

HOUSE OF REPRESENTATIVES

FRIDAY, APRIL 19, 1940

The House met at 12 o'clock noon.

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

Our Heavenly Father, at early dawn, as we look toward the east, we know that the morning is coming, that the light is advancing, and that ere long the sun will pour forth its light and fullness. O Sun of Righteousness, send out Thy light, that we may perceive the fading of the night and the coming of the day. We yearn with deep desire to be Thy children with the morning promise and hope and with the right attitude toward God and man. It is blessed to live, but it is more blessed to live well, for our works do follow us. Through the future years, when foundations will have crumbled, the influences sent forth from this Chamber will be part of the great pattern of the world's history. Oh, may our ambition ever be to serve our country and conform our wills to Thy holy purpose. Grant that we may walk humbly and patiently before men and be filled with the spirit of the Master, giving it increasing strength day by day, and Thine shall be the praise. In the name of our Saviour. Amen.

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

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 8438. An act making appropriations for the Navy Department and the naval service for the fiscal year ending June 30, 1941, and for other purposes.

The message also announced that the Senate insists upon its amendments to the joint resolution (H. J. Res. 437) entitled "Joint resolution authorizing the President of the United States of America to proclaim Citizenship Day for the recognition, observance, and commemoration of American citizenship," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. CHANDLER, Mr. MILLER, and Mr. WILEY to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4929) entitled "An act to amend the act of June 23, 1938 (52 Stat. 944)."

EXTENSION OF REMARKS

Mr. LANHAM. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an interesting and informative address delivered at the commemoration of the one hundredth anniversary of the establishment of the Supreme Court of Texas.

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

There was no objection.

Mr. BOEHNE. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting an address delivered by Federal Security Administrator Paul V. McNutt last Sunday.

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

There was no objection.

Mr. SWEENEY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include an editorial from the Sandusky Daily News, of Ohio, on the subject of prosecution and persecution.

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

There was no objection.

Mr. EDWIN A. HALL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein an editorial from the Binghamton Press entitled "The Fourth Reorganization Memo."

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

There was no objection.

Mr. THORKELSON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include quotations from the Treasury Daily Balance Sheet and also quotations from certain magazines.

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

There was no objection.

Mr. KILDAY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein an editorial from the San Antonio Express.

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

There was no objection.

THE YELLOWSTONE NATIONAL PARK

Mr. O'CONNOR. Mr. Speaker, I ask unanimous consent to strike from the Union Calendar the bill (H. R. 6975) to provide for the reconveyance to the State of Montana of a portion of the land in such State within the boundaries of the Yellowstone National Park, Union Calendar No. 622.

The Clerk read the title of the bill.

Mr. RICH. Mr. Speaker, reserving the right to object, what does this bill do?

Mr. O'CONNOR. Mr. Speaker, I will say to the gentleman that the bill simply was designed to take a part of a mountain out of the Yellowstone Park and give it to the State of Montana. It is a bill which I introduced, and by reason of changed conditions I do not desire that the bill be passed; therefore I ask that it be stricken from the calendar.

Mr. RICH. We are perfectly happy to do that.

Mr. O'CONNOR. I thought you would be.

The SPEAKER pro tempore. Without objection, the bill will be stricken from the calendar.

EXTENSION OF REMARKS

Mr. BECKWORTH. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a telegram I received this morning.

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

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. ARNOLD. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

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

There was no objection.

Mr. ARNOLD. Mr. Speaker, I have a communication from our beloved colleague PAUL W. SHAFFER, of Battle Creek, Mich., in which he says:

I am now at my home in Battle Creek, surrounded by a body cast, which I am told will be removed in another 4 or 5 weeks. I am greatly encouraged by the progress I am making toward recovery, and am hopeful of being back on the job in Washington before the end of the present session.

I know it is the fervent hope of the entire membership of this House that he will be able to be with us before the end of this session of the Congress. [Applause.]

SELECTION BOARDS, UNITED STATES NAVY

Mr. VINSON of Georgia. Mr. Speaker, I call up the conference report upon the bill (H. R. 4929) to amend the act of June 23, 1938 (52 Stat. 944), and ask unanimous consent that the statement of the conferees be read in lieu of the report.

The SPEAKER pro tempore. The gentleman from Georgia calls up a conference report on the bill H. R. 4929 and asks

unanimous consent that the statement be read in lieu of the report. Is there objection?

There was no objection.

The Clerk read the statement of the conferees.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4929) to amend the act of June 23, 1938 (52 Stat. 944), having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 1, 2, 10, and 11.

That the House recede from its disagreement to the amendments of the Senate numbered 5, 6, and 9, and agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment insert the following: Section 9, subsection (b), change the period to a colon and add the following proviso: *"Provided, That officers who are or who may hereafter be assigned to engineering duty only or to aeronautical engineering duty only may be recommended for retention in addition to the number equal to the percentage furnished to the board by the Secretary of the Navy;"* and the Senate agree to the same.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment, as follows: Restore the matter stricken out by said amendment amended to read as follows:

"(d) The recommendations of selection boards in the case of officers who are now or may hereafter be assigned to engineering duty only or to aeronautical engineering duty only shall be based upon their comparative fitness for the duties prescribed for them by law. Upon promotion they shall be carried as additional numbers in grade. Officers assigned to engineering duty only or to aeronautical engineering duty only shall succeed to command on shore only when designated to do so by the Secretary of the Navy."

And the Senate agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment insert the following: *"Provided further, That all such officers who were transferred to an appointment in the permanent grades or ranks in the Navy pursuant to the Act of June 4, 1920 (41 Stat. 812), and who were on July 21, 1939 assigned to duty involving flying shall be retained on the active list until June 30, 1944, and they may become eligible for selection as provided and as limited in subsection (d) of this section: And provided further, That any officer who was placed on the retired list in the grade of commander on June 1, 1939, or who was or may hereafter be placed on the retired list in the grade of commander pursuant to this subsection after June 1, 1939, who had not or shall have not completed twenty-three years of service for pay purposes at the time of retirement shall receive from the date of his retirement retired pay computed at the rate provided for officers who have completed twenty-three years of service for pay purposes;"* and the Senate agree to the same.

Amendment numbered 8: That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment insert the following:

"(m) To meet emergency or special needs of the Navy, the President is hereby authorized to retain on active duty, or to order to active duty if retired, not more than two officers above the grade of captain in the Navy. While serving on active duty such officers shall have the highest grade or rank held by them on active duty and receive the full pay and allowances of the highest grade and the personal money allowance of the highest rank held by them on active duty, exclusive of flight or submarine pay. Officers retained on or ordered to active duty pursuant to this subsection shall become additional numbers in their grades, and if of the rank of admiral or vice admiral shall be in addition to the number of admirals and vice admirals otherwise authorized by law. Nothing contained in this subsection shall be construed as repealing other provisions of law under which officers may be retained on active duty or under which retired officers may be ordered to active duty."

And the Senate agree to the same.

Amendment numbered 12: That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment, as follows: Strike out the matter inserted by said amendment; and the Senate agree to the same.

Amendment numbered 13: That the House recede from its disagreement to the amendment of the Senate numbered 13, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment insert the following:

"Sec. 2. Any officer who may heretofore have been placed on the retired list pursuant to the provisions of section 13 or subsection 15 (e) of the Act of June 23, 1938 (52 Stat. 944), or both of them, shall receive the retired pay of a rear admiral of the upper half."

And the Senate agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment, as follows: Change the number of "Sec. 4" to "Sec. 3" and the date of "January 3, 1940" to "January 3, 1941"; and the Senate agree to the same.

CARL VINSON,
P. H. DREWRY,
M. J. MAAS,

Managers on the part of the House.

DAVID I. WALSH,
MILLARD E. TYDINGS,
FREDERICK HALE,

Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4929) to amend the act of June 23, 1938 (52 Stat. 944), submit the following written statement explaining the effect of the action agreed on by the conference committee and submitted in the accompanying conference report:

On amendment No. 1: Restores the language of the House providing that the Commander in Chief of the United States Fleet may not serve on the selection boards for the selection of officers.

On amendment No. 2: Restores the language of the House which provides in effect that medical records, along with the other official records of officers, will be furnished to the selection board for its consideration in the selection of officers.

On amendment No. 3: Modifies the amendment of the Senate to permit the retention of officers assigned to engineering duty only or aeronautical engineering duty only in addition to those representing the percentage furnished the board by the Secretary of the Navy.

On amendment No. 4: Modifies House language to provide that recommendations of selection boards in the case of officers assigned to engineering duty only and aeronautical engineering duty only shall be based upon their comparative fitness for the duties prescribed for them by law. Makes all such officers, upon promotion, additional numbers in grade. Prohibits officers assigned to engineering duty only or to aeronautical engineering duty only from succeeding to command on shore unless designated to do so by the Secretary of the Navy.

On amendment No. 5: Strikes out the House provision to require the reports of the selection board to include a statement giving reasons actuating the selection of every officer recommended for selection and the reasons for passing over those officers not recommended.

On amendment No. 6: Strikes out the House provision to provide that officers selected as best fitted shall, when promoted, take their place in the next higher grade in accordance with the place they held when they were originally commissioned in the Navy. This House provision made no provision for the promotion of officers adjudged as fitted for promotion.

On amendment No. 7: Modifies the House provision for retaining all fitted officers on active duty until June 30, 1944, to provide that only wartime aviators who were commissioned under the act of June 4, 1920, and who are now assigned to duty involving flying shall be retained on active duty until June 30, 1944. Other officers of the fitted group may be retained under existing law if their services are needed. This amendment inserts the language of the Senate providing that commanders who were on June 1, 1939, or who may hereafter be placed on the retired list pursuant to section 12 (f) of the act of June 23, 1938, and who have not completed 2 years of commissioned service shall receive the retired pay of a commander with 23 years' service.

On amendment No. 8: Modifies the language of the House to authorize the President to recall to or retain on active duty not more than two officers of the retired list above the grade of captain. Such officers, while on active duty, to have the highest rank held by them before retirement and to receive the highest pay and allowances they received before retirement.

On amendment No. 9: Strikes out the House provision which provision would have prevented the counting of temporary and Reserve commissioned service for retirement purposes.

On amendment No. 10: Restores the House provision which requires that a sufficient number of officers of the Navy of the grade of rear admiral be designated each year for retirement in order to maintain an average of nine vacancies annually in that grade. Under existing law an average annual number of eight such vacancies must be maintained.

On amendment No. 11: Strikes out the proposal of the Senate to repeal existing law requiring a specified average number of annual vacancies in the grade of rear admiral in the Navy and in the grade of general officers of the line of the Marine Corps.

On amendment No. 12: Eliminates from the bill language which would require selection boards to be convened for the purpose of designating rear admirals of the junior half of that grade for retention on active service. The provision in existing law, as amended, accomplishes this purpose by providing for the designation of officers in this grade for retirement. Existing law is preferred to the proposal contained in this amendment.

On amendment No. 13: Strikes out language inserted by the Senate which would make void the action of any boards convened pursuant to the act of June 23, 1938, for the purpose of designating flag officers of the Navy and general officers of the Marine Corps for retirement to maintain an average number of annual vacancies, and substitutes therefor language which would grant to any officer who has been so designated for retirement the retired pay of a rear admiral of the upper half.

On amendment No. 14: Inserts language proposed by the Senate directing the Secretary of the Navy to appoint a board of officers to investigate and report upon the question of promotion and retirement of officers of the staff corps of the Navy and officers assigned to engineering duty only and aeronautical engineering duty only. It requires the Secretary of the Navy to transmit the report of this Board to Congress in January 1941.

CARL VINSON.
P. H. DREWRY.
M. J. MAAS.

Managers on the part of the House.

Mr. VINSON of Georgia. Mr. Speaker, the conferees are unanimous in this report. Unless there is some question that some Member desires to ask, I move the previous question.

The previous question was ordered.

The SPEAKER pro tempore. The question is on agreeing to the conference report.

The conference report was agreed to, and a motion to reconsider laid on the table.

EXTENSION OF REMARKS

Mr. DISNEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include a discussion of the slow-motion political assassination of Governor McNutt, as contained in an article in the Christian Science Monitor of yesterday.

The SPEAKER pro tempore. Is there objection?

There was no objection.

DEVELOPMENT OF INLAND WATERWAYS

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to proceed for 1 minute and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection?

Mr. RANKIN. Mr. Speaker, I ask unanimous consent that my remarks may appear in the Appendix.

The SPEAKER pro tempore. Is there objection?

There was no objection.

EXTENSION OF REMARKS

Mr. EATON. Mr. Speaker, I ask unanimous consent to extend my remarks by inserting a brief letter from the Air Line Pilots' Association.

The SPEAKER pro tempore. Is there objection?

There was no objection.

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

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. BOLLES. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include an editorial.

The SPEAKER pro tempore. Is there objection?

There was no objection.

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

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. GILLIE. Mr. Speaker, I ask unanimous consent to extend my remarks and to include an editorial from the Fort Wayne News-Sentinel commenting on a recent statement made by our colleague the gentleman from South Dakota [Mr. MUNDT].

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include a resolution of District No. 1 of the Council of World War Combat Veterans.

The SPEAKER pro tempore. Is there objection?

There was no objection.

CROP INSURANCE FOR COTTON

Mr. FULMER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table Senate bill 2635 and consider it in Committee of the Whole instead of H. R. 6972, to amend the Federal Crop Insurance Act of 1938. This bill is identical with the House bill, except that the word "tobacco" is included in the Senate bill. We propose to offer an amendment to take that out.

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

Mr. TABER. Mr. Speaker, I reserve the right to object to have the gentleman explain the matter.

Mr. FULMER. The Senate bill is the same as the House bill, except that the Senate included tobacco with cotton. We propose simply to put cotton in with wheat under the insurance plan. We want to substitute the Senate bill, with the understanding that we will offer an amendment to take out tobacco, because the tobacco people do not ask for it.

Mr. TABER. Mr. Speaker, I object.

CALL OF THE HOUSE

Mr. RICH. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER pro tempore. The gentleman from Pennsylvania makes the point of order that there is no quorum present. Obviously there is not.

Mr. FULMER. Mr. Speaker, I move a call of the House. The motion was agreed to.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 76]

Andrews	Englebright	Kilburn	Sacks
Austin	Faddis	Kociatkowski	Schuetz
Boland	Fay	Lemke	Schulte
Brewster	Fenton	Lewis, Ohio	Schwert
Brooks	Ferguson	McArdle	Scrugham
Buckley, N. Y.	Fish	McDowell	Seger
Burdick	Flannagan	McGranery	Shafer, Mich.
Burgin	Ford, Thomas F.	McLean	Shanley
Byrne, N. Y.	Gavagan	Maloney	Sheridan
Carlson	Gifford	Massingale	Simpson
Carter	Gilchrist	Merritt	Smith, Ill.
Cartwright	Goodwin	Mitchell	Steagall
Casey, Mass.	Green	Mouton	Sullivan
Celler	Hess	Murdock, Utah	Taylor
Conner	Hook	Myers	Thomas, N. J.
Corbett	Houston	O'Day	Tibbott
Crowther	Izac	O'Leary	Vorys, Ohio
Culklin	Jacobsen	O'Toole	Ward
Darrow	Jarrett	Patrick	Weaver
Dickstein	Jenkins, Ohio	Pfeifer	Wheat
Dingell	Jennings	Plumley	Whelchel
Ditter	Kelly	Rabaut	White, Ohio
Douglas	Kennedy, Martin	Risk	
Durham	Kennedy, Michael	Robson, Ky.	
Ellis	Keogh	Rockefeller	

The SPEAKER pro tempore (Mr. WHITTINGTON). Three hundred and thirty-three Members have answered to their names. A quorum is present.

Further proceedings under the call were dispensed with.

FEDERAL CROP INSURANCE ACT

Mr. FULMER. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 6972) to amend the Federal Crop Insurance Act.

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 consideration of the bill H. R. 6972, with Mr. DUNCAN in the chair.

The Clerk read the title of the bill.

By unanimous consent the first reading of the bill was dispensed with.

Mr. FULMER. Mr. Chairman, I yield 10 minutes to the gentleman from Mississippi [Mr. DOXEY].

Mr. DOXEY. Mr. Chairman, in opening the discussion today on this amendment to the present crop-insurance law. I want to say that within the limited time we have for debate it will not be my purpose to go into detail and endeavor to

analyze the bill at the present time. A number of our colleagues have already spoken upon the measure and they discussed it in detail several days ago. However, it will be my purpose at this time to give the members of this committee a little background as to the history of this legislation, which possibly some of you do not know.

Congress was called into special session by President Roosevelt November 15, 1937, for the purpose of enacting general farm legislation.

From that date on, the Committee on Agriculture of both the House and the Senate were in constant session until the Agricultural Adjustment Act of 1938 was passed and signed by the President on February 16, 1938.

The House passed the bill December 10, 1937. The Senate passed the bill December 17, 1937. It was sent to conference on December 18, 1937.

The conferees on the part of the House were Marvin Jones, of Texas; H. P. Fulmer, of South Carolina; Wall Doxey, of Mississippi; Clifford R. Hope, of Kansas; and J. Roland Kinzer, of Pennsylvania. The conferees on the part of the Senate were E. D. Smith, of South Carolina; George McGill, of Kansas; J. H. Bankhead, of Alabama; Carl A. Hatch, of New Mexico; J. P. Pope, of Idaho; Lynn J. Frazier, of North Dakota; and Arthur Capper, of Kansas.

The conference committee worked during the Christmas holidays of 1937 and submitted to Congress their conference report on H. R. 8505—the Agricultural Adjustment Act of 1938—on Monday, February 7, 1938.

The conference report was approved by the House on February 9, 1938, and was approved by the Senate on February 14, 1938.

The members of this conference committee worked many days; yea, even weeks on this measure. Many differences between the House and the Senate had to be ironed out and adjusted.

One of the items in this constructive and far-reaching farm program was the question of crop insurance.

The agricultural adjustment bill, as it passed the House, did not contain any provision for crop insurance, but when the Senate passed the agricultural adjustment bill it included a provision for crop insurance on wheat.

When the conferees of both the House and the Senate began to consider the bill, quite a bit of consideration was devoted to the question of crop insurance.

The conferees determined to make the farm legislation as broad and inclusive as possible. They wanted to do as much as they could for the national welfare and the general welfare in particular of the American farmer.

Therefore, after much consideration and long study, title V, known as the Federal Crop Insurance Act, was made a part of the farm conference report that afterward became a law and was known as the Agricultural Adjustment Act of 1938.

I was one of the members of this conference committee who insisted and urged that cotton be included along with wheat in the crop-insurance provisions, because there was pending at that time before the House Committee on Agriculture a bill by the distinguished chairman of the committee, Mr. JONES, and also one by our distinguished friend the gentleman from South Carolina [Mr. FULMER], with reference to crop insurance. Those bills that were then before the House Agriculture Committee included both wheat and cotton. Naturally, therefore, the House conferees said, "If you are going to have any crop-insurance plan, we feel that cotton should be included." That was the problem with which we were faced with reference to crop insurance in conference.

In our conference, however, it was argued, and the facts disclosed that at that time there were not sufficient data available as to cotton to include cotton in the insurance plan.

It was agreed by all conferees that the insurance plan was novel and was just an experiment on the part of the Government.

Finally, after due deliberation, it was agreed in conference to try out the insurance plan on just the one commodity—

wheat—and that just as soon as the proper data were available as to cotton it would be the next agricultural commodity to be included in the insurance provisions.

That was the understanding among the conferees. It amounted to a "gentlemen's agreement," in my opinion. I believe the other members of the conference committee will agree with me in that view. Senators Pope and McGill, who were both very much interested in this provision, and were members of the conference committee, are not now Members of the Senate, but if they were I feel sure they would both verify my statement in this regard.

In fact, we then and we hope now to expand this crop-insurance feature to other agricultural commodities. We do not expect to confine it just to wheat and cotton but to fruits, vegetables, and other crops if and when the necessary data are available and the facts and circumstances justify it.

That was clearly the intention of the conferees, for we provided in our conference report, under the title Investigation for Crop Insurance, that—

There is authorized to be appropriated to the Secretary of Agriculture the sum of \$150,000, or so much thereof as may be necessary until such study is completed, for making a study of a feasible and practicable plan of crop insurance for fruits, vegetables, and all other crops. The Secretary is directed, as soon as he has completed such study or has sufficient information available to justify a report, to report his findings and recommendations with respect to such plan or plans to the Congress at the earliest practicable date.

As a result, we have a marvelous store of information in this regard given us by the Department of Agriculture in a document known as House Document No. 277, Seventy-sixth Congress, first session, A Suggested Plan for Cotton Crop Insurance.

However, not having the data with regard to cotton available at the time the conferees were considering the crop-insurance feature of the Agricultural Adjustment Act of 1938, the conferees agreed that the crop-insurance feature of the bill would at that time be made applicable only to wheat for the year 1939 and see how it worked.

Consequently, we set up the Federal Crop Insurance Corporation and authorized an appropriation of \$6,000,000 for the crop-insurance program pertaining to wheat, knowing that the administration of the program for the first year or two would necessarily require a greater outlay of expenditure by the Government than in later years, as we had to set up a system and get it to functioning properly. That wheat-crop insurance program has been in effect now on the wheat crop of 1939.

In the limited time that I have at my disposal I will not attempt to analyze or discuss the provisions of this present bill in detail. It has been discussed by some of my colleagues and explained generally.

However, we all agree that the time has arrived for us to enact legislation, including cotton, in the general crop-insurance plan.

I appeared before the Rules Committee of the House and asked that a rule be given for the consideration of this crop-insurance bill, stating at the time that I certainly would be most happy to advocate the inclusion of other agricultural commodities in this general crop-insurance plan if and when the proper data is presented to Congress regarding them and the facts and circumstances justify the inclusion of any other specific agricultural commodity.

We all realize that from the inception of this crop-insurance program it was to be regarded as a large-scale program in protecting farmers from unavoidable crop losses. This proposed legislation insures only against losses in production. It has nothing to do with insuring as to prices of agricultural commodities.

This crop-insurance plan has been studied for a long while. Much research work has been done in regard to it. As a result of this extensive work and background, fairly accurate requirements can be established at this time with reference to the two major agricultural commodities, wheat and cotton.

Personally, I feel that the program will work out much more satisfactorily with reference to cotton than it has with reference to wheat.

I base this opinion on the fact that throughout the cotton-producing areas there are not as many complete crop failures as there are, generally speaking, throughout the wheat-producing areas.

The history with reference to cotton pertaining to States, counties, and even farms is complete to a marked degree. The general average production over a period of years is firmly established, and I have no doubt but what the insurance principle can be successfully applied to the cotton crop.

Naturally, any Government insurance plan, whether it relates to wheat, cotton, or any other agricultural commodity, has to grow. From a practical standpoint we all know that for the first year or two there will necessarily be more administrative expenses than there will be after the system begins to properly function.

Furthermore, there will be fewer applications the first few years than there will be in after years as the program develops and gets on a substantial basis.

I will not attempt here to discuss how this law has worked with reference to the 1939 wheat crop insurance program. You gentlemen from the wheat sections are generally familiar with the growing popularity of this program among the wheat growers of this Nation.

Coming from a cotton section as I do, I feel that the crop-insurance plan for cotton should be included as a part of our general farm program.

As I have often said on the floor of this House, there is no one single piece of legislation that is going to solve the cotton farmer's problem. We have to approach and attack these many farm problems from many angles. However, I feel that this crop-insurance plan would provide for the cotton farmer a better distribution of income from year to year and would alleviate some of the hardships brought about by periodical crop failures.

Our cotton crop is financed largely through credit means, and when a farmer has a cotton-crop failure he not only experiences a reduction in his cash income but the cotton farmer of the South necessarily has to carry over his debts and incur other obligations that he cannot meet even if he has a good crop the next year.

However, with this plan of crop insurance in operation for the cotton farmer, if he took out Government crop insurance, which, of course, is purely voluntary, and then experienced a crop failure, he would be reimbursed either on the 75 or 50 percent average yield per acre planted on his cotton farm, which would give him enough money to certainly help him with his living expenses and keep him from having to seek more credit elsewhere.

My colleagues full well realize that many a farmer seeks to be and is placed on the relief rolls because he has had a crop failure. However, if Government crop insurance is available and he has taken advantage of it, he will not have to seek the relief rolls. Therefore, to my mind, this crop-insurance plan should certainly reduce the Government relief rolls in areas that have suffered and will suffer in the future from either partial or total crop failures.

This crop-insurance plan also provides or at least approaches what has been termed an "ever-normal granary." The wheat and the cotton paid to the Government by the farmer as premiums are stored by the Government and repaid in kind to those who suffer losses. Of course, where the insured requests cash, he is paid cash, and the Government has a right to sell a sufficient amount of the commodity collected as premium to take care of the cash outlay paid in losses. I feel that this plan can be made to work with reference to cotton.

Take the 10 counties that compose the Second Congressional District of Mississippi that I have the honor to represent in Congress. They are all cotton-producing counties and the following table has been worked out with regard to these 10 counties in my district to show the tentative county average loss costs for the base period, 1933 to 1938, inclusive, for cotton-crop insurance.

County	Average loss cost for the 6-year base period, 1933-38 ¹	
	Lint 75 percent	Lint 50 percent
	Pounds	Pounds
Benton	10.0	.8
De Soto	8.5	.5
Lafayette	6.2	
Marshall	8.9	.6
Panola	7.4	.6
Tallahatchie	9.6	.4
Tate	8.1	.6
Tippah	8.3	.9
Union	9.7	.5
Yalobusha	7.5	1.0

¹These loss-cost figures for the 6 years, 1933-38, will be adjusted to reflect the loss experience for the 11 years 1928-38 when county yield figures for 1938 become available from the Division of Crop and Livestock Estimates. Minimum premium rates would be established under both the 75- and 50-percent plans.

The base figures show the average premium that would be required to be paid in each county per acre. However, that does not mean that each farm in the same county would pay the same premium. One farmer on his general average, according to the past history of his farm, might be required to pay 10 pounds of lint cotton per acre as premium, whereas another farmer in the same county with a different background and a different cotton history for his farm might be required to pay either a little more or a little less than 10 pounds per acre as premium.

The county committee and those in charge of the program in each county, as well as the State and the Federal Government authorities, all have the cotton history of each county and of each farm within the county. Therefore, if administered like I understand the Department intends to administer it, I feel the cotton-insurance program will mean a great deal to our cotton farmers, who depend on their cotton crop as their major source of cash income.

The bill provides that this program will be administered by the Federal Crop Insurance Corporation and that the State and county committees already established and handling other farm programs would be used in the administration of this cotton crop insurance program.

The premiums are paid by the insured in kind. The insurance reserves are built up out of the premiums so paid. If the insured desired to pay his premiums in cash, that cash would be used and invested in cotton. In other words, the Government is supposed to have on hand at all times either enough of the commodity in kind or the cash on hand to pay the losses.

Claims for the losses could be paid to the farmer by issuing to him a warehouse receipt for a certain amount of cotton or by selling a sufficient amount of cotton from the reserve so built up and paying to the farmer the cash that would be equivalent to the amount of cotton due him as the result of his losses.

Each farm would have a separate coverage per acre and a separate program rate per acre, so, to my mind, it would not be very hard to administer this law equitably and satisfactorily.

The purpose and intent of the law is to have the Government pay the expenses of administration, you might say as a donation to the program, but the losses would be paid out of the reserve built up by the collection of the premiums paid in by the individual farmer.

I feel that this cotton crop insurance plan will meet a real need and prove to be an important and fundamental part of the Federal Government's general farm program. Of course, it is based on risk, chance, and other elements incident to any insurance plan.

It is the intention of Congress that this plan will provide for protection against losses of cottonseed as well as losses of lint cotton.

It necessarily will take time to work out all the details in connection with the program, but the broad principle is that this insurance plan shall apply to all cotton grown in the United States except sea-island cotton.

I trust that all of you who are interested in agriculture will help us pass this proposed legislation, for when we have proved that it works satisfactorily with regard to wheat and cotton we can then extend the program to include other agricultural commodities that some of you are more primarily interested in than you are in wheat and cotton.

This crop-insurance plan will produce and develop closer cooperation among farmers, increase their incomes, promote better farming methods, and enable more farmers to own their farms.

Crop insurance is an important and necessary part of our general farm program, and certainly should be made to include cotton.

The bill that we are now considering provides for the crop insurance to apply to the 1940 cotton crop. However, I am of the opinion that on account of the lateness of the season and the fact that this measure may not be signed by the President until after the 1940 cotton crop is planted, especially in some sections, this bill should be amended so that the insurance plan will apply to the 1941 cotton crop instead of the 1940 crop. I have discussed this with the members of our committee, and I think they agree with me in this regard. Therefore I feel certain a committee amendment to this effect will be offered at the proper time, and I hope it will be approved by this House.

I am sorry my time is up, but there are a number of Members who want to speak on this bill, and the entire time for its consideration is limited. I am sure other Members will explain other features of the bill. I hope there will be no question and no trouble in passing this bill by a great majority. I thank you. [Applause.]

[Here the gavel fell.]

Mr. HOPE. Mr. Chairman, I yield 10 minutes to the gentleman from Minnesota [Mr. ANDRESEN].

Mr. AUGUST H. ANDRESEN. Mr. Chairman, the distinguished gentleman from Mississippi [Mr. Doxey] has told you that there is a great deal of factual information in House Document No. 277 with relation to cotton, and the application of crop insurance to this crop. He is correct. This does not mean, however, that every time a theory is worked out on paper it will work out in actual practice. During the past 7 years we have had many experiences along this line, theories have been worked out on paper, but when they were put into actual practice they turned out to be failures.

I am not opposing insurance for cotton, but I do oppose this legislation at the present time, because when a system is set up for the insuring of cotton or other crops in this country I want to be sure that it will be a sound system which will work for the benefit of the farmers of this country. I do not believe that the Department of Agriculture, in its insurance division—and I am satisfied that no Member of Congress—has definite information to show that the wheat program which has been in operation only a little over a year has been a success. Several private companies have tried to insure crops during the last two decades, three companies in particular. They tried it for 1 year, and went out of business, because it nearly put them out of business.

Mr. GREEN, who inaugurated the crop-insurance plan for wheat, a very able man, did give the committee some of the soundest information it ever had on the subject of trying crop insurance for wheat. It was trying out an experiment, he said, and that it would take a period of 5 to 6 years before we could determine whether that experiment would succeed or fail. We have had 1 full year of crop insurance for wheat. If we were to judge the legislation by what took place last year we would find that the organization lost money; in other words, it lost more than 2,300,000 bushels of wheat in addition to the administrative cost which ran about \$4,800,000.

I feel that if we are going to establish the biggest insurance business in the world, which it will be if we start insuring all farm crops—and all farmers are entitled to that coverage, once we start—that we should be perfectly sure we have a sound system based upon experience in actuarial figures submitted to us from what has been observed and tried out in wheat. We have no yardstick to go by when it comes to cotton. It is true a great deal of statistical information has been

submitted to us on cotton, but there are 2,000,000 cotton farmers in this country. Cotton production now will run from 12,000,000 bales to 18,000,000 bales, and you can figure that if 12,000,000 bales of cotton should be insured up to 75 percent of the yield per acre, this in itself would be one of the biggest insurance undertakings in the world. But when you add on the production of 800,000,000 bushels of wheat for insurance, when you add on 2,540,000,000 bushels of corn, and when you add barley, rye, oats, vegetables, fruits, and all other commodities, the organization that would be set up here, if it is not sound will have to be financed by the Federal Government through contributions from the General Treasury.

If we are going to establish a system in the United States to insure crops from all types of losses and injury from pests, then we should be sure that the experiment which has been going on with wheat is a success; that it is self-sustaining and that it will carry itself without cost to the Treasury of the United States. I know the farmers want to be made safe so far as the production of their crops is concerned, because there is no greater hazard than the production of agricultural commodities; but they do not want this to be financed out of the Treasury of the United States. It is true that at the present time the Government stands all administrative expenses and the cost last year run close to \$5,000,000. There was a personnel of around 1,500 permanent employees, which has been gradually reduced, but with tens of thousands of men throughout the country who are operating on a per diem when they work, these too are also a part of this organization.

The cotton-insurance amendment which is before us today provides for \$6,000,000 of administrative expense for next year, which means that several hundred additional employees will be added to the insurance organization in addition to putting the county and township committees to work in the cotton areas of the South who will also receive \$4 or \$5 a day for going out to measure up the land and assist in the administration of the act. The extension of this program to cotton will build up an additional bureaucratic organization in the Nation's Capital and in the country.

As far as I am concerned, I am not ready to support a measure of this kind until I am satisfied that the experiment on wheat will work out without any cost to the Treasury of the United States.

Mr. PACE. Will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield to the gentleman from Georgia.

Mr. PACE. Does the gentleman propose to repeal the wheat-crop insurance program?

Mr. AUGUST H. ANDRESEN. I am not proposing to repeal the wheat-crop insurance, no; nor did I so state. The gentleman knows that as soon as the wheat-crop insurance program has proven to be successful I will vote to put all commodities into an insurance program.

Mr. PACE. The gentleman would want to respect any agreement between the conferees on the part of the House and the Senate with respect to including cotton, would he not?

Mr. AUGUST H. ANDRESEN. I do not feel that I am bound by any agreement of which I am not aware. I have talked with some of the conferees on my side of the aisle with reference to whether or not there was an agreement, and I am told that they know nothing of such agreement.

Some of the Members from the cotton area may not know how much this is going to cost the cotton farmers as far as insurance premiums are concerned. I spent several hours with Mr. Smith, who is now in charge of the insurance program, day before yesterday, and he told me that the premiums on cotton would run from 5 to 25 percent of the average production of cotton, which means that in some instances one-quarter of the cotton produced on a particular piece of land will have to be paid as a premium for 75-percent coverage. That seems to me to be a great deal, but, of course, maybe you gentlemen from the cotton section feel that all of the cotton farmers want this program and will go into it. If they do, they will have to pay the premium, and there will be approximately 2,000,000 cotton farmers in it.

[Here the gavel fell.]

Mr. HOPE. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. CRAWFORD. Will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield to the gentleman from Michigan.

Mr. CRAWFORD. May I ask, when these premiums are assessed against the farmer, in other words, when a crop of growing cotton is insured and the premium collections are made against the cotton acreage, does the farmer deliver cotton in payment of the premium?

Mr. AUGUST H. ANDRESEN. That is part of the program. He has to deliver lint cotton as payment for his premium. But it is not really working out that way. Let me tell you how the premiums are paid on wheat. Ninety percent of the premiums paid on wheat last year were not paid in wheat. They were paid in deductions from the soil-conservation checks by an assignment from the farmer who was to receive that check over to the Insurance Corporation to pay his premium.

Mr. CRAWFORD. I want to see if I understand this matter correctly. Through that machinery of administration, instead of actual lint cotton being delivered in payment for the premium, the buying power of the cotton farmer for consumer goods, which he would have had in his possession through a distribution of the soil-benefit checks, is withheld from him in benefit-payment settlements and goes back to the Insurance Corporation in payment for the premium and the cotton remains in the farmer's hands and moves into the commercial market?

Mr. AUGUST H. ANDRESEN. The gentleman is correct. When the insurance corporation gets this money from the A. A. A., then it goes into the market and buys cotton, places that cotton in storage, and I do not know how much storage it will have to pay on the cotton when it is stored in warehouses for a period of 10 or 12 months; but on wheat, for the present year, they have 15,000,000 bushels on hand and in storage, and they are paying a storage charge of 6½ cents a bushel to carry that wheat, or nearly \$1,000,000 for storage to carry the premiums for this year's crop.

Mr. KNUTSON. Will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield to the gentleman from Minnesota.

Mr. KNUTSON. I read the other day some place that the Government is paying some concern 25 cents a bale for inspecting and grading 12,000,000 bales of cotton now in storage.

Mr. AUGUST H. ANDRESEN. I am not familiar with that, but I would say that is very reasonable.

Mr. KNUTSON. And they found a large part of it is of inferior quality.

Mr. CRAWFORD. I may say to the gentleman from Minnesota who made that interrogation that I believe the record will disclose that the Commodity Credit Corporation has gotten into one of the most fantastic positions that one could imagine in that since we made our barter agreement with England to trade some 600,000 bales of cotton for rubber we find the Government in possession of about 6,750,000 bales or more of cotton. Now we are caught in a web of circumstances wherein the cotton factors are being paid a fantastic sum of money to grade and look into the quality and character and staple of each bale in order to select only 600,000 bales to go to England. I find that out of the first 2,000,000 bales so sampled and checked only approximately 300,000 bales have been selected, and that the department has assumed that the additional cotton must be so graded and checked and that we must burden the Treasury with the expense of doing so; and beyond the 2,000,000-bale limit they proceed without competitive bids for doing the work. To me it is one of the most unusual procedures, and I believe this House should take the necessary action to stop it.

[Here the gavel fell.]

Mr. HOPE. Mr. Chairman, I yield 5 additional minutes to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. The gentleman will find that a good many fantastic things have been done and are being done today.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield? Mr. AUGUST H. ANDRESEN. I yield to the gentleman from Minnesota.

Mr. KNUTSON. It is my information that out of every six bales that have been graded only one or two have been found to be up to specifications.

Mr. CRAWFORD. British standard?

Mr. KNUTSON. British standard, yes; in other words, we are allowing them to come out on the good cotton and they leave us with all the shoddy.

Mr. CRAWFORD. May I answer that?

Mr. AUGUST H. ANDRESEN. Let me finish this. I will see that the gentleman gets a little time.

Mr. CRAWFORD. The reason I wanted to stress this point is that cotton is now held by the Federal Government and every taxpayer in the Federal Government and every Member of Congress is today concerned about cotton whether he wants to be or not. We pulled this Government-owned cotton out of the warehouse monopoly some few months ago and cut the carrying charge from about 25 cents per bale per month to approximately 10 to 12½ cents per bale per month. Now, immediately we get it out of the clutches of unreasonable warehousemen, it gets into this sampling racket.

Mr. AUGUST H. ANDRESEN. I thank the gentleman for contributing to my speech.

With reference to the wheat situation for last year, there were 166,000 policies written covering wheat, and, mind you, there are better than 3,000,000 wheat growers in the United States. The cost of writing these individual policies last year was around \$28 a policy.

This year there are 378,519 insurance policies, and they have been written at a cost of approximately \$10 a contract. The total coverage of wheat insured this year is 106,266,000 bushels. From the April 1 crop estimates furnished by the Department of Agriculture it appears that we will have at least a 25-percent loss in the production of winter wheat throughout the Southwest. A large number of policies on wheat have been written in the Southwest. If this 25-percent loss occurs, it means that it will cost the Insurance Corporation, in addition to the 15,000,000 bushels of premiums collected, at least another 10,000,000 bushels to pay a 75-percent coverage on the wheat insured; and that is all it does—it covers from 50 to 75 percent of the average normal production of the wheat grown on any particular farm.

As I said, we have around 3,000,000 wheat farmers in the United States, which means that there are 3,000,000 different insurance rates for wheat farmers because there is a different rate for every farm in this country. When we get 2,000,000 cotton farmers into the picture, we will have 2,000,000 different rates to insure the cotton farmers of the United States. I am not objecting so much to that, but what I do want to point out is that until this program has been tried on wheat over a period of years no accurate determination can be made by the Department or the Corporation in charge of the administration of the insurance law or by Congress as to the success of the plan. If we are to set up a sound insurance corporation—one that will finally and eventually cover all farm commodities—we must act on sound actuarial experience rather than be motivated by our political aspirations in order to try to satisfy some section of the country.

[Here the gavel fell.]

Mr. HOPE. Mr. Chairman, I yield 3 additional minutes to the gentleman from Minnesota.

Miss SUMNER of Illinois. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield to the gentlewoman from Illinois.

Miss SUMNER of Illinois. I should like to know from what time the crop is insured. Is it true, as has been rumored, that it is insured from the time the seed goes into the ground?

Mr. AUGUST H. ANDRESEN. It is insured before the seed goes into the ground. No policy is written after the seed is put into the ground.

Miss SUMNER of Illinois. Is it insured against failure of the seed to germinate?

Mr. AUGUST H. ANDRESEN. Yes; it is insured against everything except price.

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

Mr. AUGUST H. ANDRESEN. I yield to the gentleman from Georgia.

Mr. PACE. I know the gentleman would not intentionally make a misstatement, but he said it is insured against germination. That is expressly prohibited by the language of the act. It is not insured as to germination.

Miss SUMNER of Illinois. I should like to know against what it is insured.

Mr. AUGUST H. ANDRESEN. I may say to the gentleman from Georgia [Mr. PACE] that Mr. Smith, who is in charge of the Insurance Corporation, told me definitely day before yesterday that the policies are written before the seed goes into the ground.

Mr. PACE. Yes.

Mr. AUGUST H. ANDRESEN. We agree on that; and that it covers crop losses on from 50 to 75 percent of the crop from drought.

Mr. PACE. Will the gentleman let me read the act?

Mr. AUGUST H. ANDRESEN. I am sorry, but I have only 1 minute. It covers crop losses from drought, from flood, from destruction from pest, and other causes.

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

Mr. AUGUST H. ANDRESEN. I yield to the gentleman from Connecticut.

Mr. MILLER. Is there any protection against the so-called moral hazard; anything to prevent the farmer from planting his crop and not taking good care of it?

Mr. AUGUST H. ANDRESEN. There is supposed to be some protection against that, because the county and township committees are to inspect and see that the man puts the seed in the ground that is covered by the insurance in a proper way.

Miss SUMNER of Illinois. It seems to me if you are insuring against failure of seeds to germinate, you are likely to be placed in the position of insuring against a man's ability or inability to pick his seed or, in other words, his ability to farm his land.

Mr. AUGUST H. ANDRESEN. There might be instances where a man would fail to put in seed that would germinate, but most of the seed does germinate. Once in a while, probably, it will not; but where the seed has been actually put in the ground, a farmer will be able to recover his insurance if it shows that he has engaged in good husbandry and in good farming practices upon the land that he operates.

Let me again urge upon you, in conclusion, not to break down this entire system by bringing in other groups here before we have completed our experiment. After we have found that that experiment is a success, then we can go to work to take in all agriculture under this scheme, but it should be self-sustaining and should be able to carry its own weight and stand upon its own feet. [Applause.]

Mr. FULMER. Mr. Chairman, I yield 7 minutes to the gentleman from Alabama [Mr. HOBBS].

Mr. HOBBS. From a very ancient and very wise Book we learn that the angel Gabriel will some day blow his horn and wind things up. That is the day to which the distinguished gentleman from Minnesota who has just spoken must refer when he says that we should wait for cotton-crop insurance until we know with final certainty exactly how insurance of wheat crops will ultimately pan out. Nothing is certain save death and taxes. Even the weatherman's predictions occasionally fail of fulfillment, and weather is but one of the risks against which all-risk crop insurance insures.

The world runs on faith. You have faith in the mechanism of your automobile, known as the differential, to take you around the next corner, and if you did not you would be a fool to turn.

You have faith in the road builders when you drive down a dark road with a beam of light going out ahead probably 500 feet, and you know within reason that there is going to be a curve within a mile or two, yet you plunge right on at 60

miles an hour because you have faith in the engineers who designed the highway and in the maintenance crews. "Faith is the substance of things hoped for, the evidence of things not seen," and we live in the enjoyment of that substance; we rely safely on that evidence. Not until the Day of Judgment can you know positively the net result of any farm program.

A colored farmer down in Alabama—and this is a true story—5 weeks before Christmas, made his yearly settlement with his landlord. The cash balance coming to him, \$700, he deposited in the savings bank. He came back a week later and asked for his usual advances for Christmas. The landlord said to him, "Why, Charlie, you have more money than I have. You have \$700 in the savings bank, and don't owe a dime. Why don't you use some of your own money, and not borrow against your next year's crop at a higher rate of interest than the bank is paying you?" The farmer replied: "Well, captain, you don't understand. You don't think I am fool enough to risk my own money on a cotton crop, does you?" [Laughter.]

There is nothing much more uncertain, and yet from year to year, if we have sufficient spread of risk, it is just as certain as the minute of the death of the average man in this room as figured by the actuaries. Life insurance and every other insurance risk is built upon a spread among hundreds of thousands of policyholders, and they know to the minute when the average man in every group is going to die. That is the foundation of the institution of insurance. The reason that private companies have not made a success of crop insurance is simply because they lack spread of coverage. Insure a sufficient number at adequate premium rates and the success of no other venture is more certain.

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

Mr. HOBBS. It is always a pleasure for me to yield to the distinguished gentleman from Mississippi.

Mr. DOXEY. And the further fact that they insured the price. We are not insuring as to price.

Mr. HOBBS. That is right. I thank the gentleman for that contribution.

The gentleman from Minnesota [Mr. AUGUST H. ANDRESEN], a most estimable gentleman, is thoroughly in favor of crop insurance as a sound, general principle. He will tell you so himself. He simply questions the wisdom of extending crop insurance to cover cotton at this time, before the final net result of our wheat crop-insurance program shall have been proven. Such an argument, if accepted, would prevent cotton crop insurance at any time, or, in other words, forever; for any year, the next year's wheat experience might change the picture.

I accept his challenge. In his own home county, in 1939, there were only 46 policyholders. Forty-six premiums were collected, and the indemnity paid those 46 policyholders exceeded by 2 to 1 the amount of premiums paid. The proof of the pudding is the eating, so, having tasted the sweet benefits of wheat-crop insurance, the number of policyholders in that same county of Goodhue increased from 46 to 513 in 1940. In the State of Minnesota, from which the gentleman hails—and which he so ably represents—in 1939, there were 10,280 policyholders of wheat insurance, but, in 1940, 21,267 have availed themselves of the protection of the Wheat Insurance Act. Therefore it is evident that the wheat farmers of Goodhue County and of Minnesota believe in wheat-crop insurance, think that it is succeeding, and have faith that it will be increasingly successful as the spread of coverage is extended.

The whole Wheat Belt agrees with Minnesota. In 1939 only 166,000 wheat farmers took wheat-crop insurance. In 1940 some 400,000 did.

Doubtless this increasing spread of coverage will continue and enable us to run the wheat-crop-insurance venture on a 10-year basis of calculation without loss to the Government.

It was amusing to hear the able gentleman from Minnesota fall into a confession of faith. He said it looks as if there will be a 25-percent loss on winter wheat. How dare you, sir, to speculate on the future? How can you argue from an unproved assumption?

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. HOBBS. Certainly, at any time.

Mr. AUGUST H. ANDRESEN. In making that statement I referred to the crop report of April 1, as issued by the Department of Agriculture and that reported a net loss of approximately 25 percent in the winter-wheat area, and if that is sustained in the final production, then the insurance corporation will have to bear a large percentage of that loss, which is quite apparent.

Mr. HOBBS. I have only to say that the crop report is merely an estimate. The estimators may have good reason for the faith that is in them, but you decry faith.

The passage of this bill will not put the Government into competition with any private business. There is no private business operating in this field. Nor is there desire on the part of private business to again enter it.

If over a 10-year period, without cost to the Government, cotton crop insurance may operate to enhance purchasing power and to stabilize income of 2,000,000 citizens in the lowest income brackets, how dare we deny such benefits to them and through them to the national economy?

We who favor this measure have faith by reason of the known facts of wheat crop insurance, the known facts of human nature, and of the institution of insurance in other fields, that such results may be assuredly expected. Let no doubting Thomases thwart this righteous and reasonable purpose.

Mr. FULMER. Mr. Chairman, I yield 5 minutes to the gentleman from Mississippi [Mr. WHITTINGTON].

Mr. WHITTINGTON. Mr. Chairman, if the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN], who spoke in opposition to this bill, were consistent, it strikes me in all fairness he should have introduced and promoted a bill repealing existing law with respect to crop insurance on wheat. I think it is a fair statement to say that all the arguments submitted by the gentleman in opposition to the extension of this program to cotton are applicable to the wheat program. It is easy to find fault, it is easy to criticize, but in all fairness, if the crop insurance is not a good program, I believe that the gentleman from Minnesota, a ranking member of the minority on the Committee on Agriculture, should submit a better program, one more constructive.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. In just a moment. Congress has given much consideration to the matter of insurance in connection with crops. During the Coolidge and during the Hoover administrations there were rather extensive hearings with respect to insurance against price decline, and I remind the gentleman that the Agricultural Marketing Act of June 15, 1929, contained a provision authorizing the Federal Farm Board to initiate an insurance program, upon the application of the cooperative associations, against price decline. I promoted that feature of the legislation and personally I think that the Federal Farm Board would have done better if it had authorized that program. The pending bill has passed the Senate. Its purpose is to extend the crop-insurance program to cotton. The President of the United States in submitting this matter to the Congress in 1937 stated that the experience with respect to wheat was to be used as a backlog in extending this program to other crops when desired by farmers. I have read the hearings on the pending bill. I am sure that the administration's program has sustained a loss for the first year, but it must be kept in mind that this crop-insurance program is a pioneering one. I think the Federal Crop Insurance Corporation has done a good job. They have collected statistics and information that should be useful not only in extending this program to cotton but to other crops. It strikes me that the data, the factual data with respect to crop risks, the fact that they do not undertake to insure full crops, that they merely insure 75 percent production, and the further fact that they can profit by experience in wheat, should be of benefit in the administration of the pending program. There are hazards that confront the farmer that do not confront the manufacturer.

Probably 60 percent of the factors that enter into farming are the weather, insects, and matters beyond the control of the farmers. There is a definite problem. The Congress of the United States in 1938 undertook to solve that problem by eliminating the distress that would follow the failure of crops, in providing for insurance on wheat, with a very definite understanding and with the expressed intent of extending those provisions to cotton and other crops as soon as reports could be made and studies submitted to Congress.

I submit that it is not a good reason for denying this extension to cotton, that other crops have not been studied, and that reports and factual data on other crops have not been submitted. I believe if this program is extended to cotton and reports and factual information are later submitted covering other crops, crop insurance could and should be extended to other commodities [Applause.]

I extend my remarks to quote the President of the United States in his letter transmitting the report of the committee on crop insurance in 1937:

I believe that legislation should authorize the application of similar programs to other commodities when it is established that producers desire them, and the application of the plan to wheat is to provide the backlog of experience in applying the principles of crop insurance.

The Federal Crop Insurance Act of 1938, as amended, is limited to wheat. It was intended to utilize the experience in wheat so as to extend crop insurance to other crops. Studies were made and a suggested plan for cotton-crop insurance was submitted to Congress on May 2, 1939, and published as House Document 277, Seventy-sixth Congress, first session. A similar bill passed the Senate on July 19, 1939, and hearings were conducted by the House Committee on Agriculture in July 1939. The committee has approved the pending bill. It is now in order, therefore, to extend the benefits of crop insurance to cotton.

COST OF ADMINISTRATION

It has been stated that the costs of administration were almost as large as the value of the wheat paid in kind as insurance. Those who make this criticism overlook the fact that crop insurance is a pioneering undertaking. There is no crop insurance by private companies against production hazards. There are no all-risk crop policies by private companies available. Hail insurance is available, but the costs are really prohibitive.

Again, it was essential that an organization be set up the first year. Factual studies had to be made; data had to be assembled. The ground work for a sound program had to be done. There is a loss for the first year's operation. Such has been the case with many insurance companies. Profits do not obtain every year. Some years are good and some years are bad. Again, some insurance companies succeed and others fail. The failures, however, are not an argument against the soundness of the principle. It is better for the Government to have made an adequate appropriation and laid a broad and solid foundation for the first year of the wheat program than to have made inadequate provisions.

WHEAT INSURANCE

The hearings disclose that the operations in wheat have been fairly satisfactory. On the whole, the program has been successful. Many more wheat growers will utilize the program in 1940 than took advantage of it in 1939. Enough experience has been obtained and enough data accumulated to warrant the extension of the program to cotton.

THE PROGRAM

The program was designed to meet the problems of all-crop insurance. Provision is made for the measurement of risks, for the avoidance of price insurance, for the elimination of hazards by limiting the insurance to 75 percent of the average crop, to the proper selection of risks, and to the limitation of insurance only to seeded crops. Additional provisions are made for perfecting organization, and provisions are made for the payment of premiums in kind or the cash equivalent.

Only those cooperating with the agricultural-adjustment program can obtain crop insurance. Good-farming prac-

tices should obtain, and they will be promoted by compliance with the program.

It was to be expected that pioneering would be expensive. The experience obtained should be valuable not only for wheat but for other crops. The extensive researches that have been conducted should result in the accumulation of actuarial data for the application of cotton, corn, and other crops. I personally would like to see the administration obtain the best actuarial and insurance talent available. If the cotton and wheat programs fail, it means that other crop insurance will not be adopted.

Already improvements have been made as a result of experience. New methods of measuring risks have been evolved. Yields have been established for each farm, and rates have been made for established insurable yields and premium rates. It was fortunate that the Agricultural Adjustment Act was amended to enable farmers to provide for crop-insurance premiums by drawing against payments to be earned under the agricultural-conservation program.

INSURANCE

The farmer insures his home and his barn against fire and tornado. He insures his life. Crops are most uncertain. Insurance in connection with agricultural relief has been considered in hearings on agricultural legislation in Congress for many years. As I have stated, there were extensive hearings covering crop insurance against price decline some 10 or 12 years ago. Insurance against price decline must not be confused with the pending bill which provides for production insurance. The two programs are different. I repeat to emphasize that Congress has made rather thorough investigations respecting insurance. Crop insurance was under consideration, therefore, prior to the adoption of the Agricultural Adjustment Act.

THE PROBLEM

More than 2,000,000 American farmers depend upon cotton for their income. Crop failures are beyond the control of the growers, and these failures result in bankruptcy to producers. Protection against unavoidable production hazards has long been needed.

Crop failures occur annually in all parts of the Cotton Belt. The result is that many farmers are without income. Crop insurance would provide against hazards beyond the control of the farmers. The growers would be enabled to pay their debts despite crop failures.

While crop insurance is not a solution for all of the problems of the farmer, it will make a substantial contribution toward many of the difficulties that confront the farmer.

Weather hazards are a most important factor in growing cotton. Insect pests are the largest single hazard in cotton growing, but droughts, floods, hail, and other disasters beyond the control of the growers are important factors. In the district that I represent there was a strip from 1 to 5 miles wide and approximately 50 miles long where matured cotton crops were practically destroyed in September 1939 by hail. Farmers were unable to pay their debts. It was necessary for the relief agencies to provide for employment and support for the farmers who were dependent upon their crops for their income and for their support.

COTTON NEXT CROP

It was the intention of the Federal Crop Insurance Act that an all-risk insurance program should be tried as an experiment on wheat, and if found successful it would then be extended to other crops. It was understood that cotton would be the second crop to be given consideration.

The farmer cannot definitely control his output as can the manufacturer or the industrialist. He plows and cultivates upon faith. Good husbandry and good farming are essential, but after all the farmer's production is determined by factors over which he has no control, and for which he is in no wise responsible. The uncertainty of production multiplies the farmer's hazards, and contributes to the country's problems. All parts of the country, as well as the Cotton Belt, are interested in the success of cotton growers. There is no better market for the manufacturers of other parts of the country

than the Cotton Belt of the South. If the crops of the farmers fail, there are fewer markets for the manufacturers.

For almost a hundred years cotton has been the principal export crop of the United States. It is true there have been declines in recent years, but these declines have not been because of the agricultural adjustment program. High tariff walls and agreements between countries for trade in kind, as well as other causes beyond the control of the United States, have contributed to the decline in cotton exports in recent years. The program for crop insurance on wheat should be extended to cotton. As soon as available reports have been submitted and adequate data furnished, the program should be extended to other crops.

[Here the gavel fell.]

Mr. HOPE. Mr. Chairman, I yield 5 minutes to the gentleman from Connecticut [Mr. MILLER].

Mr. MILLER. Mr. Chairman, before somebody reminds me of the fact, I might as well state that I do have within my district several large insurance companies. Hartford County is the insurance center of the United States, and I dare say that possibly half of the Members of this House at one time or another have sent premiums in one form or another to the city of Hartford.

I believe in insurance. I believe in the institution of insurance. I was particularly interested in the remarks of the gentleman from Alabama [Mr. HOBBS], in which he pointed out that last year we had 166,000 risks on wheat insurance; that this year we would have 375,000. His argument was that if we got sufficient spread, then there will not be any such losses. That is certainly true of sound insurance. Spread is important. As the gentleman said, the insurance companies can tell almost to the minute when any given man in any given group will die; but that is because the rates for insurance, the mortality tables, and experience are based on an accurate mathematical formula. If we could get a sound formula for establishing rates on wheat, cotton, and tobacco, or any other crop, then it is true that the greater the spread, the less likelihood there is for loss. But if we are operating on an unsound actuarial basis—and I am not competent to say that we are or are not, because I do not believe we have had the experience—if the actuaries could establish a sound basis, then the old-line companies throughout the country would establish a rate that the farmers could meet, but thus far they have not been able to establish a rate that would be profitable and low enough to attract purchasers.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. MILLER. I yield.

Mr. AUGUST H. ANDRESEN. Three old-line insurance companies did try out insuring crops, and after trying it for 1 year the losses were so tremendous that they discontinued the business.

Mr. MILLER. Private insurance companies do not have the taxpayers to fall back upon.

Mr. HARE. Will the gentleman yield?

Mr. MILLER. I yield.

Mr. HARE. In the insurance they were able to establish a correct actuarial basis only after years of experience. They were not able to do so at the beginning. The same thing would apply in crop insurance, whether it be cotton, wheat, tobacco, or any other crop.

Mr. MILLER. I hope the gentleman will not misunderstand me. I believe in insurance. I would like to see private companies work this out. I do say that if it were possible to establish a sound basis, I believe the companies would be glad to write such risks. They are writing in the gentleman's State, I understand. In South Carolina last year the insurance companies wrote \$1,825,000 of premium income on hail insurance on tobacco crops alone.

Mr. HARE. The point I was trying to make is that we would not be able to establish a dependable basis for agriculture without some experimentation.

Mr. MILLER. And so far the experience has been disastrous.

Mr. AUGUST H. ANDRESEN. That is the reason why wheat was selected as the commodity upon which the experiment should be made in order to establish the experience.

Mr. HARE. The gentleman is not ready to abandon the idea of insuring wheat, is he?

Mr. AUGUST H. ANDRESEN. No; but I say we should try out that experiment and see whether or not it is sound before we add other commodities.

Mr. MILLER. I just want to add this thought: As I have indicated, the old-line insurance companies would gladly write this business. I take this opportunity to point out that I think there are very few Members who feel unkindly toward these insurance companies, because, after all, the insurance companies of the United States have been a godsend to this country during the past 7 years. The millions and billions of dollars that they have paid into every community on one type of risk or another has acted as a cushion during this period of depression. They have been sound. They have developed carefully. They have tried to establish sound rates; I am unalterably opposed to having the Government go into the insurance business. The Government certainly should not be expected to write unsound risks; risks that no sound company could consider at the premium charged by the Government.

[Here the gavel fell.]

Mr. FULMER. Mr. Chairman, I yield 7 minutes to the gentleman from Georgia [Mr. PACE].

Mr. PACE. Mr. Chairman, I do not believe that any Member who will give serious thought to this subject, including the distinguished gentleman from Minnesota [Mr. August H. ANDRESEN], will seriously contend, assuming that crop insurance is still in the experimental stage, that we get a fair and complete test out of the one crop of wheat. I will tell you why I do not think so. There are several reasons. We do not raise much wheat down in my country. A test on wheat will give us no test of climatic conditions in the cotton regions, nor will it give us a test of excessive moisture, frosts, or insect pests as they relate to cotton. The causes of loss in the crops of cotton and wheat, comparing these two, are shown from data appearing on page 2 of House Document 277, where is given the result of studies of the things that produce a reduction of wheat and the things that produce a reduction in cotton. Let me give you some of the high lights. Six percent of the reduction from a full yield in cotton is caused by excessive moisture, but in the case of wheat excessive moisture causes only 2 percent loss. In the matter of freezing there is but a 1-percent reduction of production in cotton on that account, whereas in wheat the reduction from this cause is 4½ percent. In the case of cotton, reduction in yield is due 18.6 percent to insect infestation, whereas in wheat only 1 percent is due to this cause.

Now, do you as businessmen think the one crop of wheat, which has many things peculiar to itself, could give you a fair test of crop insurance? I do not think the gentleman from Minnesota, upon reflection, will insist upon that position. I am not so selfish as to believe that wheat and cotton would be perfect subjects for this trial, but I do believe sincerely that with wheat representing the great western and northern area and cotton representing the great southern area, these two combined would give us the best test we could find in this Nation, and I think the gentleman will agree with me.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. PACE. I yield.

Mr. AUGUST H. ANDRESEN. I thoroughly agree with the gentleman, and what I have said here has not been against cotton, as the gentleman knows.

Mr. PACE. I know; but the gentleman has taken the position that we should try the plan out on wheat for 6 years, let the wheat crop of his State be insured, and then, after possibly he and I some 6 or 8 years from now may not be here, this body would take up for consideration the question whether or not we would include cotton. By that time we

would have completed the experiment on wheat, yet there would have been no test whatever on cotton.

Mr. AUGUST H. ANDRESEN. I am sure the gentleman will be here not only 6 years from now but 25 years from now, long after I am gone.

Mr. PACE. We never know.

Mr. AUGUST H. ANDRESEN. The thing I am concerned about is that when we start out on a comprehensive crop-insurance plan, and when we start to take in other crops, we want to be sure that we are doing it on a sound and consistent basis.

Mr. PACE. So do I.

Mr. AUGUST H. ANDRESEN. That is all I am trying to get. I want the experience with wheat before we start on something else.

Mr. PACE. Now, if the gentleman will pardon me a minute, let me say that I carry insurance on my home, and I am sure the gentleman carries insurance on his home. Why? Because we can afford to pay the small premium, but we cannot afford the financial loss of our homes. Just the same, the farmer would like to have some assurance that when he plants his seed in the ground he has a reasonable assurance of reaping a crop. We have unemployment insurance today. The Government protects those who lose their jobs. We have the great social-security system providing for those in old age. But you know there is not a farmer in the Nation who is eligible under that program. Everything seems to be all right for everybody until we get to the man who is producing the wealth of this Nation, until we get to the man who is providing the food and fiber to maintain this Nation, but when we get down to him some of you want to leave him without any security or protection.

This program started late in 1939. Its record is not perfect, and therefore, you say, the whole thing must be damned. I do not agree with that at all. I think the farmers of this Nation, unless something is done before long, are going to rise up and punish those who fail or refuse to provide them with the same protection and security which is now being enjoyed by other groups.

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

Mr. PACE. I yield.

Mr. HOLMES. The gentleman stated that the Federal Government furnishes unemployed insurance. I call the gentleman's attention to the fact that labor and industry pays for it.

Mr. PACE. Yes; and let me say here that every dime of this money comes from a fund created by premiums paid by the farmers—this cotton program. The only expense to the Government at present is the administrative expense, and if I have my way, as soon as the program is definitely worked out, I shall propose that the administrative expense be included in these premiums so it will be on a 100-percent self-sustaining basis.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield for one question?

Mr. PACE. I yield.

Mr. AUGUST H. ANDRESEN. Does the gentleman mean that Congress has done nothing for the cotton farmers during the past 7 years?

Mr. PACE. No, I certainly do not mean to say that.

Mr. AUGUST H. ANDRESEN. I am glad to hear the gentleman say that.

Mr. PACE. But I do say, in response to the gentleman, that I think that the wheat and cotton and other farmers of this Nation are entitled to a 100-cent dollar rather than the 73-cent dollar they are getting paid today. They are entitled to a parity price for their crops; they are entitled to a parity income; they are entitled to the same protection which the manufacturer enjoys; they are entitled to the same security granted other groups; they are entitled to benefits to overcome the burden the tariff places on them. I am sure the Congress has tried to help, but we have not solved the farm problem, and there are many things that need to be done. A parity price and the security of crop insurance are two of those things.

Mr. Chairman, I am including, in my remarks for the RECORD, the following statements prepared for me by the Department of Agriculture, and to which I invite the special attention of the Members:

INFORMATION RELATIVE TO CROP INSURANCE

The idea involved in the plan for all-risk crop insurance is not a new one. Benjamin Franklin suggested it in his day. The Department of Agriculture has conducted surveys and studies relative to such insurance for a quarter of a century, and insurance companies have experimented with the idea in limited areas for brief periods of time.

The failure of insurance companies in their limited attempts to establish such a type of insurance has been due in the main to their lack of reliable data, a proper spread of the risk involved, the necessary administrative set-up for placing such insurance and adjusting losses, together with the fact that they guaranteed the price as well as the yield.

In the summer of 1936, President Roosevelt appointed a special committee which was charged with the responsibility of conducting a proper survey with reference to the feasibility of formulating an all-risk crop-insurance program. That committee later submitted a favorable report, wherein it advised that a program of that nature be established for wheat.

That the issue involved is not a political one is evidenced by the fact that both President Roosevelt and Governor Landon, during the 1936 campaign, expressed themselves as favorable to a plan for all-risk crop insurance. In fact, both the Democratic and Republican platforms contained provisions in support of such insurance. Since that time, other national leaders have espoused the principle involved.

That the idea is not a new one, even in national legislative channels, is evidenced by the fact that several Senators and Congressmen, previous to the time the present law was enacted, had introduced measures suggesting such insurance. Senators Shepard, McNary, Pope, and Representatives Sinclair, Hope, Fulmer, Sheppard (California), and perhaps others, had sponsored such proposals.

Whereas leading farm organizations may have differed at times in their advocacy of various plans to meet the needs of agriculture and to solve farm problems, they have been, and still are, united in their support of crop insurance. As a matter of fact, such organizations have had an important part in initiating the plans which finally resulted in the formulation of the present crop-insurance program.

All-risk crop insurance is based upon sound and well-established principles of insurance. The premium rates in the present program have been based upon actuarial data which have been carefully assembled, and which are representative of past experience over a definite period of years. Rates so calculated should balance losses over a like period of years in the future.

The crop-insurance program is planned on a national scale, but the rates for each farm are based upon the crop-loss experience of the farm, the experience of the county in which the farm is located, and, to a very limited degree, upon the experience of the counties bordering on the county. As a result, sections of the country where the risks may be low are not required to contribute toward paying for the higher cost of insurance in those sections where the risks may be high.

At the outset, the crop-insurance program was purposely limited to one crop, namely, wheat, to provide a concrete experiment as to the feasibility of such insurance. Profiting by the experience thus gained, substantial improvements have been made in the 1940 insurance program. The rate structure has been materially improved through careful checking of yields and lengthening of the base period. With each passing year it will be possible further to improve all phases of the program.

The present set-up, wherein the Federal Crop Insurance Corporation administers the program jointly with Agricultural Adjustment Administration, affords close contact with the growers in selling the insurance to them, in checking the yields and losses, and in making appraisals. This close cooperation is proving helpful alike to the growers and to those charged with the administration of the act.

The capital stock of the Federal Crop Insurance Corporation is supplied through an authorization of Congress providing for \$100,000,000, \$20,000,000 of which has been appropriated. Of the latter amount, about \$2,000,000 has been used the first year in the payment of losses. Although premiums should equal losses over a longer period of years, differences one way or the other will naturally appear in individual years.

In its 1936 report President Roosevelt's special committee estimated that had crop insurance been in effect in 1930-35, under a 50-percent participation, premiums would have exceeded losses by 70,000,000 bushels the first 3 years, while losses would have exceeded premiums by 68,000,000 bushels the next 3 years. Consequently, it may be noted that present developments are not out of line with expectations expressed at the time the present crop-insurance program was first advocated.

As to the fact that the indemnity payments for the 1939 crop exceeded premiums for that year by approximately 50 percent at a time when the annual production for the Nation was about normal, it should be borne in mind that a normal national yield does not necessarily mean a normal yield in the particular areas participating most heavily in the insurance. That was true in some of the Great Plains States in 1939, where the wheat crop was 11 percent below

normal in Nebraska, 24 percent below normal in Kansas, 29 percent below normal in South Dakota, and 18 percent below normal in Texas.

To put it in another way, for 1939, 6,695,771 bushels of wheat have been received in payment of premiums where 9,949,450 bushels have been paid out in losses, a difference of 3,253,679 bushels. In five of the larger wheat-producing States, namely, Kansas, Nebraska, Oklahoma, South Dakota, and Texas, 2,669,003 bushels of wheat have been received in premiums where 6,087,912 bushels have been paid out in losses, a difference of 3,418,909 bushels. Hence, the difference between premiums and losses in those 5 States was 165,230 bushels greater than the difference in premiums and losses for the entire Nation.

Where the drought in certain States was largely responsible for the lack of sufficient premium wheat to meet losses in 1939, other factors have naturally contributed to the result. One such outstanding factor is to be found in the effect which the late closing date, and the privilege of insuring after seeding (now discontinued) had in enabling the grower to insure where the prospect for a crop seemed poor, and to refrain from doing so where the prospect was more favorable later in the season.

Each year will disclose such variations. The extent of the variations will depend upon the percent of participation, the total national yield, and the spread of the losses and their relationship to average yields on participating farms. Then too, as far as the 1939 program is concerned, it should be admitted in all candor that it is humanly impossible to establish a new system of insurance, calculate premium rates, appraise yields and adjust losses, without some attending imperfections at the outset.

Administrative expenses and the cost of storage are paid by the Federal Government, and rightly so, because of the national benefits resulting from the program. While the crop-insurance program affords security to the individual grower and the community wherein he resides, it likewise furnishes benefits to others who are interested in the increased national farm buying power which such security to agriculture affords.

The initial cost of administering an insurance program, where much of the expense involves the cost of establishing such a program, is not to be compared with the cost of its administration after the initial period has passed. That is especially true where an effort is being made to establish such a program in a new field where experience is lacking, where no precedent can be found as a guide, and where the undertaking is largely of a pioneering nature. That, in brief, is the situation as it related to the administration of the Federal crop-insurance program for 1939.

During the first year, in addition to the outlay of necessary funds for the current administration of the crop-insurance program, those charged with its administration found it necessary to expend additional amounts incidental to the organization of a new set-up. That is, those funds which were needed for assembling actuarial data, for acquiring office fixtures and supplies, and for extensive educational purposes. Then, too, they found it desirable to expend other funds in planning the 1940 program, as well as in assembling information relative to other crops.

The experience of both stock and mutual insurance companies will verify the truth of the statement that the sales and operating expenses during the initial period, ranging from 1 to 10 years, has equalled or exceeded the total losses paid for that period. For instance, in case of the farmers' mutual windstorm insurance companies, their expenses over the first 10-year period averaged \$1.58 per dollar of losses paid. The Federal Crop Insurance Corporation expended less than that proportionately for that purpose during the first year of its administration of the program.

The Spectator, insurance yearbook for 1939, reveals that for administrative expenses in 1938, out of total receipts from premiums written, 332 stock, fire, and marine insurance companies expended \$326,305,985, or 45.31 percent of \$720,157,663 received; 41 stock, automobile insurance companies expended \$17,506,594, or 28.22 percent of \$62,446,832 received; 151 advanced premium mutual fire insurance companies expended \$30,205,074, or 34.51 percent of \$87,535,817 received; and 5 farm mutual fire-insurance companies expended \$1,101,967, or 35.14 percent of \$3,135,608 received. In other words, according to this yearbook, these 529 stock and mutual insurance companies engaged in a fire, windstorm, hail, automobile, and other kindred insurance business expended a total of \$375,119,620, or 42.98 percent of \$872,875,920 received, for administrative expenses in 1938.

Using the same approach for the purpose of a comparison, we find that the estimated expense of administering the 1940 crop-insurance program will be \$5,923,200 (amount appropriated for that purpose), or 37.16 percent of \$15,938,200 estimated total receipts (appropriation plus estimated receipts from premiums). In arriving at this latter figure, it is estimated that an approximate total of 15,000,000 bushels of wheat will be received in payment of premiums for 1940, with a cash equivalent of \$10,015,000 on the basis of wheat prices at the time premiums were paid. On the basis of the present prices of stored premium wheat, the comparative cost of the administration of the program for 1940 would be much lower.

The experience which the Federal Crop Insurance Corporation has gained through administration of the program for the first year and an increase in the volume of business is enabling it to reduce very definitely the administrative cost per policy received. It now seems that such cost for 1940 may be less than one-half of what it was in 1939. Aside from the effect which a material increase in the number of policies has had, improved methods involving simplification of procedure, elimination of duplication, and fewer and

more direct contacts, and other like changes have contributed materially toward that result.

That the program has been highly acceptable to wheat growers is evidenced by the fact that, where 166,000 paid-up applications were received in 1939, more than 378,000 such applications have thus far been received for the 1940 program. Increased interest in crop insurance is further evidenced by legislation which has been proposed to extend the program to other crops, especially to cotton, tobacco, corn, fruits, and vegetables.

Although crop insurance does not supply a panacea for all farm ills, the security which it provides has had a definite appeal to farmers in areas affected by crop losses, especially in those Great Plains States, where wheat growers have suffered severe losses in recent years. Such crop conditions have contributed materially toward creating an interest in crop insurance, not only in wheat-growing areas but elsewhere.

In the past the burdens of crop failure have been beyond the resources of the individual grower. In fact, during a 10-year period extending from 1926 to 1936, the Federal Government expended for emergency agricultural relief a total of \$600,000,000, and did so largely because of crop failures. The crop-insurance program is materially reducing the need for Federal and State Government relief in wheat areas, and will have a like effect in other areas as soon as the program may be extended to apply thereto.

Because of increased taxes, interest, and debts, as well as greater hazards, at least in some areas, and the uncertainty of markets and effective demand, together with increased overhead, the individual grower is more dependent now upon cash income than he was in the earlier days. Crop insurance definitely assures him of that. While crop insurance would have been helpful even in those earlier days referred to, diversification, rotation, and a limited carry-over for each year largely suffice to safeguard the growers' farming operations.

A better understanding of the purpose of the program, as well as the benefits to be derived therefrom on the part of the growers themselves, is resulting in closer cooperation on their part. Each grower realizes more clearly each day that better farming will not only assure his eligibility to participate in the program in the future but will aid in increasing the coverage and in reducing the rate for the farm. Being willing to make that contribution himself, he will become increasingly more insistent that other growers do likewise.

Better farming, increased income, cooperation among farmers, sympathetic Government assistance, and the farmers' efficient administration of their own program, locally and in the State, will aid materially in reducing the dangers of farm bankruptcy and land foreclosure, resulting in nonresident land ownership and tenancy. Just as the national farm program, as a whole, is contributing toward that result, it is increasing the possibilities of more farmer-owned and farmer-operated farms in every rural community.

No effort is made here to define technical terms as, for instance, what is meant by "all risk" insurance, "payment in kind," "coverage," "workmanlike manner," or to answer questions like "Who may insure?" "When and where are premiums paid?" "How are rates calculated?" And "Where and how is premium wheat stored?", etc. Such definitions and answers to such questions are contained in FCI-Information Bulletin No. 9, entitled "Questions and Answers on Wheat Crop Insurance."

HOW THE COTTON-CROP-INSURANCE PLAN WOULD HAVE WORKED IN SELECTED COUNTIES IN 1939

A general idea of how the cotton-crop-insurance plan might have operated in selected counties had the insurance been in effect on the 1939 crop may be obtained by assuming that insurance had been written in 1939 on the same representative farms selected at random which were used in developing the actuarial basis for insurance. From available acreage and yield data it was possible to develop average yields and premium rates per acre for insurance on the 1939 crop for the sample farms in accordance with the insurance plan outlined by the Department of Agriculture in the publication entitled "A Suggested Plan for Cotton-Crop Insurance."

Under this plan the average yield for each farm for the base period 1933 to 1938, inclusive, was determined as the average of the yield figures for the farm for these 6 years. These annual yield figures for a substantial proportion of farms in each county are on file in the office of the county agricultural conservation committee. The 6-year average yield was then adjusted by a statistical process in order to reflect the yield on the individual farm for the longer, more representative period of years 1928 to 1938, inclusive. The amount of insurance per acre for the farm under the 75-percent plan would be 75 percent of the adjusted average yield. This figure is commonly referred to as the coverage per acre.

The premium rate per acre was computed for each farm by averaging the loss experience for the farm with the loss experience for the county. The county-loss experience, or loss cost, represents the average of the loss experiences of all sample farms in the county. As in the case of average yields, the loss-experience figures represent 6-year data for individual farms adjusted to the 11-year basis. Thus the premium rate per acre for a farm would be the loss experience (or average loss per planted acre) for the farm for the 6 years, 1933-38, adjusted to reflect the 11-year (1928-38) loss experience, and then averaged with the county loss experience for the same 11 years. Consequently the farm premium rate reflects

both the risks that affect the individual farm and those that affect all farms in the county alike.

The premium rate per acre thus developed was applied to the acreage planted to cotton in 1939 on each sample farm to arrive at the total premium that would have been paid for the farm.

In order to determine the loss in yield per acre, if any, that each farm sustained in 1939, the actual yield for each farm in 1939 was compared with the amount of insurance per acre. Had a farm been insured for 200 pounds of lint per acre and the 1939 yield amounted to 150 pounds per acre, then the grower would be entitled to indemnification for 50 pounds per acre, or the cash equivalent thereof, determined from current market prices. In case the farm yielded 200 pounds per acre or more in 1939, then no indemnity for loss would be due.

The five counties in which 1939 yields have been analyzed in this study to determine the extent of crop losses had an insurance program been in effect in 1939 are Lauderdale and Colbert Counties in northwestern Alabama, Marengo County in southwestern Alabama, Chickasaw County in eastern Mississippi, and Washington County in the Mississippi Delta. All of these counties except Washington represent an area in which widespread crop losses occurred in 1939. Cotton yields in the Delta were considerably above the average in 1939 so that the experience in Washington County serves as a contrast to that in the other counties.

A summary of the results that could have been expected in the five selected counties in Alabama and Mississippi had the same farms been insured under the 75-percent plan in 1939 is shown in table 1.

TABLE 1.—*Average basis for insurance in selected counties, had a cotton-crop-insurance program been in effect in 1939*¹

State and county	Adjusted average yield per acre	Average coverage per acre	Average premium rate per acre, 1939	Average premium rate per acre as a percent of the average coverage per acre, 1939	Average premium per farm, 1939	Average cotton acreage per farm, 1939
Alabama:						
Colbert.....	214	161	7.4	4.6	75	10.1
Lauderdale.....	236	177	5.9	3.3	78	13.3
Marengo.....	159	119	8.5	7.1	145	17.0
Mississippi:						
Chickasaw.....	180	135	13.2	9.8	213	16.1
Washington.....	291	218	14.4	6.6	1,646	114.3

¹ Yield and premium rate figures are based on the plan and the procedure outlined in H. Doc. 277, 76th Cong., 1st sess., entitled "A Suggested Plan for Cotton-Crop Insurance." They represent average figures for sample farms in each county for the years 1933 to 1938, inclusive, adjusted to reflect the experience during the years 1928 to 1938, inclusive. Premium rates shown are for lint coverage, and were not increased to provide additional protection against losses of cottonseed. Actual acreage and yield data for 1939 were obtained for each sample farm.

The average of the yields used as a basis for insurance ranged from 291 pounds of lint in Washington County, Miss., to 159 pounds in Marengo County, Ala. Within the counties the yields showed wider variations between farms, ranging from 485 pounds to 76 pounds in Washington County, and from 287 pounds to 35 pounds in Marengo County. Yields that would be used as the basis for insurance on the 1941 crop would include the 1939 experience and would not be the same as those used for the insurance in 1939.

Premium rates per acre also varied widely between farms, although the premium rate for a farm would be based partly on the variation in yield on the farm and partly on the average variation in yield on sample farms in the county. The county average premium rate per acre was highest in Washington County (14.4 pounds) but was lower in Lauderdale County, Ala. (5.9 pounds), than in Marengo County (8.5 pounds). In Washington County the premium rate per acre for individual farms ranged from 38 pounds to 9 pounds, and in Marengo from 33 to 5 pounds. As in the case of yields, premium rates for insurance in 1941 would include the 1939 experience and might be lower or higher than for 1939. Furthermore, the premium rates used in this study were based on lint coverage and were not increased to provide insurance protection against losses in yields of cottonseed.

A comparison of the premium rates per acre for the country as a whole or for an individual farm does not reflect the cost of insurance in terms of the protection offered, because yield (or coverage) and premium rates per acre are not often directly related to each other. This means that a high-yielding farm may have a low premium rate, or vice versa. Premium rates per acre expressed as a percentage of the coverage affords a better comparison. On this basis the per-acre cost of this "all risk" crop insurance to the average farmer was 9.8 percent in Chickasaw County; 7.1 percent in Marengo County; 6.6 percent of the coverage in Washington County, Miss.; 4.6 percent in Colbert County; and 3.3 percent in Lauderdale County, Ala. Thus the premium rate in terms of protection afforded was highest in Chickasaw County, Miss., and lowest in Lauderdale County, Ala.

The average acreage planted to cotton per farm in 1939 varied from 114.3 acres in Washington County, Miss., to 10.1 acres in

Colbert County, Ala. Consequently the total premium per farm amounted on the average to 1,646 pounds of lint in Washington County and 75 pounds for the average grower in Colbert County. In four of five counties shown in table 1, the average premium payment per farm would have been less than a bale of cotton. Even in Washington County the total premium for almost 54 percent of the farms would have amounted to less than 500 pounds of lint. In the other four counties the total premium would have amounted to as much as 500 pounds of lint on only 4 percent of the farms studied. This indicates that the payment of premiums in the cash equivalent or by some means other than in lint cotton would be desirable or necessary in practically all cases.

CROP LOSSES IN 1939

The county average yield per acre in 1939, the percent of all farms studied on which losses would have been sustained had the farms been insured under the 75-percent plan in 1939, and the average loss per insured acre are shown in table 2. The 1939 crop was below 70 percent of the average for the 11 years, 1928-38, in all of the five counties except Washington, Miss. In Colbert, Marengo, and Chickasaw Counties the yield in 1939 was about 55 percent of the 11-year average, and losses were sustained on three-fourths of all farms studied in these counties. The premium rate that would have been paid for insurance in 1939 amounted on the average to 9.7 pounds per acre in these three counties, and the average loss that would have been sustained was 48.1 pounds per insured acre. Thus the average loss per insured acre that would have been sustained in 1939 in these three counties was over five times as large as the premium per acre that farmers would have paid for insurance. It should be kept in mind that the 1939 average yield per acre in each of these counties was lower than for any year during the 11 years, 1928-38. In fact, complete crop failures in 1939 were reported on about 9 percent of the farms studied in these three counties. As in the premiums, the indemnities shown are for lint loss and were not increased to provide for additional indemnification for losses in yields of cottonseed.

TABLE 2.—Average cotton yields, the percentage of farms on which losses would have been sustained had the 1939 crop been insured under the 75-percent plan in selected counties, the average lint loss per insured acre in pounds, and as a percent of the 1939 premium¹

State and county	Average yield 1928 to 1938, inclusive	Average yield, all sample farms in 1939		Percent of sample farms having losses under 75 percent plan in 1939	Average loss per insured acre, 1939	Percent 1939 indemnity was of 1939 premium
		Lint	Percent of 11-year average			
Alabama:	Pounds lint	Pounds	Percent	Percent	Pounds lint	Percent
Colbert	214	119	55	75	50.6	68.6
Lauderdale	236	164	69	54	35.0	59.1
Marengo	159	89	59	74	34.8	41.0
Mississippi:						
Chickasaw	180	83	51	75	58.9	44.5
Washington	291	380	134	3	.6	4

¹ Based on data for sample farms selected at random in each county. These farms would reflect the county experience in 1939 had they been representative of the farms insured. Indemnities are for lint cotton and were not increased to provide additional indemnification for losses in yields of cottonseed.

The most important single factor contributing to the severe crop losses in this area was excessive rains which began in May and continued into July. Most farmers were only able to cultivate a small portion of their crops. Most of the cotton on bottom land was either washed up, covered up, or drowned out. A few crops were destroyed by hail. Conservative estimates made late in June indicated that the crop could not exceed 40 percent of average.

Washington County, Miss., was included in this study for the purpose of comparing the experience in a county in which very few losses occurred with that in the other counties where losses were common. The county yield in this county in 1939 was 34 percent above the 11-year average, and losses in yield under the 75-percent insurance plan occurred on only 3 percent of the farms studied. The average indemnity per insured acre amounted to only 0.6 pound, or about 4 percent of the county average premium rate per acre that would have been paid in 1939.

If insurance had been written on one-half of the acreage in each of the five counties, the total indemnities collected by farmers would have exceeded the premiums they paid by 3,791 bales, as shown in table 3. In this table the average premium rate per acre and average loss per insured acre for each county were applied to one-half the acreage planted in the county in 1939. The highest loss ratio would have been in Colbert County, where indemnities would have exceeded premiums by 1,434 bales, while the lowest ratio would have occurred in Washington County, where premiums would have exceeded indemnities by 1,583 bales. The similarity between total premiums and total indemnities and the excess of indemnities over premiums in the three Alabama counties is striking.

TABLE 3.—Total premium, total indemnity, and excess of indemnity, or premium, had one-half the total acreage in each county been insured under the 75-percent plan in 1939

State and county	One-half of 1939 cotton acreage	Total premium	Total indemnity	Excess	
				Indemnities over premiums	Premiums over indemnities
Alabama:	Acres	Bales ¹	Bales ¹	Bales ¹	Bales ¹
Colbert	15,850	244	1,678	1,434	-----
Lauderdale	22,650	281	1,658	1,377	-----
Marengo	22,600	401	1,645	1,244	-----
Mississippi:					
Chickasaw	13,810	383	1,702	1,319	-----
Washington	54,925	1,553	70	-----	1,583
Total	129,835	2,962	6,753	3,791	1,583

¹ 50-lb.-pound-gross-weight bales.

The accuracy of an estimate of the result of an insurance program in the area represented by this group of counties had the 1939 crop been insured would depend on the extent to which the sample farms represented the farms on which insurance would be written in an insurance program. Moreover, the experience in these 5 counties could hardly be expected to accurately represent the experience in any large area of Alabama or Mississippi. However, four of the counties do represent a section in western Alabama and eastern Mississippi, in which cotton yields were generally lower in 1939 than they had been for a number of years. The other extreme is represented by Washington County, Miss., where yields in 1939 were considerably above the average.

This wide variation in yields between comparatively small areas shows how very low yields causing severe losses even in one section of a State might be offset by high yields and very few losses in another section of the State. It also demonstrates that by a spread of risks over the entire Cotton Belt severe losses in a given area during any year would be offset by fewer losses in other areas, because extreme crop losses over the entire cotton-growing area have never occurred simultaneously.

While crop failures occur every year in one part of the Cotton Belt or another, losses as severe as those in part of Alabama and Mississippi in 1939 are very infrequent in that area. Consequently, growers in the area are not as well prepared to meet financial difficulties brought about by crop failures as those in areas where losses are expected at more frequent intervals. For many farmers in the area the indemnity that would have been received for their 1939 crop loss would have been sufficient to pay premiums on insurance for as many as 10 or 12 succeeding years, provided such severe losses did not reoccur during that period.

"ALL RISK" CROP INSURANCE FOR COTTON

Most cotton farmers have at one time or another seen their crop destroyed or substantially damaged from causes over which they have no control. In view of the fact that cotton has always been a cash crop, produced largely on borrowed money, the loss of a crop brings about financial difficulties not only for the current year but frequently causes increased debt burdens for several additional years.

Crop losses from drought, excessive moisture, flood, hail, etc., cannot be prevented. They occur every year in one part of the Cotton Belt or another. Is there, then, any economically sound method by which farmers can secure protection against such losses? Many of the risks from the standpoint of the individual are eliminated or reduced through insurance in practically every type of business enterprise except farming.

Whether or not insurance against unavoidable production hazards is feasible for crops such as cotton or wheat depends to a substantial degree on (1) the development of a sound actuarial basis by which the risks can be measured; (2) the development of a program that will be attractive to all growers, in order to avoid adverse selection of risks in a county or area and between areas; and (3) competent administration of the program, including the setting up of farm coverage and premium rate per acre figures that will reflect the risks on the farm as nearly as possible, and the fair and just settlement of losses.

The Federal crop-insurance program, which provides for "all risk" insurance coverage against unavoidable production hazards on wheat crops was placed into operation for the first time on the wheat crop harvested in 1939. It was expected that experience with the insurance of wheat crops would illustrate the practical application of crop-insurance principles to this crop and would at the same time serve as an indication of how some of the problems in connection with the insurance of other crops could be worked out.

During its first year of operation the Federal Crop Insurance Corporation wrote 166,000 insurance contracts, which were distributed over about 1,200 counties in 30 States. Wheat growers paid in nearly 7,000,000 bushels of wheat or the equivalent in cash as premiums for insurance on about 7,589,000 acres. Claims for indemnities amounting in all to nearly 9,950,000 bushels were paid on about one-third of the policies.

The Federal Crop Insurance Corporation has already written over 378,000 insurance contracts covering over 10,000,000 acres of the 1940 wheat crop. This includes largely winter wheat, and estimates indicate that a total of possibly 385,000 growers will use the "all risk" insurance as a means of insuring their 1940 wheat crops. The increased interest in wheat-crop insurance in the second year amply demonstrates the popularity of "all risk" insurance for that crop. It also gives some idea of how cotton-crop insurance would be accepted by cotton growers.

The plan for insuring cotton crops, developed in the Bureau of Agricultural Economics and outlined in House Document No. 277, Seventy-sixth Congress, first session, entitled "A Suggested Plan for Cotton-Crop Insurance," is comparable in most respects to the wheat-crop insurance program, except for certain differences due to the nature of the crops. The need for and applicability of such a program in a typical southeastern cotton area can be shown by further and more detailed analysis of cotton-yield data collected by the Bureau and used in the development of the suggested insurance plan.

The hazards that the cotton farmer must face in producing a crop of cotton are no less than those involved in producing wheat or any other major crop. Consequently the need for cotton-crop insurance, as reflected by crop failures or substantially reduced cotton yields from these unavoidable production hazards, is as pronounced as for other crops. It is true that widespread crop failures occur less frequently in most of the Cotton Belt than in the Great Plains. Losses that do occur are therefore less spectacular than the wheat-crop failures in 1934 and 1936.

The fact that severe damage to cotton crops such as that suffered by farmers in parts of Alabama and Mississippi in 1939 occurs infrequently is not an indication that insurance protection is not needed. This point can be illustrated by the experience with wheat-crop insurance. The demand for insurance on wheat crops has been just as pronounced east of the Mississippi River where crop failures are infrequent as in the Great Plains where crop failures are common. One reason for this is the fact that wheat yields are higher and premium rates are lower in the Eastern States, so that risks to be carried are smaller, and more protection against crop loss is available at a lower cost.

Similar demands for cotton-crop insurance will no doubt exist, because under the plan now being considered, a farmer does not have to lose his crop in order to be eligible for indemnification. He can get insurance coverage up to 75 percent of his average yield. If his average yield per acre during a representative period of years is 400 pounds, he could get insurance protection up to 300 pounds per acre. If his yield on a crop insured for 300 pounds per acre amounted to 200 pounds, he would be indemnified for 100 pounds per acre, or the difference between his yield and his coverage.

That this type of protection against crop losses from unavoidable causes would be highly desirable is illustrated by table 1 which shows the annual yields of a representative sample of farms in typical counties during the years 1933-38, inclusive, the percent of farms in this sample selected in each county on which losses would have been sustained each year under the 75-percent plan, and the estimated number of farms in each county to which this percentage would apply. These Alabama, Georgia, Mississippi, and Arkansas counties should be representative of an area where cotton yields are fairly stable. The estimated number of farms in each county on which losses would have occurred had this period been used as a basis for insurance represents the percentage of all farms in the sample on which yields each year fell below 75 percent of the 1933-38 average for the farm applied to the total number of farms in the county. This means that if 10 percent of the farms in the sample studies had losses in a given year, then about 10 percent of all farms in the county could be expected to have losses that year. The 6 years 1933-38 probably do not represent a period of sufficient length on which to base insurance. However, a study of yields during this period should give some idea of how yields fluctuate from farm to farm and county to county in a normal period of years.

TABLE 1.—Annual cotton yields of a representative sample of farms, by counties, showing the estimated number and percentage of all farms in each county that would have had losses under the 75-percent insurance plan during each of the years 1933 to 1938, inclusive

State and county	Year	Annual yield all sample farms		Farms having losses	
		Pounds	Percent of the 6-year average	Percent of farm in sample	Estimated number of farms in county
Alabama:					
Colbert County	1933	189	78.8	51.8	1,134
	1934	231	96.3	16.5	361
	1935	197	82.1	28.2	618
	1936	243	101.3	4.7	103
	1937	301	125.4	5.9	129
	1938	277	115.4	4.7	103
Jackson County	1933	285	93.4	20.5	986
	1934	287	94.1	13.3	640
	1935	270	88.5	27.7	1,332
	1936	317	103.9	7.2	346
	1937	343	112.5	2.4	115
	1938	326	106.9	14.5	697

TABLE 1.—Annual cotton yields of a representative sample of farms, by counties, showing the estimated number and percentage of all farms in each county that would have had losses under the 75-percent insurance plan during each of the years 1933 to 1938, inclusive—Continued

State and county	Year	Annual yield all sample farms		Farms having losses	
		Pounds	Percent of the 6-year average	Percent of farm in sample	Estimated number of farms in county
Alabama—Continued.					
Lauderdale County	1933	210	84.7	30.6	1,194
	1934	259	104.4	7.1	277
	1935	199	80.2	36.5	1,425
	1936	250	100.8	4.7	183
	1937	266	107.3	5.9	230
	1938	303	122.2	1.2	47
Lawrence County	1933	234	83.9	30.6	1,103
	1934	274	98.2	5.9	213
	1935	217	77.8	55.3	1,993
	1936	271	97.1	16.5	595
	1937	366	131.2	2.4	86
	1938	311	111.5	5.9	213
Limestone County	1933	256	96.2	20.0	717
	1934	283	106.4	1.2	43
	1935	213	80.1	36.5	1,303
	1936	208	78.2	42.4	1,520
	1937	296	111.3	1.2	43
	1938	337	126.7	1.2	43
Madison County	1933	218	83.2	31.2	1,371
	1934	261	99.6	7.5	330
	1935	219	83.6	30.0	1,318
	1936	247	94.3	15.0	659
	1937	320	122.1	5.0	220
	1938	309	117.9	6.2	272
Morgan County	1933	275	92.6	21.2	914
	1934	277	93.3	14.1	608
	1935	229	71.1	41.2	1,775
	1936	315	106.1	.7	30
	1937	364	122.6	1.2	52
	1938	324	109.1	7.1	306
Arkansas:					
Drew County	1933	193	62.5	29.4	564
	1934	184	78.6	55.3	1,061
	1935	204	87.2	23.5	451
	1936	238	101.7	10.6	203
	1937	326	139.3	5.9	113
	1938	261	111.5	18.8	361
Georgia:					
Mitchell County	1933	187	82.0	44.7	603
	1934	234	102.6	8.2	111
	1935	214	93.9	21.2	286
	1936	251	110.1	11.8	159
	1937	248	108.8	13.3	206
	1938	232	101.8	14.1	190
Sumter County	1933	210	97.7	20.0	229
	1934	208	96.7	14.1	162
	1935	215	100.0	14.1	162
	1936	220	102.3	18.8	215
	1937	239	111.2	14.1	162
	1938	196	91.2	34.1	391
Mississippi	1933	198	72.8	52.4	1,256
	1934	253	93.0	13.1	314
	1935	215	79.0	50.0	1,198
	1936	305	112.1	3.6	86
	1937	256	130.9	0	0
	1938	308	113.2	8.3	199
Marshall County	1933	176	77.9	44.7	933
	1934	227	100.4	17.6	367
	1935	161	71.2	62.4	1,303
	1936	218	96.5	22.4	468
	1937	259	114.6	4.7	98
	1938	317	140.3	5.9	123

It will be noted from the table that losses occurred each year in all of the 12 counties studied, except in Lee County, Miss., in 1937. The proportion of farms having yields below three-fourths of their average ranged from 62.4 percent, or 1,303 farms in Marshall County, Miss., in 1935, to none in Lee County, Miss., in 1937. During 1935, which was probably the most unfavorable year from 1933 to 1938 in this area, due to drought, over 36 percent, or 9,769 farms out of a total of 26,795 farms, in the seven Alabama counties studied, probably had yields low enough to justify a claim for indemnity under the 75-percent insurance plan. Nearly 56 percent of the 4,485 farms in Lee and Marshall Counties, Miss., would have had losses below three-fourths of their average yield during 1935.

A study of actual farm yields from year to year shows that losses in cotton yields occur every year in one place or another. Even in 1937, when cotton yields generally were the highest in history, 3.3 percent, or about 875, of the approximate 26,800 farms in the seven Alabama counties shown in table 1, had less than three-fourths of an average crop. In Mitchell and Sumter Counties, Ga., nearly 15 percent of all farms produced less than 75 percent of an average crop in 1937, in spite of the fact that the average yield in these counties was 10 percent above normal in 1937.

It is significant to note that these crop losses continue to occur each year, even though the average yield of all farms has generally shown an upward trend since 1933. For instance, the average

yield of the 12 counties shown in table 1 was about 30 percent higher in 1938 than it was in 1933, yet the 1938 yield on more than 8 percent of all farms studied in these counties was less than three-fourths of their 1933-38 average.

The number and percentage of all farms in the 12 selected counties on which yields were below three-fourths of the 1933-38 average during 1 or more of the years 1933-38 is shown in table 2. The advantages of having protection against crop losses through crop insurance are demonstrated by the fact that 47 percent of the farms in these counties had yields below three-fourths of their average in at least 1 year of the 6; 21 percent suffered such losses during 2 years of the 6; and 5 percent lost in 3 or more years. These percentages remained somewhat uniform from county to county, indicating that about the same percentage of farms in each county had losses 1 or more years. Individual farms are not identified in this table, and, as a consequence, a given farm having losses in 3 years may or may not be included in those having losses in 2 years or 1 year.

The fact that losses occurred during each year does not necessarily mean that premium rates for insurance based on past loss would be high, because many of the losses were small. It is true, however, that losses were most severe in the years when the most farms had losses.

TABLE 2.—Percentage of farms in a sample group in selected counties having yields during 1 or more of the 6 years 1933-38 which were below 75 percent of their 6-year average, and the estimated total number of farms in the counties having such losses in yields

State and county	Farms having yields below 75 percent of their average					
	1 year		2 years		3 years or more	
	Percent of farms in sample	Estimated number of farms in county	Percent of farms in sample	Estimated number of farms in county	Percent of farms in sample	Estimated number of farms in county
Alabama:						
Colbert	49.4	1,082	25.9	567	3.5	77
Jackson	41.0	1,972	16.9	813	3.6	173
Lauderdale	42.4	1,655	20.0	781	1.2	47
Lawrence	55.3	1,993	20.0	721	7.1	256
Limestone	52.9	1,896	22.4	803	1.2	43
Madison	42.5	1,868	16.2	712	6.2	273
Morgan	49.4	2,129	16.5	711	2.4	103
Arkansas:						
Drew	49.4	948	25.9	497	13.0	249
Georgia:						
Mitchell	58.8	793	18.8	254	5.9	79
Sumter	48.2	552	23.5	269	5.9	68
Mississippi:						
Lee	41.7	1,000	28.6	686	9.5	228
Marshall	37.6	785	40.0	835	11.8	246
Average	46.7	—	21.4	—	5.2	—

In 1933 nearly 31 percent of the farms in the 12 counties had yields below three-fourths of their average, as shown in table 3.

TABLE 3.—Percentage of farms having losses in yields and the average lint loss per "insured" acre under the 75-percent plan in selected counties by years, 1933 to 1938, inclusive¹

State and county	Percentage of farms having losses and average lint loss per acre by years, 1933-38, inclusive											
	1933		1934		1935		1936		1937		1938	
	Farms having losses	Average loss per insured acre	Farms having losses	Average loss per insured acre	Farms having losses	Average loss per insured acre	Farms having losses	Average loss per insured acre	Farms having losses	Average loss per insured acre	Farms having losses	Average loss per insured acre
Alabama:												
Colbert	52	21	17	4	28	9	5	1	6	1	5	1
Jackson	21	5	13	5	28	8	7	2	2	1	15	5
Lauderdale	31	14	7	1	37	9	5	3	6	1	1	0.3
Lawrence	31	16	6	1	55	24	17	4	2	4	6	2
Limestone	20	10	1	0.2	37	9	42	15	1	1	1	1
Madison	31	18	8	2	30	10	15	5	5	1	6	4
Morgan	21	5	14	4	41	16	1	2	1	3	7	4
Georgia:												
Mitchell	45	18	8	2	21	8	12	2	15	5	14	6
Sumter	20	5	14	5	14	5	19	6	14	2	34	6
Mississippi:												
Lee	52	24	13	3	50	13	4	1	0	0	8	2
Marshall	45	20	18	5	62	22	22	4	5	2	6	0.2
Arkansas: Drew	29	13	55	12	24	5	11	2	6	1	19	3

¹ A farm would have a loss when the yield in any year fell below 75 percent of the 6-year (1933-38) average yield for the farm. The average loss per insured acre is the total deficiency in yield below 75 percent of the average, divided by the acreage of farms in the sample.

Mr. HOPE. Mr. Chairman, I yield 10 minutes to the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Chairman, it is a rather singular thing that such a great innovation as crop insurance was never discussed on this floor at length before it was adopted. In 1937

However, few, if any, of these crop losses were complete crop failures because the average loss in 1933 on the sample farms studied amounted to about 14 pounds of lint per acre. While crop losses occurred on more than 60 percent of the farms in Marshall County, Miss., in 1935, the average loss per insured acre was only 22 pounds in that county in 1935. On the other hand, the average loss per insured acre in Lawrence County, Ala., during 1935 was 24 pounds, and losses occurred on 55 percent of the farms. The fact that crop losses are usually not extreme in this area indicates that premiums taken in would have exceeded losses paid out during 4 of the 6 years, 1933-38. During the 2 years when indemnities would have exceeded premiums more than one-third of all farms sustained losses justifying indemnification, and the county yields amounted, on the average, to about 80 percent of normal.

During the years 1933-38, losses occurred on about 10 percent of the sample farms in years when the crop equaled the 6-year average, and losses during such years amounted to about one-third of premiums paid in. In years when the crop was 75 percent of the 6-year average, losses about doubled the premiums and would have been paid on about 60 percent of the farms. Premiums and indemnities would probably have balanced in years when the crop amounted to about 85 percent of average, during which years indemnities would have been paid on about 25 percent of the farms.

These estimates probably would not prove accurate in any given year, because they are based on average conditions, assume for the county, as a whole, the same relationship between average yields and average losses per insured acre as for the sample farms, and do not reflect any adverse selection of risks. Furthermore, the years 1933-38, inclusive, probably do not represent a period of sufficient length to serve as the basis for a crop-insurance program. However, the estimates do illustrate the crop-insurance principle of building up in years of good crops when premiums exceed indemnities of reserves that could be used for payment of losses in years of poor crops when indemnities would exceed premiums.

The average premium rate per acre for insurance of 75 percent of the average yield for a farm, based on losses during a representative period of years, would amount to about 10 pounds of lint per acre in the Alabama counties listed, or the equivalent of about \$1 per acre at 10-cent cotton. This premium-rate figure would be higher than the average lint loss per acre during the 6 years, 1933-38, because it would include insurance coverage against average losses of cottonseed, as well as lint. The indemnities for losses would also be higher when indemnities for average loss in yield of cottonseed are included. However, the premium rate and the indemnity per acre would be increased by the same percentage in order to offer insurance against average losses in yields of cottonseed.

The average yield for these counties during the 6 years, 1933-38, was about 260 pounds, so that this premium rate would be for a coverage of about 195 pounds per acre. Thus, farmers would, on the average pay for this all-risk insurance, a premium amounting to a little more than 5 percent of the coverage.

These yield and premium-rate figures constitute a part of the actuarial basis for cotton-crop insurance developed by the Department of Agriculture from a study of cotton yields for the 6 years, 1933-38, on nearly 70,000 farms in over 900 cotton-growing counties. The Department's suggested plan for crop insurance with respect to cotton is based on this and other research conducted during the past several years.

and 1938 the Senate wrote the crop-insurance feature into the Agricultural Adjustment Act of 1938, and it came to the House in the form of a conference report. Very little discussion was had on the floor of the House when the conference report was brought up for consideration. There is one thing

sure, and that is that we regarded it as an experiment, and if you cherish any doubt on that subject, let me read you from page 1664 of the RECORD for the third session of the Seventy-fifth Congress the language of our good friend the gentleman from Mississippi [Mr. Doxey], a member of the House Committee on Agriculture:

We have further provided in this report, more in the nature of an experiment than anything else, crop insurance for wheat with a view of seeing how it is going to work. We realize that this is just an experiment.

Mr. Chairman, unless the data and unless the procedure under which this original experiment has been carried to a reasonable conclusion is established, I have some doubt as to whether it ought to be extended to another commodity. May I say that I am not opposed to insurance on crops as a principle, but I do say, and I think I can establish from the record, that it is still in the experimental stage.

When Mr. Leroy Smith, Director of the Federal Crop Insurance Corporation, appeared before the Subcommittee on Agriculture in December of last year, as we were preparing the data on the agricultural appropriation bill for 1941, the gentleman from Missouri [Mr. CANNON] made this observation:

Good insurance business at least provides premiums high enough to pay the total losses. Of course, in private industry it should pay the total losses and overhead and some little profit. You have from the business point of view had a bad business year for the Government. Do you attribute that to the fact that you have set the premiums too low or that the losses have been abnormally large?

Mr. Smith, Director of the Federal Crop Corporation, answered:

The losses have been abnormally large in the main wheat States.

This has been in operation for at least 1 year and the Director of the Insurance Corporation tells us that the losses have been abnormally large and that their actuarial data are not complete.

Let us go into the next crop year of 1940, and here is what Mr. Smith says:

The condition for wheat at the present time on account of weather conditions is as bad as it has been for a half century, some report, which, of course, indicates that probably we will have losses again for another year.

They have not definitely established the kind of actuarial data necessary to project this kind of a proposal or program into the field of some other agricultural commodity, and if you have any doubt on that score, we included for the Federal Crop Insurance Corporation an item of \$148,000 for research. It is carried here as an item of research and development in connection with the establishment of bases for crop insurance.

Let me read what the Federal Crop Insurance Corporation submitted to us by way of justification on this matter. I quote from their own report:

However, the act recognizes the need for crop insurance on other agricultural commodities and directed that this research be done. Good progress has been made in assembling data on cotton and the details worked out thus far indicate the desirability of continuing the study.

Mr. Chairman, that is not my language. That is the Federal Crop Insurance Corporation speaking. If there is a desirability of continuing the study for a while, why do we project the Congress, the people, and the Federal Treasury into an insurance program on another commodity when we have not yet established a completely sound basis for wheat, which was the only one we recognized for experimental purposes when the act was first set up? Mr. Smith, of the Crop Insurance Corporation, also indicates that there ought to be certain readjustments. Let me read you the following colloquy:

Mr. CANNON, chairman of the committee, asked:

Do you expect to raise your rates or do you expect to wait for a favorable year to recoup your losses?—

Referring, of course, to wheat; and Mr. Smith, Director of the Insurance Corporation, answered:

We should not make any adjustment in rates until our analysis of our own experience indicates the need for changes.

Then Mr. CANNON asked:

You say you should or you should not?

Mr. SMITH. We should not until our research into our own experience indicates the need.

Mr. Chairman, that means nothing more than that this whole matter is still on something of an experimental basis. I may say to my friends over here that I think the weakness of this bill coming on for consideration at this time is not that the insurance principle is bad but, rather, that we ought to have at least another year or perhaps 2 years in order to make certain that we are not making a mistake. Suppose we are proceeding on the wrong premise, and suppose we go on for awhile, and there is no adjustment in this rate structure; if we make an identical mistake on another commodity that involves as much money and as much acreage as cotton, it would be unfair to the taxpayers of the country, and it would be unfair to the Congress of the United States to be put in that position. They were asking this year for an administrative appropriation of a little over \$5,400,000. They sustained the losses last year on the ground it was an abnormal crop year. Now, Mr. Smith, the director says that the conditions for wheat are as bad in 1940, and there will be additional losses. There may have to be a readjustment in rates. They may have to recast this whole schedule. Then why not wait a year or two? I think that is the weakness of the bill before us at the present time.

Mr. PACE. Will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from Georgia.

Mr. PACE. Does the gentleman feel that we would have any better test as to other commodities when we confine it to only one that is not general all over the Nation?

Mr. DIRKSEN. The gentleman will agree that all of the things that have been evolved thus far are more or less speculative, and we do not know whether they will work out in practice that way or not, for the good reason that we approached it on this one commodity, wheat, and as a result we took a loss in the first year, we will take a loss the second year, and probably have to recast the basic structure. That is the answer. I have no objection to the principle of crop insurance, but I do say we can make a terrible mistake, so why not wait until we have some more experience on wheat?

Mr. WHITTINGTON. Will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. Is it not true that under this bill the program will not go into effect until 1941 so far as cotton is concerned, and we will then have additional experience?

Mr. DIRKSEN. Why not wait until we have the experience first, so that we may be able to determine what the situation is?

Mr. WHITTINGTON. I think we can be perfecting the machinery and making arrangements in the meantime.

Mr. DIRKSEN. May I say to the gentleman from Mississippi that once the determination is made and we are absolutely certain about the statistical data and the actuarial matter, instead of coming in here with a bill in which you define agricultural commodities as being restricted to wheat and cotton, you should bring us a bill including rice, corn, and the other basic farm commodities. It was stated here yesterday that there would be no objection to adding corn, but, frankly, I am not anxious that corn be added until we can be sure that we are not making a mistake.

Mr. FULMER. Will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from South Carolina.

Mr. FULMER. May I say to the gentleman that when we had this bill up the only reason that cotton was not put in was because the Department of Agriculture said it did not have the facts and the statistics but stated it would make an investigation and submit it to the Congress. The conferees then understood it would come in, and they have submitted complete information about cotton. May I say to the gentleman that it would work on cotton much better than wheat if it would work at all. Now we come in, as understood, with cotton. I may say that it may take 2 or 3 years or 5 years,

but every old-line insurance company and every private company has taken anywhere from 2 to 5 years to work out a fair program.

[Here the gavel fell.]

Mr. HOPE. Mr. Chairman, I yield 2 additional minutes to the gentleman from Illinois.

Mr. DIRKSEN. Let me answer that observation. I believe everybody in the Congress understood at the time that we were taking wheat for experimental purposes. Whatever actuarial data was available from the private companies certainly was not sufficient as far as the Government was concerned, because their whole experience was rather tragic and disastrous. The only way the Government could approach it would be to take at least one commodity and try it, so we simply crossed our fingers and decided that if there was a loss, all well and good; we at least would document some data on the subject and know which way to move. It cannot be contended that it is still not in the experimental stage, because the manager of the Federal Crop Insurance Corporation indicated as much before the Subcommittee on Agricultural Appropriations.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. The capital stock is \$20,000,000?

Mr. DIRKSEN. Yes.

Mr. AUGUST H. ANDRESEN. If the crop materializes as indicated by the manager, Mr. Smith, and we have a poor crop this year, and the entire capital stock is wiped out, does the gentleman believe the Committee on Appropriations will provide additional capital for the Corporation to continue in 1941?

Mr. DIRKSEN. I will answer that in the light of the past by saying that when the Commodity Credit Corporation had the same difficulty we followed the provision in the law whereby it was mandatory for the Secretary of the Treasury to make the report to the Congress, and then we had to repair the capital stock to the extent of over \$100,000,000.

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

Mr. DIRKSEN. I yield to the gentleman from Kentucky.

Mr. MAY. As I understand this bill, it merely amends certain sections of the Federal Crop Insurance Act and extends the provisions of that act to additional crops.

Mr. DIRKSEN. To one additional crop.

Mr. MAY. What is the other?

Mr. DIRKSEN. Cotton.

Mr. MAY. It was wheat, and now it includes both wheat and cotton?

Mr. DIRKSEN. That is right.

Mr. MAY. If there are going to be any crops included, why not include all crops?

Mr. DIRKSEN. I have just raised that question. Why include any crop until we are sure we are on good ground? Let us be satisfied for another year, or perhaps 2 years, before we go any further. [Applause.]

[Here the gavel fell.]

Mr. FULMER. Mr. Chairman, I yield 7 minutes to the gentleman from Washington [Mr. LEAVY].

Mr. LEAVY. Mr. Chairman, I happen to be on the same subcommittee with the able, distinguished, and industrious gentleman who just preceded me, the gentleman from Illinois [Mr. DIRKSEN]. I have the highest regard for his good judgment and for his industry, and likewise his conclusions when he can entirely free himself from that which shows a partisan element or bias.

We had this matter of crop insurance before us last year in connection with making the initial appropriation at the commencement of this program, and while I do not recall, and perhaps it would be improper for me to say if I did, just where the gentleman stood on it in the subcommittee. I know that when it went into the main committee a fight again was made against it, and it carried by only one vote. I know the CONGRESSIONAL RECORD will show that when we came on the floor of the House with it in the appropriations

the fight was bitter against it on the ground that we were embarking upon an experiment that was so new and so strange that it was an unsafe and an unwise thing to do. However, we voted the money—\$20,000,000 of capital stock for this corporation and \$5,000,000 for administrative costs.

The insurance plan has been in operation 1 year. It affects my district, because I am from one of the great wheat-growing sections. The bill before us, however, does not in the slightest, and could not under the wildest stretch of the imagination, ever apply to any crop of cotton that will be grown in my district, because we are beyond the limits where cotton can be produced. I certainly would not support this bill if I thought it jeopardized the best interest of my own constituents, the wheat growers. However, 1 year's experiment has demonstrated, as I draw conclusions from facts, that it is a workable program and a desirable program and that it ought to be expanded as rapidly as possible to both cotton and corn, at least, as the program is based so largely on a nonperishable crop. It may be that they can later work out mechanics that will fit a perishable crop, but wheat, corn, and cotton fit into this program almost perfectly.

The losses last year were nearly 2,000,000 bushels of wheat, in round numbers. The premiums are collected in wheat—that is, the premiums are paid in kind and the losses are paid in kind, unless the insured elects otherwise. Last year the farmers paid something over 7,000,000 bushels in premiums and the Government paid back 9,000,000 bushels in losses.

Of course, it was not profitable. First, it was never intended to be a profit-making institution; but, second, look at this fact, and this ought to be a very controlling fact. The United States wheat crop last year was only 90 percent of the normal crop over the base period of 8 years. In the great wheat-producing States of North Dakota, South Dakota, Kansas, Nebraska, Oklahoma, and the western part of Texas the wheat crop was only a 75-percent crop over the same base period, consequently losses were unusually high. This program at least brought relief to the extent of 75 percent of a normal crop to thousands of American farmers who were insured in this first year who otherwise would have been reduced to the unhappy and unfortunate situation of being relief clients.

Mr. MURDOCK of Arizona. Does the gentleman know of any other program of greater self-help for farmers? Does he know of any other means whereby they can bear one another's burdens better than through this plan?

Mr. LEAVY. My capable colleague from Arizona has stated the matter perfectly.

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

Mr. LEAVY. I want to finish my statement first, if I may.

Crop insurance has a tendency, if carried to its ultimate conclusion, to stabilize crop production of major crops. It has a tendency, and one that is desirable, of taking marginal and submarginal lands out of production. Those lands that cannot economically be farmed in wheat or cotton or in corn would naturally be taken out of production, because there the premium charge would be so much higher than it is in a region of certain production and of high acreage yield.

Now, let us come to the question of whether we are infringing upon the private insurance companies. That has been debated upon the floor here before. In the first place, let me say this is not in any sense a profit-making institution; not so intended or designed. The law itself provides that administrative costs shall be paid out of the Federal Treasury. There is no question about that. But it is an undertaking to insure to the farmer who is engaged in a business for a livelihood that is the most hazardous of all the businesses in the Nation, and that is producing a farm crop. Being taken on a Nation-wide basis this program can be made, if we have adopted the proper premium rate, an absolutely workable program.

Now, opponents say, "Let us wait another year and then put cotton into this program." In the first place, as has

been indicated here, the cotton crop will not come in until 1941. If this bill is passed cotton will not be affected until next year; then, let me say further, the factors and conditions surrounding cotton production in so many of their features are entirely different from those surrounding wheat production. The same argument that was made a year ago against wheat production is now being made against cotton production. If we had refused to act in reference to wheat, we, of course, would have no wheat program today. As a result we have such valuable experience that this year there was no opposition to continuing the wheat program. There is only one way to secure experience in a new field, and that is to enter into such field.

I am willing to concede to my friend from Illinois [Mr. DIRKSEN], and to anyone else, that if the premium base is unsound we should change it, but last year's experience in wheat does not indicate that at all, in the light of the unusual natural conditions that then prevailed.

[Here the gavel fell.]

Mr. HOPE. Mr. Chairman, I yield the gentleman 1 minute.

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

Mr. LEAVY. I yield.

Mr. DIRKSEN. I just want to make sure the RECORD is kept straight. I recall no effort to strike crop insurance from the appropriation bill either in subcommittee or in the full committee. Maybe an effort was made to reduce the administrative amount somewhat, because some of the Members thought perhaps the amount was too high, but no effort was made to destroy the crop-insurance item in the appropriation bill.

Mr. LEAVY. In the first appropriation bill?

Mr. DIRKSEN. No; in the appropriation bill of this year.

Mr. LEAVY. Oh, no; there was no effort made this year; I expressly referred to last year.

Mr. DIRKSEN. And the other thing is that as early as 1938 the Secretary of Agriculture sent a letter to the Senate recommending crop insurance on fruits and vegetables. Now, if you are going to include cotton, let us go the whole hog and include them all.

Mr. LEAVY. I think ultimately we should do that, as we prove the ground as time goes on. I desire to say that the Republican Party, as well as the Democratic Party, in their platform of 1936, promised the American farmers crop insurance. [Applause.]

Mr. DIRKSEN. We do not quarrel with that, either.

[Here the gavel fell.]

Mr. HOPE. Mr. Chairman, I yield 5 minutes to the gentleman from Nebraska [Mr. COFFEE].

Mr. COFFEE of Nebraska. Mr. Chairman, it is with reluctance that I take the floor in opposition to this bill because of the interest of my very good friends from the South in its adoption.

I feel that this crop-insurance program should continue on wheat alone for a few years longer in order to justify the experiment before it becomes too much involved. I know that unless it can make a good showing in the future the Appropriations Committee will refuse to make the necessary appropriations and the crop-insurance program will cease to exist. This danger becomes more imminent when you add cotton to the present insurance program.

These facts should be borne in mind. In the first year 70,000,000 bushels of wheat were insured. The premiums collected amounted to 7,000,000 bushels of wheat, and the total losses were 9,300,000 bushels of wheat. This statement alone indicates that it would require 30 percent increase in the premiums to offset the total loss the first year of its operation. This, of course, would not be justified on the basis of only 1 year's experience.

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

Mr. COFFEE of Nebraska. I yield.

Mr. COLMER. I am sure that my distinguished friend from Nebraska is very broad-minded and unselfish. He favors this insurance upon wheat, does he not?

Mr. COFFEE of Nebraska. I do. I want to see the program made as nearly self-sustaining as possible.

Mr. COLMER. The gentleman would not want to see it removed from wheat?

Mr. COFFEE of Nebraska. I would not until we can see whether or not it is going to be a feasible and a workable program.

Mr. COLMER. I understand that, and, as I understand, the gentleman does support it. Does not the gentleman think, in all fairness, he ought to give another basic commodity, like cotton, an opportunity to come under this program?

Mr. COFFEE of Nebraska. I am trying to indicate why I think it is not advisable now. If you will bear with me a few minutes, I think I can give you my views. It cost \$4,800,000 in administrative costs the first year to collect 7,000,000 bushels of wheat in premiums, which, at that time, was worth approximately \$3,500,000.

Is there any insurance program that is sound that would necessitate an overhead expense of \$4,800,000 to collect \$3,500,000 in premiums? I am not condemning the wheat program because that is only 1 year's experience. Let us give the crop-insurance program a chance to operate and see whether or not it can be made to operate on a sound basis. If it cannot, naturally it will be discontinued. In case it can be placed on a sound basis, the officials who are pioneering the field should have a chance to work this out. Then, after the program can be shown to be feasible on wheat, other commodities might logically be considered. If cotton is included now, you may be assured there will be a demand soon to include fruits and vegetables and every other commodity. Congress has appropriated \$20,000,000 capital for the Federal Crop Insurance Corporation. That may be sufficient to take care of the experimental stages in this wheat program during the next few years. With wheat out on a raft in deep water, to pile cotton on it, too, may sink the whole program. If you add these other commodities at this time, you will jeopardize the possibility of carrying out this experiment in insurance on wheat.

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

Mr. HOPE. Mr. Chairman, I yield the gentleman 2 minutes more.

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

Mr. COFFEE of Nebraska. Yes.

Mr. LEAVY. The gentleman made the statement that it cost \$5,000,000 to administer the first year.

Mr. COFFEE of Nebraska. Four million eight hundred thousand dollars.

Mr. LEAVY. Which is correct; but for the next year the same sum of money is appropriated to administer three times as many policies, covering more than three times the acreage and more than three times the production.

Mr. COFFEE of Nebraska. How do you account for such a heavy overhead expense?

Mr. LEAVY. Because they were setting up the agency last year and they needed hundreds of people to set it up, just like every insurance business does in the beginning.

Mr. COFFEE of Nebraska. For the fiscal year 1940, there was appropriated \$5,423,000 with an additional \$500,000 of unexpended balance, to cover the administrative expense. For the fiscal year 1941 we have provided \$5,423,000 together with not to exceed \$100,000 of unexpended balance. How are we going to carry out and find a true picture of this crop-insurance program unless you let that program run for a few years on wheat to demonstrate its feasibility?

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

Mr. COFFEE of Nebraska. Yes.

Mr. PACE. Does the gentleman think that you can do that when you have a crop that is representative of only one part of the Nation, when the conditions are different as to productivity?

Mr. COFFEE of Nebraska. Wheat is raised in most of the States in the Nation. There are about 30 States represented in the wheat-insurance program.

Mr. PACE. What about the other 18?

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

Mr. FULMER. Mr. Chairman, I yield 7 minutes to the gentleman from North Carolina [Mr. COOLEY].

Mr. COOLEY. Mr. Chairman, according to the record I hold in my hand there were only 202 policyholders in the entire State of North Carolina under the wheat-insurance program for 1939. In the State of Nebraska, the home State of my esteemed and distinguished friend, the gentleman from Nebraska [Mr. COFFEE], there were 56,874 policyholders. On 1,258,643 acres of Nebraska land 13,114,000 bushels of wheat were insured. In Tazewell County, the home county of the distinguished gentleman from Illinois [Mr. DIRKSEN], in 1939 there were 436 policyholders and in 1940, 826. I am advised that in his congressional district the policyholders have more than doubled for 1940.

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

Mr. COOLEY. Yes.

Mr. MAY. I suppose the gentleman wants to make a vote for this bill if he can. I know very little about it, because I have not had any opportunity to give it consideration. I would like to have a brief explanation of the theory of the program, whether it is taking wheat out of production or insuring against failure of crop.

Mr. COOLEY. It would be difficult for me to explain the mechanics of the bill in the brief time at my disposal.

Mr. COFFEE of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I will.

Mr. COFFEE of Nebraska. Does not the gentleman think that the program as far as wheat is concerned will be jeopardized, in view of the \$20,000,000 capital structure, in the event we add other commodities to this crop-insurance program?

Mr. COOLEY. No; I do not share the gentleman's fear in that regard. In pointing out the fact that the gentleman has 56,000 policyholders in his State, where I have only 202 in my State, I just want it understood that I do not have a great deal of personal interest in this wheat program. With regard to cotton, I live in a State that processes approximately 2,000,000 bales of cotton annually, and we produce approximately 300,000 bales. So the program does not mean a great deal to the State of North Carolina, but I do believe it means a lot to the cotton and wheat farmers of the Nation.

I am frank to admit that this program is still in an experimental stage. I do not believe anyone will contend that it is not. Evidence before the committee indicated that it would perhaps require 5 or 6 years to satisfactorily conduct this experiment. We all know that but for the failure of the Department of Agriculture to furnish us with the proper data at that time, cotton would have been included in this experiment. I do not believe the cotton farmers of the Nation should be held up for 5 or 6 years pending the determination of the successful operation of the experiment on wheat. It may be that we are losing money. Certainly we expected to lose money. We have no right to complain about or even mention the administrative costs, as I see it, because we knew we were putting on the Government the burden of the administrative cost.

Now, suppose we have lost money in the drought-stricken areas of the wheat section of this country, which, of course, includes the State from which my good friend the gentleman from Nebraska [Mr. COFFEE] comes, and the distinguished minority member of the committee. Suppose we have lost money there. It has gone into the hands of distressed farmers who would, in all probability, have been forced upon the relief rolls. If we are furnishing relief in that way to the farmers of the country and at the same time conducting an experiment which may prove to be of tremendous value to American agriculture, then I do not think it is a bad program.

I wish I had time to discuss the machinery of this Crop Insurance Corporation. Never before in the history of America has such an experiment been undertaken. No private insurance company would have the resources or the courage to undertake such a program as this. I will say to the gentleman from Connecticut [Mr. MILLER] that it is a fact that his insurance companies do a large business down in the tobacco section in writing hail insurance for tobacco. I do not have

any reason to want to invade the field which is adequately covered by private insurance companies of America, but in the tobacco section we pay a tremendous premium for hail insurance. All-risk insurance is unknown to the tobacco farmers of America.

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

Mr. COOLEY. I yield.

Mr. MILLER. I suppose the gentleman knows there is no insurance company in the United States that has ever made a dollar on hail insurance, even though the rates are high?

Mr. COOLEY. Well, I did not know that. I will accept the gentleman's statement. That shows clearly the necessity for the experiment which will enable either private corporations or some public corporation to furnish insurance to the farmers of the Nation.

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

Mr. COOLEY. I am delighted to yield to the gentleman from Kentucky.

Mr. MAY. I grew up on a farm and I am always in sympathy with farmers' programs and have a great deal of confidence in the distinguished membership of this House which comes from the Cotton Belt, and usually follow them when they have a bill like this; but I think we ought to get the gentleman from Nebraska [Mr. COFFEE], who represents a real wheat-producing State, right in the RECORD. His argument was that we should not spread the program to any other product on account of the matter of finances until we made a test of it. That was the sum and substance of what he said. Is that not right?

Mr. COOLEY. I think that is right.

Mr. MAY. The gentleman from Nebraska was not opposing the program as it is, but wanted to experiment a little further on one crop, wheat?

Mr. COOLEY. I think that the gentleman from Kentucky clearly states the position of the gentleman from Nebraska. I understand that the gentleman from Nebraska does not want to repeal the law which makes possible crop insurance for wheat, but he feels that we should wait until the success of the program has been more definitely determined.

I have known the gentleman from Nebraska, HARRY B. COFFEE, intimately and well since 1934, when we both first came to Congress. I know that he is not selfish, and I would not for one minute leave the impression that he is unwilling to accord to other sections of the country the same relief which he is willing for his own State and constituents to receive and enjoy. He may be correct in the position he has taken in suggesting that the crop-insurance program should not embrace cotton or other commodities until the complete success of the experiment has been determined. I shall not even argue that point with him; but my recollection is quite clear and definite that our committee, of which he is an able and distinguished member, knew at the time we reported the crop-insurance bill that a request would be made for cotton to be included just as soon as the data on cotton was made available by the Department of Agriculture, which at the time we reported the bill, was engaged in making the necessary survey and collecting the necessary information. We also knew that the success of the experiment could not be determined by 1 year's operations. I am sure that no member of the committee is taken by surprise at the suggestion that cotton now be included in the crop-insurance program.

I am sure my friend from Nebraska is most vitally concerned about the cost of crop insurance, as he is and always has been concerned about extraordinary expenditures of Federal funds. This experiment will, of course, be costly; but in view of the fact that it has been undertaken and is greatly needed, and especially in view of the fact that it is an experiment which only the Government can afford to undertake, I feel that we are thoroughly justified in insisting upon the program being extended to cotton, a crop which is grown in a different section of the country from that in which wheat is produced. As pointed out by another distinguished member of our committee, the gentleman from Georgia [Mr. PACE], by including the two crops the Corporation will be able to conduct an experiment by large-scale operations in different

sections of the country upon two of our major crops, and in a few years it may be possible to put the crop-insurance program on a self-sustaining basis.

I hope that we may at the earliest possible date be able to extend the benefits of all-risk crop insurance to the tobacco growers of the country. I intend to introduce a bill at this session of Congress, the purpose of which is to include tobacco in the crop-insurance program. I know that the Corporation is not in a position at this time to undertake a crop-insurance program for tobacco, but I indulge the hope that sufficient information may be collected at some time in the near future which will justify extending the benefits of crop insurance to those who are engaged in producing one of our principal export and surplus farm commodities.

I am tremendously interested in the success of the experiment. I hope that the bill under consideration will be approved, that cotton will be included, and that the operations of the Corporation will be so successful that we may at a later date be justified in extending benefits of the program to the producers of other farm commodities. [Applause.]

[Here the gavel fell.]

Mr. HOPE. Mr. Chairman, I yield 5 minutes to the gentleman from Wisconsin [Mr. MURRAY].

Mr. MURRAY. Mr. Chairman, I am not opposed to this bill because it is for cotton. I am not, necessarily, opposed to any sound insurance plan. I am opposed to this bill in general, at this time, because the people of this country do not want to put the Federal Government further into the insurance business, or any other business.

In addition: (1) The wheat-insurance plan has not been in effect long enough to give a reliable yardstick. If the present information that is available about wheat insurance is to be used as a yardstick, I am sure we should hesitate before we go further into the insurance business; (2) there is no justification for insuring only a few basic crops that have already had millions upon millions of dollars that have not been given to the other important crops of our country. All agricultural products should be included or we should vote down this kind of legislation. Kick the camel out of the tent, or lead him out and turn him loose; (3) many New Deal projects are being and will be liquidated at 30 to 40 percent on the dollar. Why not ask for evidence of some successful projects before we go out on a limb with a new program of federal insurance?

The people of this country are not asking for any new schemes for spending their money. They are getting more insistent every day for programs of common sense in all governmental activities. [Applause.]

Mr. HOPE. Mr. Chairman, I yield 5 minutes to the gentleman from North Dakota [Mr. LEMKE].

Mr. LEMKE. Mr. Chairman, I wish to say to the Members of this House that we always get excited over nonessentials. This bill is not going to remedy the farmers' difficulties. As a matter of fact, I do not care what kind of legislation you pass, until the Members of this House have sufficient intelligence and courage to give to the farmers of this Nation cost of production, agriculture will be a failure and so will all this class of legislation.

I wish to state further that in all this discussion there is nothing Republican or Democratic about this bill. Surely agriculture is not Democratic or Republican. I asked a gentleman on my side of the aisle just a minute ago whether he did not believe that sauce for the gander was sauce for the goose, whether sauce for the wheat farmer was not sauce for the cotton farmer. He answered that it depended upon whether the goose was Republican or Democratic. I am in hopes that Members on both sides of the aisle will get together and that we may have a nonpartisan wedding of the goose and the gander and give the same treatment to cotton that we have asked and received for wheat.

This bill does not mean very much in the solution of the agricultural problem. I want to say to my friend the gentleman from Kentucky [Mr. MAY]—and I shall be glad to yield to him in a minute—that I would prefer to have him come up and sign petitions Nos. 5 and 6 and do something real for

the American farmers. Then we will not need all this fool stuff—this make-believe legislation.

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

Mr. LEMKE. I yield.

Mr. MAY. I would like to leave the petitions where they are until we take care of these cotton farmers and wheat farmers. I merely want to say to the gentleman that over in my district both Republicans and Democrats eat wheat and wear cotton clothes, and even those who do not belong to either party do likewise.

Mr. LEMKE. I would like to say further that the eating of wheat and the wearing of clothes made of cotton the farmer produces is nonpartisan.

I am told that it takes one man an hour to produce a pound of cotton, and he gets about 8 cents a pound when he sells it. In other words, the producer gets 8 cents an hour for his work. Eight cents an hour with which to feed and clothe himself and his family and pay his landlord. I feel that when Congress permits such a condition to exist it is guilty of criminal neglect.

No matter how much insurance you provide, you cannot save that situation by putting him in the hole to the extent of the cost of his premium on the insurance. He is already sinking. To my wheat-growing farmers may I say that the same thing is true, that no insurance plan is going to solve the problem so long as the wheat farmer does not get cost of production. Although I am for this bill because it is fair, it is just, if you give this insurance to the wheat farmer you ought to give it to the cotton farmer. Yet I do not have faith that it will solve the basic problem. Let us consider this proposition for a few minutes.

The farmers have been feeding and clothing the people of this Nation. It seems to me the time has come when we should quit making a fuss about experiments. You have experimented—both parties—with the farmer until he is sick and tired of it. He wants the real thing now. I am sorry we have only 121 signatures on the cost-of-production petition, but I am sure before this week is out we shall have more—at least, we ought to. I am sure that the 435 Members of this House will have the good nature and good sense to give us an opportunity to bring the cost-of-production and Frazier-Lemke refinance bills up for consideration by signing petitions Nos. 5 and 6. Now, let us do the sensible thing and then we can take care of these side issues, because, after all, this is just a side issue. I am for it because it is no more of a side issue than the insurance on wheat.

Let me call attention to the suggestions made by the gentleman from Illinois [Mr. DIRKSEN] that the officers of the Wheat Insurance Division in the Department of Agriculture who testified before the committee certainly showed that under the wheat program wonderful progress has been made, more progress than has been made in any other division with which the Department of Agriculture has had anything to do.

In conclusion permit me to state there is no reasonable excuse why we should not give the same treatment to cotton that we give to wheat, but we will have done nothing worth while for either cotton or wheat when we do it. Now let me touch the wheat insurance for a minute.

In my State they insure wheat to about 6 bushels an acre. The premium is about 2 bushels an acre, and the poor farmer has to live on the other 4. The premium may even have to be increased. I repeat, therefore, the insurance program cannot solve the agricultural problem. The thing we should do—and I cannot see why we do not get down to earth and tackle the problem basically—is to assure the farmers of cost of production.

There is no question but that thousands of farmers have lost their homes because of the low prices they receive for their commodities, and there is no question but what there ought to be some insurance against that. Some of my friends say, "But that is an experiment; it is too risky for the Government of the United States to go into and help out." All the Government of the United States is asked to furnish is the machinery. The farmers furnish the risk. In closing, let me ask: If crop insurance is too risky for the Government

of the United States, is not farming too risky for the farmers of the United States? [Applause.]

[Here the gavel fell.]

Mr. FULMER. Mr. Chairman, I yield myself the balance of the time on this side.

Mr. Chairman and Members of the Committee, on yesterday it appears that about two-thirds of the time on the rule was used in talking about politics. I want to state frankly that this bill does not have anything to do with whether or not Mr. Roosevelt will offer for a third term or whether or not the Republican Party will be successful next November.

I believe that if you will give me your careful attention I shall be able to prove to you that we have a good, sound, constructive proposition.

The purpose of this bill, H. R. 6972, is to amend the Crop Insurance Act so as to include cotton.

In 1938 a bill introduced in the Senate by Senator Pope was attached to the 1938 agricultural adjustment bill creating a Crop Insurance Corporation, authorizing \$100,000,000 as capital stock.

This bill was considered in conference between the two Houses, and the only reason that cotton was not placed in the bill at that time was because the Secretary of Agriculture stated that it would be impossible to put a cotton-insurance program into operation for the reason that he did not have sufficient information, statistics, and so forth.

However, it was definitely understood at that time that cotton would be taken care of later, and the Secretary was authorized to make an investigation and report his findings to the Congress.

This information was submitted to the Congress in May 1939 and is contained in House Document 277.

All-risk crop insurance makes available to the wheat and cotton grower an economic device whereby he can meet the cost of crop failure in advance and on the installment plan. This means more security for the grower, and it will reduce the need for governmental expense in the form of relief. It will do much to prevent the economic and social losses which follow crop failure, such as foreclosures of farms and increased absentee ownership and tenancy. It will aid soil conservation by assuring the grower that he will reap the rewards of better farming methods and by assuring him of income to finance conservation work. It will help farmers to plan ahead with greater certainty and to gamble less with the weather. All of this will mean, in turn, greater security and, consequently, greater stability for every rural community dependent on wheat and cotton income.

In 1939 the appropriation for the administration of the Corporation was five and one-half million, of which they used \$4,800,000.

During the first year of the administration of the wheat program 166,000 farmers applied for insurance, and, according to the information that we have from the Department, they have 378,519 applications for 1940, or an increase of over 200 percent.

I note that the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN], also the gentleman from Nebraska [Mr. COFFEE], are objecting to this bill solely on the ground that we have not had a sufficient try-out on wheat, and it appears that they would be highly pleased if we would permit the wheat program to continue, perhaps 2, 3, or 5 years, and then, after we have found out that a satisfactory and proper premium rate could be worked out, perhaps, if they were still in Congress, they would then permit cotton to come in.

I am surprised at their attitude for the reason, in Minnesota, if you will compare the applications for insurance in 1939 with 1940, you will find that they have about a 400-percent increase—totaling for 1940, 21,270.

In the State of Nebraska in 1939 they insured 12,841 farmers. However, in 1940 we have insured 56,874. This would clearly indicate that it must be a very satisfactory program, and just why these gentlemen are perfectly willing to hold on to wheat insurance and are doing everything possible to prevent cotton farmers from coming in on an equal basis is beyond my comprehension.

Naturally, this being the first opportunity on the part of the Government to carry out an insurance program on any crop, it would be impossible to be absolutely correct in fixing premium rates.

It will be stated by some Members, no doubt, that wheat insurance was not a success in 1939, in that while the Corporation received about 7,000,000 bushels of wheat in payment of premiums, the Corporation had to pay out to farmers for losses because of destruction to the wheat crop around nine and one-half million bushels—two and one-half million bushels more than the Corporation received in the way of premiums.

If you will average this wheat at \$1 per bushel, it would be very apparent that the Corporation had a loss of about two and one-half million dollars in its first year's operation. The actual amount, however, was less than \$2,000,000 in actual cash.

In the hearings held on this bill, page 19, you will find that Mr. Johnson, representing the Department of Agriculture, stated, in referring to certain mutual companies, that they lost, including the expense of administration, during their first year's operation, \$7.78 for every dollar received.

Now, let us compare this with the showing made by the Insurance Corporation during its first year.

As stated, they received 7,000,000 bushels of wheat as premium payments. At \$1 per bushel, this would amount to \$7,000,000. We find that they paid out nine and one-half million bushels, or, at the same price, nine and one-half million dollars. This would indicate a net loss of \$2,500,000, or a loss of 36 cents for every dollar received; or, if you will take into consideration the expense of administration, \$4,800,000, the loss would be two dollars for every one received.

Now, compare this loss with the mutual companies' losses of \$7.78, and you will agree that this Federal insurance program was much more successful than the private companies.

This makes a very successful showing for the administration of the act, especially in that it is a known fact that a large number of applications during the first year came from that section of the wheat country where they have frequent disastrous losses because of drought, and so forth.

I contend that this is purely a business proposition.

Suppose the Government has some losses during the first 3, 4, or 5 years, until the program could be put on a sound basis. The losses will not compare with the amount of money that we are spending for relief and in the way of grants to farmers because of the loss of their crops for various reasons.

According to the information that I have here in a document issued by the Department of Agriculture, we have spent \$615,000,000 for this type of relief during the past 10 years, or sixty-one and one-half millions annually.

I imagine there are Members who, rather than vote for this bill, would prefer to go on spending millions in the way of relief, instead of actually doing a good, sound, common-sense thing by passing this bill so as to be able to eliminate that large class of farmers who annually, because of drought, flood, or for some other reason, have suffered the loss of their crops and are forced on W. P. A. or on relief rolls.

Now, here is the trouble about giving relief under such circumstances to farmers: The relief money is used to maintain themselves and their families. They do not get a sufficient amount to pay any of their taxes, interest on their loans, or any of their obligations. Therefore, because farmers are not properly protected, it is the one thing that is bringing about tax delinquency, increasing tenancy, and increasing unemployment.

Let us take a concrete case. Suppose a farmer who usually produces 100 bales of cotton is covered under this program for three-fourths the value of that cotton and cottonseed. Suppose cotton is selling for 10 cents per pound; 100 bales would mean \$5,000. Should this farmer have a total loss, without insurance, there is nothing coming to him except whatever relief or money in the way of grants that he can secure—and it is secured at the expense of the taxpayers of this country.

However, under the insurance bill, he would receive three-fourths of that \$5,000, which would amount to \$3,750, besides

the amount of three-fourths the value of the cottonseed, which would enable him to pay these obligations, or practically so; and you would have thousands of farmers off the relief rolls and thousands of farmers continuing to own their lands.

Some days ago Mr. Goss, who has been connected with the Farm Credit Administration, stated before our committee that one reason why the Farm Credit Administration had closed out 100,000 farmers since 1933 was because of the price received by farmers.

Now, he was really speaking of farmers who produced a normal crop, and certainly if that is true, what about thousands of farmers who annually lose half of their crops or all of their crops; because of some disaster for which they are not at all responsible?

I want to quote you a paragraph from a letter received from Secretary Wallace, which should clearly indicate to you just what I am talking about.

I quote:

In the States of Alabama, Arkansas, Georgia, Louisiana, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, and Texas the Farm Security Administration expects to advance loan funds for this fiscal year in the amount of \$40,974,947 and to extend grants in the amount of \$9,400,000.

Now, remember, these funds are coming from the Farm Security Administration in addition to the millions that we are spending in the way of W. P. A. work and relief.

THE 1939 GRANTS

In 1939 the Rural Rehabilitation Agency made grants to 118,220 farmers in 11 Southern States amounting to \$3,549,000.

I am placing in the RECORD at this point a list of these States, the number of farmers, and the amounts of the grants made in each State.

Grants made in Southern States in 1939

States	Rural rehabilitation grants by Farm Security Administration	
	Grants	Amount
<i>Number</i>		
Alabama	15,920	\$667,000
Arkansas	11,480	257,000
Florida	3,370	101,000
Georgia	8,510	300,000
Louisiana	5,930	116,000
Mississippi	45,150	685,000
North Carolina	1,160	62,000
Oklahoma	5,530	378,000
South Carolina	6,340	211,000
Tennessee	1,340	55,000
Texas	13,490	717,000
Total	118,220	3,549,000

Let me give you some startling figures as to farm-land mortgage delinquencies in 1939. This does not refer to the 100,000 farmers who have been foreclosed on since 1933. These figures refer to farmers who are still trying to hold on to their lands in the 11 Southern States:

Percentage of Federal land-bank loans and land bank commissioner loans that were delinquent at the end of 1939

State	Federal land-bank loans, 1939	Land bank commissioner loans, 1939	
		Percent	Percent
Alabama	32.0	44.9	
Arkansas	8.4	9.9	
Florida	29.1	14.7	
Georgia	35.7	32.9	
Louisiana	25.7	31.4	
Mississippi	33.7	48.5	
North Carolina	25.6	29.6	
Oklahoma	18.1	28.0	
South Carolina	35.5	36.9	
Tennessee	9.9	13.5	
Texas	18.7	17.5	

Dr. Black, who is now at the head of the Farm Credit Administration, stated some days ago:

About 1,057,000 land-bank and commissioner loans were outstanding on January 1, this year, of which some 254,000 were delinquent.

Loans with delinquent installments totaled \$662,585,000.

Of course, the outcome for many seriously delinquent farmers depends on climatic conditions, crops, and prices.

Now, if this statement is true, and it is definitely true, this bill, if passed, would go a long way in offsetting crop losses brought about by climatic conditions, hailstorm, flood, drought, and insect infestation.

Let me give you a few figures representing drought-relief loans for the years 1935 up to and including 1938:

In 1935 the amount was-----	\$65,513,583
In 1936 the amount was-----	60,397,062
In 1937 the amount was-----	57,113,320
In 1938 the amount was-----	54,763,757

Look up the records and you will find that very little of the drought-relief loans have ever been repaid to the Government. You remember many loans that we made to the drought-stricken farmers in the Northwest taking their notes for same, and, as stated, if you will look up the records, of these loans, you will find perhaps millions of dollars unpaid.

During this session of the Congress, as usual, several bills have been introduced authorizing large appropriations to take care of farm relief because of the loss of crops for various reasons.

I hold in my hand several bills. Here is one introduced by my friend and colleague the gentleman from Mississippi [Mr. DOXEY] authorizing an appropriation of \$60,000,000. Here is another introduced by my good friend the gentleman from North Dakota, Judge LEMKE, authorizing \$20,000,000.

First and last, we pass some of these bills.

However, if these bills are not passed you can rest assured, as previously stated, these relief costs will be taken care of under the Farm Security Administration in the way of grants or with W. P. A. funds in the way of employment or W. P. A. relief.

Therefore, as stated, the purpose of this bill is to permit farmers to be able to secure insurance benefits by paying their own way in making premium payments.

Some days ago Mr. Baldwin, who represents the Farm Security Administration, appeared before our committee.

I asked him this question:

Is it not a fact that where you operate in areas where they have insurance on their wheat crop where you have these disasters these farmers are in much better shape than where they have not had insurance on cotton crops, for instance?

Mr. BALDWIN. I think that that is going to help them considerably. The farmers who have taken advantage particularly of wheat insurance last year will, naturally, be in a much better shape than those who have not taken it, and they are going to be in better shape, Mr. FULMER, than the farmers who are raising other crops on which there is no insurance available.

Mr. FULMER. In other words, like a good many of the cotton States. We will take down in Mississippi, my friend Doxey's district, where the cotton crop was practically destroyed last year, they did not have an opportunity of getting insurance like the wheat people, and the demand on the Rehabilitation Administration for relief and grants are much greater.

Mr. BALDWIN. Our job would be much easier if these people had some way in which they could insure their crops.

Now, I want to call this especially to the attention of those of you who represent city districts. The thing that you are deeply interested in is the largest appropriation possible for W. P. A. employment and for relief purposes.

A vote for this bill will be a vote for an increased amount of money to be used for relief purposes, without increasing the W. P. A. appropriations.

Now, why do I make this statement?

If you fail to pass this bill, and we have to continue to spend sixty-odd million dollars annually to take care of farmers who have disastrous crop failures causing them to have to secure W. P. A. work or go on relief, naturally, we are taking away from you that which could actually go to the unemployed and those who are entitled to work who do not live on the farm.

I contend that it will be much easier to work out a good, sound insurance program on cotton than on any other crop because we come more nearly having a uniform crop of cotton each year than is the case with any other crop.

Something has been said along this line: "Why do you not put corn, potatoes, and various other crops under this bill?"

I want to state to you frankly and conscientiously that I am just as anxious to provide insurance for other crops as I am in providing insurance for wheat and cotton; but why not, those of you who are interested in other crops, do the thing that we have done—have the Department of Agriculture get the necessary facts and information which would indicate whether or not certain crops can be covered by Federal insurance, and, if it can be done, then come in and add an additional amendment to the act to take care of these crops?

The original act provides for the Secretary of Agriculture making investigation as to other crops.

If any of you representing any district or State can secure from the Secretary of Agriculture at this time a statement that he is now in a position to add any other crop, I will vote, and the rest of the cotton Members will vote, for such an amendment.

This is not a political matter; but it is purely a business proposition, and, as I have indicated, is in the interest of economy, and I believe will do more to assist farmers to continue as landowners than anything that we have done up to this time.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. FULMER. I yield to the gentleman from Georgia.

Mr. BROWN of Georgia. As I understand, the cotton grower and the wheat grower are not compelled to take this insurance; it is entirely voluntary?

Mr. FULMER. The gentleman is correct.

Mr. BROWN of Georgia. I also understand that this agency is supposed to set up rules and regulations under which the growers of wheat and cotton will pay premiums and the Government will not suffer any loss; that is the hope.

Mr. FULMER. That is right.

Mr. BROWN of Georgia. How can anybody object to a bill of this kind, which is purely voluntary and is self-paid-for by farmers like any other insurance.

Mr. FULMER. May I say there are only two objections against this bill. One is, I am fearful that the wheat program will not be successful; wait 2 to 5 years until we try it. The other is, if you put cotton in, corn and every other farm product will want to come in.

If and when information can be had about other crops if this information would indicate that the program would work on other products, then I have no objection to these products coming. However, wheat and cotton are major farm products and should be under the program.

Mr. AUGUST H. ANDRESEN. Will the distinguished new chairman of the Committee on Agriculture yield to me? As the gentleman knows, we always work together in that committee, and I do not think there has been any partisan politics.

Mr. FULMER. That is right, and I am surprised at the gentleman now, in that we have put your wheat farmers in, and you are for that, but you do not want my cotton farmers to come in.

Mr. AUGUST H. ANDRESEN. The gentleman is proposing that that is exactly what is going to happen if this bill passes, and I am almost persuaded to vote for the bill if that is what is going to take place.

Mr. FULMER. I would be surprised if the gentleman did vote for the bill, and yet he knows it is a good proposition.

Mr. AUGUST H. ANDRESEN. I hope the gentleman is correct that this bill, if it passes, is going to do away with the necessity of appropriating relief money for these tenants and sharecroppers.

Mr. FULMER. Well, the gentleman ought to know that his farmers who had insurance in 1939, with crop losses,

received their insurance payments, and they did not even ask for and did not get W. P. A. work or relief.

Mr. AUGUST H. ANDRESEN. We have been doing that for a number of years in the South as well as in the North.

Mr. FULMER. We have had very little in the way of relief given to cotton farmers in the South except during this administration under W. P. A. and other types of relief.

However, this was true for the reason of crop losses which practically put farmers in the same position as the unemployed people.

We have been making seed loans for a number of years, but the cotton farmers in the South have paid back to the Federal Government practically 100 percent of these seed loans.

In the meantime, as stated, I want to impress this upon you, that the passage of this bill will mean millions which are now going to farmers for W. P. A. work and relief can be used for millions of unemployed people living in the city, and in other walks of life, who do not live on the farm. [Applause.]

The CHAIRMAN. All time has expired. The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That section 502 of the Federal Crop Insurance Act, as amended, is hereby amended by substituting the word "crop" for the word "wheat-crop" and by substituting the words "agricultural commodities" for the word "wheat."

SEC. 2. That section 506 (h) of said act, as amended, is amended by striking out the words "for wheat and other agricultural commodities."

SEC. 3. That section 508 of said act, as amended, is amended by striking out the first comma in subsection (a) thereof and inserting in lieu thereof the following: "and with the cotton crop planted for harvest in 1940."

Mr. FULMER. Mr. Chairman, I offer a committee amendment.

The Clerk read as follows:

Committee amendment offered by Mr. FULMER: On page 1, line 13, after the word "in", strike out "1940" and insert "1941."

Mr. FULMER. Mr. Chairman, may I say the purpose of this amendment is to have the bill go into operation in 1941 instead of 1940, in that it is too late at this time to have it go into effect as to 1940.

The committee amendment was agreed to.

The Clerk read as follows:

SEC. 4. That section 508 of said act, as amended, is further amended by striking out the words "producers of wheat against loss in yields of wheat", in the first sentence, and substituting in lieu thereof the words "producers of the agricultural commodity against loss in yields of the agricultural commodity."

SEC. 5. That section 508 of said act, as amended, is further amended by substituting the words "the agricultural commodity" for the word "wheat", in the third sentence of subsection (a).

SEC. 6. That sections 508 (b), (c), and (d) and 516 (a) of said act, as amended, are further amended by substituting the words "the agricultural commodity" for the word "wheat" wherever it appears.

SEC. 7. That section 508 of said act, as amended, is further amended by adding at the end thereof the following new subsection:

"(e) In connection with insurance upon yields of cotton, to include provision for additional premium and indemnity in terms of lint cotton to cover loss of cottonseed, such additional premium and indemnity to be determined on the basis of the average relationship between returns from cottonseed and returns from lint cotton for the same period of years as that used for computing yields and premium rates."

SEC. 8. That section 516 (a) of said act, as amended, is amended by striking out the figures "\$6,000,000" and substituting in lieu thereof the figures "\$12,000,000."

Mr. SCHAFER of Wisconsin. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SCHAFER of Wisconsin: On page 3, beginning in line 1, strike out all of section 8.

Mr. SCHAFER of Wisconsin. Mr. Chairman, I would like to obtain some information and ascertain whether or not my understanding of this section is correct. Does this, section 8, provide an expenditure of \$12,000,000 from our almost bankrupt Treasury just for administrative purposes with reference to this cotton and wheat insurance program?

Mr. FULMER. It authorizes not in excess of that amount for the administration of cotton and wheat. As the gentleman knows, they had \$6,000,000, and they only used \$4,800,000 the first year.

Mr. SCHAFER of Wisconsin. You have used \$6,000,000 for administrative purposes when the insurance was restricted to wheat alone. What was the total volume of that insurance, so we may obtain a rough idea of the percentage of the administrative cost of this gigantic, socialistic Government-insurance program?

Mr. FULMER. May I say to the gentleman that they used \$4,800,000. They did not use the entire amount.

Mr. SCHAFER of Wisconsin. And how much insurance did they write?

Mr. FULMER. They wrote 166,000 applications, in comparison with 378,500 so far in this year of 1940.

Mr. SCHAFER of Wisconsin. Does not the gentleman believe that is a very high administrative cost for writing the amount of insurance which has been written? One hundred and sixty-six thousand policies at an administrative cost of \$4,800,000 is \$22.90 a policy.

Mr. FULMER. But I expect the amount of insurance to increase with the addition of cotton, and it is not to exceed that amount.

Mr. SCHAFER of Wisconsin. Mr. Chairman, we now have a national debt of more than \$44,000,000,000, and in addition thereto about \$7,000,000,000 of obligations of agencies and instrumentalities of the Government which have been guaranteed by the Federal Government. For many long years the Federal Government has been running in the red several billion dollars a year, and it is now time to act with reference to economy and retrenchment in Government expenditures as well as to talk in favor of economy, because the time is not far distant when our Federal Government will go bankrupt if we do not curb the reckless spending spree of public money. We will then have inflation, with misery, distress, despair, and chaos such as we would never believe possible.

I do not believe that the Federal Government should expand its activities in competition with private business in legitimate fields of private business endeavor. I sincerely hope that the Republican Party, which will take charge of the Federal Government after the November election, will follow the principles enunciated by the Republican Party and let the Government function along governmental lines and get out of competition with private business so that we can encourage private business to expand and prosper, to the end that the tax dollars may be furnished to keep the Government running, and to the end that unemployment may be reduced in the United States.

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

Mr. SCHAFER of Wisconsin. Yes.

Mr. COOLEY. Does the gentleman know of any private corporation that has undertaken to write an all-risk crop insurance such as is contemplated by this program?

Mr. SCHAFER of Wisconsin. If we are going to write crop insurance and spend such an amount for administrative purposes to take care of writing insurance for cotton and wheat, then you should write insurance for corn and barley, and you should insure the poultry raiser and guarantee that his chickens will lay so many eggs a day, and the dairy farmer, that his cows will give so many quarts of milk a day. The Government should not operate a subsidized competition in any legitimate field of private business endeavor.

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

OPPOSES SCHAFER AMENDMENT

Mr. JOHNSON of Oklahoma. Mr. Chairman, I rise in opposition to the amendment. The speeches that we have heard so far today from those opposing this legislation to extend crop insurance to include cotton have usually begun by saying that they favored the principle of insurance but were opposed to the pending bill. If I remember correctly, when wheat insurance was first being considered, the same opposition was voiced at that time. They were for the principle of wheat insurance but opposed to the bill. Then we

were told that it was fantastic and even socialistic, according to the opposition of wheat insurance. We were told over and over that it just could not work, but I call your attention to the fact that not one Member who made the dire predictions about wheat insurance has even suggested that crop insurance as applied to wheat be repealed.

The gentleman from Wisconsin [Mr. SCHAFER], who has proposed the pending amendment to strike from this bill section 8, joins the other objectors in saying he is for insurance. He is for the principle of insurance, but he is opposed to section 8, which all of us know is the heart of the bill. To eliminate section 8 would destroy the bill. The most practical way to destroy any law is to eliminate the appropriation for its enforcement. No one knows that any better than does the gentleman from Wisconsin. I think it is fair to say, however, that the good-natured gentleman from Wisconsin offered the amendment in a jesting manner in order to make his usual daily outburst in opposition to anything and everything done or attempted by President Roosevelt and the national administration.

Mr. SCHAFER of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Oklahoma. Inasmuch as I have mentioned the gentleman I yield to him.

Mr. SCHAFER of Wisconsin. I did not offer the amendment in a jesting manner. I offered the amendment to save \$6,000,000 for our almost bankrupt Government. My amendment will not destroy the bill because you would have \$6,000,000, which should be sufficient for administrative purposes.

Mr. JOHNSON of Oklahoma. Then if the gentleman is really serious, I must say frankly I am surprised that he has his facts so twisted. Every member of the committee, regardless of whether he favors or is opposed to this bill, will agree that to take section 8 from it would definitely kill the measure. If that is not true I invite any Member to rise now and deny it.

It has been amusing to hear so many of the opponents of this measure base their opposition on the statement that wheat insurance has been such a miserable failure. Time after time the opposition has pointed to the first year's large administrative expense. No one pretends to say that administrative expense has not been high. That was naturally expected. It is still in an experimental state, but the fact that there were approximately four times as many applications from farmers, for 1940 wheat insurance as in 1939 is sufficient evidence our wheat farmers like it and that it is not the dismal failure some would have you believe. [Applause.]

Again I desire to remind members that every speaker who has taken the floor against this measure, when asked if he would favor repealing the wheat insurance, either evaded answering the question or admitted that he would not repeal the present law.

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

Mr. JOHNSON of Oklahoma. I will be glad to yield to the gentleman from Alabama.

Mr. HOBBS. I will ask if the gentleman's information does not tally with that of the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN], that the cost per policy was \$28 on wheat insurance the first year and only \$10 the second year?

Mr. JOHNSON of Oklahoma. That is correct.

Mr. HOBBS. And, in the second place, if it is not a fact that merely because \$6,000,000 is authorized is no reason that it must be spent?

Mr. JOHNSON of Oklahoma. That is also correct. And I will say that in the third year the administrative cost will undoubtedly be still considerably less. And I might add that the cotton program will profit by the mistakes made in administering the wheat program.

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

Mr. JOHNSON of Oklahoma. I yield.

Mr. KEEFE. Does the gentleman conceive that the experience of 1 year under this wheat program is a sufficient

guide to demonstrate that this program is a workable program, when it is conceded at the inception of the program that the whole thing was in the nature of an experiment?

Mr. JOHNSON of Oklahoma. Answering the gentleman, I will remind him that this cotton-insurance plan will not go into effect until 1941, at which time we will definitely have considerable additional information. There is no question but that, by 1941, it will be a decided success; not as much a success as it will be 2 or 3 or 4 years from now, but I do say that while it is still in the experimental stage, it has actually been far more successful than it was really anticipated. I further predict that cotton insurance will be even a greater success than the wheat program has been to date.

There is no question but that there was a general understanding that if wheat insurance was reasonably successful, that cotton would be added to the law. Not only that, but the CONGRESSIONAL RECORD will disclose that there was such an agreement. Now, we see the rather unusual spectacle of Members of Congress, coming largely from wheat sections, who have profited by wheat insurance, here bitterly opposing the carrying out of that agreement by extending crop insurance to include cotton. Of course, it takes gentlemen with great courage to stand here and refer to the pending bill as fantastic and socialistic, and vote against this measure when they do not produce a bale of cotton within the boundaries of their congressional districts. [Laughter.]

Some of you, who hail from the Wheat Belt and who are so active against this measure, have suggested we wait 6 years to extend crop insurance to cotton. If that were done, the opposition then would probably suggest we wait 16 years. That would be equally as logical as waiting 6 years. Six or sixteen years of the wheat-insurance program would not definitely prove or disprove anything so far as cotton is concerned. [Applause.]

In the State of Oklahoma there were only 7,079 wheat-insurance policies for the year 1939; yet in the same State, for the year 1940 there have thus far been issued 23,380 wheat-insurance policies. The same is true of other States. So it comes with poor grace and not in keeping with the facts to base the opposition to this measure on the grounds that wheat insurance has failed. Let us vote down this Schafer amendment, that has for its purpose the destruction of the pending measure, and then pass this bill and give the distressed cotton farmers a new ray of hope. [Applause.]

Mr. SPARKMAN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time for the purpose of reading a letter that I have received from one of the leading farmers in my district, because I think it represents the farmer's point of view in regard to this measure:

HON. JOHN J. SPARKMAN,
Washington, D. C.

ATHENS, ALA., April 17, 1940.

DEAR MR. SPARKMAN: I want to thank you for calling my attention to your speech in regard to crop insurance. It is of much interest to me, as I have spent many unhappy hours during an extremely dry or wet season when it looked like our crops were doomed, or when a cloud was coming up and thinking perhaps we would have a hailstorm and destroy the crop.

I have often wondered why we poor farmers who have no other source of income other than our crops could not have some protection and that kind of thing would have to come through Federal Government. I have mentioned this to several county agents, but this couldn't be carried by individual counties, as the loss would cover an entire county.

I don't think any ideas I might suggest would be better than your own ideas expressed in your interesting speech.

I notice many representatives endorse your plan and I see no reasons for objections from any, whether living in the North or South.

Sincerely,

M. A. PHILLIPS.

To me, just as to that farmer, it seems that this bill is simply a good business measure to enable the farmers together to carry the burden of insurance against the hazards of crop failure.

In this connection, I want to call attention to the statement that was made a short time ago by the gentleman from Wisconsin [Mr. SCHAFER], in which he referred to this as a

socialistic experiment. I would like to call his attention to the fact that in the 1936 campaign the Presidential candidates for both parties endorsed the idea of crop insurance. In his Des Moines speech, reported on September 23, 1936, Mr. Landon, candidate for President on the Republican ticket had this to say:

I am now going to mention a subject that is in neither platform—crop insurance. It is a question in which we have long been interested in Kansas. In fact, some of our Republican leaders in farm legislation have been in the forefront in working it out. We realize that there are difficulties. But insurance companies are writing policies today covering risks that they did not consider feasible a few years ago. I believe that the question of crop insurance should be given the fullest attention.

In the light of that statement, I cannot see how any faithful follower of the principles of the Republican Party can claim that this is launching into a socialistic adventure. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin [Mr. SCHAFER].

The amendment was rejected.

The Clerk read as follows:

Sec. 9. That said act, as amended, is further amended by redesignating section 518 as section 519, and by addition thereto of the following new section:

"SEC. 518. 'Agricultural commodity,' as used in this act, means wheat or cotton, or both, as the context may indicate."

The CHAIRMAN. Under the rule the Committee will now rise.

Accordingly the Committee rose; and Mr. COOPER having assumed the chair as Speaker pro tempore, Mr. DUNCAN, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee had had under consideration the bill (H. R. 6972) to amend the Federal Crop Insurance Act, and, pursuant to House Resolution 271, he reported the same back to the House with an amendment adopted in Committee of the Whole.

The SPEAKER pro tempore (Mr. COOPER). Under the rule the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. FULMER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 2635) to amend the Federal Crop Insurance Act, strike out all after the enacting clause, and insert the provisions of the House bill, H. R. 6792, as amended.

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

There was no objection.

The SPEAKER pro tempore. The question is on the third reading of the Senate bill, as amended.

The bill was ordered to be read a third time, and was read the third time.

Mr. SCHAFER of Wisconsin. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the bill?

Mr. SCHAFER of Wisconsin. I am, Mr. Speaker.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. SCHAFER of Wisconsin moves to recommit the bill to the Committee on Agriculture with instructions to report the same back forthwith with the following amendment: Strike out section 8.

The SPEAKER pro tempore. The question is on the motion of the gentleman from Wisconsin.

The question was taken; and on a division (demanded by Mr. SCHAFER of Wisconsin) there were—ayes 39, noes 98.

Mr. SCHAFER of Wisconsin. Mr. Speaker, I respectfully object to the vote on the ground that a quorum is not present, and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently the count just made by the Chair shows there is not a quorum present. The roll call is automatic.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 112, nays 207, answered “present” 2, not voting 109, as follows:

[Roll No. 77]

YEAS—112

Alexander	Gamble	Jonkman	Rogers, Mass.
Andersen, H. Carl	Gartner	Kean	Routzohn
Anderson, Calif.	Grafach	Keefe	Ryan
Angell	Gille	Knutson	Sandager
Arends	Goodwin	Kunkel	Schafer, Wis.
Austin	Graham	Lambertson	Schiffier
Ball	Grant, Ind.	Landis	Seccombe
Bates, Mass.	Gross	LeCompte	Secret
Bender	Guyer, Kans.	Luce	Smith, Ohio
Blackney	Gwynne	McGregor	Springer
Bolton	Hall, Edwin A.	McLeod	Stearns, N. H.
Bradley, Mich.	Hall, Leonard W.	Maas	Summer, Ill.
Brewster	Halleck	Marshall	Sweet
Brown, Ohio	Hancock	Martin, Mass.	Taber
Case, S. Dak.	Harness	Michener	Thill
Chiperfield	Harter, N. Y.	Miller	Thorkelson
Church	Hawks	Mott	Tinkham
Clason	Hoffman	Mundt	Treadway
Clevenger	Horton	Murray	Van Zandt
Cluett	Hull	O'Brien	Vorys, Ohio
Crawford	Jeffries	Oliver	Vreeland
Culkin	Jenkins, Ohio	Osmers	Wadsworth
Dirksen	Jenks, N. H.	Powers	Wigglesworth
Ditter	Jensen	Reed, Ill.	Williams, Del.
Dondero	Johns	Reed, N. Y.	Winter
Dworschak	Johnson, Ill.	Rees, Kans.	Wolfenden, Pa.
Elston	Johnson, Ind.	Rich	Woodruff, Mich.
Engel	Jones, Ohio	Rodgers, Pa.	Youngdahl

NAYS—207

Allen, La.	Doxey	Kilday	Rankin
Allen, Pa.	Drewry	Kinzer	Rayburn
Anderson, Mo.	Duncan	Kirwan	Richards
Andresen, A. H.	Dunn	Kitchens	Robertson
Arnold	Edmiston	Kleberg	Robinson, Utah
Barnes	Elliott	Kociakowski	Rogers, Okla.
Barry	Evans	Kramer	Romjue
Bates, Ky.	Ferguson	Lanham	Rutherford
Beam	Fernandez	Larrabee	Sabath
Beckworth	Fitzpatrick	Leavy	Sasscer
Bell	Flannagan	Lemke	Satterfield
Bland	Flannery	Lestinski	Schaefers, Ill.
Bloom	Folger	Lewis, Colo.	Schuetz
Boehne	Ford, Miss.	Ludlow	Shannon
Boykin	Ford, Thomas F.	McAndrews	Sheppard
Brooks	Fries	McCormack	Short
Brown, Ga.	Fulmer	McGehee	Smith, Conn.
Bryson	Garett	McKeough	Smith, Va.
Buck	Gathings	McLaughlin	Smith, Wash.
Buckler, Minn.	Gavagan	McMillan, Clara G.	Smith, W. Va.
Burch	Gearhart	McMillan, John L.	Snyder
Burdick	Geyer, Calif.	Maciejewski	Somers, N. Y.
Byrns, Tenn.	Gibbs	Mahon	South
Byron	Gore	Mansfield	Sparkman
Camp	Gossett	Marcantonio	Spence
Cannon, Fla.	Grant, Ala.	Martin, Ill.	Starnes, Ala.
Cannon, Mo.	Gregory	Martin, Iowa	Stefan
Carlson	Griffith	May	Summers, Tex.
Claypool	Hare	Mills, Ark.	Suplin
Coffee, Nebr.	Harrington	Mills, La.	Sweeney
Coffee, Wash.	Hart	Monrone	Talle
Collins	Havener	Moser	Tarver
Colmer	Healey	Murdock, Ariz.	Tenerowicz
Cooley	Hendricks	Myers	Terry
Cooper	Hennings	Nelson	Thomas, Tex.
Costello	Hobbs	Nichols	Thomason
Courtney	Hope	Norrell	Tolan
Cox	Hunter	Norton	Vincent, Ky.
Cravens	Jacobsen	O'Connor	Vinson, Ga.
Creal	Jarman	O'Neal	Voorhis, Calif.
Crowe	Johnson, Luther A.	Pace	Wallgren
Cullen	Johnson, Lyndon	Parsons	Warren
Cummings	Johnson, Okla.	Patman	Weaver
Curtis	Johnson, W. Va.	Patton	Welch
D'Alesandro	Jones, Tex.	Pearson	West
Darden	Kee	Peterson, Fla.	White, Idaho
Davis	Kefauver	Peterson, Ga.	Whittington
Dempsey	Keller	Pittenger	Williams, Mo.
DeRouen	Kennedy, Martin	Poage	Wood
Dies	Kennedy, Md.	Polk	Woodrum, Va.
Disney	Keogh	Ramspeck	Zimmerman
Doughton	Kerr	Randolph	

ANSWERED “PRESENT”—2

Cole, N. Y. Wolcott

NOT VOTING—109

Allen, Ill.	Boland	Buckley, N. Y.	Caldwell
Andrews	Boles	Bulwinkle	Carter
Barden	Boren	Burgin	Cartwright
Barton	Bradley, Pa.	Byrne, N. Y.	Casey, Mass.

Celler	Flaherty	McDowell	Sacks
Chapman	Ford, Leland M.	McGranery	Schulte
Clark	Gehrmann	McLean	Schwert
Cochran	Gifford	Magnuson	Scrugham
Cole, Md.	Gilchrist	Maloney	Seger
Connery	Green	Mason	Shafer, Mich.
Corbett	Harter, Ohio	Massingale	Shanley
Crosser	Hartley	Merritt	Sheridan
Crowther	Hess	Mitchell	Simpson
Darrow	Hill	Monkiewicz	Smith, Ill.
Delaney	Hinshaw	Mouton	Steagall
Dickstein	Holmes	Murdock, Utah	Sullivan
Dingell	Hook	O'Day	Taylor
Douglas	Houston	O'Leary	Thomas, N. J.
Durham	Izac	O'Toole	Tibbott
Eaton	Jarrett	Patrick	Walter
Eberhardt	Jennings	Pfeifer	Ward
Edelstein	Kelly	Pierce	Wheat
Ellis	Kennedy, Michael	Plumley	Whelchel
Englebright	Kilburn	Rabaut	White, Ohio
Faddis	Lea	Reece, Tenn.	Wolverton, N. J.
Fay	Lewis, Ohio	Risk	
Fenton	Lynch	Robison, Ky.	
Fish	McArdle	Rockefeller	

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Wolcott (for) with Mr. Steagall (against).
 Mr. Rockefeller (for) with Mr. Chapman (against).
 Mr. Robison of Kentucky (for) with Mr. Boren (against).
 Mr. Hess (for) with Mr. Hook (against).
 Mr. Kilburn (for) with Mr. Maloney (against).
 Mr. Plumley (for) with Mr. Green (against).
 Mr. Jennings (for) with Mr. Gehrmann (against).
 Mr. Mason (for) with Mr. Durham (against).
 Mr. White of Ohio (for) with Mr. Burgin (against).
 Mr. Wheat (for) with Mr. Cartwright (against).
 Mr. Gifford (for) with Mr. Magnuson (against).
 Mr. Carter (for) with Mr. Rabaut (against).
 Mr. Hinshaw (for) with Mr. Clark (against).
 Mr. Leland M. Ford (for) with Mr. Houston (against).
 Mr. Reece of Tennessee (for) with Mr. Hill (against).
 Mr. Cochran (for) with Mr. Barden (against).
 Mr. Barton (for) with Mr. Massingale (against).
 Mr. Monkiewicz (for) with Mr. Fay (against).
 Mr. Douglas (for) with Mr. Sullivan (against).
 Mr. Hartley (for) with Mr. Patrick (against).
 Mr. Eaton (for) with Mr. Boland (against).
 Mr. Lewis of Ohio (for) with Mr. Caldwell (against).
 Mr. McLean (for) with Mr. Delaney (against).
 Mr. Thomas of New Jersey (for) with Mr. Michael J. Kennedy (against).
 Mr. Andrews (for) with Mr. Lynch (against).
 Mr. Shafer of Michigan (for) with Mr. Mouton (against).

Until further notice:

Mr. Crosser with Mr. Holmes.
 Mr. Bulwinkle with Mr. Wolverton of New Jersey.
 Mr. Pfeifer with Mr. Gilchrist.
 Mr. Kelly with Mr. Risk.
 Mr. Walter with Mr. Simpson.
 Mr. Cole of Maryland with Mr. Allen of Illinois.
 Mr. Murdock of Utah with Mr. Fish.
 Mr. Edelstein with Mr. Darrow.
 Mr. O'Toole with Mr. Fenton.
 Mr. McGranery with Mr. Jarrett.
 Mr. Flaherty with Mr. Bolles.
 Mr. O'Leary with Mr. Corbett.
 Mr. Sheridan with Mr. McDowell.
 Mr. Faddis with Mr. Seger.
 Mrs. O'Day with Mr. Shanley.
 Mr. Byrne of New York with Mr. Pierce.
 Mr. McArdle with Mr. Merritt.
 Mr. Bradley of Pennsylvania with Mr. Eberhardt.
 Mr. Dingell with Mr. Ward.
 Mr. Ellis with Mr. Harter of Ohio.
 Mr. Schwert with Mr. Connery.
 Mr. Casey of Massachusetts with Mr. Mitchell.
 Mr. Buckley of New York with Mr. Taylor.
 Mr. Celler with Mr. Schulte.
 Mr. Dickstein with Mr. Sacks.
 Mr. Lea with Mr. Scrugham.
 Mr. Whelchel with Mr. Englebright.

Mr. OSMERS changed his vote from “nay” to “yea.”

Mr. WOLCOTT. Mr. Speaker, I have a pair with the gentleman from Alabama, Mr. STEAGALL. Had he been present he would have voted “nay.” For that reason I withdraw my vote of “yea” and vote “present.”

The result of the vote was announced as above recorded.

The doors were opened.

The SPEAKER pro tempore. The question is on the passage of the bill.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, on that I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 200, nays 113, answered “present” 1, not voting 116, as follows:

[Roll No. 78]

YEAS—200

Allen, La.	Drewry	Kirwan	Rankin
Allen, Pa.	Duncan	Kitchens	Rayburn
Andersen, H. Carl	Dunn	Kleberg	Rees, Kans.
Anderson, Mo.	Edmiston	Kociakowski	Richards
Arnold	Elliott	Kramer	Robertson
Barnes	Ellis	Lanham	Robinson, Utah
Barry	Evans	Larrabee	Rogers, Okla.
Bates, Ky.	Ferguson	Leavy	Romjue
Beam	Fernandez	Lemke	Sabath
Beckworth	Fitzpatrick	Lesinski	Sasscer
Bell	Flannagan	Lewis, Colo.	Satterfield
Bland	Flannery	Ludlow	Schaefer, Ill.
Boykin	Ford, Miss.	Lynch	Schuetz
Brooks	Ford, Thomas F.	McAndrews	Shannon
Brown, Ga.	Fries	McCormack	Sheppard
Bryson	Fulmer	McGehee	Smith, Conn.
Buck	Garrett	McKeough	Smith, Va.
Buckler, Minn.	Gathings	McLaughlin	Smith, Wash.
Burch	Gearhart	McMillan, Clara G.	Smith, W. Va.
Burdick	Geyer, Calif.	McMillan, John L.	Snyder
Byrns, Tenn.	Gibbs	Maciejewski	Somers, N. Y.
Byron	Gore	Mahon	South
Caldwell	Gossett	Mansfield	Sparkman
Camp	Grant, Ala.	Marcantonio	Spence
Cannon, Fla.	Gregory	Martin, Ill.	Starnes, Ala.
Cannon, Mo.	Griffith	Martin, Iowa	Stefan
Carlson	Hare	Mills, Ark.	Summers, Tex.
Case, S. Dak.	Harrington	Mills, La.	Sutphin
Claypool	Hart	Monroney	Sweeney
Coffee, Wash.	Havener	Moser	Talle
Collins	Healey	Murdock, Ariz.	Tarver
Colmer	Hendricks	Myers	Tenerowicz
Cooley	Hennings	Nelson	Terry
Cooper	Hobbs	Nichols	Thomas, Tex.
Costello	Hope	Norrell	Thomason
Courtney	Hunter	Norton	Tolan
Cox	Jacobsen	O'Connor	Vincent, Ky.
Cravens	Jarman	O'Neal	Vinson, Ga.
Creal	Jensen	Pace	Voorhis, Calif.
Crowe	Johnson, Luther A.	Parsons	Wallgren
Cullen	Johnson, Lyndon	Patman	Warren
Cummings	Johnson, Okla.	Patton	Weaver
D'Alesandro	Johnson, W. Va.	Pearson	Welch
Davis	Jones, Tex.	Peterson, Fla.	West
Dempsey	Kee	Peterson, Ga.	White, Idaho
DeRouen	Kefauver	Pfeifer	Whittington
Dies	Keller	Pittenger	Williams, Mo.
Disney	Kennedy, Md.	Poage	Wood
Doughton	Kerr	Ramspeck	Woodrum, Va.
Doxey	Kilday	Randolph	Zimmerman

NAYS—113

Alexander	Engel	Keefe	Ryan
Anderson, Calif.	Gamble	Kinzer	Sandager
Andresen, A. H.	Gartner	Knutson	Schafer, Wis.
Angell	Gerlach	Kunkel	Schiffier
Arends	Gillie	Lambertson	Seccombe
Austin	Goodwin	Landis	Secrest
Ball	Graham	LeCompte	Smith, Ohio
Bates, Mass.	Grant, Ind.	Luce	Springer
Bender	Gross	McGregor	Stearns, N. H.
Blackney	Guyer, Kans.	McLeod	Summer, Ill.
Bolton	Gwynne	Maas	Sweet
Bradley, Mich.	Hall, Edwin A.	Marshall	Taber
Brewster	Hall, Leonard W.	Martin, Mass.	Thill
Brown, Ohio	Halleck	Michener	Thorkelson
Chipfield	Hancock	Miller	Tinkham
Church	Harness	Mundt	Treadaway
Clason	Harter, N. Y.	Murray	Van Zandt
Clevenger	Hawks	O'Brien	Vorys, Ohio
Cluett	Hoffman	Oliver	Vreeland
Coffee, Nebr.	Horton	Osmers	Wadsworth
Cole, N. Y.	Hull	Polk	Wigglesworth
Crawford	Jeffries	Powers	Williams, Del.
Culklin	Jenks, N. H.	Reed, Ill.	Winter
Curtis	Johns	Reed, N. Y.	Wolfenden, Pa.
Dirksen	Johnson, Ill.	Rich	Woodruff, Mich.
Ditter	Johnson, Ind.	Rodgers, Pa.	Youngdahl
Dondero	Jones, Ohio	Rogers, Mass.	
Dworschak	Jonkman	Routzohn	
Elston	Kean	Rutherford	

ANSWERED “PRESENT”—1

Wolcott

NOT VOTING—116

Allen, Ill.	Buckley, N. Y.	Cochran	Dingell
Andrews	Bulwinkle	Cole, Md.	Douglas
Barden	Burgin	Connery	Durham
Barton	Byrhe, N. Y.	Corbett	Eaton
Bloom	Carter	Crosser	Eberhardt
Boehne	Cartwright	Crowther	Edelstein
Boland	Casey, Mass.	Darden	Englebright
Bolles	Celler	Darrow	Faddis
Boren	Chapman	Delaney	Fay
Bradley, Pa.	Clark	Dickstein	Fenton

Fish	Jenkins, Ohio	Mitchell	Scrugham
Flaherty	Jennings	Monkiewicz	Seger
Folger	Kelly	Mott	Shafer, Mich.
Ford, Leland M.	Kennedy, Martin	Mouton	Shanley
Gavagan	Kennedy, Michael	Murdock, Utah	Sheridan
Gehrmann	Keogh	O'Day	Short
Gifford	Kilburn	O'Leary	Simpson
Gilchrist	Lea	O'Toole	Smith, Ill.
Green	Lewis, Ohio	Patrick	Steagall
Harter, Ohio	McArde	Pierce	Sullivan
Hartley	McDowell	Plumley	Taylor
Hess	McGranery	Rabaut	Thomas, N. J.
Hill	McLean	Reece, Tenn.	Tibbott
Hinshaw	Magnuson	Risk	Walter
Holmes	Maloney	Robison, Ky.	Ward
Hook	Mason	Rockefeller	Wheat
Houston	Massingale	Sacks	Whitelch
Izac	May	Schulte	White, Ohio
Jarrett	Merritt	Schwert	Wolverton, N. J.

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Gavagan (for) with Mr. Jenkins of Ohio (against).
 Mr. Gilchrist (for) with Mr. Simpson (against).
 Mr. Steagall (for) with Mr. Wolcott (against).
 Mr. Chapman (for) with Mr. Rockefeller (against).
 Mr. Boren (for) with Mr. Robison of Kentucky (against).
 Mr. Hook (for) with Mr. Hess (against).
 Mr. Maloney (for) with Mr. Kilburn (against).
 Mr. Green (for) with Mr. Plumley (against).
 Mr. Gehrmann (for) with Mr. Jennings (against).
 Mr. Durham (for) with Mr. Mason (against).
 Mr. Burgin (for) with Mr. White of Ohio (against).
 Mr. Cartwright (for) with Mr. Wheat (against).
 Mr. Magnuson (for) with Mr. Gifford (against).
 Mr. Rabaut (for) with Mr. Carter (against).
 Mr. Clark (for) with Mr. Hinshaw (against).
 Mr. Houston (for) with Mr. Leland M. Ford (against).
 Mr. Hill (for) with Mr. Reece of Tennessee (against).
 Mr. Barden (for) with Mr. Cochran (against).
 Mr. Massingale (for) with Mr. Barton (against).
 Mr. Fay (for) with Mr. Monkiewicz (against).
 Mr. Sullivan (for) with Mr. Douglas (against).
 Mr. Patrick (for) with Mr. Hartley (against).
 Mr. Boland (for) with Mr. Eaton (against).
 Mr. Delaney (for) with Mr. McLean (against).
 Mr. Michael J. Kennedy (for) with Mr. Thomas of New Jersey (against).
 Mr. Mouton (for) with Mr. Shafer of Michigan (against).
 Mr. O'Toole (for) with Mr. Short (against).
 Mr. Dickstein (for) with Mr. Andrews (against).

General pairs:

Mr. Crosser with Mr. Holmes.
 Mr. Bulwinkle with Mr. Wolverton of New Jersey.
 Mr. Kelly with Mr. Risk.
 Mr. Walters with Mr. Bloom.
 Mr. Cole of Maryland with Mr. Allen of Illinois.
 Mr. Murdock of Utah with Mr. Fish.
 Mr. Edelstein with Mr. Darow.
 Mr. McGranery with Mr. Jarrett.
 Mr. Flaherty with Mr. Bolles.
 Mr. O'Leary with Mr. Corbett.
 Mr. Sheridan with Mr. McDowell.
 Mr. Faddis with Mr. Seger.
 Mrs. O'Day with Mr. Shanley.
 Mr. Byrne of New York with Mr. Pierce.
 Mr. McArde with Mr. Merritt.
 Mr. Dingell with Mr. Ward.
 Mr. Keogh with Mr. Harter of Ohio.
 Mr. Schwert with Mr. Connery.
 Mr. Casey of Massachusetts with Mr. Mitchell.
 Mr. Buckley of New York with Mr. Taylor.
 Mr. Celler with Mr. Schulte.
 Mr. Lea with Mr. Scrugham.
 Mr. Boehne with Mr. Crowther.
 Mr. May with Mr. Englebright.
 Mr. Smith of Illinois with Mr. Fenton.
 Mr. Folger with Mr. Lewis of Ohio.
 Mr. Darden with Mr. Mott.
 Mr. Eberhardt with Mr. Tibbott.
 Mr. Martin J. Kennedy with Mr. Sacks.

Mr. GREGORY. Mr. Speaker, my colleague the gentleman from Kentucky, Mr. CHAPMAN, is unavoidably detained. He requested me to state that if present he would have voted “yea” on the bill just passed.

Mr. WOLCOTT. Mr. Speaker, I have a pair with the gentleman from Alabama, Mr. STEAGALL. If present, he would have voted “yea.” I therefore withdraw my vote of “nay” and vote “present.”

The result of the vote was announced as above recorded. A similar House bill (H. R. 6972) was laid on the table.

A motion to reconsider was laid on the table.

APPOINTMENT TO COMMITTEE ON LABOR

Mr. MARTIN of Massachusetts. Mr. Speaker, I send a resolution to the Clerk's desk and ask for its immediate consideration.

The Clerk read the resolution, as follows:

House Resolution 467

Resolved, That HARRY N. ROUTZOHN, of Ohio, be, and he is hereby, elected to the Committee on Labor of the House of Representatives.

The resolution was agreed to.

UNIFORM SYSTEM OF BANKRUPTCY

Mr. SABATH, from the Committee on Rules, submitted the following privileged resolution (Rept. No. 1997), which was referred to the House Calendar and ordered to be printed:

House Resolution 468

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for consideration of H. R. 9139, a bill to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto. That after general debate, which shall be confined to the bill and shall continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion, except one motion to recommit, with or without instructions.

EXTENSION OF REMARKS

Mr. SABATH. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD by inserting therein an article by Jay Franklin.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois [Mr. SABATH]?

There was no objection.

COMMITTEE TO INVESTIGATE THE INTERSTATE MIGRATION OF DESTITUTE CITIZENS

Mr. LEWIS of Colorado, from the Committee on Rules, submitted the following privileged resolution (Rept. No. 1998), which was referred to the House Calendar and ordered to be printed:

House Resolution 63

Resolved, That the Speaker appoint a select committee of five Members of the House, and that such committee be instructed to inquire into the interstate migration of destitute citizens, to study, survey, and investigate the social and economic needs, and the movement of indigent persons across State lines, obtaining all facts possible in relation thereto which would not only be of public interest but which would aid the House in enacting remedial legislation. The committee shall report to the House, with recommendations for legislation, and shall have the right to report at any time.

That said select committee, or any subcommittee thereof, is hereby authorized to sit and act during the present Congress at such times and places within the United States, whether or not the House is sitting, has recessed, or has adjourned, to hold such hearings, to require the attendance of such witnesses and the production of such books, papers, and documents, by subpena or otherwise, and to take such testimony as it deems necessary. Subpenas shall be issued under the signature of the chairman and shall be served by any person designated by him. The chairman of the committee or any member thereof may administer oaths to witnesses. Every person who, having been summoned as a witness by authority of said committee or any subcommittee thereof, willfully makes default, or who, having appeared, refuses to answer any question pertinent to the investigation heretofore authorized, shall be held to the penalties provided by section 102 of the Revised Statutes of the United States (U. S. C., title 2, sec. 192).

EXTENSION OF REMARKS

Mr. DIRKSEN. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. VAN ZANDT] may have leave to extend his own remarks in the Appendix of the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois [Mr. DIRKSEN]?

There was no objection.

Mr. GEARHART. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include an

article entitled "At Ford's Theater Seventy-five Years Ago Tonight," by Emanuel Hertz, appearing in the New York Times magazine of April 14, 1940.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California [Mr. GEARHART]?

There was no objection.

Mr. SMITH of Connecticut. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an article from the Baltimore Sun of this morning entitled "Army Needs Versus Economy."

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Connecticut [Mr. SMITH]?

There was no objection.

ADJOURNMENT OVER

Mr. COOPER. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Tennessee [Mr. COOPER]?

There was no objection.

EXTENSION OF REMARKS

Mr. PACE. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made today and to include therein certain statements and figures prepared for me by the Department of Agriculture on the subject of cotton.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia [Mr. PACE]?

There was no objection.

Mr. DOXEY. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made today on the crop-insurance bill and to include therein certain tables relating to crop insurance.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi [Mr. DOXEY]?

There was no objection.

Mr. PETERSON of Florida. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a letter which I have received from the Constitutional Money League of America.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida [Mr. PETERSON]?

There was no objection.

Mr. JOHNSON of Oklahoma. Mr. Speaker, I ask unanimous consent that my colleague the gentleman from Oklahoma [Mr. MASSINGALE], who is unavoidably absent, may have leave to extend his own remarks in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma [Mr. JOHNSON]?

There was no objection.

Mr. COOLEY. Mr. Speaker, I ask unanimous consent to revise and extend the remarks I made on the crop-insurance bill and also to extend my own remarks on a bill which I introduced today with reference to the tobacco section of the A. A. A.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina [Mr. COOLEY]?

There was no objection.

Mr. HEALEY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an address delivered by Postmaster General Farley at Cambridge, Mass., in connection with the first-day sale of the Charles W. Eliot commemorative stamp, and also to include therein the remarks of Mr. Jerome D. Greene, representing Harvard University.

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

There was no objection.

ANNOUNCEMENT

Mr. GEYER of California. Mr. Speaker, owing to circumstances over which I had no control, I was absent during roll calls 74 and 75. Had I been present I would have voted "yea" on roll call No. 74 and "nay" on roll call No. 75.

EXTENSION OF REMARKS

Mrs. CLARA G. McMILLAN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an address delivered by Hon. Henry F. Grady, Assistant Secretary of State, before the D. A. R. last night.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from South Carolina?

There was no objection.

Mr. MURDOCK of Arizona. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on the bill under consideration today, and I further ask unanimous consent to extend my remarks in the Appendix of the RECORD and include therein an analysis of my bill, H. R. 8206, as analyzed by the president of the Small Mine Operators of Arizona.

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

There was no objection.

Mr. KEFAUVER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on a bill I introduced today.

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

There was no objection.

Mr. HOBBS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which they may revise and extend their remarks in the RECORD with reference to the bill just passed.

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

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. JOHNSON of Oklahoma. Mr. Speaker, I ask unanimous consent to address the House.

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

There was no objection.

WIDOWS' AND ORPHANS' BILL

Mr. JOHNSON of Oklahoma. Mr. Speaker, I rise for the purpose of discussing two matters that our World War veterans, their families, and other dependents are tremendously interested in.

In the first place, I desire to express my deep interest in H. R. 9000 to provide for more adequate compensation for widows and orphans and other dependents of World War veterans. This legislation, if and when enacted, will fill a long-delayed need for legislation by this Congress to, in a small measure, do its duty to the dependents of World War veterans. [Applause.]

As Members of Congress may recall, this bill was up for consideration on what is known as the Consent Calendar recently, but its passage was blocked by the objections of three Members. For several years I have been urging legislation of this kind, and I know that the American Legion, Veterans of Foreign Wars, and veterans throughout the country are especially interested in liberalizing the pension laws to give relief to the widows and orphans of World War veterans who up to this time have been ignored by Congress. A petition was immediately filed at the Speaker's desk in an effort to force a vote on this bill. The petition has now the required 218 signatures, which means there will be a vote on this important measure some time after May 13. I do not hesitate to predict that when the vote is taken on this important bill, that it will pass this House by an overwhelming majority. [Applause.]

Let me add that at the recent Sixth District American Legion Convention held at Chickasha, Okla., Legionnaires of the Sixth District went on record unanimously endorsing H. R. 9000 and urging that Congress enact this legislation during the present session of Congress. I feel safe in saying that the sentiment so expressed is that of a vast majority of the war veterans and their families of the entire country.

Incidentally, I was also delighted to learn that the Legionnaires of the district I have the honor to represent in Congress, in convention assembled, heartily approved of my record in Congress in support of legislation affecting the dis-

abled World War veterans, their widows, orphans, and other dependents, according to a telegram I received from the district commander. [Applause.]

Now, Mr. Speaker, there is one other matter I desire to discuss. I refer to a new regulation liberalizing the definition of permanent and total disability issued by General Hines, Administrator of Veterans' Affairs, which comes as a signal victory for the non-service-connected disabled veterans of the World War.

It is also a victory for the American Legion and Veterans of Foreign Wars, both of which organizations have been clamoring for such a regulation ever since the unreasonable and unjustifiable interpretation of the so-called Economy Act enacted by Congress several years ago. This interpretation has particularly been unfair to non-service-connected veterans who are rated at less than 100 percent disabled. Bill after bill has been introduced by veterans in Congress to correct these injustices, and committee after committee from the Legion and the Veterans of Foreign Wars have called on General Hines in an effort to do justice to these veterans who have been discriminated against under the heartless and unreasonable interpretation of the law. The new regulation not only corrects the injustices done for non-service-connected cases but it has a provision also liberalizing regulations concerning service-connected cases.

It marks another important milestone in the history of the Veterans' Administration and provides a more liberal standard for the determination of permanent and total disability as applied to veterans of the World War.

The new regulation will make it possible for thousands of unemployable disabled war veterans to be rated by local rating agencies as totally and permanently disabled, who heretofore have been unjustly discriminated against.

A service letter under date of April 2, 1940, from General Hines, which I am herewith inserting in the RECORD, will be of special interest to the World War veterans of Oklahoma and the Nation. This is especially true with reference to our disabled former service men, their widows and orphans, and dependents. The new liberalized regulation is as follows:

VETERANS' ADMINISTRATION SERVICE LETTER

ADMINISTRATOR'S OFFICE,

April 2, 1940.

Subject: Total-disability ratings under Public, No. 2, Seventy-third Congress, and the 1933 rating schedule.

1. The attention of all rating agencies is directed to the following statement of policy approved this date, which is quoted here-with for the guidance of all concerned:

"Total-disability ratings under Public, No. 2, Seventy-third Congress, and the 1933 rating schedule may be assigned without regard to the specific provisions of the rating schedule, except as outlined herein, when the disabled person is, in the judgment of the rating agency, unable to secure or follow a substantially gainful occupation as a result of his disabilities: *Provided*, That if there is only one disability, this disability shall be ratable at 60 percent or more, and that, if there are two or more disabilities, there shall be at least one disability ratable at 40 percent or more, and sufficient additional disability to bring the combined rating to 70 percent or more. Total-disability ratings, when the above conditions are met, may be granted for deafness, the organic loss of speech, for the amputation or loss of use of either hand or of either lower extremity above the knee (as to these amputations and losses of use, when followed by continuous unemployability after incurrence), as single disabilities or for other organic disabilities or combinations, including organic disabilities. For the purpose of Veterans Regulation 1 (a), part III, only, the above specified 60-percent, 40-percent, and 70-percent percentage requirements may be reduced by 10 percent on the attainment of age 60; and by an additional 10 percent on the attainment of age 65; and there shall be no percentage requirements for total-disability ratings in the cases of unemployable veterans who have attained the age of 70. The attainment of age 70 will not of itself warrant rating as permanently and totally disabled; in addition thereto disability sufficient to produce unemployability will be required. Nothing contained in this paragraph will prevent a total-disability rating for such disabilities and combinations of disabilities, including loss of use of two extremities, or loss of sight of both eyes, or being helpless or bedridden, and other disabilities, as are assigned specific ratings of 100 percent for the severity in question, but if the disabled person is employable, compliance with the terms of the schedule for such ratings will be required. When total disability under this paragraph is under consideration, the veteran will be required to submit a statement in affidavit form covering his employment, or unemployability, over a period of at least 1 year."

2. A disabled person meeting the regulatory or schedular requirements for 100-percent ratings is entitled to a total-disability rating

regardless of employment. Similarly, cases which do not meet the regulatory or schedular requirements, but which, in the opinion of the rating agency represent total disability on the average basis—i. e., whose employment represents highly exceptional effort or ability to overcome the handicap of disability—are entitled to central office consideration under R. & P. R-1142, and should be so submitted.

3. The unemployability of the individual may be established, with age, constitutional defects, limitation of occupational experience, and ability, particularly limitation to manual labor, as important contributing factors. In such cases it is important to ascertain the exact relationship between the particular manifestations of disability and resumption of work in the field of previous employment or of other types of employment. As a requirement for total-disability rating it must be established to the satisfaction of the rating agency that the disabilities are the principal cause of the continued unemployability.

4. Such inferiorities as mental deficiency, psychopathic inferiority, etc., do not of themselves indicate disability, either partial or total. When the medical industrial history and other evidence points to mental deficiency or psychopathic personality as important factors, it is essential to insure complete psychiatric examination and, if indicated, social-service report. When neuropsychiatric disease, mental deterioration, failing memory, and concentration (as with cerebral arteriosclerosis) are superimposed upon such conditions, the whole extent of social and industrial inadaptability, partial or total, in accordance with the rating schedule and paragraph 1 of this service letter, will be ascribed to the disease factor. Similarly, when injury or disease, as fracture or arthritis, is superimposed upon physical defect, the whole subsequent limitation of occupational activity resulting from the defect and the superimposed disease or injury will be ascribed to the disease or traumatism.

5. It is the policy of the Veterans' Administration to resolve the benefit of all reasonable doubt in favor of claimants, to the end that every veteran who is unable to secure and follow substantially gainful employment, with disability as the cause of such inability, will be given full consideration. Rating agencies will exercise great care in the determination of total disability and permanent and total disability to make sure that all claims are properly rated, based on the facts found. Any case in which unemployability is established, but in which the above-prescribed requirements for total-disability ratings, in service-connected cases, or for permanent total-disability ratings in non-service-connected cases are not met, will be referred to the central office, after proper development, under R. & P. R-1142.

6. Pending promulgation of the first paragraph above as a regulation, this service letter, dated April 2, 1940, will be cited as authority for ratings under its terms.

FRANK T. HINES,
Administrator of Veterans' Affairs.

MUST HAVE FLOOD CONTROL OF WASHITA RIVER BASIN

Mr. JOHNSON of Oklahoma. Mr. Speaker, several days ago I inserted in the CONGRESSIONAL RECORD five resolutions adopted at a recent important meeting of the Washita Valley Improvement Association. This meeting was widely attended by leading progressive and wide-awake citizens from every county in the State of Oklahoma through which the Washita River traverses. The resolutions in question are sufficient evidence that the people along the great, rich Washita Valley and its tributaries are flood-control and water-conservation minded and that they are determined that a real, practical flood-control program must be inaugurated without further delay on the Washita River Basin.

Recently I appeared before the Flood Control Committee of the House and was accorded the privilege of making a statement reviewing some of the history of the fight of our people for flood control and water conservation in this basin, at which time I also stated my position very definitely on any flood-control program to be promulgated, and I trust started, by the Federal Government on the Washita. My recent statement before the Flood Control Committee of the House is as follows:

Mr. Chairman, I am pleased to have the opportunity of appearing before the Flood Control Committee of the House at this time in support of a flood-control and water-conservation program for the great fertile Washita River Basin.

Having served on the Flood Control Committee several years ago with your distinguished and able chairman, and having visited many of the flood-control areas, including the Mississippi from Cary, Ill., to New Orleans, I feel that I have gathered considerable first-hand information concerning the many perplexing flood-control problems throughout the country.

May I further preface my remarks by saying that during the years I was privileged to serve on this committee, I advocated persistently the construction of comparatively small dams on the upper tributaries of the Mississippi as a practical and certain permanent solution to our flood-control problems so far as the Mississippi Basin is concerned. This area, as you know, drains about 30 States.

In the past, I have appeared before this committee in behalf of an authorization for a series of dams including the Canton Dam, in Blaine County, Okla. That dam and some others have heretofore been authorized, and I am advised by the Army engineers that actual construction will start on the Canton Dam sometime during the summer of 1940. I have also in the past expressed my interest and deep concern in the Washita, which heads in the Panhandle of Texas and traverses through western Oklahoma in a southeastern direction and empties into the Red River near the proposed Denison Dam, a distance of over 500 air miles and, of course, several times as many river miles.

In the Washita Valley Basin there are over 450,000 acres of land as fertile as the Nile. This rich basin includes the most thickly populated rural area of the State of Oklahoma. The side hills along the Washita Valley are sandy and fast eroding, as these hillsides are practically all in cultivation. This erosion has become so serious that it is fast filling up the Washita River with sand, silt, and mud that finds its way to the main stream of the Washita from its hundreds of small tributaries. Within the past several years we have seen some devastating floods on the Washita, and we shudder to contemplate what another major flood would mean on this river.

Several years ago while serving as a member of the Flood Control Committee of the House, I began to hound this committee and the Army engineers in an effort to secure a real comprehensive flood-control survey on the Washita River. At first the Army engineers were very cool to the suggestion. In fact, they appeared to be interested only in the lower Mississippi, but the people in the Washita Valley were flood-control minded and determined that the Federal Government should not continue to ignore the Washita.

A few years ago a meeting was called in Chickasha, Okla., by those interested in the flood control on the Washita River. I urged the then Chief of the Army Engineers to send one of the high-ranking Army engineers to this meeting who would be in a position to speak with some authority. A well-known engineer from the Vicksburg office attended the meeting.

When it was suggested by our representative citizens that a series of small dams be constructed on the tributaries of the Washita as a practical means of controlling floods on Red River and ultimately the Mississippi, the Army engineer ridiculed the suggestion and actually had the unmitigated gall to state publicly to our farmers and businessmen assembled that a series of dams on the tributaries of the Washita River, if constructed, would have no effect whatever on the floods of the lower Mississippi River.

Perhaps this Army engineer had read the report of the first alleged preliminary survey of the Army engineers of 1909 (H. Doc. 209-61-2), which was everything but favorable to a flood-control program on the Washita. Or he may have looked up the discussion of another purported survey of 1917 on Red River and its tributaries (H. Doc. 848-65-2), which was also unfavorable.

I am glad to state, however, Mr. Chairman, that the policy of the Army engineers in general has undergone a considerable change in recent years. Under the able leadership of General Schley and his excellent Corps of Engineers they are now advocating a much more practical flood-control program than they formerly did by the construction of just such dams as they or their predecessors ridiculed a few years ago.

In 1934 the Army engineers started the first comprehensive survey ever made on the Washita and its tributaries. A report of that survey is contained in the Army engineers report of the Washita under date of December 2, 1935, on Red River and its tributaries (H. Doc. 378-74-2).

Of course, there have been several surveys made by the Army Engineers and other governmental agencies on the Washita River since those alleged surveys of 1909 and 1917, which were, in fact, no real surveys at all, but more or less a statement of the then unfavorable policy of dams on tributaries of small streams. I am advised, however, by General Schley and others in the office of the Army engineers, that a recent detailed survey has been made on the Washita from the mouth at Denison to where it heads not far from the New Mexico line. I am told that this survey is now complete in every detail and that it will be in the Washington office soon. I am hopeful, of course, that it will contain sufficient information and recommendations that this committee will feel amply justified in including the entire Washita basin in any flood-control authorization bill that may be passed by this Congress.

I might add here that in the several preliminary surveys that have been made by the Corps of Army Engineers some 24 or 25 dams have been surveyed on tributaries of the Washita. I am, of course, hopeful that all of these dams will be included and recommended by this final permanent survey of the Army engineers, as well as that of another important survey recently completed by the Department of Agriculture.

Of course, I do not anticipate that it would be practical to start construction on all 25 dams at one time, but I am hopeful that final reports of both the Army engineers and the Department of Agriculture may recommend the starting of the construction of at least three or four small dams on tributaries of the Washita at once. May I further express the hope that the Army engineers' report does not recommend any large dams on the lower main stream of the Washita, for even a layman knows that such large expensive dams are impractical. Furthermore, they are not desired by our citizens.

I believe I stated a moment ago that several agencies have made surveys on this basin. I know that the Soil Conservation Service has had men on the Washita surveying the situation, not only for small dams but in an effort to formulate a program of building

check dams and terraces along the entire Washita Valley. In addition to that the Soil Conservation Service has, so I am advised, taken pictures of practically every section of land along the Washita from Denison Dam to the Texas Panhandle line. The Bureau of Agricultural Economics has also had their experts on the Washita, and as I understand, have one small project in operation near Cheyenne, in an effort to experiment on erosion control.

It is my understanding that the Department of Agriculture, in its final report of the Washita Basin has or will recommend the construction of some 24 or 25 small dams on the tributaries of the Washita, and that this report will recommend starting actual construction on at least 3 or 4 of these proposed dams at an early date. One dam near Cheyenne, one on Cobb Creek in Caddo County, and another further down the stream on Rush Creek, a few miles from the Grady-Garvin County line. Included in that report I feel sure will also be recommendation of a dam on the Little Washita in Grady County. It is my understanding that all of the 24 or 25 dams, if constructed by the Department of Agriculture, would cost a total of \$30,000,000. The dams proper would cost approximately \$14,500,000, and the watershed treatment of erosion control about \$15,000,500.

Since I have made reference to Denison Dam, let me say to this committee that I have made it plain, publicly and privately, that Denison Dam is not my pet project; nor is it a separate project with a separate appropriation, as some seem to think, but it is part of a flood-control program for the entire State of Oklahoma. However, as this committee knows, Congress has authorized \$54,000,000 for Denison Dam. Since that authorization was made the Army engineers have lowered the spillway elevation several feet and in so doing have effected a saving of some \$5,500,000. Since the recently discovered oil field above Denison Dam it may be practical to further lower the dam or spillway a few or several feet. I maintain that all of the \$5,500,000 saving made, and any further amounts that may be saved by any alterations in the dam or spillway, should by all means be spent on the Washita and other tributaries above Denison. In this connection I refer members of this committee to H. R. 10618, Seventy-fifth Congress, third session. This act authorizing Denison Dam specifically provides that any benefits that can be assigned from the Denison project shall be reserved for projects in Oklahoma, such as the Altus project and on other tributary streams to Red River.

I might say here, Mr. Chairman, that at my urgent suggestion the Reclamation Service also sent several of its experts to the Washita to make a survey of the practicability of a reclamation project in that great basin. It appears that all of the preliminary work has been done by the various Federal agencies and that it is up to this committee to make the next move, and I sincerely hope that before this Congress adjourns the Flood Control Committee of this House will include the great Washita basin in any flood-control bill that may be presented to Congress. I am sure our people are not particularly interested in which agency of the Government actually constructs the proposed dams on the Washita basin as long as they are properly located and, of course, properly constructed. As I stated a moment ago, the farmers, businessmen, and citizens generally along this great fertile valley are flood-control conscious. Our people want action before another devastating flood sweeps down that valley, bringing the destruction of life and property in its wake. They see millions of dollars spent in other areas and wonder why the Washita has been thus neglected.

Only recently there was organized at Chickasha, Okla., what is known as the Washita Valley Improvement Association. Mr. Otto Wray, of Fort Cobb, Okla., is the president of that association, and Lula K. Pratt, of Cheyenne, is secretary-treasurer. The vice presidents are Dick Longmire, of Pauls Valley; R. L. Wheeler, of Chickasha; Wesley Phillips, of Foss. Tom G. Gann, of Ninnekah, is chairman of the board of directors, which is made up of some of the leading businessmen and farmers of the Washita basin.

Judge R. L. Lawrence, of Anadarko, and George Wingo, of Fort Cobb, are among our leading citizens who have pioneered in advocating a real flood-control program for the entire Washita basin. Of course, there are many others whose names I should like to mention. I am advised by Don McBride, State engineer, who has rendered outstanding service in helping to get that valley organized, that there are now over 700 enthusiastic members of the Washita Valley Improvement Association.

This organization covers 18 counties along the Washita River Basin. May I call your attention to resolutions adopted by this association under date of February 29, 1940, which resolutions I placed in the Appendix of the Record, page 1663. These resolutions are very specific in their recommendations. They point out in no uncertain terms that the flood problems can be solved by the construction of small dams on the tributaries. This is especially true as applied to the Washita. I know full well that the citizens of this great valley would vigorously oppose the construction of large flood-control dams on the main stream of the Washita as a solution to the flood problem. That would be no solution at all. Such a method of flood control, which Army engineers have heretofore recommended, would defeat the purpose of the undertaking by inundating the alluvial lands in the valley and driving thousands of farmers out. I said a few moments ago that I hoped the Army engineers would not again recommend the construction of one or more large dams on the lower stream of the Washita. To actually construct 4 large dams on the main stream of the Washita and ignore the 25 small proposed dams on its tributaries would not begin to solve our problem, but would only add to the

present serious problems in that great valley. It would flood thousands of acres of fertile lands and add an unreasonable burden in relocation and rehabilitation of our farm population.

Mr. Chairman, I am extremely anxious to get a real flood-control program started on the Washita at the earliest possible date, but I give notice now that, irrespective of what the Army engineers' final report on the Washita may recommend, as a Representative in Congress from one of the congressional districts affected in Oklahoma, that I shall continue to oppose any impractical, absurd, expensive, and out-of-date theory of flood control that would propose a series of four or more large dams on the main stream of the Washita River rather than a large number of small dams on its tributaries.

Mr. JOHNSON of Oklahoma. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include therein a statement I made before the House Committee on Flood Control.

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

There was no objection.

EXTENSION OF REMARKS

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a newspaper article.

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

There was no objection.

RURAL ELECTRIFICATION

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

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

There was no objection.

[Mr. RANKIN addressed the House. His remarks appear in the Appendix of the RECORD.]

ORDER OF BUSINESS

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

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

There was no objection.

Mr. MARTIN of Massachusetts. Mr. Speaker, I take this time to find out what the program will be for next week.

The SPEAKER pro tempore. Monday is District of Columbia day.

Mr. MARTIN of Massachusetts. Does the Speaker know what bill the Committee on the District of Columbia intends to bring in?

The SPEAKER pro tempore. I do not.

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

Mr. MARTIN of Massachusetts. I yield to the gentleman from New York.

Mr. MARCANTONIO. I have received information that on Monday the bill amending the child-labor law, but in a slightly changed form, will again be called up by the Committee on the District of Columbia. I say this to inform the opponents of the bill so that they may be here.

The SPEAKER pro tempore. On Tuesday the bill called the Army promotion bill will come up under a rule. On Wednesday the memorial services will be held, and there will be nothing else on that day. The remainder of the week will be devoted to the consideration of the so-called amendments to the Wage-Hour Act.

Mr. MARTIN of Massachusetts. That is, the so-called Barden amendments?

The SPEAKER pro tempore. The Norton, Ramspeck, and Barden bills are all in order under the rule.

EXTENSION OF REMARKS

Mr. McKEOUGH. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a newspaper article with relation to the earnings of the industrial corporations of the country in 1939, which recently appeared in a Chicago newspaper.

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

There was no objection.

The SPEAKER pro tempore. Under the previous order of the House the gentleman from Connecticut [Mr. MILLER] is recognized for 45 minutes.

THE WIDOWS' AND ORPHANS' PENSION BILL

Mr. MILLER. Mr. Speaker, thanks to the generosity of the House, I was permitted yesterday to address the House out of order during consideration of the rule on the bill just passed. For that reason I do not intend to take more than 2 or 3 minutes of the 45 minutes allotted to me this afternoon, as I discussed at quite some length the bill, H. R. 9000, and under permission granted I have extended those remarks and will insert them in the RECORD today.

However, I want to reply briefly to the remarks made by the distinguished chairman of the Committee on World War Veterans' Legislation. During his remarks yesterday he pointed out or said that he knew there were a lot of large income-tax payers in Connecticut. I interrupted him and asked him if he thought that was a fair question, and his answer was, "Yes; it was a fair question, because he felt that the opposition to this bill was coming from outside influences." I regret exceedingly that the chairman of that important committee should take that attitude. I knew the chairman of that committee by reputation long before I came to the House. I have appeared before his committee as a private citizen and as a representative of the American Legion, and I think the records of his own committee will prove that I have appeared here, and I came down here at my own expense to plead before his committee for certain veterans' legislation. It is the first time since the organization of the American Legion that, because of deep and abiding conviction, I have felt compelled to oppose legislation proposed by the Legion, and it is a sorry day for the American Legion if any member of that organization is to have his motives questioned because he sees fit to oppose the provisions of legislation they have introduced, and I regret that the chairman should have no higher regard for my integrity than to imply to the Members of this House that in opposing this legislation I am concerned about any financial institutions in my own district, and I want the RECORD to show that I say on my honor as a Member of this House that no representative and no employee and, to the best of my knowledge, nobody directly or indirectly connected with any financial institution in my own district of anywhere else has ever even discussed with me the provisions of this bill or suggested in any shape or form that I should oppose this legislation. I am opposing it on my own authority and because of my own convictions. [Applause.]

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

The SPEAKER pro tempore. Under the special order of the House, the gentlewoman from Massachusetts [Mrs. ROGERS] is recognized for 5 minutes.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I would like to take just one-half minute to say that I did not agree yesterday afternoon with the gentleman from Connecticut [Mr. MILLER] in his views regarding the so-called widows' and orphans' bill because I favor its passage; I do want to say, however, that the courage and the integrity of the gentleman from Connecticut [Mr. MILLER] cannot be questioned. He is intellectually honest, intellectually courageous, and physically courageous. He is a living example, Mr. Speaker, of courage, and a great example to all of us. [Applause.]

EXTENSION OF REMARKS

Mr. WHITE of Idaho. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein correspondence with Mr. Kraft, of the Kraft Cheese Co.

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

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. HILL, for 2 weeks, on account of important business.
To Mr. SHANLEY, for 3 days, on account of official business.
To Mr. CLAYPOOL, for 1 week, on account of business.

ADJOURNMENT

Mr. COOPER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 20 minutes p. m.) the House, under the order heretofore adopted, adjourned until Monday, April 22, 1940, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON MERCHANT MARINE AND FISHERIES

The Committee on Merchant Marine and Fisheries will hold hearings on the following resolution on Wednesday, April 24, 1940:

House Joint Resolution 509, to suspend section 510 (g) of the Merchant Marine Act, 1936, during the present European war. Hearings will be held at 10 a. m.

The Committee on Merchant Marine and Fisheries will hold hearings on the following bill on Tuesday, April 30, 1940:

H. R. 8855, to admit the American-owned steamship *Port Saunders* and steamship *Hawk* to American registry and to permit their use in coastwise and fisheries trade. Hearing will be held at 10 a. m.

COMMITTEE ON INDIAN AFFAIRS

There will be a meeting of the Committee on Indian Affairs on Wednesday next, April 24, 1940, at 10:30 a. m., to hold hearings on H. R. 909, a bill providing for the purchase by the United States of the segregated coal and asphalt deposits in Oklahoma from the Choctaw and Chickasaw Tribes of Indians.

COMMITTEE ON PUBLIC BUILDINGS AND GROUNDS

There will be a meeting of the Committee on Public Buildings and Grounds Wednesday, April 24, 1940, at 10:30 a. m., for the consideration of House Joint Resolution 487. Important. The hearings will be held in room 1501, New House Office Building.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1555. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated April 10, 1940, submitting a report, together with accompanying papers and an illustration, on a preliminary examination and survey of waterway from Punta Rasa to Fort Pierce and Stuart, Fla., via Caloosahatchee River and Canal, Lake Okeechobee, and St. Lucie Canal and River, authorized by the River and Harbor Acts approved August 26, 1937, and June 20, 1938 (H. Doc. No. 696); to the Committee on Rivers and Harbors and ordered to be printed, with an illustration.

1556. A letter from the Board of Governors of the Federal Reserve System, transmitting the Twenty-sixth Annual Report of the Federal Reserve System covering the operations during the calendar year 1939; to the Committee on Banking and Currency.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. DARDEN: Committee on Naval Affairs. H. R. 9266. A bill providing for the reorganization of the Navy Department, and for other purposes; with amendment (Rept. No. 1995). Referred to the Committee of the Whole House on the state of the Union.

Mr. KELLER: Committee on the Library. H. R. 9236. A bill to amend the act entitled "An act to provide books for the adult blind," approved March 3, 1931; without amend-

ment (Rept. No. 1996). Referred to the Committee of the Whole House on the state of the Union.

Mr. SABATH: Committee on Rules. House Resolution 468. Resolution to provide for the consideration of H. R. 9139, a bill to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto; without amendment (Rept. No. 1997). Referred to the House Calendar.

Mr. LEWIS of Colorado: Committee on Rules. House Resolution 63. Resolution authorizing a select committee to investigate the interstate migration of destitute citizens; without amendment (Rept. No. 1998). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CASE of South Dakota:

H. R. 9460. A bill to add to the Verendrye National Monument the site where in 1743 the Verendryes planted plates claiming the Northwest Territory for France; to the Committee on the Public Lands.

By Mr. COOLEY:

H. R. 9461. A bill to amend the Agricultural Adjustment Act of 1938, as amended, and for other purposes; to the Committee on Agriculture.

By Mr. KEFAUVER:

H. R. 9462. A bill designating the person who shall act as President if a President shall not have been chosen before the time fixed for the beginning of his term, or when neither a President-elect nor a Vice-President-elect shall have qualified; to the Committee on the Judiciary.

By Mr. MAGNUSON:

H. R. 9463. A bill to amend section 2, chapter 368, Forty-sixth Statutes at Large, page 1467, March 2, 1931, relating to extra compensation of inspectors and employees of the Immigration and Naturalization Service; to the Committee on Immigration and Naturalization.

By Mr. REECE of Tennessee:

H. R. 9464. A bill to amend the act of May 22, 1926 (44 Stat. 616), as amended, providing for the establishment of the Great Smoky Mountains National Park, and for other purposes; to the Committee on the Public Lands.

By Mr. DARDEN:

H. Res. 469. Resolution providing for the consideration of H. R. 9266, a bill providing for the reorganization of the Navy Department, and for other purposes; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CHURCH:

H. R. 9465. A bill granting the Distinguished Service Medal to Albert W. J. Johnsen; to the Committee on Military Affairs.

By Mr. FAY:

H. R. 9466. A bill for the relief of Frank Reilly; to the Committee on Military Affairs.

By Mr. HOFFMAN:

H. R. 9467. A bill for the relief of Adam Lotsbaich; to the Committee on Immigration and Naturalization.

By Mr. HULL:

H. R. 9468. A bill for the relief of E. J. Ide; to the Committee on Claims.

By Mr. JOHNSON of West Virginia:

H. R. 9469. A bill granting an increase of pension to Mary C. Lowe; to the Committee on Invalid Pensions.

By Mr. MILLS of Arkansas:

H. R. 9470. A bill for the relief of William Johnson; to the Committee on Claims.

By Mr. PEARSON:

H. R. 9471. A bill for the relief of George P. Crawford; to the Committee on Claims.

By Mr. ROBSION of Kentucky:

H. R. 9472. A bill granting a pension to Cynthia Mayes; to the Committee on Invalid Pensions.

By Mr. SHORT:

H. R. 9473. A bill granting a pension to Mary Jane Patterson; to the Committee on Invalid Pensions.

By Mr. SPARKMAN:

H. R. 9474. A bill for the relief of certain employees of the Department of War; to the Committee on Claims.

By Mr. VOORHIS of California:

H. R. 9475. A bill for the relief of Marie L. Silcox; to the Committee on Claims.

By Mr. BOEHNE:

H. R. 9476. A bill granting an increase of pension to Minnie Weitzel; 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:

7527. By Mr. HARTER of New York: Petition of the Atlantic States Shippers Advisory Board, New York City, opposing the St. Lawrence Waterway Treaty; to the Committee on Foreign Affairs.

7528. By Mr. MARTIN J. KENNEDY: Petition of the New York Board of Trade, Inc., New York City, expressing opposition to Senate bill 1032, which is to extend the Walsh-Healey Act; to the Committee on Labor.

7529. Also, petition of the New York Board of Trade, Inc., New York City, expressing approval of Senate bill 3046, which extends the benefits of the act to prevent pernicious political activities; to the Committee on the Judiciary.

7530. Also, petition of the New York Board of Trade, Inc., New York City, urging support of a program to reduce the cost of the Federal Government with a view to balancing the Federal Budget; to the Committee on Appropriations.

7531. Also, petition of the Atlantic States Advisory Board, New York City, expressing approval of House bill 360, to investigate the proposed Great Lakes-St. Lawrence deep-waterway and power project; to the Committee on Interstate and Foreign Commerce.

7532. Also, petition of the United Mine Workers of America, Washington, D. C., concerning the National Labor Relations Act; to the Committee on Labor.

7533. By Mr. MICHAEL J. KENNEDY: Petition of the Sheet Metal Workers' International Association, Local No. 28, of New York City, supporting House bills 5875, 5876, and 8279; to the Committee on Naval Affairs.

7534. Also, petition of the Central Trades and Labor Council of New York City, representing 600,000 workers affiliated with the American Federation of Labor, endorsing House bill 9195, which embodies amendments to the National Labor Relations Act; to the Committee on Labor.

7535. Also, petition of Local No. 802 of the American Federation of Musicians, representing 22,000 professional musicians, urging enactment of Senate bill 280, which prohibits the trade practice known as compulsory block-booking in the leasing of motion-picture films; to the Committee on Interstate and Foreign Commerce.

7536. Also, petition of the United Furniture Workers of America, representing 38,000 workers, opposing the Norton and Smith amendments to the National Labor Relations Act; to the Committee on Labor.

7537. Also, petition of the National Maritime Union of America, opposing the Norton and Smith amendments to the Wagner National Labor Relations Act; to the Committee on Labor.

7538. Also, petition of the International Association of Machinists, supporting the Norton amendments to the National Labor Relations Act; to the Committee on Labor.

7539. Also, petition of the United Mine Workers of America, opposing the Norton and Smith amendments to the Wagner Labor Relations Act; to the Committee on Labor.

7540. Also, petition of the Federation of Flat Glass Workers of America, opposing the Norton and Smith amendments to the Labor Relations Act; to the Committee on Labor.

7541. Also, petition of E. H. Kellogg & Co., of New York City, advocating home production to fulfill our sugar requirements; to the Committee on Agriculture.

7542. Also, petition of the State, County, and Municipal Workers of America, opposing amendments to the National Labor Relations Act; to the Committee on Labor.

7543. Also, petition of the New York Committee to Aid Agricultural Workers, opposing the Barden amendments to the Wages and Hours Act; to the Committee on Labor.

7544. Also, petition of the Transport Workers Union of America, representing 90,000 members employed on public transportation facilities throughout the United States, opposing the Norton and Smith bills for amendment of the Wagner Labor Relations Act; to the Committee on Labor.

7545. By Mr. KEOUGH: Petition of the United Office and Professional Workers of America, opposing the Norton and Smith amendments to the National Labor Relations Act; to the Committee on Labor.

7546. Also, petition of the Utility Workers Organizing Committee, New York City, opposing the Norton and Smith bills amending the National Labor Relations Act; to the Committee on Labor.

7547. Also, petition of the Steel Workers Organizing Committee, Pittsburgh, Pa., opposing the Norton and Smith amendments to the National Labor Relations Act; to the Committee on Labor.

7548. Also, petition of the Quarry Workers International Union of North America, Barre, Vt., opposing the Norton and Smith amendments to the National Labor Relations Act; to the Committee on Labor.

7549. Also, petition of the Farm Equipment Workers Organizing Committee, Chicago, Ill., opposing the Smith and Norton bills amending the National Labor Relations Act; to the Committee on Labor.

7550. Also, petition of the International Union Playthings and Novelty Workers of America, New York City, opposing the Norton and Smith amendments to the National Labor Relations Act; to the Committee on Labor.

7551. Also, petition of the International Union of Mine, Mill, and Smelter Workers, Denver, Colo., opposing the Norton and Smith amendments to National Labor Relations Act; to the Committee on Labor.

7552. Also, petition of the American Legion of Kings County, Brooklyn, N. Y., favoring sugar legislation that will protect the jobs of the Brooklyn, N. Y., sugar-refinery workers; to the Committee on Agriculture.

7553. By Mr. LAMBERTSON: Petition of F. H. Beers and 77 other residents of Leavenworth County, urging the enactment of House bills 7980 and 7950 into law to provide for disabled veterans and their dependents; to the Committee on World War Veterans' Legislation.

7554. By Mr. LUDLOW: Petitions of employees of the Veterans' facility at Indianapolis, Ind., supporting House bill 7708, for the abolition of compulsory payments for quarters, subsistence, and laundry; to the Committee on Expenditures in the Executive Departments.

7555. By the SPEAKER: Petition of the American Legion of Kings County, Department of New York, petitioning consideration of their resolution with reference to House bill 7239, concerning immigration and naturalization; to the Committee on Immigration and Naturalization.

7556. Also, petition of the American Legion of Kings County, Department of New York, petitioning consideration of their resolution with reference to importation of refined sugar made in the tropical islands; to the Committee on Agriculture.

7557. Also, petition of the Baptists of Puerto Rico, Ponce, P. R., petitioning consideration of their resolution with reference to our President in sending to the Vatican a personal emissary; to the Committee on Foreign Affairs.

7558. Also, petition of Local Union No. 3, International Brotherhood of Electrical Workers, New York City, N. Y., petitioning consideration of their resolution with reference to the appropriations for the Department of Justice; to the Committee on the Judiciary.

7559. Also, petition of the Philadelphia City Council, City Hall, Philadelphia, Pa., petitioning consideration of their resolution with reference to Senate bill 2009, known as omnibus transportation bill; to the Committee on Interstate and Foreign Commerce.

7560. Also, petition of Lodge 700, of the International Workers Order at East Pittsburgh, Pa., petitioning consideration of their resolution with reference to un-American actions; to the Committee on Rules.

7561. Also, petition of the United Mine Workers of America, District 50, Local 12120, East Chicago, Ind., petitioning consideration of their resolution with reference to Senate bill 591, United States Housing Authority program; to the Committee on Banking and Currency.

7562. Also, petition of Local Union No. 414, International Brotherhood of Teamsters, Chauffeurs, Stablemen, and Helpers of America, Fort Wayne, Ind., petitioning consideration of their resolution with reference to Senate bill 591, United States Housing Authority program; to the Committee on Banking and Currency.

7563. Also, petition of B. R. C. of A., New Leaf Lodge, No. 1221, Terre Haute, Ind., petitioning consideration of their resolution with reference to Senate bill 591, United States Housing Authority program; to the Committee on Banking and Currency.

SENATE

MONDAY, APRIL 22, 1940

The Chaplain, Rev. ZeBarney T. Phillips, D. D., offered the following prayer:

Eternal God and Father of us all, in whom is our hope, our joy, and from whom is our inspiration: Be graciously pleased to keep in the hollow of Thine hand the destiny and welfare of America. At this sacred moment of approach to Thee we invoke Thine especial blessings upon our President, Vice President, the Members of the Congress, the judiciary, and all others in authority, that they may be earnest in their personal devotion to the high demands of character, generous and free in public service and in the promotion of the noble causes of mankind. As a people give to us the vision of truth that no falsehood can defeat; of right that no wrong can crush; of goodness that no evil can overpower, for we know that Thou art on the side of every soul that seeks the righteous life and joins Thee in service for the coming of Thy kingdom. Thus, in these dark and difficult days, we acknowledge Thee to be the Lord, and bless Thee for the hope of a world redeemed, for the dream that hears again the song of the morning stars and the shout of the sons of God that shall herald the new creation of love and peace in the hearts of men. In our dear Redeemer's name we ask it. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of Friday, April 19, 1940, was dispensed with, and the Journal was approved.

CALL OF THE ROLL

Mr. BARKLEY. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Bone	Chandler	Downey
Ashurst	Bridges	Chavez	Ellender
Austin	Brown	Clark, Idaho	George
Bailey	Bulow	Clark, Mo.	Gerry
Bankhead	Burke	Connally	Gibson
Barbour	Byrd	Danaher	Gillette
Barkley	Byrnes	Davis	Glass
Billbo	Caraway	Donahey	Green