GERMAN FARM LOANS LOOK BETTER TO WALL STREET THAN AMERICAN ONES

When he senses the danger how can he make such a proposal as he makes? Indeed, no fortunes in the world, however derived, are now as secure as they might be. But money loaners play their old game, according to their old rules.

I wish to quote a high financial authority to show how hopeless is the suggestion of the gentleman from Illinois. An editorial in the *Journal of Commerce*, of New York, for September 12, 1925, discusses the "Cost of mortgage credits." It announces that a leading New York institution had arranged a loan for Germany's new central agrarian bank, the Rentenbank Credit-Anstalt. It speaks about the German situation and then speaks about the method of making the loan and the security for the loan, as follows:

Foreigners who would hesitate or refuse to lend directly to farmer borrowers on the basis of mortgage security may even be eager to obtain the bond issues of a central institution like the Rentenbank, since they are trebly guaranteed. First, they are secured by the State subsidized central bank itself, which has a large capital and must, in accordance with the law, restrict its bond issues to six times the amount of its capital. In addition to this protection, further guarantees are given by the subsidiary mortgage banks, which are the customers of the central institution, and finally there are the actual mortgaged properties themselves.

The editorial states that the interest on the American loan is said to be—

slightly above 7 per cent—

It is not known what interest the German farmers will have to pay, but, it continues—

in any case even if the German agriculturist is forced to pay 8 or 9 or even higher percentages for long-term mortgage accommodation, he is really no worse off than many American farmers who pay similarly high rates of interest on mortgages. The Department of Agriculture, for instance, in a recent survey of farm credits says that interest rates on first-mortgage farm loans made by commercial banks (still the primary sources of farm credit) were found to range from 5.3 per cent in New Hampshire to 9.6 per cent in New Mexico. Over extensive areas in the West and South interest rates on farm mortgages actually averaged 8 per cent or more in 1920.

Then the editorial continues:

If German agrarian politicians (mark that agrarians trying to better their conditions are politicians) were familiar with these facts they might wonder that more American capital does not seek outlet in our own farming regions instead of being used to bring down continental-mortgage rates.

AMERICAN STATESMEN SHOULD READ THE JOURNAL OF COMMERCE

These quotations are not from any Bolshevik source, but, in light of what was said in that editorial, how in heaven's name does the gentleman from Illinois expect these farm agitators, representing bankrupt farmers, to have genius enough to charm American capitalists to further extend investments in a field that is overexploited and from which they turn for further investments to prostrate Germany, even though such investments have the tendency to "bring down continental-mortgage rates"?

The easing of interest rates for European farmers is added competition for the American farmer. Private capital will not be more extensively loaned on American farms until farming pays better than it does now. Having showed you that farm interest rates run as high as about 10 per cent, how can a business stand up under such interest rates when the business practically has no net income?

RAILROADS ARE PROSPEROUS, BUT HOLLER FOR MORE

Last fall the western railroads of the country applied to the Interstate Commerce Commission for a general increase in freight rates, because the transportation act of 1920 guaranteed to them an average earning of 5 1/4 per cent. They set up the claim that in 1924 they did not quite earn 4 per cent profit on their property as valued by the Interstate Commerce Commission. They are, of course, earning a considerably higher percentage of profit on their capitalization, even though that contains a lot of water. Were the spokesmen for the railroads assailed as Mr. Murphy, of Minnesota, farmer spokesman, has

been assailed by Members of this House from this floor where he can not answer? No! that was a sound proposal.

FARMERS MADE LESS THAN NOTHING

I will give you some figures on farm earnings in comparison. They are based upon studies undertaken by the United States Bureau of Agricultural Economics.

In 1910 the total return on farm property was nearly 6 per cent; in 1913 it was 5 per cent. In 1914, the year the war started, it was 5.3 per cent. For the crop year 1920-21 the total earning was but a trifle over 1 per cent. The year 1921-22 it was less than 1½ per cent; for the years 1922-23 and 1923-24 it was about 3 per cent. But when allowance was made for borrowed money and the calculations reduced to the rate actually earned on the farmer's net investment—that is, on the capital he had himself invested in the property—less mortgage and other debts, his net returns were lower still.

For the crop year 1923-24 the net profit was a little less than 1½ per cent; for the crop year 1922-23 it was exactly 1½ per cent. But for the crop year 1921-22 the farmers averaged no return at all on their capitalization, but lost 1.4 per cent, and for the crop year 1920-21 they lost 3.1 per cent. This is the average of the whole country. In the western country it was much worse.

To average these percentages up will mean that for the four-year period here discussed on the collective farm property of the United States, leaving out of consideration that part of farm value covered by mortgages or other debts, there was a loss each and every one of the four years of three-fourths of 1 per cent. In view of this what persuasive charm must not the farm leaders be possessed of to carry into effect the plan of farm relief of the gentleman from Illinois. Railroads have men running affairs that understand business. Their earning, they claim, is a trifle below that guaranteed by law; the remedy they ask is "more profit." Can agriculture, then, which is run at a loss, get along with anything less than more profit that will place it on a par with other industries?

Could there be any politics behind the proposal of the gentleman from Illinois? His proposal will sound mighty good where the stock tickers click in Chicago.

FARMERS CAN NOT HAVE "PRICE FIXING," BUT MANUFACTURERS WANT NO "PRICE CUTTING"

In strange contrast to what I have said about farm earnings I wish to briefly allude to a current news item carried in the New York Times for April 27 last. The headlines read:

Advocates a law to end price cutting. F. H. Levy tells machine men manufacturers need protection. Twenty-seven per cent gross profit urged.

This man Levy was an Assistant Attorney General in the Roosevelt administration and former special counsel for the Department of Justice. He said in a speech before a convention of the National Supply and Machinery Distributors' Association held at Atlantic City, N. J., the State that our agricultural economist, Mr. Ford, hails from, who warns us of the dangers of price fixing by farms—

the Sherman antitrust law should be modified to permit manufacturers to set prices for their products that could not be cut by the distributors or the retailers.

Another speaker said at the same occasion that—

27 per cent is the least gross profit any manufacturer can afford to take.

ONLY HENRY FORD BUYS FARM LANDS

It has been charged in this debate only the West and Northwest is crying for so-called farm relief. These sections of the country are crying the loudest because they are the hardest hit and they are most awake politically. Motoring from home to the session last fall leisurely I inquired of farm conditions as I went along. Only one place in that whole long journey did I find a community where a piece of land could be sold. That was one place in Ohio where Henry Ford had bought about 3,500 acres, but no one knew what he was to use the land for, certainly not for farming. Where the country was highly industrialized the small farmer could peddle his own farm products to the consumer, and while none such ones confessed they made any money, many were seemingly in a mollified stupor. I inquired of a crowd of 10 seemingly intelligent men in a small Ohio town as to who was their Congressman, but all blushingly admitted they did not know. Talking with a college graduate in a town on the Ohio-Pennsylvania border he said they voted for the men they thought would do the least harm if sent to Washington.

Happy the Congressmen who have such constituencies. Their mistakes will not find them out. All they need is to have faith in Coolidge. Such is not the lot of even western Republicans;

they lie awake at night and have fearful dreams when they think of the farmers. Western Congressmen, outside of purely industrial centers, who contemplate quitting Congress can vote for the Tincher or the Aswell bills; none other dares do so.

REPUBLICAN PARTY HAS BROKEN ITS PROMISES

But why has the cry of politics been raised against the Haugen bill by eastern newspapers and eastern Congressmen? Simply because the fortune of the Republican Party and of President Coolidge is at stake. Out West we did not raise the cry of politics when our Congressmen came back from Congress outwitted after having voted for the Federal reserve act, the Esch-Cummins law, and the Fordney-McCumber tariff law. Some said to them, "You brave men"; but most said, "You innocent simps that can not see as far as your own nose reaches." And many of them went down to defeat for those votes. When these three acts were passed that have fastened the shackles on the West and enriched the East, when it was popular for eastern Congressmen to vote for these measures, the East did not cry "politics." It is the guilty conscience of the Republican Party that cries "politics." Every Republican leader from President Coolidge down to ex-Whips of this House knows the Republican Party has broken every promise it made to the farmers since the war. You men who rail at Mr. Murphy, of Minnesota, that he is engineering a dastardly political move against the Republican Party and that his arguments are demagoguery bear with me a little while and I will read to you the words of Wall Street and you will see how much it sounds like Murphy when it points the accusing finger at you.

EVEN WALL STREET THINKS THE FARMER HAS HAD A RAW DEAL

I quote an editorial in the *Journal of Commerce*, New York, for September 19, 1925, headed "The farmers' due." Of course, this editorial does not advocate the passage of the Haugen bill; it advocates other remedies, but it tells a good many truths. It starts out by saying, what the American farmer has a right to demand above any other thing—is actual sincerity and truthfulness in his relation with the national Government.

It continues:

What was recommended last winter, however, was nothing more than some further cooperative marketing enactments of a rather vague and nebulous type. It will make little difference to the farmer one way or the other whether these laws are put into action or not, and the administration is undoubtedly well aware of the fact.

Turning to Congress it says—

that body has consistently blown the agricultural horn and pretended to be doing all sorts of things to "help the farmer." Every measure that has been enacted, from the renewal of the War Finance Corporation and the creation of intermediate agricultural credit banks down to the packers and stockyards act and the appointment of a farmer on the reserve board have turned out to be absolute frauds so far as any practical help to the producer was concerned.

Referring to the inactivity of Congress now when constructive work should be done it says—

for the farmer does need Federal legislation and needs it badly. First of all, he has a right to complain of the rotten banking conditions which have been allowed to exist throughout the agricultural region and which have resulted in closing last year much over 750 banks and will certainly close several hundred in the course of the current year \* \* \*.

Second. The farmer needs the enactment of legislation that will cut his cost of living. He is not protected by the tariff on farm products in any appreciable degree, yet he has to pay tribute to labor through excessive immigration laws and to certain groups of business through unduly high discriminatory tariffs on materials which he badly needs. He has the worst of the bargain, and he ought to change his position in that regard at no distant date.

This sounds just like Mr. Murphy, of Minnesota, talking. It brings in labor just as Mr. Murphy does.

Continuing it says:

Third. He needs better and cheaper transportation and much more of it.

The gentleman from Kansas [Mr. TINCHER] accused Mr. Murphy of writing most of the speeches given on this floor in favor of the Haugen bill. Why not accuse Wall Street of having written the speeches of Mr. Murphy?

Of course, the Wall Street remedy is not the remedy of the Haugen bill, but even Wall Street, the temple where the Republican Party worships the powers that be, cries out against the condition of the farmer and the way he is being treated by his own Government.

## THE REAL MASTERS STAND ERECT BEHIND THE THRONE

Raising the cry of politics against the Haugen bill is, however, more important as far as the personal interest of President Coolidge is concerned than the interests of the Republican Party. The Republican Party could shift its position so as to do justice to the farmers, and it would, perhaps, not be hurt by it. President Coolidge is the head of that party. While thousands of dollars were spent to elect faithful Republicans to Congress, millions were spent by the special-privileged interest that Coolidge might be on guard for them.

The farmer foolishly thinks the Republican Party stands for him because he helped to put it in power. The farmer now thinks he will assert his power by having the Government function in his own behalf. There comes to my mind a few sentences from Emerson's *Essay on Compensation* that reads:

The farmer imagines power and place are fine things. But the President has paid dear for his White House. It has commonly cost him all his peace and all his manly attributes. To preserve for a short time so conspicuous an appearance before the world, he is content to eat dust before the real masters who stand erect behind the throne.

My God! If such was the case in Emerson's day, when it did not cost much money to elect a President of the United States, what does not a President owe those who made him now? If a President in Emerson's time would eat dust before the real masters, what might not a President have to do now. Had there been censorship of speech and writing in Emerson's time I would not have been guilty of this that here to-day borders on lese majesty.

## SAVE THE RICH AGAINST A NEW TAX BILL

Can you see why they have raised the cry of politics? The fortunes of the master politician of all time, Calvin Coolidge, is at stake. He must be saved from exercising a veto, even if the farmers must perish. The masters behind the throne of America must not be stirred up. Let sleeping dogs lie! Save, save the rich against a new tax bill. The Roland from Kansas blows his horn so "politics" is heard in every corner of the land. The chiefs respond to the call all the way down to ex-whips. The keeper of the keys as much as says that the United States Treasury is reached only over his dead body. The centurions of New England cry out for bread for their people; what hope, then, has the farmer to have his cry reach the throne?

## HE SEES NOT AND HEARS NOT

Calvin Coolidge hears not; if he heard, he would speak. It is a long ways from the West to the East, from Iowa to Washington; the trip hammers of prosperity in Andrew Mellon's forges drown the western cries of distress traveling East. Calvin Coolidge sits in Washington. He looks, not West but East. He looked West last December and he found that all was well. All was well among those who farm in Chicago. Then he was asked to look farther West. What did he do, this man of steel, this Lord Nelson of American politics, who, in the last election, sank all the enemies' fleets? He did as Lord Nelson did at the Battle of Copenhagen when asked to look for Admiral Parker's signals. He put the telescope to the blind eye. He saw no distress. This is what he said:

Although it is gratifying to know that farm conditions as a whole are encouraging, we can not claim they have reached perfection anywhere.

## GIVING STONES FOR BREAD

The present tense situation as relates to farm relief was caused by the speech delivered by President Coolidge to the Farm Bureau Federation at Chicago on December 7 last year. He surveyed the situation. Everything was lovely; the high protective tariff does not harm the farmer. What does not come into the country duty free pays a tariff to protect the farmer. There is a high dutiable tariff on diamonds, rugs, silk, jewelry, and mahogany. That does not hurt the farmer, for he uses not luxuries. The farmers' cost of living is only increased 1½ per cent on account of the tariff. There are banks where the farmers can borrow money. There should be more energy in administration of the banking business, and bankers should furnish farmers more "sound" advice.

Of course, various suggestion of artificial relief had been made that had for its purpose to increase prices through the creation of corporations through which the Government would directly or indirectly fix prices and engage in buying and selling farm produce. This would be a dangerous undertaking and since the emergency is not so acute it seems at present to have lost much of its support. Ultimately it would end the independence which the farmers of this country enjoy. The future of agriculture seems to be exceedingly secure. Unless all

past experiences are to be disregarded, notwithstanding its present embarrassment, agriculture as a whole should lead industry in future prosperity. The ultimate result to be desired is not the making of money but the making of people. Industry, thrift, and self control are not sought because they create wealth, but because they create character.

This was the gist of the speech. What consolation to bankrupt farmers it must have been to hear that the—ultimate result to be desired is not the making of money, but the making of people.

The problem of these farmers was how to hang on to the farm.

It is said that when the farmers had the frost of the speech thawed out of them they organized to put their demands over and the Haugen bill is here, and GILBERT HAUGEN has his fighting viking blood a'boiling.

What could the western farmers expect from Mr. Coolidge anyway? They should have known better than to vote for him. By heredity and training he can not understand the western farmer. He is farm bred, it is true, but he is bred differently all the way through.

## EAST IS EAST AND WEST IS WEST

The western farmer is highstrung and active and progressive. When he has money beyond the payments of taxes and interest, he buys the products of the factory of the East with which he improves his farm to make life more livable, to keep step with progress, to live according to American standards of living as they move higher and higher. Good Republican doctrine has been that the high protective tariff elevated the farmer and everybody else and established an American standard of living as something to be envied by the Old World. The eastern farmer is different. His farming methods are primitive; farming is only part of his occupation. He lives in the house his great-grandfather lived in; the lantern he brings to the barn when he goes to milk his cows has done service for three generations. The dollars ekeed out of the farm or earned in other pursuits are not put into new improvements but salted down; there is no such thing as chance.

With a great deal of delight I recently read a finely illustrated book on the President's native State, Nutting's *Vermont Beautiful*. The picture reminded me so much of the rocky, stony land across the sea where I was born, but I am much more thoroughly American than is the native-born author of that book. Contrasting the country poor with the city poor, he throws a sort of a halo over the country poor when he says—the country poor get for themselves a limited independence at least, not contingent on the ups and downs of markets. The peas grow as well in a financial panic as in booming times. Who, possessing a cow and a cornfield, needs to know what Wall Street is doing.

People who think and feel like that can not understand that there is a farm crisis anywhere. This, in many respects an excellent book, gives a clear insight into life and the mode of thinking in New England. Speaking of the many-sided farmer it says:

A man in town learns to do one thing. The farmer learns to do many. He must be a good merchant, as his success depends entirely upon good buying and selling. Inevitably, if he has any native ability, he sharpens his wits by the process of disposing of his products.

Measured by western standards, what a naive simplicity in such remarks! The western farmer sells in a wholesale market and buys in a retail market, and all prices are set for him by others. He could no more beat down the village merchant on what he buys than he could make the grain gamblers or the packers come up on the price they are willing to give him for what he has to sell. Having sharpened his wits by running his head against a stone wall in buying and selling, he now comes here and asks for the passage of the Haugen bill.

Eastern farms are going into the hands of those who play with them rather than live by them. This book on Vermont says—

this is well for the neighboring farmer in that it furnishes him with lucrative odd jobs, for we admit that the city buyer does not stint funds in the development of his farming hobby, so that it has wittily been said that the difference between an agriculturist and a farmer is that the one puts his money into the land while the other takes it out.

This shows that the East has its farm crisis, too, but different from the one out West. The city man that buys a farm for a summer home, while in the long run he will not be as useful to the community as an actual farmer, he builds and puts money into the farm. The taxpaying ability of the farm is often increased. Not so in the West. When insurance companies or other money lenders foreclose on a farm they do not put any

more money in. They only take it out. Whole settlements in the East can have its farm population get up and leave and the community be better off financially for its going; but whether the character of the new population will be equal to or better than the old will remain to be seen. New England will never understand the Mississippi Valley or the great western plains.

THEY KNEW HE WAS SAFE AGAINST FARM RELIEF

I have said, Why did the western farmers vote for Calvin Coolidge for President, anyway? Those who knew him and had watched him should have known what would follow. The farm leaders who read the big eastern daily newspapers during the first week of August, 1923, when Mr. Coolidge succeeded to the presidency on the death of President Harding, should have known better. The Baltimore Sun for August 4, 1923, speaking of Mr. Coolidge, with the then acute farm situation in mind, said:

He is a farmer's son, but the farming he knows is the relatively primitive farming of New England, still done principally by descendants of the old Puritan stock. President Coolidge will not have gained from the contact an understanding of the great scale farming of the Middle West and the Northwest, nor an understanding of the mental attitude of a farmer folk, tending more strongly all the time toward collectivism. And, of course, his professional and political experience in urban Massachusetts will not have enlightened him.

In all probability he must be guided by advice in his dealings with the progressives and radicals in the next Congress, in and out of the farm bloc, who will be forcing the issue of farmers' relief.

In so far as proposed legislation may seek to protect the farmer against unjust treatment by the middleman—for example, in the grading of wheat—Mr. Coolidge may be influenced greatly by the views of Secretary of Agriculture Wallace. But in so far as farmer relief involves such expedients as wheat price fixing, the President may be expected to run the advice given him through the filter of his own mind, and it will be a filter hard to get radical advice through.

Indeed, they more than told the truth!

ROCK FARMING IS DIFFERENT

The New York World for August 6, 1926, discussed Mr. Coolidge editorially. I quote what was said in regard to the farm situation:

The country can be certain that he will do nothing rash; that he will not be stampeded into any action or decision; and that he will not be betrayed into any act of sudden folly.

Mr. Coolidge is no strange type. His roots go deep into the soil of the American Continent. He comes out of a breed of men who have been farmers and tillers among his native hills. From boyhood, life to him was no rosy road to travel, but an ascent to be won by grim determination. The members of the farm bloc and so-called "dirt farmers" will have nothing to boast of as against this unassuming man who becomes President. For, the son of a Vermont farmer, he was helping his old father get in the hay when he came into the highest office in the land. Calvin Coolidge is no "dirt" farmer, but a "rock" farmer of New England, born of a race which blasted mountains to grow their bread. He, the true Vermonter, should easily find real kinship with Magnus Johnson, of Minnesota.

No, he has not been stampeded. No such loss was entailed on Rome as when Nero fiddled while Rome was burning. The three years of Calvin Coolidge have been costly years for the American farmer. He has demonstrated one thing, that if "dirt" farmers have nothing on "rock" farmers, a "rock" farmer can not understand a "dirt" farmer. If he found real kinship with Magnus Johnson, of Minnesota, it must have been in things not pertaining to farming. In the 1924 campaign I heard Senator Magnus Johnson tell how he, on the forenoon of the day when the McNary-Haugen bill was killed in the House, had gone to the White House to plead with President Coolidge to use his influence with the House to pass the bill. Dramatically the Senator described how the President paced the floor, admitting that something should be done—but the Republican Party will not stand for the McNary-Haugen bill.

That was in 1924 before the election. The President had to be elected in his own right; there might have been some excuse for turning a deaf ear to the farmers then and take a chance on making some promises. It worked; this master politician can handle them all. He reaps where he did not sow; gathereth what he did not spread.

GREAT ON "GETTING"—SMALL ON GIVING

The one outstanding characteristic of Calvin Coolidge was pointed out to a newspaper man that came to see his proud father and get a story on the boyhood life of the new President when the father said:

It seems to me that Cal could always get more sirup out of a maple tree than any boy I ever knew.

And that is right. But he keeps all the sirup. The farmers gave him more votes than they had given anybody. Why should he give anything in return? He does not even lift a finger to save a personal friend. The Senators that bear the Coolidge armor feel it does not insure victory. One has already sunk under the weight of it. His senatorial protagonist in another State is being whipsawed between a progressive whom the President can not handle and a notorious boss that should not need to be given orders more than once.

While the President will summer in the East, it is now given out that he will select a State to live in where the Senator coming up for reelection is not hard pressed and not in danger of losing his seat, so the President will not be called on to speak or otherwise come to the rescue.

If Calvin Coolidge will not make a speech or do a thing for those who stand closest to him, who risked their political fortune and their good name for him, for fear that such friend might be defeated and that it might react unfavorably on his own political future, how can he be expected to even lift a finger for the farmers whom he does not understand. He does not understand these farmers that rebel against being poor and who are beginning to hate the cause of all poverty. East is East and West is West, even here in America.

ONE WORD FROM THE PRESIDENT WOULD PASS THE BILL

Yet one word from him to the leaders would pass the Haugen bill in this House. A word from him will pass it in the Senate. A word from him took Senator Brookhart's seat away from him, so it is commonly understood. Brookhart's crime was that he had, class conscious, stood for the downtrodden western farmer.

You would naturally think that when a man has attained great power that he would think of winning the love of the people; but what matters the love of the people compared with the good will of those who "stand erect behind the throne," as Emerson puts it?

Mr. ASWELL. Mr. Chairman, I yield to the gentleman from Missouri [Mr. ROMJUE].

Mr. ROMJUE. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. ROMJUE. Mr. Chairman, among all those who know anything at all about agriculture and about the condition of the farmer of the United States at the present time, from the standpoint of his financial condition as a class, there is a general agreement. And the conclusion reached by such persons is that the farmers' financial condition is in an embarrassing state. That is, that the farmer as a class is in financial distress. On that point, as to his present condition, there is no need of argument; yet, there is the exceptional optimist who thinks that one who has been hung, shot, and poisoned may still be happy and have a fine chance to live; who occasionally asserts that under the present Republican administration the farmer is growing rich and prosperous.

It would be a useless undertaking to try to make the few there are of this type see the facts as they are with the farmer.

For the last four or five years there has been an increasing distress among the farming sections, the corn, hog, and wheat sections suffering mostly; the cattle sections also have felt the effect of a depression, the Corn Belt cattleman suffering probably more than the grass-country cattleman.

Inasmuch as this distressed condition of agriculture is existing, there must be some cause for this condition.

First. As stated heretofore, we are generally agreed as to the presence of the distress.

Second. But the Nation as a whole are not so well agreed as to the cause of the distress.

Third. People representing different sections of the United States, and particularly people who are engaged in different methods of earning a livelihood, differ thus:

A. As to the kind of remedy.

B. As to the propriety of the employment of a particular remedy.

Relative to the second proposition, "The cause of the distress," President Coolidge and those who accept his utterance on all matters as "stare decisis" without further inquiry, tell the farmer he is "producing too much," that he has an "over-production," that he "must cut production down," and as an aid thereto he states the farmer must make his production more variable—produce a greater variety of crops and less of the chief crops.

This is an interesting theory, but so far as being effective it is an impractical one, for the very reason that the farmers in one State, for instance, the State of Iowa, can not know

how much corn the farmers in Illinois or Missouri will plant in any given year, and vice versa. Moreover, it is impractical to any effective extent because of the very fundamental features of human nature. Since, if the farmers of Iowa should believe Illinois and Missouri farmers, or those of any other State for that matter, were going to cut their production in any given year on any crop, say, 25 per cent, the Iowa farmer would be apt to put out the usual crop, hoping to get a slight benefit in price over the previous year's price, because of the decreased production arranged for elsewhere.

Moreover, Mr. Coolidge's theory will not do, because something besides man's own choice and labor enters into the proposition of production, and over which the farmer can have no control, to wit, the sun and rain. And as long as God reigns, the control of heat and moisture will rest with Him in the due processes of nature, and will not be altogether surrendered to man, whether he be President or peasant. And sunshine and moisture are important factors in the quantity of production of any crop.

Furthermore, the suggestion that the farmer as a class must produce less is an open invitation to less thrift.

Also, such doctrine, if put into practice, would weaken the initiative of man, destroy his ambition for achievement, and very much handicap his prospects of success, and the American young man who chooses to embark on a career of farming ought to be free and unfettered, and have every opportunity given him for the highest degree of success within the limits of honesty and energy, and not be restrained in his honest and purposeful efforts. Less encouragement than that given to a citizen by his Government is a species of subtle and undesirable restraint.

The American farmer may have an overproduction or he may fall short of normal production at some specific or given year, which may be the result of the operation of some natural law or of some artificial barrier imposed by man, or rather by legislative enactment. It is not difficult for us to understand how plenty of sunshine and moisture or the lack of them affects the quantity of crop production. But we are apt to differ more when we consider the effect of artificial means that bear upon the allocation of production in the domestic and foreign markets.

This brings us to the consideration of the effect of the present Fordney-McCumber high protective tariff law. Certainly it can not now be well and successfully maintained that the high protective tariff law is helping the farmer, because with the tariff at its highest peak the farmer finds himself suffering most and in greatest distress. The tariff first enables the manufacturer to charge the American consumer more than would be the case with a more moderate tariff for revenue only. This extra burden falls on the consumer, and the farmer has it to pay on the articles he buys.

At the same time the farmer usually has a surplus in crops and stock he wants to sell and he finds his market not as desired. The prices he can get for his farm products do not at the present time net him the reasonable profit he should have. He needs to send his surplus into an extended market, but he is stepped on by the high protective tariff law that works well for the factory owner but poorly for the farmer. The citizen of some European country has goods and wares, silks, spices, steel and iron, and so forth, he want to trade for hogs, cattle, wheat, and corn. The high tariff keeps them out, and human nature the world over is such that a man likes to trade with and buy what he wants from the fellow who trades with and buys from him what the other fellow wants, and there is no mystery about that.

So the man in Europe who wants wheat, corn, and meat turns his boatload of commerce to South America and trades with them. I ask the American farmer, would you rather buy what you need on the farm from the man who buys your cattle and hogs and corn, or would you rather buy from the man who will not buy from you, everything else—value and price—being otherwise equal?

If the present high protective tariff law was repealed, so that the foreign trade could buy our cattle, hogs, corn, and wheat, and at the same time get some of their commercial articles sold to America, the American farmer would be much better off and Europe would soon come to her feet and stand erect, ready, willing, and able to trade with us, consume our surplus crops, and pay their debts.

But so long as the American farmer will still continue to be fooled by the manufacturers of the East, and so long as he is willing to take money out of his own pocket and put it in the pocket of the New England factory owner by the high tariff law, just so long must the American farmer suffer and operate at a loss. To be sure, he may be permitted under the present high tariff law to draw his breath occasionally.

But it seems almost useless to sound the warning in Missouri. A few years ago the Republican farmers were warned of an effort to increase taxes on the farm lands. They elected a Republican governor—many of them vowed they would not do it again—but when the time came for election, into the party press and into the ears of the Republican farmer went the assurance from Republican leaders that they were lucky and prosperous, and again they rallied and elected a Republican governor in Missouri, and again the taxes on farm lands are increased.

Just how long the Republican farmer will enjoy his taxes being increased, and just how long he will enjoy contributing by the high protective tariff to the manufacturer, is a question to arrest one's attention at least. There have been more farm homes sold in Missouri under foreclosure during the last four years than in the 20 years prior to that time.

Now the American farmer approaches the Government and tells of his distress and asks assistance, and that he be helped to bridge the emergency that now is here.

It appears that most all the men who represent the districts where the factory owners and operators reside, oppose extending a helping hand to the farmer, although the farmer has paid a high tariff on factory goods, to these many years, to enrich the factory owner. As I think of Holy Writ, I witness the manufacturer, with Mr. Coolidge's approval, stroke the farmers' cheek. Will the farmer turn the other cheek to the silent President?

Mr. Coolidge has a strong Republican majority in Congress. In the lower House of Congress there are 247 Republicans and 183 Democrats, 2 Socialists, 2 Farm Labor, and 1 Independent. In the Senate there are 56 Republicans, 39 Democrats, and 1 Farm Labor. So it can easily be seen that the present Republican Congress can pass any law they desire to pass or defeat the passage of any law the party desires to defeat, by reason of such majority.

The Agricultural Committee, before whom the pending bills on the theory of agricultural relief were framed, is composed of 13 Republicans and 8 Democrats. A majority is required to report a bill—unfortunately a majority of that committee did not favor either of the three bills pending or any other bill, so as a compromise the three bills have been thrown in the congressional hopper to be ground out. Will the present Republican majority in Congress and Mr. Coolidge permit real farm relief, not a bogus measure, with promise that it will work within a year—tiding over beyond election—or will real relief be defeated?

The most vicious and injurious pieces of legislation, so far as the mass of American consumers are concerned, including the American farmer, is the Fordney-McCumber tariff law. It ought to be repealed; under the present administration it will not be done.

While that can not be done as an expediency to furnish some relief to the farmer, though not a perfect bill, the best of the three bills pending for the farmer is the Haugen bill, which is practically the Dickinson bill. The Tincher bill, which has the backing of Mr. Coolidge, will put the farmer further in debt; and what the farmer wants and needs is a better and enlarged market, so his surplus can be taken care of, thereby insuring a better price.

In other words, the greater the market, the less surplus; and the less surplus, the better the market price. As the high protective tariff law will not be repealed by the present administration, the farmer asks in the present emergency to be given emergency relief by the passage of the Haugen bill.

In view of the agricultural distress and the existing emergency and the impossibility of repeal of the Fordney-McCumber tariff law, the bill which gives most promise of any relief ought to be enacted, and the bill that gives the greatest assurance of any real relief, in my opinion, is the Haugen bill. Those who complain against and oppose the passage of this bill as a subsidy must not forget that under and by the Republican high protective tariff policy in force in the United States the American farmer has had taken from his pockets many times more than the amount of the revolving fund in the Haugen bill and placed in the pockets of the manufacturers, and even if some part of that may perchance get into the United States Treasury in the form of income tax, it is, nevertheless, to an amount exceeding the revolving fund, the American farmers' money. Although taken away from them by class legislation, in equity and good conscience it is his money. Therefore, in the present extremity and agricultural distress, may the American farmer not have back a part of his own money that he may therewith save himself from further bankruptcy?

Mr. ASWELL. Mr. Chairman, I yield to the gentleman from Missouri [Mr. LOZIER].

Mr. LOZIER. Mr. Chairman, supplementing what I have heretofore said in support of the Haugen bill, at this stage of the debate I desire to answer some stock arguments advanced by those who oppose any and all legislation designed to place agriculture on an equality with other vocations. Those who oppose any legislation for the removal of the economic handicap under which agriculture is staggering insist that there is but one effective solution and that is to reduce production.

In his first message, December 6, 1923, President Coolidge said:

The acreage of wheat is too large. Unless we can meet the world market at a profit, we must stop raising for export. Organization would help to reduce the acreage.

In his other messages and addresses the President clearly indicates that in his opinion curtailment of production is the only effective and permanent remedy for the present widespread depression among the agricultural classes. In the last analysis, if we are to accept the President's policy, the American farmers would have to give up their foreign markets, from which they have in the past drawn billions of dollars. He would shut this outlet for our surplus farm commodities and close this door of hope for the farmers of this Nation. He would have us forget the millions and billions of dollars that have come to the American farmers from the sale of their surplus wheat abroad and forego the millions and billions of dollars that would accrue every few years to American agriculture from the sale of its products in the world markets. He would put the wheat growers of this Nation in a strait-jacket and have them produce only a sufficient quantity of wheat to feed the people of the United States. In other words, he would have the farmers of this Nation to grow only enough wheat to fill the bellies of our domestic population. This advice has been repeatedly offered by the President and his influential advisers.

It is my purpose to demonstrate that this is not sound and wholesome advice, and if followed will not bring relief, but inevitable disaster to the wheat farmer. No more fallacious and dangerous doctrine was ever urged on the agricultural classes. Secretary Jardine also advocates this false philosophy and prattles about the farmers balancing production, as though farmers can regulate and determine in advance how much corn, wheat, oats, or other grains they will produce in any one year. The size of a grain crop can not be determined at seeding time, or much in advance of the end of the harvest season.

The President and his Secretary of Agriculture ought to know that the farmer can not control production like the manufacturer, who may at the beginning of the year definitely determine the output of his mills and factories for that year. The nature of the manufacturing business is such as to enable him to regulate production and keep it within predetermined limits. If the manufacturer decides that he will produce 500,000 pairs of shoes, 100,000 suits of clothing, 3,000,000 yards of cloth, or \$1,000,000 worth of machinery, he can, in advance, with reasonable accuracy, plan to that end and limit the output of his factories. He can easily estimate how much raw material and how much labor will be required, and what factory equipment will be necessary to bring his commodity production to the required level.

The nature of the manufacturing business is such that all these matters can be determined in advance with reasonable accuracy. Of course, I recognize the possibility of strikes, lock-outs, and other eventualities that may interrupt production, but these or other difficulties enter into the activities of all other occupations, including farming. All things considered, those engaged in manufacturing can control their production and expenses more completely than any other vocational group.

The manufacturer knows in advance what his raw material and labor will cost him. He knows in advance the capacity of his plant, the overhead and selling expenses, the depreciation and usual hazards incident to his business. By experience and definite computation he knows in advance what it costs to produce his commodities and he is sure of marketing them at a satisfactory profit, because under existing industrial and economic conditions the manufacturer fixes the price at which he will sell his commodities. The Government by high tariff laws reduces or destroys competition so the manufacturer may fix a price on his manufactured products that will insure not only the cost of production but a handsome and quite often an unconscionable profit.

But the farmer is differently situated. He can not plan with the assurance that his production will be so much and no more. At best his occupation is a hazardous one. The yield of grain crops does not depend solely on acreage or industry. The farmer has to encounter a multitude of rapidly changing conditions that may greatly augment or tremendously reduce production. From the beginning to the end of

the cropping season he faces a succession of adverse, unusual, unexpected, and uncontrollable weather and climatic conditions that mightily influence the production of grain crops. He may plant sparingly, but as a result of propitious weather conditions he may reap bountifully. On the other hand, he may plant a large acreage, yet because the weather may be unseasonable and cropping conditions adverse he reaps sparingly. Not infrequently a large acreage, as a result of unseasonable conditions, will produce a smaller yield than a much less acreage produced the preceding year.

Then, again, even a President coming from industrial New England and a Secretary of Agriculture coming from the agricultural West but dominated by eastern economic ideals ought to know that in some years innumerable pests prey on growing crops, sap their substance, lower the plant vitality, and materially lessen the yield. Chintz bugs, green bugs, Hessian flies, grasshoppers, boll weevil, and numerous other pests may suddenly appear, generally as a result of unfavorable weather conditions during the growing period, and totally destroy or materially damage a crop when it looked most promising. Red rust, black rust, smut, and other destructive plant diseases appear unexpectedly, and very often destroy the crop or materially reduce production. The absolute impossibility of farmers controlling production of grain crops within certain well-defined limits is quite evident to everyone who understands the first principles of agriculture, and this impossibility applies not only to wheat and corn but to all farm commodities. While the farmer may determine in advance how many acres he will plant to grain crops, he is powerless to regulate the yield per acre, because the yield is largely controlled by weather conditions and by the presence or absence of grain pests and plant diseases that appear at the most unexpected times to plague and mock the farmer and reduce production.

The farmer can not adjust production to the demand. No farmer can say with assurance: "This year I will raise 1,000, 2,000, or 3,000 bushels of wheat or corn." He may prepare the soil in a husbandmanlike manner, prepare a suitable seed bed, plant the seed properly, cultivate carefully, and yet notwithstanding all his industry and intelligent attention the yield may be distressingly light and acutely disappointing. And even when the crop is maturing and ready to harvest it may in an hour be destroyed by excessive rains or storm or by a variety of climatic agencies that lie in wait to prey on those who till the soil.

Even under the most favorable conditions, the growing of grain and meat products is a gamble. Frequently with a greatly reduced acreage the yield per acre is so far above normal production that we unexpectedly have a surplus; while in other years, with a large increase of the acreage, the yield falls far below our expectations.

In the livestock industry no farmer can plan with certainty and assurance how many hogs, sheep, or cattle will be produced and brought to a marketable age and condition on his farm in any given year. The farmer may properly care for his livestock, provide suitable shelter and food, and keep them under well-recognized sanitary conditions, yet disease may suddenly and unexpectedly strike and destroy his swine, sheep, and cattle, in spite of every conceivable precaution.

On reflection, it must be apparent to even the most unsophisticated that no human foresight, no finite power, can adjust the average of farm crops and the production of livestock so as to furnish sufficient food commodities to supply our domestic demands and not have a surplus. And if we should attempt to follow this plan, we would fail signally and would probably stand face to face with underproduction and famine.

I can conceive of no more dangerous and insane policy to the producer and consumer alike, than to urge a deliberate curtailment of food production in the United States, and no one who knows the first principle of agriculture would advocate such a vicious and inhuman policy.

Suppose the farmers of America would adopt the Coolidge-Jardine recommendations and by radically reducing the acreage strive to produce just enough grain and other food products to feed our domestic population and so as to produce no surplus for export. If the season should be bad and weather conditions adverse, we would probably only have a half crop, and this frequently happens. What a calamity this would be. We would be faced by famine, and our children would go hungry or undernourished. This condition is inevitable if we adopt the Coolidge-Jardine formula and deliberately go about reducing production to a limit sufficient only to supply the domestic demand. I for one will never countenance such an uneconomic, unbusinesslike, and inhuman policy.

Now, gentlemen, the production should not be radically limited. The farmer has the God-given right to work his farm, which is a factory for the production of food commodities, to its

full capacity, so as to not only feed the people of the United States but to sell abroad to satisfy the hunger of men and women beyond the seas. It is only by working the farm to full capacity and by producing a surplus that the farmer can hope to make a profit on his operations.

I call your attention to the following table, showing the quantity and value of wheat exported from the United States in the five years from 1920 to 1924, inclusive:

	Per cent of crop exported	Bushels exported	Value per bushel	Total value
1920	43.9	366,077,459	\$1.70	\$622,200,000
1921	34.3	279,406,799	1.40	393,000,000
1922	25.6	221,923,184	1.30	288,600,000
1923	19.9	156,429,824	1.20	188,400,000
1924	29.6	258,022,900	1.70	438,600,000
Total		1,231,860,146		1,929,800,000
Average, per year		256,372,029		385,980,000

These official statistics show that in this five-year period the American farmers exported on an average 256,372,029 bushels of wheat annually, of the average yearly value of \$385,980,000. In the aggregate, in these five years the American farmers sold abroad 1,231,860,146 bushels of wheat for which they received \$1,929,800,000, or practically \$2,000,000,000. Now, the President, Secretary Jardine, and many of the most influential Republican leaders who are now in the saddle and who dominate the councils of the party, advocate that the American farmer withdraw from this foreign market, and that we give up this market which in the last five years yielded the American farmers an income of \$2,000,000,000. I can not accept this suggestion. It would hobble and hamstring the farmer and inevitably augment his losses. The economic condition of the agricultural classes can not be improved by limiting the markets in which their commodities are sold. Instead of abandoning these foreign markets which in five years yielded our farmers approximately \$2,000,000,000, we should not only hold on to our present domestic and foreign markets, but we should use all reasonable means and instrumentalities of enlarging and extending the market for our agricultural products. If there is a Member of this House that will seriously advocate a policy which will deprive the American farmers of a foreign market which in five years yielded them an income of \$2,000,000,000, I want him at this very moment to rise in his place on the floor of this House and publicly profess his belief in this vicious and uneconomic policy.

Moreover, to radically curtail production will not only work the economic ruin of the agricultural classes, but the adoption of this policy will be little less than a crime against humanity. If the farmers follow the advice of those shortsighted, time-serving economic quacks and set out to substantially curtail production and raise only sufficient foodstuff to feed our domestic population, exceedingly grave consequences must inevitably result. Under such a plan, the farmers and consuming public would probably discover when the harvest is past that the yield had fallen far below their expectations and that the crop was not sufficient to feed our domestic population, which in plain language would mean a famine. It would be an act of supreme folly for us to pursue a policy which would bring about widespread distress and national calamity. We would have to import wheat and other foodstuffs either from Canada, Argentina, and other countries to feed our people. Are you willing to be responsible for a condition of this character? Do you advocate a policy which will result in our having an inadequate supply of foodstuff for domestic consumption? Such a policy is intolerable and inconceivable.

The proposal to radically restrict production is fraught with hideous consequences that are so apparent that he who runs may read. We must not unduly and unnecessarily limit and restrict the production of grains and foodstuffs in the United States. Every principle of reason, common sense and prudence, suggests that we should produce each year more foodstuffs than are reasonably sufficient to meet our domestic demands. Unless we plan to produce a very considerable surplus each year, we will not be assured of a sufficient supply to feed our own people. It should be the fixed policy of this Nation to produce a surplus of foodstuffs each year—to use such part as may be necessary for our own needs, and for the surplus we should provide markets abroad.

When the American farmer considers the consequences not only to himself but to the people of the United States he will never sanction our withdrawal from the world markets. We

should encourage the farmer to produce not only enough grain and other foodstuff to feed the people of the United States but a surplus to sell in the great markets of the world. To give up the export markets is to curtail radically our farming activities and hope of profit.

In the last analysis the farmer's profit must be on his surplus products. He can not get ahead by producing just enough foodstuffs to satisfy the domestic demand. The larger the surplus the greater his profit, and the smaller the surplus the smaller his profit. Under normal conditions this rule is dependable and fundamentally sound.

In every line of business, until the output has reached a certain point, the cost of production and overhead expense exceeds the returns from the sale of the manufactured products. If the production be increased to a certain point, the returns equal the cost of production and the overhead expenses; and if the production be further increased, the business will under normal conditions show a profit, and thereafter the greater the production the greater the profit. To illustrate: Very frequently on the first \$100,000 worth of goods a factory turns out the cost of production and overhead expense exceeds the sale price of the factory output. When the production reaches the \$200,000 mark the returns equal the cost of production and the overhead expenses combined, and thereafter profits accrue from all additional production, and the greater the production thereafter the greater the profit.

The manufacturer dares not limit the output, because quantity or capacity production affords him his only reasonable chance to make a profit—that is, the only method by which his profits can be made to outrun the cost of production and overhead expense. Most manufacturing plants are constructed to produce a certain volume of commodities. If a plant is operated only to one-half of its capacity, a loss is inevitable. What would the manufacturers say if the President should advise them to reduce their output to one-half, one-third, or one-fourth of the capacity of their plants? They would reply that only by quantitative production and by running their plants to their full capacity could their business be conducted profitably. The manufacturers would say, and properly so—

Instead of reducing the output from our plants, thereby inevitably increasing the cost of each article produced, let us enlarge our market and increase our sales so the fixed overhead expense may be apportioned to 50,000 rather than 25,000 manufactured articles.

In like manner, the farmer's profit depends on the surplus he produces and sells. Up to a certain point the cost of production and overhead expense exceed the returns from the sales of his commodities. By increasing his surplus products to a certain point he is able to balance his budget; that is, the overhead expense and cost of production equal the returns from the sale of his commodities. Beyond this point, by increasing production he begins to earn a little profit, and thereafter the more commodities he produces and markets the greater his net earnings.

This rule is immutable so long as a farmer is able to sell his commodities above the cost of production; but if times are so abnormal that his commodities sell for less than the cost of producing them he registers a loss on all he produces, whether that production be great or small. To ask the farmer not to produce a surplus is to deny to him equal rights and equal opportunities in the race for gain. Every farm has a capacity limit the same as a mill, factory, or other business plant; and the farmer is as much interested in operating his plant to its full capacity as is the merchant or manufacturer, and he is as much interested in quantitative production as is the man engaged in other industrial or commercial pursuits. To insist on a farmer giving up his right to operate his plant to its full capacity is to deny him a fundamental and necessary economic privilege withheld from no other occupation.

By such a policy you are discriminating against the farmer and denying him equal rights and equal opportunity. You say to those engaged in manufacturing and commerce:

You may operate your factories and plants to their full capacity and produce large surplus stocks, to dispose of which you may not only enlarge the domestic demand but you may carry your commodities to foreign lands and sell them in the markets of the world.

You then turn around and tell the farmer that he must go on a vacation, take a rest, curb his initiative, limit his industry, take his hands from the plow, no longer produce a surplus, no longer run his farm plant to its full capacity, forego the great world markets, and limit his energies so as to produce commodities sufficient only to feed the American people. To invoke this system is to place the American farmer in a straight-jacket and to limit, yea, destroy, his productive capacity; and this at a time when millions of starving men, women, and children are

stretching their bony hands across the seas, crying for the bread the American farmer could and would produce if such production did not mean an ever-increasing loss.

For 75 years the manufacturing classes have thus erected a Chinese wall around the United States, denying to the common people—the consumer—the God-given right to buy their commodities in the cheapest markets. Now, the representatives of this same favored class seek to close the doors of export to the farmer and build a Chinese wall around the United States which will shut out the American farmer from the markets of the world and compel him to depend entirely for the sale of his products on the domestic demand. Instead of further restricting the markets for American farm products let us enlarge these markets. As the American manufacturer, operating his plants to full capacity, increasing his production enormously, is now invading the markets of the world and selling his manufactured products in the remote corners of the earth, so the American farmer has the God-given and inalienable right to operate his farm to its full capacity and to produce an ever-increasing surplus of grain and other foodstuffs not only to supply the domestic demand but to sell in foreign markets to which the surplus commodities of all nations inevitably flow in obedience to sound economic principles and immutable natural laws.

You have no right to shackle the productive energies of the agricultural classes. You have no right to circumscribe the activities of the farmer. You have no right to set arbitrary limits to the quantity of grain and other foodstuffs that he may produce. It is an insult to say to the farmer, "Produce just enough foodstuffs to feed the people of the United States." It is an outrage to deny him access to the world markets. This policy will inevitably reduce the American farmers to a condition of servitude and hopeless impotence.

Therefore let us enlarge the farmer's markets; let us give him a chance to sell his food products in every land to which our manufactured commodities go. Let our ships that carry the finished products of our industrial skill to South America, Europe, and the Orient also carry in their holds the food products from the American farms, thereby bringing to the pockets of our farmers a substantial part of the wealth that other nations are each year paying for foodstuffs.

May I repeat what I have several times stated on the floor of this House, that in the future the wealthiest nation will be the nation that captures and holds the greatest portion of the world's commerce. If our country is to maintain her present exalted station as the financial mistress of the world, it behooves us to plan quickly and wisely a conquest of the world's markets. Our agricultural, industrial, and commercial supremacy depend on our sending the products from our farms, factories, mountains, mines, and plains overseas in exchange for the tremendous wealth and treasure now in process of development in the remote regions of the world.

Providence gave to the American people a far-flung region of boundless productivity. It was never intended that the resources of this great Nation should slumber in an undeveloped state when there is a world-wide demand for the products of our soil. The present generation of American farmers have not only the legal but the moral right to stir our fertile fields into generous productivity. By no legal or ethical principle should we expect the agricultural classes to limit their activities and produce merely a sufficient quantity of foodstuffs to satisfy the appetite of the people of the United States alone. We should not deny to them the priceless privilege of contesting with the farmers of other nations for a substantial division of the markets of the world. The commercial, industrial, and professional classes in the United States should cooperate with the agricultural classes in this struggle for the world markets. We should seek out and open up new markets for our agricultural commodities and make adequate provision for economical transportation of those commodities to both old and new markets.

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

Mr. TINCHER. Mr. Chairman, I have only one more speech, and I think the gentleman from Louisiana should use some of his time.

Mr. HAUGEN. I have only one speech, and I understand I am entitled to close.

I yield to the gentleman from Missouri [Mr. CANNON] five minutes.

Mr. CANNON. Mr. Chairman, in the consideration of this bill we have presented not only one of the most pressing problems but one of the most striking contrasts ever called to the attention of Congress. While industry and commerce are prospering to-day as they have never prospered before, agriculture is in direst distress. While in the cities bank clearings,

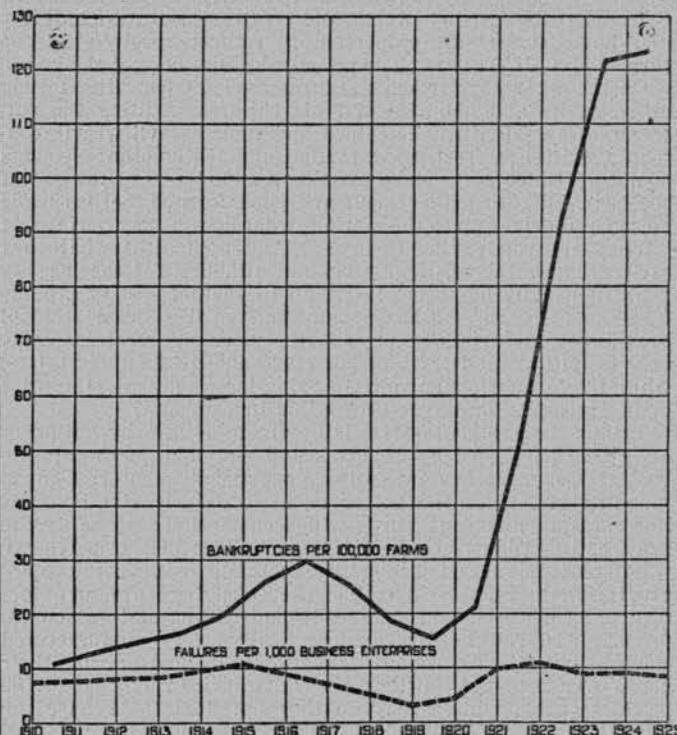
postal receipts, car loadings, and every evidence of wealth and prosperity have reached totals breaking all records, out in the country bankruptcy, tax delinquency, sales under foreclosure, decrease of assets, and bank failures have been and continue to be without precedent.

In the State of Missouri more country banks failed last year than in any previous year in the history of the State. And the situation grows worse instead of better. This year, from the 1st day of January down to to-day, more banks failed in the State of Missouri than have failed in any similar period since the State was admitted to the Union in 1821. Four banks failed in Missouri in one day this week, and the average has been one bank failure every three days for the last two weeks.

Up in the great State of Iowa, just across the State line from the State of my friend from Kansas, Mr. TINCHER, five country banks failed last Monday—five banks failed in one day. And yet the gentleman from Kansas is advocating a bill to lend the farmers more money, when the banks out in his section are failing now because the farmers can not pay back the money they already have borrowed.

The sharp contrast between agricultural and industrial conditions for the last five years is graphically shown in the following chart, published by the National Industrial Conference Board:

*Comparative Changes in Commercial Failures and Farm Bankruptcies, United States, 1910-1925*



Source: Data on commercial failures are for calendar years from Bradstreet's; those on farm bankruptcies are for fiscal years beginning July 1 from annual reports of U. S. Attorney General as given in U. S. Department of Agriculture Yearbooks.

As indicated here, farm bankruptcies have risen steadily since 1922, and are still increasing, while industrial failures have declined steadily since 1922, and are still declining.

The following table gives in detail the statistics on which this chart is based:

*Commercial failures and farm bankruptcies, United States, 1910-1925*

Year	Number of business failures <sup>1</sup>	Number of business enterprises	Failures per 1,000 enterprises	Number of bankruptcies among farmers <sup>2</sup>	Number of farms	Failures per 100,000 farms
1910	11,573	1,592,509	7.3	679	6,361,502	10.7
1911	12,646	1,637,650	7.7	837	6,370,186	13.1
1912	13,812	1,673,452	8.2	942	6,378,870	14.8
1913	14,551	1,718,345	8.5	1,045	6,387,554	16.4
1914	16,769	1,749,101	9.6	1,246	6,395,238	19.5
1915	19,035	1,770,914	10.7	1,558	6,404,922	25.9
1916	16,496	1,790,776	9.2	1,906	6,413,005	29.7

<sup>1</sup> Commercial failures from Bradstreet's; farm bankruptcies from annual reports of United States Attorney General, as given in U. S. Department of Agriculture yearbooks.

<sup>2</sup> Calendar years.

<sup>3</sup> Fiscal years beginning July 1.

*Commercial failures and farm bankruptcies, United States, 1910-1925—*  
Continued

Year	Number of business failures	Number of business enterprises	Failures per 1,000 enterprises	Number of bankruptcies among farmers	Number of farms	Failures per 100,000 farms
1917	13,029	1,828,464	7.1	1,632	6,422,290	25.4
1918	9,331	1,824,104	5.1	1,207	6,430,974	18.8
1919	5,515	1,843,066	3.0	997	6,439,658	15.5
1920	8,463	1,958,042	4.3	1,363	6,448,343	21.1
1921	20,014	2,049,323	9.7	3,236	6,433,127	50.3
1922	22,415	2,074,617	10.8	5,940	6,417,911	92.6
1923	19,159	2,136,921	9.0	7,772	6,402,695	121.4
1924	18,712	2,195,626	9.0	7,872	6,387,479	123.2
1925	18,859	2,242,317	8.4			

Why this remarkable contrast between prosperity and bankruptcy—this amazing disparity between industry and labor on one hand and agriculture on the other? It is because industry and labor fix their returns—because industry fixes the price of its products and labor dictates its wage scale—while the farmer has nothing whatever to say about the price of his products or the wage he receives for his labor.

When the farmer goes into the market for machinery, clothing, fertilizer, or any of the necessities of life or essentials of production he asks "What is the price?" And no matter what the price dictated by industry and labor, although it may be twice what the article is worth, and involves a return to industry and labor out of all proportion to returns received by the farmer himself, he pays their price or he does not get the goods.

On the other hand, when the farmer sells, when after toiling all year, he and his wife and his children, fighting the cut-worm, the hessian fly, the chinch bug, and the boll weevil, contending with fire, frost, flood, famine, and all the other elements of nature which go to make farming a gamble—if at the end of the year, by good management and good fortune, he has made a crop and drives up to the market, what does he say? He says, "What are you paying to-day?" And no matter what they are paying—although it may be, and although for the last six years it usually has been, less than the actual cost of production—he takes it. He has no alternative. He has no control over either the prices he pays or the prices he receives. Now how is it that industry and labor are able to fix their prices, while the farmer has no voice in fixing his wage scale, the price of his products, or the return on his investments?

This is the explanation: It is by virtue of law, by authority of legislation passed by Congress and placed upon the statute books. Congress has by express enactments conferred upon industry and labor the power to fix both prices and wages. For example, among the laws which enable industry to fix the price of its products is the tariff law. Over in Europe to-day where nations are trying to get back on their feet, where peoples are trying to beat back against the tide, there are factories and material and men ready and willing and anxious to produce and sell in America practically every manufactured commodity that we consume. They would be glad to bring their goods over here and sell them to us at a price vastly below the price we are paying. Why do they not do it? Because the tariff keeps them out. And behind this legislative tariff wall the domestic manufacturer fixes his price, regardless of cost of production or legitimate profit—fixes his price under a tariff law devised for that purpose, for that is what the tariff system is—a price-fixing device pure and simple. And every time we pass a tariff bill we kick the sacred law of supply and demand into a cocked hat.

Likewise, labor is enabled to fix its wage scale and its hours and conditions of labor under such laws as the immigration law. I was at Ellis Island some time ago, and while there had the privilege of meeting a man high in the department, a man who is an authority on the subject, and he told me that if the immigration laws were repealed people would swarm over to this country from Europe, Asia, and Africa like rats out of a sinking ship; that within 12 months over 2,000,000 immigrants would come to America. They would come with nothing but their hands. They would inundate our cities. They would glut our labor markets, and men both in the labor unions and out of them would be glad to work at any job and at any price to earn their daily bread. Labor is able to enforce her wage scale and maintain an American standard of living by virtue of legislation placed upon the statute books by Congress.

Now, if Congress has given industry laws enabling her to fix the price of her products, and has given labor a law enabling her to dictate the price of her services, why in all justice and fairness and equity is the farmer not entitled to this bill, which

will enable him to fix the price of his products and secure a living wage for his labor.

But let me make clear the position of the farmer on this question. He is not here with this bill to protest against high prices. He believes in high prices. And he is not here to protest against high wages. No class in America believes more than the farmer that the man who earns his bread by the sweat of his brow is entitled to a living wage and a high wage. But the farmer does contend that if he pays industry a high price for its products and labor a high wage for its services, he, too, is entitled to a high price for his products and a living wage for his labor, and that is the fundamental purpose of this bill.

Now, as to the tariff features of the bill. When during his testimony before the House Committee on Agriculture some days ago Secretary Jardine was asked whether he did not think the farmer has a right to expect that the tariff shall be made effective on surplus agricultural commodities, and when he answered, "I would forget about that," he said something that has enough dynamite in it to change the political map of the United States for years to come. Dating back almost to the Civil War, the farmers of the great Corn Belt have been steadfast in their support of the protective system—first, because they believe that it was essential to well-being of industry and of the Nation and, second, because they took seriously the idea of a tariff on certain agricultural commodities. However, during recent years, and especially since the World War, these Corn Belt farmers have awakened to the fact that the tariff on surplus farm commodities has been pretty much of a joke; that it is one thing to write such a tariff into an act of Congress and a radically different thing to collect it. And this is why they took the Republican platform on which Mr. Coolidge was elected, and which was unequivocally pledged to "equality for agriculture with other industries," so seriously.

And now when the question is put up squarely to Secretary Jardine, the spokesman of the administration on matters affecting agriculture, he tells us to "Forget about it." But there is not the slightest chance that Corn Belt farmers will take his advice—on the contrary, the Secretary by this remarkable statement has "let the cat out of the bag," and unless Congress passes the Haugen bill, which will make the tariff effective for agriculture, we will be forced to the conclusion that the Republican Party is perfectly willing that the tariff shall mean one thing for industry and an entirely different thing for the farmers. More than all other opponents of genuine farm relief legislation, Secretary Jardine has laid bare the real issue. He has trained the spot light on the good faith of the Republican national platform in a most graphic way. Clearly it is up to the Republicans in Congress to decide whether the Secretary's words shall stand out like a "cloud by day and a pillar of fire by night" in the coming congressional campaign and in the presidential contest of 1928.

The time has come when the cracking of the party whip has about as much effect on the average farmer's back as it would have on the back of an elephant. On the one hand he sees his situation grow constantly more desperate, while on the other hand he has a deep-seated conviction that both of the great political parties are willing to make him the "goat," and that their platform pledges are only intended to catch his vote. We have not forgotten that during the World War when the industries received 10 per cent plus and as much more as they could get, Secretary Hoover lost us hundreds of millions of dollars by interpreting the wheat price as a maximum instead of a minimum, as Congress intended; also that we lost other hundreds of millions because this gentleman did not line up his formula on the price of cattle and hogs. And yet, notwithstanding these wrongs which rankle deeply in the hearts of millions of farmers, certain gentlemen are raising the shout of "subsidy" against the Haugen bill.

I state the simple truth when I say that the vast majority of Corn Belt farmers regard Mr. Hoover as the evil genius of American agriculture, and also, whether rightly or wrongly, they believe that the attitude of Secretary Jardine is greatly influenced by him. Nevertheless, Secretary Jardine is the spokesman of the administration on agriculture—and I repeat that there is a pill of dynamite in his suggestion that the tariff when applied to a surplus farm commodity is nothing more than a campaign joke.

And just one word to labor in behalf of this bill. And no Member of this House can speak to labor more frankly than I can. From the first I have supported labor's program. And I have voted with labor not from motives of political expediency because I am from an agricultural district. We have comparatively few labor unions in the district. I have supported labor's program not in order to win votes but because it was right and entitled to support.

So I congratulate labor on her indorsement of this bill, and I call attention to the fact that the farmer is entitled to labor's support not only in return for past favors but because this is labor's bill as well as the farmer's bill.

The Census Bureau recently reported statistics showing that last year 2,035,000 people were driven by economic necessity from the country into the city. The year before that 2,075,000 were starved out of the country into the cities. This vast migration has been going on for several years, is going on today, and will continue in proportion as agriculture is denied a just return and a fair share of the Nation's prosperity. When you drive either a starving wolf or a starving man out of the country into the city somebody is going to suffer. And when this huge army of people is forced into our already overcrowded centers of population, labor is the first to suffer. Not only is the number of those producing food in the country depleted, and the number of mouths bidding for food in the cities increased by these millions, but the number competing with you for your job and beating down your wage scale is correspondingly increased.

Let me give you a very pertinent illustration. When the railroad strike began in my State in 1921 the places of the union men in the railroad shops of the Frisco at Springfield, Mo., were filled by raw country boys hastily recruited from the foothills of the Ozarks. They had never heard of the 8-hour day. They had been brought up on the farm under the 16-hour day and the Taylor system meant nothing to them. So effectively were they drilled by the railroad and so apt did they prove themselves that to-day they are still there and they are now producing in 30 days locomotives which formerly required 45 days to complete, a profit to the railroad of 33½ per cent over its former cost of labor. That is what we may expect, in modified form at least, in all trades and in all sections of the country, if the present agricultural situation continues and men continue to be driven into the cities to find support for themselves and their families. Labor's support of agricultural legislation is not merely a matter of justice to the farmer; it is a matter of self-preservation to labor as well.

Nor is the argument that this legislation will materially increase the cost of food consumed by labor worthy of serious consideration. In 1920 I sold wheat produced on my farm for \$2.40 a bushel, and my family bought bread in Washington that year for 8 cents a loaf. The next year I sold my wheat crop for 86 cents a bushel, and the same bread still cost 8 cents a loaf. One year I received \$15 a hundred for hogs which I marketed in St. Louis, and the next year a little over \$11 a hundred. But sliced bacon of the same brand cost 6 cents more per pound in Washington when hogs were selling at \$11 in St. Louis than it did when hogs were selling at \$15. If this bill becomes a law, the few added cents in a bushel of wheat or a hundredweight of pork will be immaterial when reflected in a loaf of bread or a loin of pork, and even that will be more than offset by the saving in the elimination of lost motion between the producer and the consumer.

In conclusion, and in reply to the statement repeatedly made during this debate that this legislation is unsound and uneconomic, I want to quote a man whose views are entitled to some consideration. The quotation is from Abraham Lincoln. He was not an economist or a college graduate. He did not have a university degree. But he understood the philosophies of life and the equities of the law as few men have understood them in the history of our Nation or our race. This is what the rail splitter said:

The legitimate object of governments is to do for a community of people whatever they need to have done, but can not do at all, or can not so well do, for themselves in their separate and individual capacities.

The legitimate object of government is to do for 6,500,000 farmers what every Member of this House concedes they need to have done, but which because of their number and their wide distribution and lack of ready capital they can not do for themselves in their individual capacities.

Pass this bill. Give agriculture the same legislative preference already granted labor and industry. Give the farmer as good a price for what he sells as he must pay for what he buys. Bring agriculture up to a plane of equality with industry and labor, or drag them down to the pinched standards under which agriculture is to-day eking out a bare existence. Give us special legislation for everybody or special legislation for nobody.

THE CHAIRMAN. The time of the gentleman from Missouri has expired.

MR. EDWARDS. Mr. Chairman, taxes are taxes, even though you call them "tariffs" or "equalization fees." No matter how it is "sugar coated" or dressed up in a fancy name, it is

a tax on cotton in this bill, parading under the name of an "equalization fee." In the debate that has lasted several days on this bill, I have heard no one deny that it is a tax, nor have I heard anyone sufficiently explain this matter to convince me that I should vote for it. To the contrary, I will not vote to put a tax on cotton, whether it is levied at the gin or elsewhere. The tax will come out of the producers, and this bill proposes that it be collected at the gin, and prescribes a penalty if it is not paid. I have listened carefully to the debate, and those who claim to have given some study to this matter have asserted that this tax will run from \$2 to \$25 per bale, to be assessed by the board that is proposed to administer the provisions of the law. Think of it; from \$2 to \$25 tax on each and every bale of cotton and it payable at the gin, when the farmers are hardly able to pay the gin bills, to say nothing of this new-fangled tax! Do the farmers understand that this is a tax, or are they deluded and misled by the term "equalization fee"? Whatever it is, it is from \$2 to \$25 on each and every bale of cotton raised by the farmers that they will have to pay at the gin.

It is proposed, too, that this law will be administered by a board of 13. Each of these will get \$10,000 per year. Ten of these 13 will come from other than cotton-producing States and only 3 of that board will come from cotton-producing States. Ten members of that board come from where cotton is manufactured and used. They will have to do with regulating the price at which cotton will sell; and two years hence, when the cotton tax or equalization fee goes into effect, that board will say what the tax or fee at the gin on each bale of cotton will be.

I can not think that a tax upon the very product of the soil, raised by the sweat of the brow, will be much help to the farmer; nor can I think it will be a relief. The farmer is laboring under a distressing load of taxes as it is. Now, you are trying to give him a bait with a hook in it. You are saying to him, "The way to help you is to levy more taxes on you, and one that you will have to pay." You must pay it at the gin. I just can not see the fairness of it, and I will not support this bill with the tax or equalization fee in it.

If it is stricken out, I will waive other features, but I will not vote a tax on the cotton farmers of the South. An amendment will be offered, as I am advised, to strike out this cotton-tax feature, which amendment I will support; and if the amendment prevails, then I will vote for the bill, but I will not vote for it unless the tax is stricken out. I will not be a party to putting a tax on our people. I want the record to show that I voted against such a tax. I want the record to show that I raised my voice in protest against the proposed tax as unjust and unwise. In this I believe the farmers of my section will support me and stand by me.

I came here pledged to help reduce taxes. We have reduced taxes in the few months I have been here nearly \$400,000,000. How can I justify the levy of a direct tax that may vary from \$2 to \$25 per bale on every bale of cotton ginned in my district? I would resign from this House rather than vote for that tax. I will not vote for it under the dressed-up name of an "equalization fee," either. We can not fool the people and ought not to try. We ought to be honest with them and with ourselves.

This is called an agricultural relief bill, yet it carries this tax on cotton. The most of the relief is for the western farmers as usual, with another burden for the sun-browned son of the southern cotton fields in the shape of a tax on cotton. I protest and denounce it as unfair and I appeal to the Members of Congress not only from the South but all Members to vote against the tax.

This bill does nothing for tobacco farmers. They are overlooked. It is about what we should have expected from the Republicans who are in control of the House. I presume if you wrote a bill giving relief to the tobacco growers, you would fix a tax on every basket of tobacco to be collected at the warehouse? Such is great relief! We all recognize the fact that agriculture is prostrate, homes and farms, mules, wagons, and so forth, being sold under foreclosures and by the sheriffs and constables, millions of people in real distress, unable to save themselves from existing taxes, and yet you tell them you will help them by putting another tax, a galling tax, on them! That is a relief with a vengeance! It is using the embalming fluid in the very veins of the cotton producers and calling it a tonic! I will not help administer it, nor do I believe the cotton growers of my section will be deceived by this strange relief. It is saying to the farmer: "Being as you are unable to pay your debts and your taxes now, you just submit to another tax on your cotton and then you will be able to pay your other taxes." Strange reasoning this! I do not believe many will be deceived by it.

For my part I would a great deal rather for my constituents, with whom I was reared and whose interest I have at heart, to say in the future, "Our Congressman was there at his post when that tax matter came up. He stood by us and protested against that foul cotton tax and voted against it," than to have them say, "Wonder why he let them fool him into believing that was not a tax?"

Some argue that the tax will not go into effect for two years and that it might be repealed in that time. Yes; and it might not be. I will not take such a chance. I have observed with pain and regret that very few Congressmen vote to help the southern farmers except the Congressmen from the South, and we are in the minority. We might not be able to repeal it. I am not willing to turn over the people of the South and the great crop of the South to this board that does not give us fair representation, to be crucified upon this cross of taxes. You can not disguise it with fancy names enough to cause me to vote for that tax. It must be stricken out and we must have fair representation on the board. I will not help bend the backs of my people, whom I represent and love, to the lash of this iniquitous cotton tax. It is not right to burden the struggling cotton farmers with additional taxes, nor will I participate in the crime, directly or indirectly, in helping to levy the tax. This tax at \$2 per bale would cost the cotton farmers of Georgia over \$2,000,000 each year.

I am not going to discuss the bill further. On April 12 I delivered an address urging agricultural relief. I quote here an article from the Atlanta Constitution of May 9, 1926, concerning it:

**EDITOR CONSTITUTION:** On reading my letter in your paper of May 1, Congressman EDWARDS sent me copies of three speeches delivered by him in Congress. One speech made December 18, 1926, discusses "The revenue act of 1926," one made January 8, 1926, "Advocating drainage," and the other delivered April 12, 1926, "Urging agricultural relief."

The last-mentioned speech is the most powerful presentation of the farmers' case I have seen anywhere. I wish that, not only every farmer, but every business man in Georgia, could read it. And it would be appreciated by the farmers of the whole country.

Had I been aware of this speech when I wrote my letter, I would have thanked him for it then, as I do now.

J. T. HOLLEMAN,  
President Southern Mortgage Co., 10 Auburn Avenue, Atlanta.

We have enough troubles. The South does not need any more troublesome taxes. If a farmer failed to pay this tax, the penalty would apply and he would be subject to suit and heavy court costs in the United States courts. With all the earnestness of my soul, I appeal for the defeat of this tax! In the name of justice it should be stricken from the bill! [Applause.]

Mr. TINCHER. Mr. Chairman—

The CHAIRMAN. The gentleman from Kansas is recognized for 24 minutes.

Mr. TINCHER. Mr. Chairman and gentlemen of the committee, in closing this rather long and tiresome debate I do not want to kill a lot of time on things that are not pertinent to the question. I want to answer the tariff arguments that have been made, because I make it a rule never to take this floor without answering all the arguments that have been made on the subject of the tariff.

The Fordney-McCumber tariff law was passed and took effect on a certain day. To-day agriculture has a problem. Was that brought about by the passage of the Fordney-McCumber tariff law? The answer is this: There is not a commodity that the farmer buys to-day that he pays as much for as he paid for it the day the Fordney-McCumber law took effect.

I invite any man to furnish me a list between now and midnight of any commodity that he buys that is as high to-day as it was when you passed the Fordney-McCumber tariff law, and I will print it in my remarks. [Applause.] There is not a farm commodity to-night but what is worth more money on the market than it was the day the Fordney-McCumber tariff law took effect. [Applause.] And that is not answering the tariff argument as a philosopher; that it is just answering it because we can still remember, and you Democrats, if you ever elect another administration on the tariff, have got to wait until you get away from the facts so far that you can do it on philosophy and not do it on facts.

Mr. ROMJUE. Will the gentleman yield?

Mr. TINCHER. I will yield if the gentleman can furnish me with such a list.

Mr. ROMJUE. If the gentleman's statement is true, then, we do not need to pass this bill.

Mr. TINCHER. No; I did not say that, because we need my bill. I just answered the tariff argument, and my statement is true.

Mr. ROMJUE. Then, we do not need your legislation.

Mr. TINCHER. Oh, yes; we do; yes; we need it. When you got through with us there were 25 points disparity between the price of other commodities and farm products, and we have had a struggle and gotten them back to within 10 points of one another, and if you will let me pass my bill we will close up that gap.

Mr. CANNON. Does the gentleman believe you can make the tariff effective on farm products?

Mr. TINCHER. Oh, yes.

Mr. CANNON. Is it effective now?

Mr. TINCHER. Oh, yes; you read JIM BEGG's speech in the morning and do not print yours until you do read it, because if you do, those statistics will show that you do not know anything about the tariff at all. You said that wheat was selling cheaper since the passage of the Fordney-McCumber tariff law than it was selling for before.

Mr. CANNON. No; I did not make that statement at all. I said that wheat in Canada was selling for more than in this country, and they have no tariff up there.

Mr. TINCHER. But the truth is that over a period of five years we have had an average of 23 cents protection on wheat through the tariff. Now, that is the fact, so what is the use of keeping on talking about it. I come from the same part of Missouri you do, and you know those folks there can read, and if you are not careful they will read about you some time. Now, I want to answer some of the other arguments that have been made here. RAINY, of Illinois, took the floor this afternoon. I am going to dwell on you Democrats a little before I start on some of my Republican associates with whom I have some trouble. RAINY said he was going to explain about the Prairie Farmer, but he never did. I presume he thought he could get an editorial in the Prairie Farmer by attacking me. Then he stood up here and was ostensibly reading to you about the Illinois primary. He had papers spread out and he was reading, and he said the issue was the Capper-Tincher bill as against the Haugen bill, and that that bill was defeated by an overwhelming majority; that the World Court was not in it; that Illinois retired Senator MCKINLEY to private life and elected a man who was for the Haugen bill as against this man who was for the Capper-Tincher bill. Poor RAINY. That was as near the facts as RAINY ever gets. The Capper-Tincher bill was not introduced for over a week after the Illinois primary and was never conceived or talked about until after the Illinois primary. There was not anything like that in any paper at all. But that is ordinary for RAINY. The fact that he did that will not lower or raise his standing in this House for integrity the least in the world. His standing will still be the same. He said that CAPPER had an unpopular bill—which he did not have—and that defeated his friend MCKINLEY. CAPPER supported MCKINLEY because he was his colleague, and he liked him. But he likes Frank Smith, too, and he will support Frank Smith. And that beer-keg platform of yours will not get any support out of CAPPER.

I suppose you are going to run with your beer-keg associate platform this fall. Well, you will find that CAPPER will support Frank Smith. Now, if the Prairie Farmer wants something to print about your speech, they can get something besides what you told them.

Now, getting down to the farm relief problem and the bills pending, I am rather independent about whether you pass these bills or not. I am trying to be consistent. PERCY QUIN says I introduced a bill once—and I always like to hear PERCY talk—providing a subsidy for the farmer. I never did that. Read the bill. I introduced a bill to try to collect a claim against the United States Grain Corporation for some money I said they took that belonged to the farmers. It was not a subsidy for the farmers. I never thought of such a thing as advocating a subsidy for the farmers or for anybody else.

You know, after the election in 1922—I remember it was a rather warm election—we had just passed some of these laws, and naturally the criticism of the majority party was going strong, and we were not yet out of the throes of war or the reactions of war. I never will forget when I returned to Washington after a hard campaign I was invited to the White House; in fact, I was invited to come early to the White House. The then great President of the United States swelled me all up by telling me he wanted me to help write the message to Congress on the subject of agriculture. I sat in the council that wrote that message. Maybe you do not think that makes a second-terminer feel good. I sat in with them, and we had

several meetings. I ate more food at the White House than than I have ever gotten out of Coolidge [laughter], and I felt awful good. Finally we agreed what that message should say to Congress, and Jud Welliver whipped it into final shape; but, at any rate, they made me think I was influential in its preparation. Then President Harding, a man whom we all loved, turned to me and said:

TINCHER, old man, there is one thing more agriculture has to have than what we have mentioned here. We must have a merchant marine. The American flag must be on all the seas.

I remember the argument he made in favor of subsidizing the merchant marine. It was an embarrassing moment, but I was fresh from the hearts of my people. I had had a hard campaign. I had mingled with the people of my district and I had learned from them that they were constitutionally opposed to a Government subsidy for classes, and, painful as it was to me, I told the President I could not support him, because I knew what my people wanted; and then Mr. Lasker, who was present—and, I suppose, for the purpose of explaining to me why we ought to have this thing—said: "TINCHER, if you can not go with us, can you not at least lay off?" I said: "Lasker, I am not the laying-off kind. My people are against a subsidy. They do not believe in class subsidies." And God bless my people. Sometimes our people see further than we do. Sometimes now I wonder if my people can see what is happening in England to-night.

As to Iowa, I came back to this bill and I joined with you, DICKINSON, and with you, HAUGEN, and with the solid Iowa delegation, and I uttered the first words that were uttered in this well against President Harding's ship subsidy bill.

Who is consistent? I am still against Government subsidies for classes. My people are against them. We witness to-night in Great Britain the evils of such an attempt. We witness civil war in a country where the government has had, perhaps, the highest regard of its subjects of any country in the world.

I am consistent because I am not for a subsidy. I represent two hundred and fifty thousand and odd souls in this House to-night, and I want to pay them the compliment that not one single living soul in my district has ever asked me to vote for a Government subsidy. They have been consistent. Think about it. This is not principle. You started riding north and, as TOM WILLIAMS said, your horse turned and started south.

The testimony upon which you want to pass the Haugen bill says that a subsidy would ruin agriculture; says that a subsidy would destroy the morale of the farmer. Mr. DICKINSON says it would increase the production of corn in Iowa and Illinois 33½ per cent. Murphy says it would debauch agriculture, but still a few minutes before we came in here with this bill—nobody has found out why—the equalization fee is taken out for two years, and this animal that every Kansas farmer who has expressed his view is against is stuck in; this animal that they say will debauch the farmer, and it will; that they say will destroy the morale of the farmer, and it will. Do you not believe it? Has it destroyed the morale of the coal miners in Great Britain? Is that destruction contagious? Has not every trade-union in Great Britain joined in a sympathetic strike, not against the employer but against organized government.

There are men in this House who ought to vote for the Haugen bill. They are the men who are wiring the striking forces in Great Britain hoping they can overthrow the Government. The men who are wiring them money, contributing to the overthrow of government, ought to vote for it, and the rest of us ought to profit by the experience that our mother country is having, and we know it, and vote against it.

Why was it put in? Gentlemen, I did not take the floor Saturday to tell you why. Saturday at high 12 I took my place in this well and charged that the lobby behind this subsidy were organizing a corporation to spend the subsidy. Two weeks before from this well I opened the charge that there was proof that the head of the lobby for this bill had changed telegrams and was unfair and dishonest in its propaganda for the bill. Who has denied it? You talk of pure love of country. A man who stands before the committee one day and saying to me:

Mr. TINCHER, to subsidize agriculture would debauch it; to subsidize agriculture would increase production and would destroy the morale of the farmers and would destroy our Government.

And that same man within a week, without any financial reason, would press the American Congress, the greatest law-making body in the world, with this demand in the language of the gentleman from Indiana [Mr. PURNELL], and God bless PURNELL and WILLIAMS for they have to go along with this organization, but they are honest—PURNELL described what

that man declined to do. I said to him, "Is this a subsidy?" And he said yes, we are just reaching in and taking out \$350,000,000. Why? Mr. PURNELL told you why. He said the nearest I have heard an honest excuse for the change—and mark you he said the nearest he had heard of an honest excuse—was that the change had been made for the purpose of getting votes for the bill.

Now, with the mantle of war hanging over our mother country, legislators in our National Capital put into the bill the thing that caused that war, and boldly stated on the floor of the American Congress, "We put it in to get votes." Think! You do not have to think, act the way you do think and the Haugen bill will not have 30 votes in this House.

Now, as against that proposition you will have an opportunity to vote on a bill that the administration says—and I do not make any bones of it, read Secretary Jardine's testimony, and he says there is a farm relief bill and this bill will cure it, and in reply to a question by the gentleman from Kentucky [Mr. KINCHELOE], he says:

Yes; the President knows about this bill and is for it.

What have we done? Every man that has talked on the subject said it would help it; some have been more enthusiastic than others, but you have the unanimous opinion that it will help, and the administration says that they can cure the farm problem. I know that Mr. Murphy went—and that is the way that Mr. RAINES got into the fight—he went to the gentleman from Arkansas [Mr. OLDFIELD], appealing to the Democratic Members and asking them to make a political football of it, and when he went to the gentleman from Louisiana [Mr. ASWELL] and made the proposition to him for \$100,000,000 for the South for the support of this thing the gentleman from Louisiana turned him down.

Well the gentleman from Illinois [Mr. RAINES] made his report this evening. Is it going to be a political football? I am not for the Haugen bill; I am 102 per cent administration as the gentleman from Louisiana says about being a Democrat. Now the Haugen bill will not be a law. The gentleman from South Carolina [Mr. FULMER] told you it would not and still he supports it. You do not want it to be a law. You that vote for it do not want it and you know it. Can you get more political benefit out of it in carrying out your platform than you can in giving him a chance and taking a political chance as to whether it will work or not?

I do not know whether it will work or not. Economists, technicians, experts, cooperative market men say that it will close the gap. Your Government is willing to give it an opportunity not demanding it. We waited until everybody else had offered a bill and finally said "We think this will do it." Every witness says it will do it and I never heard it will not work and you that think it will not know that the Haugen scheme will not work.

There is no use of beating around the bush about the proposition. We are going to face it. It is economically sound. The fact that some eastern interests are against the bill is no reason that the western farmers should be against it. The fact that some eastern interests are for it is no reason why the western farmers should be against it. Can the gentleman from Arkansas [Mr. OLDFIELD] and the gentleman from Illinois [Mr. RAINES] effect a bloc of the West and the South and use agriculture as a football to destroy Calvin Coolidge? You shove that thing up under his nose and he can run for reelection and use that for his platform and carry every township in the United States.

Mr. LITTLE. Mr. Chairman will the gentleman yield?

Mr. TINCHER. No; I can not yield. I am just talking turkey, because this is turkey-talking time. I know my friend DICKINSON is going to follow me. We have been pals all these years, and I hope he will do like TOM WILLIAMS did to-day when he backed up where I am standing now and said:

No; I am not for this subsidy; I want to strike it out of the bill; I want to be a man; I want to say that if this is good for you in two years from now, it is good for you now, and we will put the equalization fee in now.

Gentlemen, if you run for Congress next fall on a platform that you have voted for a bill with an equalization fee in it, but that you put it off until after election and used a subsidy instead, you know that is not square; and do not think that you will be able to fool the voters of this country for very long with that proposition. It can not be done.

We are through with general debate. We know what is in the bill. It is time now to get off in our cloakrooms and decide whether we are going to play politics with agriculture. There are no secrets about it. There are two or three things in the

Haugen bill that are fundamentally unsound. Think of the people of this country being taxed, even if you don't have a subsidy—think of taxing the American farmer and hiring the packers and Mr. Murphy's grain company to spend the tax! [Applause.]

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

Mr. HAUGEN. Mr. Chairman, I yield the remainder of my time to the gentleman from Iowa [Mr. DICKINSON].

Mr. DICKINSON of Iowa. Mr. Chairman and gentlemen of the House, I have been through a running cross-current of economic debate on this agricultural problem for more than a year. I know of the time when the men who were friends of agriculture said that in order to protect agriculture you must hook up the control of the surplus with the cooperative producers' organizations of this country. I know of the original plans wherein that was suggested in the form of a bill, and I want to say to you now that in my judgment this country can still sit around and holler about all of these different discrepancies that are going to go into this economic system in this country in case we do not protect it, and you are going to find, if you please, at the end that the world is coming in here and is going to do the very thing that these people are asking us to do, that the exporters are going to fatten their pocketbooks at the expense of the citizenship of this country that produces the food of the world and loses money every time they harvest it.

Economically unsound! Mr. Chairman, I have heard that statement until I am sick of it, but let me say to you that always and every time, if you will trace it down to the original basis, you will find that the men who think this legislation is economically unsound think so because it affects their pocketbooks adversely. If England has brains enough to make her war debt out of rubber, if Brazil has brains enough to make her war debt out of coffee, if these other countries that are controlling exports are able to make their indebtedness out of their exports, then I would like to know if the Democrats on this side and the Republicans on the other side are going to come in here and confess to the food producers of this country that they do not know how to do the job? Let me tell you what is lacking in this whole proposition. I have been impressed with the fact that we have had too many bipartisan conferences this year. Our tax bill was not a Republican bill, nor was it a Democratic bill. It was a bill made up by a conference of both sides of the aisle, and now we find that when we come to the agricultural question of this country which admittedly on the floor here is the all-controlling economic and political question of the day, we find that on neither side of the House have the leaders any program which they are proposing in behalf of agriculture and that the programs which do come are largely coming from the outside. Oh, yes, I think the administration did on the last day at the last minute, when it thought that the agricultural committee was going to bring out a bill and that it would probably pass the House, did bring in a bill with which to sandbag the other bill that was already scheduled for consideration, and that is the reason we have all this confusion here. In fact, all this confusion can be laid at the door of the administration for lack of program. I used to like the theory of Teddy Roosevelt. I remember the time that we used to hear, when Taft was President of the United States, of his always saying, "Show me the law for it," but when Teddy Roosevelt was President of the United States and he wanted to do something he said, "Show me the law against it." I would like to know where the leadership is now on either side of the House in either of the great major parties and why they do not come up here and say, "Show us the law against why we should give agriculture the same protection that we are giving to other interests in this country," and in that way try to work out a solution of the agricultural problem in this country.

I am tired of hearing of this English business. I will tell you when the troubles of England of to-day started.

They started back in 1840, when England repealed the corn laws and said to the world, just as the gentleman from New York [Mr. BLACK] wants to say now, that if you do anything to stop protecting the consumer of the country you are doing something that is wrong. I want to say to the gentleman from New York we can live out in Iowa without New York City longer than New York City can live there without Iowa. [Applause.] Away back in 1840 England repealed the corn laws and said to the world that "We are going to feed our industrial people wherever we can buy the food the cheapest," and she immediately proceeded on a program of becoming an industrial nation, and there are certain people in this country who have so little regard for the food-producing sections of this country that they are saying now, "We will just continue

to protect the consumer of this country, but we will let the agricultural interests of this country lag behind, and in that way we will make this country an industrial and commercial country," and whenever you do that you are paving the way for the very thing that is happening in England to-day.

Gov. Frank O. Lowden, speaking before the Iowa editors, with reference to the situation in England, said:

England was supreme. She was producing more economically than any other nation in the world. It is not strange, therefore, that England at that time deliberately adopted the policy of subordinating her agriculture to her industry and commerce. And yet, after the lapse of a little while—for what is a century in the life of a nation—the most thoughtful men in England are to-day wondering if that policy was not a mistake.

If England, with her unrivaled advantages, already has come on evil days as a result of her policy, would we not in America do well to stop and reflect before we adopt a similar policy? For to-day all nations of the great western world are encouraged in manufacturing on relatively equal terms. The day of importing cheap foods from new agricultural countries is well-nigh spent.

#### FARM IS CHIEF CONCERN

The problem of to-day and to-morrow is to balance agriculture with industrial progress. It becomes more and more apparent that a nation is only secure in time of peace, as well as war, when it is able to feed itself. Agriculture, therefore, henceforth must be the chief concern of any nation which would flourish and endure.

What are we trying to do here? We are trying to protect the farmers representing from 33 to 40 per cent of the population of this country. We have with us the American Federation of Labor, and they represent the working classes of this country, and they say that the men who produce the food are entitled to a fair return for their labor just as members of their union are entitled to a fair return for their labor. It is a principle that can not be denied, and for that reason there is combined behind this program two of the strongest political factors that are now in existence in the United States. I want to say to you that sooner or later they are going to have their way. You may kick us out this time; you may kick us out the next time; but I remember the time when Abraham Lincoln said:

We are going to populate the great Middle West, the Mississippi Valley, and make it the bread basket of the Nation—

And then he signed the old homestead law and the college land grant law under which the Middle West has developed for the past 65 years and made history economically in this great country of ours.

No principle in this bill is to be applied but for the protection of the farmer himself. Dr. G. F. Warren, of Cornell University, recently said:

It takes a considerable period of time to increase yields per acre and a considerable period of time to decrease them. The long period of agricultural distress ending in 1897 resulted in reduced yields per acre. This was inevitably followed by a long period of rising costs of living, because farmers could not at once increase yields. The present agricultural depression has been so drastic that the impetus to decrease production will undoubtedly occur for some time, even though conditions should improve. In other words, if conditions for farmers should at once be decidedly improved, we would still expect production to continue to decline for some years. This is particularly true of such products as cattle, hogs, horses, apples, where the product is not ready for market for a long time after the farmer has begun to produce it.

For six crop years farming has been going through a period of agricultural distress. An ultimate period of shortage of farm products is inevitable. The longer the period of distress the longer and more violent the period of shortage will be.

In short, I believe that if an improvement should occur in the agricultural situation at the present time that at first it would merely check the rate of decline in agriculture. It would be, I believe, some years before any actual increase in total production would occur. If the agricultural depression continues, a very serious period of high living costs is inevitable.

Next I want to get down now to a few applications of this bill: First, a great many people say that the selection of four people by the farm organizations of each of the land-bank districts of this country and selecting one by the President is to have a debating society and the bringing together of a group of people who will not agree upon anything. I want to say to you that the way to make the farmers respond from every part of this country is to call them in conference once in a while and talk with them, and that is the only way you are going to get their views on a problem of this kind; and if you do not have the farmers cooperate with you, the Tincher bill or

any other bill will never amount to anything. I want to say to you that the way to get them with you is to have them come in and be a part of the system.

Can you cooperate without the farmer? Why, the weakness of the Aswell bill is that it attempts to impose upon the farming population of this country a great big cooperative overhead system wherein they have not got the consent of a single solitary farmer in the entire organization. It is impractical, it is impossible, it will never work, and it will never do any good. Next we provide here that this council shall nominate the board. Now I find that the great lawyer from New Jersey has come in here and said that the method of nominating this board is unconstitutional. Now, gentlemen, if he has won his law suits with that kind of law decisions up in New Jersey, I have not as high a respect for the decisions of the courts up there as I have had heretofore, because there are numerous precedents wherein—and I believe the gentleman from Iowa [Mr. RAMSEYER] set forth two or three here—wherein exactly the same thing has been done along sound and conservative lines.

Next, this board has a right to do certain things. One of the things the board has the right to do is to designate an agency to handle the commodity. What is the purpose of that? The purpose of that is to try to centralize the marketing power of the producers of one commodity into a single agency. And I want to say to you that my good friend from Texas [Mr. HUDESPETH] went on the floor to-day and said that the cowmen did not want this kind of legislation. It is the first legislation that has ever permitted the cowman to come in and have some one represent him, sitting across the table and discussing with the packer what he will receive for his cow; and until you come to that, the cowman will get only just what the packer wants him to get.

This board has the right to do certain things, among them the right to designate an agent to handle the commodity. Now, it is said that if you select this board from the 12 land-bank districts you will have a political board from all over the United States, and that they will starve the consumer and impose upon the producer. Can you think of a man representing the New England districts ever giving a special advantage to the cowman of the West, or the cotton man of the South, or the fruit man of the Pacific coast? You have got three from the East, and four from the Middle West, and three from the South, and two from the Pacific Coast States. In what way can you get men better representing all the consumers and producers alike? Because when a man does not raise a commodity he consumes it. For that reason we have a representative here of the consuming public, because they are not all producers of a given commodity.

Next I want to go a little further into this bill with respect to the general powers of the board. They have a right to declare an emergency when a surplus appears. You may say there is never a surplus. But when there is more than can be domestically consumed it always deflates the price. In those cases we are giving the board the power to declare an emergency. The thing that this board can grant to an agency is the bargaining power, and if they have that bargaining power they can do something about the stabilization of prices.

Now take the Tincher bill. The only object of selling their commodity through a single agency is to get a higher price. I think the gentleman from Kansas and I are perfectly agreed upon that. But let me say to Brother TINCHER this: The minute that bargaining power makes the raising of that commodity profitable, there arises the same danger of overproduction that you have in here, where you have a board handling a commodity under this other bill. Therefore if co-operation is going to raise prices, you will do the farmer no good, because there will be no limitation on production.

The other day a gentleman asked the gentleman from Kansas this question: If your subsidy were taken out of the Haugen bill, would you support it? And he said "No." If his bill works, it will cause exactly the same overproduction that he suggests here. Well, he has no way of curbing the same, while we have a way of curbing it.

Mr. TINCHER. You do not mean that the subsidy would do that?

Mr. DICKINSON of Iowa. No; the financing of this bill is because of the delay in the equalization fee. The Government fund does not last forever. The equalization principle is in this bill, and the principle is going to be established, and if it was not to be established I would fight the bill.

The "equalization fee" about which the real fight centers is a fee to be paid by the farm. It is not a tax upon any other industry. It is this fee that makes effective organization to sell

the farm surplus possible. The Federal board assesses it just as the city assesses drainage benefit and damages, or the county drainage benefits and damages, or the State tuberculosis benefits and damages for dairy herds, or the Nation benefits and damages as against the hoof-and-mouth disease in cattle. This "equalization" is precisely the same in principle as the levy the National Government makes on member banks for the support of the Federal reserve system. It is precisely the same in principle as the "recapture" earnings of the big railroads ordered by the Government to sustain the weaker roads.

How far would the Government get with a Federal reserve system if it had made everything voluntary with the individual banks and allowed each to make its own contribution to the Federal reserve fund? Similarly, how far will the Government get with a national railroad system until it makes its "recapture" from the big roads a fact instead of a declaration in the Esch-Cummins law?

The Government has not hesitated in these other matters to make definite provision for sustaining important business at a level of earnings. Nothing more drastic was ever done than the order issued by the Government on the banks of the country to subscribe to the stock of the Federal reserve banks. There was no talk about keeping the Government out of business then.

The "equalization fee" means that the producers of any of the staple products can have their surpluses sold and the cost officially apportioned among them without disturbing the price in the home market. The "fee" will be paid on the 15 per cent sold abroad and the American price maintained on the 85 per cent consumed at home. By a very simple process the home price will be stabilized on a level with the home price of steel and railroading and the other things the National Government interests itself in stabilizing above the world level.

Congress may or may not act. But the issue is made, and it will not be lost sight of in the coming campaign. Two years from now it will all but dominate the national conventions.

I believe the equalization fee is a thing we must have in a measure of this kind, and let me tell you why. I want to say to you gentlemen here who are friendly with labor that you can talk all you want to about organized labor, but the successful union—and I will leave it to the gentleman from Minnesota [Mr. CARSS]—is the union that has the check-off system, because it allocates the individual into your organization.

Mr. CARSS. The gentleman is right.

Mr. WEFALD. This bill, then, is a farmer-labor bill?

Mr. DICKINSON of Iowa. Yes. It is following out the principles of labor.

Mr. WEFALD. It is my bill.

Mr. DICKINSON of Iowa. You can talk all you want to about emphasizing the independence of the farmer. That is a fine policy. Having worked his daylights out, and those of all the members of his family, to feed the constituency of the gentleman from New York [Mr. BLACK], at half what it costs to produce it—

Mr. BLACK of New York. If you can live yourselves, why gouge us? That is the trouble.

Mr. DICKINSON of Iowa. I am going to show you that you are not going to raise the cost to the consumer as you suggest. I showed it to you in the other talk I made here, because the fluctuations in the price of wheat have never raised the price of bread. The old bread line shows that it has run always in a practically straight line, while the wheat prices fluctuate.

Let me suggest this to you: When the price of bread gets to be in excess of 8 cents a loaf, housewives begin baking bread at home, and the bakers find that they can not put that over. In other words, it is not what wheat costs them but what they can sell it to the public for that determines the price of bread.

Mr. BLACK of New York. It was the chairman of the committee, responsible for the bill, who told us in the East that this would increase the cost of living.

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

Mr. DICKINSON of Iowa. No; I can not yield at this point.

The CHAIRMAN. The gentleman from Iowa declines to yield.

Mr. DICKINSON of Iowa. I remember the time when we had a discussion on this consumers' question—and that is one of the questions involved in this bill—when they said: "If you are going to raise the price of hogs, you are going to raise the price of bacon." That is true if you run it through a year or a year and a half or two years of surplus. But when bacon was selling at wholesale at 29 cents per pound in the District of Columbia you could buy it at retail from 32 cents to 70 cents a pound. They charged what the traffic would bear.

It is said here that when you can not find an agency or designate a cooperative agency of producers we can name an inde-

pendent agency, and that is what the gentleman from New York refers to, no doubt.

Now, let me say to you that the way you can stabilize the price of hogs is to help them sell an additional amount of lard in England or in Europe, an additional amount of hams or an additional amount of sides of bacon. There is nothing wrong about this board or their agency going in and saying to the packers: "We want to help you market so many pounds of bacon or ham or sides of bacon and we will negotiate with you as to what the price shall be." That when the hog producer is represented on such a board and goes in and negotiates with the packers it will be the first time they have met them in a business transaction in all the history of the packing business in this country. It is an advancement and it is progress which tends to the protection of the hog producer.

Next, this equalization fee has bothered a great many people. I was greatly interested in the minority report filed by the gentleman from New Jersey [Mr. FORT]. He filed this equalization fee minority argument and the only mistake he made was to fail to take into consideration the tariff on 200,000,000 bushels of wheat. In his illustration in the minority report he has figured it out this way: That if you have an equalization fee of 20 cents a bushel you get a protection to the extent of 42 cents a bushel. If I can tell my farmers out there that by paying an equalization fee of 20 cents a bushel they can get 42 cents additional for their wheat I am going to have no trouble in having my farmers come in under this organization and help work it out. Let me suggest that if you will take the illustration which the gentleman from New Jersey has used in his minority report and figure it out accurately you can pay the whole loss of \$100,000,000 and absolutely give a profit to the producer of \$343,000,000. [Applause.]

I would like to have that for the wheat producers of this country. The equalization fee, I believe, is sound. I believe it is the thing that will make this bill work and it is the thing that will bring the individual farmer into the organization. Oh, it is not unsound. It is not necessary to have every man who produces become a member of a cooperative in order to make the scheme work. The objection I have to the bill of the gentleman from Kansas [Mr. TINCHER] is the fact that he has concealed there the right of the cooperative organization to levy a charge against its members. What is that? Why, it is an equalization fee. What is it for? It is to pay the losses that accumulate over a 20-year period; and if you get your cooperatives into these organizations and have a loss, do you think you are going to get any of them in when they know you have an unpaid indebtedness there that you must assume and that the members must pay off? There is no logic in that, and you can not get them into that kind of a system.

Let me suggest this to you: If there is nothing that can be done for the farmer, this Congress and this administration—the minority as well—ought to come in here and confess it. If cooperative marketing is only a soothing sirup, we ought to come in here and confess it. If cooperative marketing will raise the price that the man is to receive and thereby cause over-production, then we ought to come in and find a method by which it can be controlled. And this is the only method I have found that will successfully work out a program of that kind.

Now, what is the political status of this thing? You folks remember that a few years ago we had a little vote here and I made a map. A lot of these eastern fellows did not like it very well. Why? Because it showed that HERSEY, of Maine, and the gentlemen from the South lined up in opposition to a program that was for the interest of the Middle West, which has stood for the protection of HERSEY, of Maine, and all of the products produced in his New England State for all of these years.

I am going to draw another map when we have another vote on the next farm relief bill, and I wonder how long you can take a problem of this kind, representing from 33,000,000 to 37,000,000 people, and say that the Congress of the United States is willing to close their eyes and shut the door against farm-relief legislation which these people believe is for their own interest.

Now, they say this is economically unsound. All right. If it is economically unsound and it does not work out in my district, it is my funeral and the funeral of my people, and they are the people who want it. If it is unsound and it will not work out for the cattlemen and the wheat men, it is your funeral that you represent a wheat district and vote for it.

How does it happen that all of the keepers of the public view here, those who have assumed the responsibility, if you please, of speaking for a big number of people in this country, find it is now necessary for them to come in here—although they do

not represent any of the interests that are involved in this legislation—and say that for the protection of these people out there we have got to vote against this legislation because it is economically unsound.

Why do you not let us try it? If the administration has nothing better, why do they not let us try it? If the administration has not anything to offer as a substitute, why do they not give us the opportunity to pass our legislation? And I am as good an administration man as the gentleman from Kansas [Mr. TINCHER]. I voted against a subsidy, and I was against a subsidy, and not only that, if you will make this equalization fee operative on all the commodities or on all the commodities except cotton, I am willing to see no revolving fund or no subsidy in this legislation.

I am voting for this measure. Why? Because of the form this bill is in before the House; and if we can get more votes for it in this form, I am here to get them, and I will tell you why. The leadership of this House has absolutely had all the callous under the breeching instead of under the collar so far as this legislation is concerned.

They have taken no directing hand. They have absolutely laid aside all of their views with reference to farm legislation, and I want to say to you that it is so involved and so far-reaching that we can not afford, as Members of Congress, to adjourn this Congress and go home without having shown our disposition to do the best we can for the agricultural interests of the Middle West and the South affected by this measure. [Applause.]

Oh, it is amusing to me to see the numerous figures that are brought out here to show that the farmer is prospering; but the gentleman from New York [Mr. JACOBSTEIN], one of the economists of this House, not the gentleman from New York City [Mr. BLACK], brought in a set of charts that absolutely can not be denied anywhere, the statement of the gentleman from Michigan to the contrary notwithstanding.

Mr. KETCHAM. Will the gentleman yield?

Mr. DICKINSON of Iowa. No; I am going to finish this statement. You made your speech and I am going to make mine.

Mr. KETCHAM. The gentleman made a misstatement, and I insist.

Mr. DICKINSON of Iowa. No; I did not make a misstatement.

Mr. KETCHAM. The gentleman did, because I am in exact accord with the statement made by the gentleman from New York [Mr. JACOBSTEIN].

Mr. DICKINSON of Iowa. All right. Well, maybe I do not know figures, but if I can read the charts of the gentleman from New York I want to say to you they show a disparity now, and they show that in certain products like corn and cotton that disparity is the greatest it has been for the past four or five years. Cotton is going down. Corn is going way down, and that is what is affecting the people out in northern Illinois and out in Iowa. It may be that on all farm commodities the figures of the gentleman will coincide with those of the gentleman from New York.

Next, it is amusing to me that if this legislation meets the requirements of the farmers themselves and of their organizations there should be so many here who do not represent farming districts who think they have to become the guardians of the farming interests of this country and see that this legislation is defeated.

If this equalization fee can not be collected, all we ask is to have a trial; all we want to do is to try it once; all we want you to do is to let us put it into operation. If it fails, then our interest and the interest of our people must be the ones to suffer.

Now, as to whether or not it is advisable to appropriate \$375,000,000 out of the Public Treasury for the experiment is for this House to determine. I believe the House will come to this measure, although we may not be able to pass it this time. [Applause.]

There seems to be a divided sentiment with reference to legislation covering farm relief in the State of Michigan and also in the State of Ohio. One telegram herewith inserted gives the sentiment of the department of agriculture in the State of Ohio; the second telegram will reflect the sentiment of various farm organizations in the State of Michigan:

COLUMBUS, OHIO, May 7, 1926.

CHARLES THOMPSON,

House Office Building, Washington, D. C.:

As director of agriculture it is my duty to refute statements that Ohio farmers do not favor Haugen bill. The farm organization leaders who made these representations speak for less than 5 per cent of our

farmers. They by no means reflect public opinion in this State. The farm industry in Ohio is in a critical condition, the same as in other Corn Belt States. Our loss in land values has been \$720,000,000 during the past six years. The majority of farmers here want the Haugen bill and are unalterably opposed to Tincher and Aswell bills.

CHAS. V. TRUAX,  
Director of Agriculture.

APRIL 29, 1926.

To Congressman JOHN C. KETCHAM,

*House Office Building, Washington, D. C.:*

Michigan farm legislative committee appointed by Governor Groesbeck, met to-day and passed following resolution addressed to you and Michigan Congressmen:

"Depressed condition of agriculture growing worse. Immediate relief imperative. Michigan farm organizations solidly behind Haugen bill. We believe this only effective farm legislation before Congress now to meet present crisis. Federal farm board surplus control and equalization fee features basic. Dire consequences to country inevitable in absence of immediate effective measures. We urge your support of Haugen bill."

Respectfully,

L. W. WATKINS,  
Commissioner of Agriculture.

A. B. COOK,

*Master Michigan State Grange.*

M. B. MCPHERSON,

*President Michigan Farm Bureau.*

M. L. NOON,

*Vice President Michigan Farm Bureau.*

PETER LENNON,

J. F. COX,

*Committee of Twenty-two.*

In my extension of remarks, I want to insert the statements with reference to the attitude of the various farm organizations and the cooperative producers' organizations on the different bills now pending before the House:

*To the Members of the Sixty-ninth Congress:*

We favor the passing of the Haugen bill (H. R. 11603) or its counterpart in the Senate (committee amendment to H. R. 7893).

We oppose the passing of the Capper-Tincher bill (H. R. 11618).

We oppose the passing of the Curtis-Aswell bill (H. R. 11606).

American Farm Bureau Federation, by S. H. Thompson, president; American Cotton Growers' Exchange, by B. W. Kilgore, president; C. O. Moser, general manager; Allen Northington, Alabama Farm Bureau Cotton Association; T. H. Kendall, Arizona Pimacotton Growers' Association; C. G. Henry, Arkansas Cotton Growers' Cooperative Association; J. E. Conwell, Georgia Cotton Growers' Cooperative Association; C. L. Woolley, Louisiana Farm Bureau Cotton Growers' Cooperative Association; Xenophen Caverne, Missouri Cotton Growers' Cooperative Association; U. B. Blalock, North Carolina Cotton Growers' Cooperative Association; C. L. Stealey, Oklahoma Cotton Growers' Association; B. F. McLeod, South Carolina Cotton Growers' Cooperative Association; Robert S. Fletcher, Jr., Tennessee Cotton Growers' Association; J. T. Orr, Texas Farm Bureau Cotton Association; Illinois Agricultural Association, by Eall C. Smith, president; Indiana Farm Bureau Federation, by William H. Settle, president; Iowa Farm Bureau Federation, by Chas. E. Hearst, president; Corn Belt Farm Organizations' Committee, by William Hirth, chairman; American Council of Agriculture, by Frank W. Murphy, chairman of board; North Central States Agricultural Conference, by George N. Peek, chairman executive committee of twenty-two.

The fact that the House Committee on Agriculture has reported out three separate bills, all of which profess to be directed to the question of farm relief, makes it imperative that the various farm organizations should make unmistakably plain to the Members of Congress their position in these premises, and, therefore, we submit the following views on the Haugen, Tincher, and Aswell bills:

The Haugen bill, H. R. 11603, is a serious and practical effort to deal with our surplus farm commodities in a manner that will assure equality for agriculture. In the case of cotton, of which we produce more than 60 per cent of the world's supply, it will enable cooperatives to control surpluses effectively, with influence on world prices favorable to the American cotton grower. It offers effective protection for the farmer who grows other basic crops consumed chiefly in the domestic market. Any measure that does less than this would be practically useless. This measure is the result of three years of patient deliberation on the part of the foremost farm leaders and agricultural economists of the country, and it contains the best thought of the friends of agriculture in Congress. It utilizes to the fullest extent the existing farm cooperatives in the handling of the surpluses. Seldom before has

any agricultural measure had back of it so nearly the unanimous support of the farm organizations of the Nation. Any measure which presents such endorsements can fairly claim to represent American agriculture and can stand against any challenger, it matters not who he is or for whom he professes to speak. It is the first time in the history of agriculture that the great corn, cotton, and livestock States have fought side by side, thus demonstrating that the broad interests of the American farmer rise above regional or political considerations.

On the other hand, the Capper-Tincher bill (H. R. 11618), when stripped of all plausible pretexts, provides nothing more than a further extension of credit to the various cooperatives. It is claimed by some of its sponsors that it will not only provide this further credit for which we are not asking but that it will also "stabilize" the prices of farm products, a claim that is wholly unfounded, since no voluntary cooperative association can assess on its members the costs, and itself undertake the risk, of controlling the surplus for all producers, unless provision is made for all producers to share the costs of such transactions, even as they share in their benefits.

What the farmer needs is not an opportunity to go further into debt but a chance to pay off some of the burdensome debts he now owes; what he must have to enable him to secure a decent profit in agriculture is a price based upon his production costs, which are fixed for him largely by protected industry and labor, over which he has no control.

The Curtis-Aswell bill attempts to create by law a new and unnatural system of cooperative marketing, but provides no way and no power by which farmers could do a single thing that they can not now do without additional law. We know of no cooperative association or farm organization which supports it, and those who have studied it seriously condemn it.

In the final analysis the whole matter of farm relief comes down to the question as to whether or not the two great political parties intend to keep the solemn pledges made to the farmers of the United States in the last presidential campaign. In speaking of the plight of agriculture, the following language is found in the National Republican platform:

"The Republican Party pledges itself to the development and enactment of measures which will place the agricultural interests of America on a basis of equality with other industry, to insure its prosperity and success."

It will be observed that this pledge committed the Republican Party not to a further extension of credit, but to a clear-cut, unequivocal legislative enactment which would place agriculture "on a basis of economic equality with other industry."

We also take this occasion to remind Democratic Members of Congress of the following language in the Democratic platform:

"We pledge ourselves to stimulate by every proper governmental activity the progress of the cooperative marketing movement and the establishment of an export marketing corporation or commission, in order that the exportable surplus may not establish the price on the whole crop."

Here again is a commitment that is entirely clear and definitely commits the party to the enactment of legislation which will place agriculture on an equality with other industries. It is needless to say that the 40,000,000 farmers, people of the United States, are keenly interested in farm-relief legislation and are anxiously awaiting action by Congress.

The various farm organizations which are supporting the Haugen bill gave their consent to an amendment in the House committee which postpones the operation of the equalization fee on all commodities for a period of two years, with the understanding that any losses incurred in handling the various surpluses shall be absorbed out of the revolving fund during the said two-year period. Because of this amendment certain enemies of genuine farm-relief legislation immediately stated that the farm organizations were asking for a subsidy at the hand of the Government.

Our answer to this charge is that we have in no wise changed our former position in this matter, as our statement to the House committee will show. We reluctantly gave our approval to this amendment because certain members of the House committee insisted that they would not consent to an immediate application of the equalization fee to such commodities as wheat, livestock, and corn while cotton was exempted for a period of three years, in order that the cotton growers of the South might become familiar with the equalization fee principle, and also because certain other members of the committee believed that by postponing the operation of the fee on all commodities for a period of two years we would increase the chances of enacting real farm-relief legislation in the present session of Congress. "Treat all commodities alike" was the plea of these gentlemen, and this led to the adoption of the amendment in question, and therefore it can not be honestly charged that the farm organizations have changed front in this matter.

It is not necessary that we should burden this statement by dwelling at length upon the plight of agriculture, for it is known and acknowledged by all men. It is enough to say that since the close of the World War farm values have shrunk to the almost unbelievable extent

of \$20,000,000,000; that hundreds of thousands of hard-working farmers have lost their homes because of the unequal purchasing and debt-paying power of the farm dollar, and that hundreds of erstwhile splendid country banks have been compelled to close their doors. Nor is this all; for sooner or later the paralysis of agriculture will lay its heavy hand upon the mills and factories of our big industrial centers; for unless the purchasing power of the 40,000,000 people who live upon the farm is restored, industrial enterprises can not hope to remain in full-time operation. In this connection, we direct Members of Congress to the recent report of the National Industrial Conference Board, which contains food for profound thought.

Nor is it necessary for us to call attention to the fact that the existing distress has come to agriculture at a time when industry and labor are more prosperous than ever before in their history, and this because Congress in its wisdom has seen fit to look after the interests of industry and labor with extreme care; and has built up a protection policy which subserves the interests of industrial and labor groups in ways which permit an American standard of living. Such Federal legislation as the Federal reserve act, the Fordney-McCumber Act, the immigration act, the Adamson Act, and the transportation act are cited in this connection.

Meanwhile, through the Haugen bill we are not seeking to minimize the good fortune of these other classes or to drag them down to the farmer's level—we are only asking that the protective system shall be made as effective for us as it is for them. And less than this means not only the complete collapse of agriculture in the not distant future, but even so it means eventual disaster to industry and labor—for this is a national and not a class problem.

#### COOPERATIVES OPPOSE TINCER BILL

The undersigned cooperative marketing associations having examined the Tincher bill declare that that measure does not meet the needs of the present agricultural situation and does not offer a solution of our present problems.

All properly organized and properly managed cooperative marketing associations handling nonperishable products are able at this time to secure marketing credit from commercial banks and from the intermediate credit banks. We believe there is need for liberalizing the policy of some of the latter banks but there is no need for the establishment of another system of government credit for the ordinary and current marketing operation of cooperative associations.

What is needed at this time by cooperative marketing associations and by all agriculture is a way by which unpreventable surpluses may be taken off the market and not permitted to depress the price of the entire crop below the cost of production. For some crops this will mean storage and carry over from years of large production to years of small production. For others it will mean so handling the export surplus as to make the tariff effective.

In neither case will the mere granting of additional credit to cooperatives accomplish the desired purpose. No cooperative can afford to burden its members with the cost and risk of borrowing money to buy seasonal surplus and carry it over to the next year to sell it in foreign free-trade markets. Yet this is all in the way of marketing credit that the Tincher bill even pretends to offer to cooperatives.

Nor can cooperatives engaged in marketing afford to borrow money for marketing purposes under the terms of the Tincher bill and place a charge upon all commodities to be handled by them over a long period of years to cover losses and costs incurred in buying and handling the surplus for the benefit of all producers of a given commodity. Farmers would not join a cooperative which had mortgaged its future in any such manner.

We are further of the opinion that the Tincher bill provides no method or mechanism for dealing effectively with the surplus problem, and therefore petition Congress not to enact this measure in the mistaken belief that it will enable cooperatives to settle this problem.

We further declare that the Haugen bill, in our opinion, provides an effective method for dealing with the problem of farm surpluses, and we respectfully petition Congress to enact it into law at this session.

Indianapolis Livestock Producers Commission, Farmers' Union Livestock Commission Co. (Iowa), Farmers' Union Mutual Life Insurance (Iowa), Equity Cooperative Livestock Sales Co., American Wheat Growers' Association (Inc.), Peoria Livestock Producers Commission Association, Nebraska Wheat Growers' Association, South Dakota Wheat Growers' Association, Minnesota Wheat Growers' Cooperative Marketing Association, North Dakota Wheat Growers' Association, Buffalo Livestock Producers Commission Association (N. Y.), Colorado Wheat Growers' Association, Chicago Livestock Producers Commission Association, Farmers' Livestock Commission Co. (Ill.), Indiana Wheat Growers' Association, Evansville Producers Commission Association.

American Cotton Growers' Exchange, B. W. Kilgore, president; C. O. Moser, general manager; Allen Northington, Alabama Farm Bureau Cotton Association; T. H. Kendall, Arizona Pinacotton Growers' Association; C. G. Henry, Arkansas Cotton Growers' Cooperative Association; J. E. Conwell, Georgia Cotton Growers' Cooperative Association; C. L. Woolley, Louisiana Farm Bureau Cotton Growers' Cooperative Association; Xenophen Caverne, Missouri Cotton Growers' Cooperative Association; U. B. Blalock, North Carolina Cotton Growers' Cooperative Association; C. L. Stealey, Oklahoma Cotton Growers' Association; B. F. McLeod, South Carolina Cotton Growers' Cooperative Association; Robert S. Fletcher, Jr., Tennessee Cotton Growers' Association; J. T. Orr, Texas Farm Bureau Cotton Association; Colorado Stock Growers' Association, Denver, Colo.; H. G. Keeney, president Farmers' Union, Omaha, Nebr.

The CHAIRMAN. The time of the gentleman from Iowa has expired; all time has expired.

Mr. HAUGEN. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker pro tempore [Mr. TINCER] having resumed the chair, Mr. DOWELL, Chairman of the Committee of the Whole House on the state of the Union, reported that the committee having had under consideration the bill H. R. 11603, had come to no resolution thereon.

#### ADJOURNMENT

Mr. HAUGEN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 11 o'clock p. m.), the House adjourned until to-morrow, Tuesday, May 11, 1926, at 12 o'clock noon.

#### COMMITTEE HEARINGS

Mr. TILSON submitted the following tentative list of committee hearings scheduled for May 11, 1926, as reported to the floor leader by clerks of the several committees:

##### COMMITTEE ON APPROPRIATIONS

(10.30 a. m.)

Second deficiency bill.

##### COMMITTEE ON THE DISTRICT OF COLUMBIA

(10.30 a. m.)

To amend an act entitled "An act to create a juvenile court in and for the District of Columbia" (H. R. 7612).

##### COMMITTEE ON NAVAL AFFAIRS

(10.30 a. m.)

To regulate the distribution and promotion of commissioned officers of the line of the Navy (H. R. 11524).

##### COMMITTEE ON THE PUBLIC LANDS

(10 a. m.)

To provide for the establishment of the Shenandoah National Park in the State of Virginia and the Great Smoky Mountains National Park in the States of North Carolina and Tennessee (H. R. 11287).

##### COMMITTEE ON ROADS

(10 a. m.)

To authorize and direct the construction and maintenance of a memorial highway connecting the city of Springfield, Ill., with the city of Beardstown, Ill. (H. R. 11572.)

##### COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

(10 a. m.)

To authorize the refunding of evidences of indebtedness heretofore issued by a carrier in interstate commerce under the provisions of an act to provide for the operation of transportation systems while under Federal control, for the just compensation of their owners, and for other purposes, approved March 21, 1918, as amended by an act approved March 2, 1919, or under the provisions of section 207 of the transportation act, 1920, or of section 210 of said act as amended by an act approved June 5, 1920, and the reduction and fixing of the rate of interest to be paid by such carriers upon said notes or other evidences of indebtedness. (H. R. 8708.)

#### EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

503. A communication from the President of the United States, transmitting a supplemental estimate of appropriation

for the District of Columbia for the construction and equipment of two bathing beaches by the Director of Public Buildings and Public Parks of the National Capital, for the fiscal year ending June 30, 1927, to be immediately available, \$345,000 (H. Doc. No. 372); to the Committee on Appropriations and ordered to be printed.

504. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the War Department for the fiscal year ending June 30, 1926, to remain available until expended, pertaining to the military post construction fund, for the construction and installation at military posts of buildings and utilities, including appurtenances thereto, \$2,250,000 (H. Doc. No. 373); to the Committee on Appropriations and ordered to be printed.

505. A communication from the President of the United States, transmitting a deficiency estimate of appropriation for the Department of Justice for the fiscal year ended June 30, 1925, amounting to \$6,491.84 (H. Doc. No. 374); to the Committee on Appropriations and ordered to be printed.

506. A message from the President of the United States, transmitting a supplemental estimate of appropriation for the District of Columbia for the acquisition of lands by the Rock Creek and Potomac Parkway Commission for the fiscal year ending June 30, 1926, to remain available until expended, \$600,000 (H. Doc. No. 375); to the Committee on Appropriations and ordered to be printed.

507. A letter from the Secretary of War, transmitting a draft of a bill for the relief of Charles Caudwell, Congleton, Cheshire, England; to the Committee on War Claims.

#### REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. SUTHERLAND: Committee on the Territories. H. R. 11843. A bill to authorize the incorporated town of Fairbanks, Alaska, to issue bonds for the purchasing, construction, and maintenance of an electric light and power plant, telephone system, pumping station, and repairs to the water front, and for other purposes; with amendment (Rept. No. 1150). Referred to the House Calendar.

Mr. SUTHERLAND: Committee on the Territories. H. R. 10900. A bill to authorize the incorporated town of Wrangell, Alaska, to issue bonds in any sum not exceeding \$30,000 for the purpose of improving the town's waterworks system; with amendment (Rept. No. 1151). Referred to the House Calendar.

Mr. SUTHERLAND: Committee on the Territories. H. R. 10901. A bill to authorize the incorporated town of Wrangell, Alaska, to issue bonds in any sum not exceeding \$50,000 for the purpose of constructing and equipping a public-school building in the town of Wrangell, Alaska; with amendment (Rept. No. 1152). Referred to the House Calendar.

Mr. HAYDEN: Committee on Indian Affairs. S. 3122. An act for completion of the road from Tucson to Ajo via Indian Oasis, Ariz.; with an amendment (Rept. No. 1153). Referred to the Committee of the Whole House on the state of the Union.

Mr. BUTLER: Committee on Naval Affairs. H. R. 11355. A bill to amend that part of the act approved August 29, 1916, relative to retirement of captains, commanders, and lieutenant commanders of the line of the Navy; with amendment (Rept. No. 1154). Referred to the Committee of the Whole House on the state of the Union.

Mr. DREWRY: Committee on Naval Affairs. S. 85. An act to correct the status of certain commissioned officers of the Navy appointed thereto pursuant to the provisions of the act of Congress approved June 4, 1920; without amendment (Rept. No. 1155). Referred to the Committee of the Whole House on the state of the Union.

#### REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. SPEAKS: Committee on Military Affairs. H. R. 530. A bill for the relief of Frederick Leninger; without amendment (Rept. No. 1149). Referred to the Committee of the Whole House.

Mr. WHEELER: Committee on Military Affairs. S. 1459. An act for the relief of Waller V. Gibson; without amendment (Rept. No. 1156). Referred to the Committee of the Whole House.

#### PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. GRAHAM (by request): A bill (H. R. 12041) to amend and strengthen the national prohibition act and the

act of November 23, 1921, supplemental thereto, and for other purposes; to the Committee on the Judiciary.

By Mr. KNUTSON: A bill (H. R. 12042) authorizing the disposition of certain lands in Minnesota; to the Committee on the Public Lands.

By Mr. DAVIS: A bill (H. R. 12043) to provide for the inspection of the battle field of Stones River, Tenn.; to the Committee on Military Affairs.

By Mr. BURTNES: Resolution (H. Res. 263) to provide for the printing, with illustrations, of the exercises at the dedication of North Dakota memorial stone, Washington Monument; to the Committee on Printing.

#### PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CANNON: A bill (H. R. 12044) granting an increase of pension to Mina Maria Blumhof; to the Committee on Pensions.

By Mr. CHALMERS: A bill (H. R. 12045) granting a pension to Elizabeth J. Heitzweber; to the Committee on Invalid Pensions.

By Mr. CROSSER: A bill (H. R. 12046) to authorize the President to reinstate Guy H. B. Smith, formerly captain, Fourth United States Infantry, in the Army; to the Committee on Military Affairs.

By Mr. FAUST: A bill (H. R. 12047) granting an increase of pension to Annabel F. Edwards; to the Committee on Invalid Pensions.

By Mr. FRENCH: A bill (H. R. 12048) granting a pension to Ezra E. Howard; to the Committee on Invalid Pensions.

By Mr. GIBSON: A bill (H. R. 12049) granting an increase of pension to Ida M. Brigham; to the Committee on Invalid Pensions.

By Mr. GORMAN: A bill (H. R. 12050) granting an increase of pension to Mary A. Stickney; to the Committee on Invalid Pensions.

By Mr. KEARNS: A bill (H. R. 12051) granting an increase of pension to Alice C. Adams; to the Committee on Invalid Pensions.

By Mr. KOPP: A bill (H. R. 12052) granting an increase of pension to Altha M. Jones; to the Committee on Invalid Pensions.

By Mr. KURTZ: A bill (H. R. 12053) granting an increase of pension to Jennie B. Smith; to the Committee on Invalid Pensions.

By Mrs. ROGERS: A bill (H. R. 12054) granting a pension to Sarah E. Pratt; to the Committee on Invalid Pensions.

By Mr. SPROUL of Kansas: A bill (H. R. 12055) granting an increase of pension to Malinda M. Chapman; to the Committee on Invalid Pensions.

By Mr. SWING: A bill (H. R. 12056) granting a pension to Rosalie M. Eckley; to the Committee on Pensions.

By Mr. UPDIKE: A bill (H. R. 12057) granting an increase of pension to Ida M. Hamill; to the Committee on Pensions.

Also, a bill (H. R. 12058) granting an increase of pension to Orpha N. Hoover; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12059) granting an increase of pension to Bettie T. Lounsbury; to the Committee on Invalid Pensions.

By Mr. CANFIELD: A bill (H. R. 12060) granting an increase of pension to Mary L. Rich; 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:

2129. Petition of Ladies of the Grand Army of the Republic, Lida E. Manson, president, opposing the turning over to the Daughters of the Confederacy the Arlington Mansion which was the home of Robert E. Lee; to the Committee on Coinage, Weights, and Measures.

2130. Petition of the congregation of the First Baptist Church, Macedon, N. Y., asking Congress to uphold and support the eighteenth amendment; to the Committee on the Judiciary.

2131. By Mr. BURTON: Evidence in support of House bill 11984, granting an increase of pension to Emily S. Reader; to the Committee on Invalid Pensions.

2132. By Mr. COYLE: Papers to accompany House bill 11987, granting an increase of pension to Catharine Warner; to the Committee on Invalid Pensions.

2133. By Mr. CRAMTON: Petition of George Newberry and 107 other residents of Tuscola County, Mich., protesting against compulsory Sunday observance legislation; to the Committee on the District of Columbia.

2134. By Mr. CULLEN: Petition of the Northeastern Interstate Bus Owners Association, regarding bill to regulate interstate commerce by motor busses operating as common carriers; to the Committee on Interstate and Foreign Commerce.

2135. By Mr. ESLICK: Petition of L. O. Moore and others, protesting against compulsory Sunday observance in the District of Columbia; to the Committee on the District of Columbia.

2136. By Mr. GALLIVAN: Petition of Boston Postal Supervisors, John E. O'Brien, secretary, Boston, Mass., recommending early and favorable consideration of the retirement bill (H. R. 7); to the Committee on the Civil Service.

2137. Also, petition of Col. William A. Gaston, Shawmut Bank Building, Boston, Mass., recommending early and favorable consideration of House bill 7479, known as the migratory bird refuge and marsh land conservation bill; to the Committee on Agriculture.

2138. By Mr. KVALE: Petition of members of the Hennepin County Central Committee, American Legion, Minneapolis, Minn., protesting against adjournment of the first session, Sixty-ninth Congress, until it shall have enacted into law the three measures, House bills 10240, 10277, and 4548; to the Committee on Rules.

2139. Also, petition of members of Auxiliary to Merton Dale Post, No. 80, American Legion, Wheaton, Minn., urging enactment by Congress at this session of legislation benefiting disabled veterans of the World War; to the Committee on World War Veterans' Legislation.

2140. Also, petition of members of Minneapolis Chapter, No. 1, Disabled American Veterans of the World War, unanimously requesting the Rules Committee of the House to report a rule for immediate consideration of the Johnson bill (H. R. 10240); to the Committee on Rules.

2141. By Mr. LEAVITT: Petition of citizens of Roundup, Kelley, and Flatwillow, Mont., protesting against passage of House bills 7179 and 7822, or any national religious legislation; to the Committee on the District of Columbia.

2142. Also, petition of citizens of Great Falls, Cascade, Ull, Orr, and Truly, Mont., protesting against passage of House bills 10311, 10123, 7179, and 7822, or any other compulsory religious legislation; to the Committee on the District of Columbia.

2143. By Mr. LUCE: Resolutions of Allston-Brighton Prohibition Law Enforcement League; to the Committee on the Judiciary.

2144. By Mr. SMITH: Petition of 13 citizens of Twin Falls County, Idaho, against the enactment of Sunday rest legislation; to the Committee on the District of Columbia.

2145. By Mr. SOMERS of New York: Evidence in support of House bill 8890, granting an increase of pension to Joseph P. Carey; to the Committee on Pensions.

2146. By Mr. SWING: Petition of certain residents of San Diego County, Calif., protesting against the passage of House bills 10311, 10123, 7179, and 7822 relating to the compulsory observance of Sunday in the District of Columbia; to the Committee on the District of Columbia.

## SENATE

TUESDAY, May 11, 1926

(*Legislative day of Monday, May 10, 1926*)

The Senate reassembled at 12 o'clock meridian, on the expiration of the recess.

Mr. CURTIS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Ferris	Lenroot	Sheppard
Payard	Fess	McKellar	Shipstead
Bingham	Frazier	McLean	Shortridge
Blease	George	McMaster	Simmons
Borah	Gerry	McNary	Smoot
Bratton	Gillett	Mayfield	Stanfield
Broussard	Glass	Means	Steck
Bruce	Goff	Metcalf	Stephens
Butler	Gooding	Moses	Swanson
Cameron	Greene	Neely	Trammell
Caraway	Hale	Norbeck	Tyson
Copeland	Harrel	Norris	Underwood
Couzens	Harris	Nye	Wadsworth
Cummins	Heflin	Oddie	Walsh
Curtis	Howell	Overman	Warren
Dale	Johnson	Phipps	Watson
Deneen	Jones, N. Mex.	Pine	Weller
Dill	Jones, Wash.	Pittman	Wheeler
Edge	Kendrick	Reed, Pa.	Williams
Edwards	Keyes	Robinson, Ind.	Willis
Ernst	King	Sackett	
Fernald	La Follette	Schall	

Mr. CURTIS. I wish to announce that my colleague, the junior Senator from Kansas [Mr. CAPPER], is absent because of a death in his family. I will let this announcement stand for the day.

The VICE PRESIDENT. Eighty-six Senators having answered to their names, a quorum is present.

### SENUCENTENNIAL OF AMERICAN INDEPENDENCE AND THOMAS JEFFERSON MEMORIAL COMMISSION

The VICE PRESIDENT. The Senator from Kansas [Mr. CURTIS] having asked to be excused as a member of the Sesquicentennial of American Independence and the Thomas Jefferson Centennial Commission of the United States, established under the provisions of Senate Joint Resolution 30, approved April 26, 1926, the Chair appoints the Senator from Connecticut [Mr. McLEAN] to fill the vacancy.

### MEMORIAL

Mr. BINGHAM presented a resolution adopted by Branch No. 508, First Catholic Slovak Union of the United States of America, of Bridgeport, Conn., opposing the enactment of any legislation that would be at variance with and in contradiction to the standard policy of genuine Americanism or that might lower the standard of human dignity of alien residents, which was referred to the Committee on Immigration.

### REPORTS OF COMMITTEES

Mr. CAMERON, from the Committee on Public Lands and Surveys, to which was referred the bill (S. 3875) to grant certain lands situated in the State of Arizona to the National Society of the Daughters of the American Revolution, reported it with an amendment and submitted a report (No. 806) thereon.

Mr. HARRELD, from the Committee on Indian Affairs, to which was referred the bill (S. 2113) to carry into effect the twelfth article of the treaty between the United States and the loyal Shawnee and loyal Absentee Shawnee Tribes of Indians proclaimed October 14, 1868, reported it with amendments and submitted a report (No. 807) thereon.

Mr. WATSON, from the Committee on Finance, to which was referred the bill (S. 3064) for the relief of the Capital Paper Co., reported it without amendment and submitted a report (No. 808) thereon.

Mr. COPELAND, from the Committee on the District of Columbia, to which was referred the bill (H. R. 7286) to provide for the acquisition of property in Prince William County, Va., to be used by the District of Columbia for the reduction of garbage, reported it without amendment and submitted a report (No. 809) thereon.

Mr. ODDIE, from the Committee on Irrigation and Reclamation, to which was referred the bill (S. 2826) for the construction of an irrigation dam on Walker River, Nev., and for other purposes, submitted a supplemental report (No. 810) thereon.

### POSTAL RATES (S. DOC. NO. 109)

Mr. MOSES. I ask unanimous consent to submit a report of the Special Joint Subcommittee on Postal Rates, accompanied by a bill which I ask may be read twice and placed on the calendar.

The bill (S. 4224) to amend Title II of an act approved February 28, 1925 (43 Stat. 1053), regulating postal rates, and for other purposes, was read twice by its title.

The VICE PRESIDENT. The bill will be placed on the calendar.

Mr. MOSES. I ask further unanimous consent that the report and the accompanying bill may be printed in the RECORD and also as a Senate document. I will state that these are the views of the majority and the minority, and my request is that the document may contain both.

The VICE PRESIDENT. Without objection, it is so ordered.

The matter referred to is as follows:

[Senate Document No. 109, 69th Cong., 1st sess.]

### POSTAL RATES

REPORT OF THE SPECIAL JOINT SUBCOMMITTEE ON POSTAL RATES SUBMITTING RECOMMENDATIONS FOR A PERMANENT SCHEDULE OF POSTAL RATES PURSUANT TO SECTION 217 OF THE ACT OF FEBRUARY 28, 1925, AND PUBLIC RESOLUTION NO. 2, APPROVED DECEMBER 17, 1925 (MINORITY VIEWS INCLUDED)

The special joint subcommittee authorized by section 217 of the act of February 28, 1925, and continued by Joint Resolution No. 2 of the Sixty-ninth Congress, approved December 17, 1925, submits herewith a partial report and an accompanying bill.

This bill contains the committee's recommendations and comprises only those items entering into the schedule of postal rates upon which the committee is now unanimously agreed; and in view of the representations which have been made to the committee, its members feel that these portions of the postal rate structure should be forth-