

Robert H. Thomson, South Branch.
James W. Harris, Surf City.

NEW YORK

Leonard T. Gadwood, Oswego.

NORTH CAROLINA

Neece N. Osborn, Jamestown.
Clay T. Lefler, Matthews.
Charles T. Burke, Wilmington.

OHIO

Eugene H. Lillibridge, Burton.
Bernice E. Bridges, Conover.
Ralph J. Walters, Deerfield.
William D. Smallwood, Londonderry.
John L. Hall, Orwell.
Frank Cleland, Racine.
Elmer J. Evans, Wellsville.
Otto J. Landefeld, Willard.
Lloyd Eugene Bush, Williamsport.

OREGON

Eldon L. Lee, Yoncalla.

PENNSYLVANIA

Joseph P. Shurilla, Custer City.
John F. Woodruff, Devon.
Hazel L. Kane, Garland.
Robert J. Drake, Hawley.
Daniel Hobart Cope, Jonestown.
Leon L. Nicholas, Kunkletown.
James A. Bleakly, Merion Station.
Arlie C. Kline, Mont Alto.
Herbert M. Dissinger, Mount Gretna.
Marshall L. Sterne, Oakford.
Maurice A. Nordberg, Philipsburg.
Charles P. McGuigan, Red Lion.
Thomas N. Asa, West Brownsville.

SOUTH CAROLINA

Haskell M. Thomas, Florence.
Joe G. Flowers, Lake View.
John G. Evans, Six Mile.

SOUTH DAKOTA

Russell C. Birkeland, Dupree.
Sarah J. Stadem, Henry.
Fredrick L. Bellum, Timber Lake.

TENNESSEE

Jimmie M. Leach, Atwood.
William A. Logan, McDonald.

TEXAS

Oliver A. Koenig, Aubrey.
Charles C. Barton, Bertram.
Arthur Bergmann, Comfort.
Ellis D. Beck, Cushing.
Robert Edgar Hutchins, Greenville.
Calvin D. Rippetoe, Lipan.
William R. Bellamy, Lockhart.
Frances C. Hutson, North Cowden.
Paul L. Morrison, Pecos.
Areland Stricklen, Redwater.
James A. Lewis, Rio Hondo.
Josephine L. Moore, Roxton.
Montie A. Moss, Sanford.
Virgie Lou Smith, Tornillo.
Floyd Z. Pannell, Tulia.
Willard S. Thomas, Weatherford.
R. S. Sanders, Weinert.

UTAH

Jessie S. Neilsen, Lark.
Eugene R. Carter, Moab.
Eldon R. Janes, Providence.

VERMONT

Stillman L. Needham, Bridgewater.
Luther A. Prescott, Essex Junction.

VIRGINIA

John B. Robertson, Hurt.

WASHINGTON

William L. Hickey, Bucoda.
Francis M. Moses, Centralia.
Leland H. Jensen, La Conner.
Earl D. Kelley, Newport.
Will K. Munson, Sunnyside.
Oscar L. Hanson, Vancouver.
Paul L. Carey, Woodland.

WEST VIRGINIA

Margaret W. Cook, Berwind.
Dorsey H. Wilson, Fort Spring.

Bessie L. Cormany, Malden.
Delbert C. Klines, Moatsville.
Janet A. Sisson, Sissonville.

WISCONSIN

Margaret P. Webb, Barronett.
Philip H. Moe, Chetek.
Mae G. Ashley, Doylestown.
Oscar F. Paulson, La Crosse.
Lyle E. Dye, Mazomanie.
Lucile A. Farness, Morrisonville.
Myron T. Schroeder, Oneida.
Ernest Ivan Wilson, Poynette.
Joe A. Petersen, Tony.

HOUSE OF REPRESENTATIVES

FRIDAY, JULY 2, 1954

The House met at 10 o'clock a. m.
The Chaplain, Rev. Bernard Braskamp,
D. D., offered the following prayer:

Almighty God, humbly and confidently, we are again turning unto Thee in the sacred attitude of prayer, mindful of Thy blessings in all our yesterdays and encouraged by Thy gracious promises of help for each new day.

May we appreciate more fully that of no one else can we ask so much and none other is so able and willing to supply our many needs.

Grant that we may have a clear vision and understanding of our problems and the realities of life, seeing them in their right perspectives and proportions and daring to face them bravely.

May the spirit of our minds and hearts always be the spirit of integrity and justice, of unity and charity, and sympathy for all who are baffled and dismayed by the vicissitudes of life.

In Christ's name we bring our petitions. Amen.

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

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Ast, one of its clerks, announced that the Senate had passed without amendment a bill and joint resolutions of the House of the following titles:

H. R. 9315. An act to provide for an extension on a reciprocal basis of the period of the free entry of Philippine articles in the United States;

H. J. Res. 256. Joint resolution to permit articles imported from foreign countries for the purpose of exhibition at the First International Instrument Congress and Exposition, Philadelphia, Pa., to be admitted without payment of tariff, and for other purposes;

H. J. Res. 537. Joint resolution to permit articles imported from foreign countries for the purpose of exhibition at the Washington State Fourth International Trade Fair, Seattle, Wash., to be admitted without payment of tariff, and for other purposes;

H. J. Res. 545. Joint resolution to permit articles imported from foreign countries for the purpose of exhibition at the International Trade-Sample Fair, Dallas, Tex., to be admitted without payment of tariff, and for other purposes;

H. J. Res. 552. Joint resolution making temporary appropriations for the fiscal year 1955, and for other purposes; and

H. J. Res. 553. Joint resolution to amend the act of June 30, 1954 (Private Law 495, 83d Cong.).

The message also announced that the Senate had passed a concurrent resolution of the following title, in which the concurrence of the House is requested:

S. Con. Res. 93. Concurrent resolution to express deep sympathy of Congress to people stricken by floods along the Rio Grande.

The message also announced that the Senate had adopted the following resolution (S. Res. 274):

Resolved, That the Senate has heard with profound sorrow and deep regret the announcement of the death of Hon. HUGH BUTLER, late a Senator from the State of Nebraska.

Resolved, That the President of the Senate appoint a committee, of which he shall be a member, to attend the funeral of the deceased Senator.

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

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

SUSPENSION OF DUTIES AND IMPORT TAXES ON METAL SCRAP

Mr. REED of New York. Mr. Speaker, I ask unanimous consent that the Committee on Ways and Means may have until midnight tonight to file a report on the bill (H. R. 8155) to continue until the close of June 30, 1955, the suspension of duties and import taxes on metal scrap, and for other purposes.

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

There was no objection.

CALL OF THE HOUSE

Mr. VAN PELT. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Obviously a quorum is not present.

Mr. HALLECK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

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

[Roll No. 95]

Angell	Fino	Machrowicz
Bentsen	Gamble	Mason
Bonin	Hart	Miller, N. Y.
Boykin	Heller	Morrison
Broyhill	Hillings	Perkins
Buckley	Hinshaw	Powell
Burdick	Johnson, Calif.	Prouty
Busbey	Kearns	Regan
Chatham	Keogh	Secrest
Chudoff	Kersten, Wis.	Shafer
Curtis, Nebr.	Klein	Sutton
Dingell	Long	Weichel
Dodd	Lucas	Wilson, Tex.
Feighan	Lyle	

The SPEAKER. Three hundred and ninety-four Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

SPECIAL ORDER GRANTED

Mrs. ROGERS of Massachusetts asked and was given permission to address the House for 5 minutes today, following the legislative program and any special orders heretofore entered.

AGRICULTURAL ACT OF 1954

Mr. HOPE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 9680) to provide for continued price support for agricultural products; to augment the marketing and disposal of such products; to provide for greater stability in the products of agriculture, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 9680, with Mr. Corron in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday the Clerk had finished reading through line 17 on page 2. The Clerk will report the committee amendment.

The Clerk read as follows:

Page 2, line 3, after 201 insert "(a) and (b)."

The committee amendment was agreed to.

Mr. HOPE. Mr. Chairman, I offer an amendment to line 17 which is a clerical amendment.

The Clerk read as follows:

Committee amendment offered by Mr. HOPE: On page 2, line 17, after the semicolon insert a quotation mark and a period.

The committee amendment was agreed to.

Mr. D'EWART. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, Montana is one of the great wheat-producing States of the Union. We have 25,553 farms that grow wheat, and that is 7 percent of the farms in the State. In 1952 we grew wheat on 5,880,019 acres, and had 4,472,429 acres in summer fallow, or a total of 10,353,448 acres of wheat land. In 1953 our acreage was up to 6,001,436, but acreage allotments cut it back to 5,070,000 this year. Our average yield of wheat in the summer fallow counties is 17 bushels per acre. From these figures, it is very evident that what we do in this legislation with regard to wheat is most important to Montana.

This week we have been in the heat of debate over the future farm program, the issue being drawn between President Eisenhower's insistence on an immediate change to "flexible" price supports, and the recommendation of the House Committee on Agriculture in favor of a 1-year extension of the present 90 percent of parity on the 5 basic commodities, 1 of which is wheat.

The President and Mr. Benson submitted a lengthy and detailed farm program early this year. It contained provisions for price supports at levels between 75 and 90 percent of parity, for a gradual change to modernized parity, set-aside of \$2,500,000,000 worth of surplus farm commodities, a special incentive program for wool, and special efforts to improve marketing, increase distribution, and encourage the export of our farm products.

On all but one of these points the President and Congress have been in agreement. I was one of the sponsors of the bill to increase export of farm products, now known as the Agricultural Trade Development and Assistance Act of 1954. Under this bill we hope to dispose of \$1 billion worth of farm products in foreign markets and domestic relief, aside from and in addition to the normal foreign distribution of agricultural commodities. Our bill provides that up to \$700 million worth can be sold abroad for foreign currencies, using CCC stored commodities, and through private rather than Government channels wherever possible. The other \$300 million in the authorization is to be used for donations of surplus farm products to friendly nations to relieve famine, through voluntary relief agencies, and for domestic needs. This section of the act permits the commodities to be donated to such agencies as the Christian Rural Overseas Program—CROP—which has won such wide support in Montana, as well as to the domestic school-lunch program, to people suffering from disaster, and to other charitable institutions. It is an important part of our effort to widen the markets for our farm products. There are people all over the world and here at home as well who need the abundance we produce. The problem is to get it to them. On this part of the program, the President and Congress have agreed.

Secondly, the President and the House Agriculture Committee are in accord on a gradual transition to modernized parity to go into effect after 1956 for wheat. Parity is the level of income a farmer must have now to be able to purchase the same amount of goods and services that he could purchase at 1914 prices. Modernized parity would use the last 10 years in relation to the base period rather than the 1914 level, and on some crops it would mean that the parity price would be lower. The President and the committee both recommend that the transition to modernized parity be limited to a 5-percent drop per year until the new level is reached.

The President and the House committee also are in agreement on setting aside \$2,500,000,000 worth of commodities now in Government ownership. This reserve, to be insulated from the market, is just as necessary to our welfare in these times as are the reserves of arms and ammunition that we are storing, and the stockpiles of critical minerals.

There is agreement also on a fourth point—discretionary supports of the nonbasic crops. Under the present law and under the President's recommendation, the Secretary of Agriculture would be permitted to support the price of any nonbasic crop at any level he chose between zero and 90 percent.

The President and the House committee also are agreed upon an incentive program for wool. Wool is a strategic commodity. It is, of course, extremely important in the economy of Montana, and we are very anxious to have this new program become law, without the cut-off date that has been proposed. The President's wool program already

has passed the Senate. It is now carried in the House bill as a part of title III. I believe all concerned are agreed on the necessity and desirability of this legislation.

Since we have such a wide area of agreement, it is regretted that there should be so sharp a difference of opinion on the question of price supports for the basic commodities.

The President believes that the high rigid supports have been primarily responsible for increasing production beyond normal demand, and he believes that the Secretary should have discretionary authority to set the level of support at a point calculated to produce a crop more nearly in line with our requirements.

There is a very practical side to this question, and it is to this that the House committee has given great weight. The practical side is the matter of farm income in the areas where these basic commodities are produced. While it may be true that a majority of the Nation's farmers do not grow crops that are price-supported and therefore are not affected by this controversy, the fact remains that the minority who do grow the basic commodities are an important part of our economy and they are immediately and very seriously concerned.

Montana farmers who grow wheat cannot readily turn to any other crop. They are not diversified farmers. If they cannot grow wheat at a reasonable price or if their acreage is cut to a crippling extent, and if other grains they might grow are in oversupply, then they are in very real difficulty.

Our Montana wheat farmers have taken over 20 percent cut in the acreage they are permitted to grow this year. On July 23 they will vote on a further cut of about 11 percent. This means a 31 percent decrease in income. If, in addition to the reduction in the acreage of their crop, they are faced with a cut in the price, it will mean ruin to many wheat farmers in my State.

Much has been said about the big wheat farmers who are said to wax fat on Government supports. I call attention to the fact that in 1 representative county in my State, there are nearly 400 farmers whose wheat cropland is less than 300 acres. Another almost 300 farmers are in the 300-500 acre group. About an equal number farm 500-1,000 acres. There are only 5 who have more than 2,000 acres. A man who has 300 acres or less in wheat is not getting rich no matter what the level of support. He is just getting along.

The premise that flexible supports will lower prices, stimulate consumption and thus relieve surplus is faulty when applied to wheat. Insofar as human consumption is concerned, the price of a bushel of wheat has no relation to the consumption of bread.

With this in mind, the House Committee has endeavored to find a wheat program that would ease the economic shock to farmers. First, it has extended for 1 more year the 90-percent price support. Secondly, it offers a two-price plan for the future, which would give a farmer full parity for the wheat consumed domestically, and the prevailing

market price for the balance of his production. Under the bill, wheat farmers would vote next year to determine whether or not to accept this plan.

The House Committee bill also includes a provision for special acreage allowances for farmers who summer fallow. This is of great importance in Montana, as I have shown. Many of the farmers who practice summer fallowing have received larger-than-average acreage cuts, and under this bill they would be brought up to not less than the national average cut.

Secretary Benson has said that more than 70 percent of the agricultural products produced in the United States are not price-supported. As far as we are concerned, the situation is reversed. More than 70 percent of Montana's farm products were price-supported or aided by Government purchase plans in 1953. To this extent we are in a special category, and under the circumstances it is my opinion that Montana's welfare demands the continuance of 90-percent support on wheat until the growers have an opportunity to vote upon the new two-price plan and to make further farm adjustments.

I would like to add to this program the following three provisions:

First. A floor under acreage allotments. No Montana wheat farmer should be cut below 150 acres.

Second. A ceiling on the number of acres that would be eligible for Government support. This would eliminate the objections of those who state that large-scale farmers are making too much money from Government guaranties.

Third. An increase in acreage for producers of high-protein wheat when this grade of wheat is in short supply. At the proper time, I shall offer an amendment to this end.

Mr. Chairman, as one who supports the President's program, it is difficult for me to be unable to go along on the wheat provisions advocated by the Department of Agriculture. However, the farmers and businessmen of my State have indicated overwhelmingly that they think 90-percent support of wheat is necessary for another year, and I believe it is necessary if we are to prevent great harm to the economy of Montana. I trust that the committee recommendation for wheat is approved. However, whether or not it is, I shall vote for the passage of the bill because of the many sections that are an improvement over the present law. The alternative of no bill is, of course, 75- to 90-percent support of wheat as provided in the 1949 act.

The Clerk read as follows:

SEC. 103. Section 5 of the act of March 31, 1950 (7 U. S. C. 1450), as amended by section 5 (a) of Public Law 290, 83d Congress, is repealed.

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

Mr. Chairman, we have now reached section 103 of this bill, which section repeals the act of Congress of March 31, 1950. That act removed potatoes from the price-support program. I believe we all recall the experience we had with potatoes under the price-support program, and I am satisfied that neither

the producers nor the consumers were in any way satisfied with the way that worked out. I have been assured by the Secretary of Agriculture that he has no intention of placing potatoes under supports at this time, nor does he, in the foreseeable future.

I would appreciate a statement from the distinguished chairman of the Committee on Agriculture as to the reason for the committee action in repealing this law and the effect which this section would have, if adopted.

Mr. HOPE. Mr. Chairman, if the gentleman will yield, I shall be happy to reply to the question which he has just propounded.

If the gentleman will recall, you will find in the report on page 13 a paragraph devoted to the question of potatoes and the reason that the committee put this section in the bill. I do not know of any movement, of course, to put price supports on potatoes. The effect of this particular provision in the bill is to remove potatoes from the unique position which they have heretofore had of being the only agricultural commodity upon which it was not possible to have price supports.

As I say, the effect of this amendment is to put potatoes in the same category as most of the agricultural commodities as far as price supports are concerned. The gentleman from Idaho will recall that a few years ago there was a provision inserted in the law which made potatoes unique in the respect that there was no way by which they could be supported; no practical way in which they could be supported. This amendment puts them in the same category as other commodities for support within the judgment and discretion of the Secretary from zero to 90 percent of parity.

I know the gentleman is opposed to mandatory price supports on potatoes, and I understand that his constituents, who are potato growers, are opposed, too, but I would like to call his attention to the fact that there are certain collateral benefits which go to the inclusion of a commodity in the list of those which can be price supported, and among them is the fact that operation, under section 22, dealing with imports, can be initiated if a commodity is included in the price-support program, and that would not be possible unless we had included this amendment. I understand that is of considerable importance in the minds of many potato growers. Does that answer the gentleman's question?

Mr. BUDGE. It was not, then, the intention of the committee by this action to place an interpretation in the minds of the potato growers or the consumers or the Secretary of Agriculture that the committee was interested at this time in putting potatoes back under the support program?

Mr. HOPE. Let me answer that in this way, that the language is certainly not to be construed in any sense as a direction from the committee to the Secretary of Agriculture that we want potatoes put under the price-support program. It is there. It is possible for the Secretary to take action if he sees fit, and the potato growers want support, but

knowing the Secretary of Agriculture as all of us do, I am sure he would not impose price supports unless the producers of potatoes were very much interested in having that done.

Mr. BUDGE. I thank the distinguished chairman of the committee for that explanatory statement. I am satisfied that none of us here in the Congress, nor the growers nor producers want to repeat the fiasco we had when potatoes were under mandatory supports some years back.

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

Mr. BUDGE. I yield.

Mr. McINTIRE. May I reaffirm the statement which has been made by my committee chairman. The intent of this provision is to somewhat clean up the legislative provision of the commodity which, under the acts, were cited here, particularly the first citation, would seem to make that difficult.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BUDGE. Mr. Chairman, I ask unanimous consent that I may proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Idaho?

There was no objection.

Mr. McINTIRE. Mr. Chairman, this provision has for its purpose putting potatoes as a commodity in the same position as all other commodities, and should not be interpreted as initiating a price-support program.

Mr. BUDGE. I thank the gentleman for his contribution.

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

Mr. BUDGE. I yield to the gentleman from New York.

Mr. WAINWRIGHT. I would like to join in the sentiments expressed by the gentleman concerning the feelings of the potato growers on being placed under the price-support program. I speak for the potato growers of Suffolk and Nassau Counties on Long Island. I thank the gentleman.

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

Mr. BUDGE. I yield.

Mr. FULTON. As one from a city, I want to compliment the gentleman on his position in respect to the potato producers. To me it appears to be one both fair to the producers and the public and the various interests involved.

Mr. BUDGE. I thank the gentleman.

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

Mr. BUDGE. I yield.

Mr. MORANO. I want to compliment the distinguished gentleman from Idaho for calling this matter to the attention of the House. I think he has rendered a service both to the consumer and to the potato grower.

Mr. BUDGE. I thank the gentleman from Connecticut.

Mr. HOFFMAN of Michigan. Mr. Chairman, I rise in support of the pro forma amendment.

Mr. Chairman, we seem to be starting off on another long day here, so I thought I might ramble around for a while; no

particular thing in mind, just generally, and perhaps the net result would be to shorten the debate.

It is rather confusing to a fellow from the backwoods to understand why the potato growers do not want price supports. Our peanut boys over here, and I mean the fellows whose constituents grow peanuts, and the cotton boys and the rice fellows and the wheat and the corn boys, all want more money. What is the matter with the potato fellows that they do not want it?

I will admit that the people who grow peaches—and we have hundreds of bushels of peaches, nice, big fellows, sweet peaches, better than the Georgia peaches any time—that rot on the ground every once in a while and the folks back home say, "Why don't we get something for those peaches?"

Now, it is the same thing with apples. I go over here and look at the apples. I do not buy them, I just look at them. They are 10 cents apiece. Ten cents for an apple—we sell them up there—a nice big crate of Delicious and other varieties for 35 cents a crate. Growers say, "Why don't you get us some more money?"

I am going to have trouble being re-elected. That will be a calamity, if I should be defeated—I mean to me. Maybe I should make a few campaign speeches from the well of the House.

Why do we have this price-support legislation? Are the farmers, the producers of these six basic crops, if that is what they are, so inefficient, are they so dependent—I notice our good colleague from North Carolina [Mr. COOLEY] leaning forward. Are the gentleman's farmers so inefficient, so tired, so dependent, that they have to come to the taxpayers, all of them, everywhere, and ask for a handout for cotton, tobacco, and peanuts?

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

Mr. HOFFMAN of Michigan. For cotton, for rice, for all those things? Is that not strange? As the majority leader said yesterday, it is an impossible situation which has been created.

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

Mr. HOFFMAN of Michigan. I am sorry, I cannot. And also tobacco, peanuts, cotton, rice—heavens and earth, you folks in the South have all the rest of us supporting you. It is a tribute to your maneuvering ability, to your ability to shake us all down so that we have to keep you supported. But it is a long way from the South's stand for independence and States rights.

As our good colleague from Mississippi—and I wish he were here—John Rankin used to say, "You know you need more electricity so that you can turn night into day and read all the time; or just sit on the front porch and smoke your old pipe and rock or have somebody rock you back and forth." Let the Federal Government provide the market, and we need but work part of the time. Is not that nice, now? Sure, for them, but a little tough on the other taxpayers.

Now, you know, as our leader said yesterday, this program cannot go indefi-

nately. Surpluses keep piling up. The cost of storage of these things goes up, up, up, and someday the break will come. For myself, I wish it would come right away, and then I could go home and help the kids get through the depression. I have gone through 2 or 3 of them. There is not a Member of this House who thinks for 5 consecutive minutes who does not know that the whole thing is wrong, that ultimately it will break down of its own weight unless the Government gives us, as that old Roman emperor did back in A. D. 403 gave, complete overall controls. It did not work then. It will not work now. If we get it they will tell us what to plant, how much, and all. If the Republicans are in power you cotton, peanut, and tobacco fellows will have your acreage cut way, way down. No, I do not hope that, but that is what will happen to you. So why do we not just go along and end this kind of program and do it now? Why do we not? I do not know.

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

Mr. Chairman, I do not rise to express any hope that we go back to the old days of depression. I did not rise to suggest that I wanted to see our children hungry, or anything of that kind. I want all our people to be prosperous, and I do not think that that can be done unless we maintain a profitable agriculture.

I simply rose here this morning to pay a tribute, if I can, to 19 outstanding Members of this House—19 Members who let their principle weigh heavier than any political whip that might be applied to their backs. That group of 19 men who voted for what they believed to be in the interest of the farmers are entitled to the respect of the American people. They have shown by their vote that they are sincere when they say that they want to keep the farm problem out of partisan politics.

I know that the great majority of those over on my left did not agree, or at least you did not vote with—I think some of you agreed with—the logic presented by the chairman of the Agriculture Committee. For the years I have served on the Committee on Agriculture I have always respected the gentleman from Kansas, CLIFF HOPE. I have always regarded him as one of the great Members of this House and one of the greatest leaders of agriculture in this Nation. But I have never had occasion to respect him more than I did yesterday afternoon, when he and 18 others on that side tried their best to retain the well-established traditions of the Committee on Agriculture of trying to make agriculture a nonpartisan issue in the United States.

In all the years I have served on that committee under Republican and Democratic chairmen, we have tried to make the interest of the farmer come first. The present chairman of our committee still puts the interest of the farmer first, and in spite of all the threats and in spite of all the political pressure which has been exerted. We all know the kind of pressure that has been exerted in the last 24 hours. In spite of that the gen-

tleman from Kansas, CLIFF HOPE, and some 7 or 8 other members on the Republican side of the committee have still shown they believe that the problems of agriculture should be decided on a bipartisan basis. I am sorry that there were other members on that side who were willing to abandon what just 24 hours ago we were told was a matter of deep principle—we were told that a great principle was involved in this 75 percent parity proposition—yet 179 voted to abandon what the President said was a great principle. I never did understand where that great principle came in. But if they agreed with their Republican President about this matter of so-called principle, they must have yielded to the impulse to play politics when they voted against the 75 percent that the President and the Secretary of Agriculture asked for. But 19 members of the committee tried to keep this thing on the basis of what is good for agriculture, and I applaud them this morning.

Mr. OLIVER P. BOLTON. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I, too, would like to pay compliments to the gentlemen of the Committee on Agriculture. I would like to pay a compliment to every Member of the House of Representatives because I believe the Members of the House on a matter of as great importance as this do vote their convictions. I would like to quote for the benefit of the gentleman who preceded me the language of the committee report to be found on page 6. It is as follows:

No matter of principle is involved between supports at 90 percent of parity and supports at 75 percent of parity.

I resent the suggestion made by the gentleman that those of us who did not agree with his position on the bill did so as a matter of politics purely and not because we took the position we did feeling that that is what would be best for the farmers of their districts and for the farmers of the entire country. In my opinion, the agricultural policy of this country is something to be decided not by politics, but on the basis of what each individual believes is best for the farmers. Frankly, as a first-term Representative in this body, I dislike the injection of political arguments in the discussion of this subject on this floor.

The Clerk read as follows:

"TRANSITIONAL PARITY"

SEC. 104. Section 301 (a) (1) (E) of the Agricultural Adjustment Act of 1938, as amended (U. S. C., 1952 edition, title 7, sec. 1301 (a) (1) (E)), is amended as follows:

"Sec. 301 (a) (1) (E). Notwithstanding the provisions of subparagraph (A), the transitional parity price for any agricultural commodity, computed as provided in this subparagraph, shall be used as the parity price for such commodity until such date after January 1, 1950, as such transitional parity price may be lower than the parity price, computed as provided in subparagraph (A), for such commodity. The transitional parity price for any agricultural commodity as of any date shall be—

"(i) its parity price determined in the manner used prior to the effective date of the Agricultural Act of 1948, less

"(ii) 5 percent of the parity price so determined multiplied by the number of full calendar years which, as of such date, have

elapsed after January 1, 1949, in the case of nonbasic agricultural commodities, and after January 1, 1955, in the case of the basic agricultural commodities."

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

Mr. Chairman, I take this time only to point out a fact to the House which is very important in this debate. This section which no one is seeking to amend, and I am not seeking to amend it either, deals with modernized parity. Now what does that mean?

Modernized parity means an up-to-date appraisal of what it costs the farmer to live and do his job of raising these crops. The old parity base was that cost in the years 1910 to 1914. The new parity base, the so-called modernized parity, is what is called a moving 10-year average, and the chairman of the committee will correct me if I am wrong, but that 10-year average now goes from 1941 to 1951, or 1942 to 1952. The important thing is that this is the consensus of the farm people's own acceptance of what the parity base ought to be. Are we at that base under this bill as intended under the 1948 and 1949 laws? No. We are still on the old base, because the old base is higher; and it will take 3 years, for example, in the case of wheat to bring the new modernized parity base into effect under this provision of the bill.

This is the point I would like to leave with the committee, because it is important. Not only are you now talking, after the amendment adopted yesterday, about 82½ percent of parity but you are talking about almost 90 percent of parity, because this difference between old and modernized parity is in addition to the 82½ percent. This is not eliminated this year. It will not be eliminated in the case of wheat for 3 years. So you are not talking about 82½ percent of parity. You are talking about percentages of parity which are higher than that, because the modernized base is not yet being put into effect in this bill. So before you shed a great many tears about how unfair this bill is, let us know what is not apparent, and I do not say that invidiously but only in that it is not expressed in the percentage figure.

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

Mr. JAVITS. Yes, of course I yield.

Mr. HOPE. I think when the gentleman says that there will be no decrease in the parity price of wheat for 3 years, he should say that beginning in 1956 there will be a decrease at the rate of 5 percent per year, which will take about 3 years.

Mr. JAVITS. Of course I accept that, and of course you are correct. But is it not true also that regardless of how you feel about this issue when you think about how you are going to vote in terms of percentage of parity you have to add what is contained in the fact that the modernized parity is not being put into effect right away? That directly affects the percentage of parity which the Government is guaranteeing to the farmer. Is that not fair?

Mr. HOPE. We have taken the exact language that came from the Depart-

ment of Agriculture, and have followed the President's recommendation in putting it into effect at the time the present law expires.

Mr. JAVITS. I am not seeking to amend. I think you are trying at long last to get at modernized parity in a reasonable way. I am only pointing out that this provision adds to the percentage of parity for supports which you are legislating here. I think we ought to understand that and what it amounts to on the different commodities.

Mr. HOPE. I cannot see that this provision adds anything to parity. It provides that in 1956 we will go to the modernized parity, and we will go on the basis that the President has suggested; that is, in a gradual way. I do not think the gentleman is opposed to making a gradual approach to this parity price structure.

Mr. JAVITS. I disagree. I am pointing out that you are building in additional percentages of parity to the 82½ percent, and you cannot get away from that, because the modernized standard is what the agricultural people themselves said is the fair one. Still they are clinging to the old one for a space of years on different commodities.

Mr. HOPE. I know the gentleman does not want to state the situation inaccurately. The provision itself does not build in anything at all. I understand what the gentleman has in mind, but under the present law we have the old parity until 1956. This does not change that at all.

Mr. JAVITS. Except that on January 1, 1956, you are not going to put the modernized parity into effect, but for a period of 3 years you are holding on to the old parity as far as wheat is concerned, for 1 year on cotton, and 4 years on peanuts, and 2 or 3 years on corn. Your own report says, and I quote from page 3, that wheat is 33 cents a bushel higher under the old parity than under the modernized parity and yet that old basis is the one to be used until January 1, 1956, and then only to be stepped down at 5 percent a year.

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

Mr. HOPE. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. HOFFMAN of Michigan. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. HOFFMAN of Michigan. Mr. Chairman, there is no pro forma amendment before the Committee now. If he wants to make one, all right.

The CHAIRMAN. The gentleman from New York moved to strike out the last word and was recognized for 5 minutes on that amendment.

Mr. HOFFMAN of Michigan. I make the point of order there is no amendment pending.

The CHAIRMAN. The gentleman from New York moved to strike out the last word, which is a pro forma amendment, and the gentleman from Kansas is now recognized in opposition to that important amendment.

Mr. HOFFMAN of Michigan. Mr. Chairman, a parliamentary inquiry and a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. HOFFMAN of Michigan. As I understand, the last word has been stricken out. Would he not have to move to strike out two of them?

The CHAIRMAN. The gentleman from Kansas will proceed.

Mr. HOPE. Mr. Chairman, I do not want to delay the consideration of this bill, but I think it is well to put in the record the fact that no real, genuine, satisfactory method of determining parity has been arrived at. I think all of the experts agree that modernized parity is not necessarily the perfect method of figuring parity.

In this bill the committee accepts, however, the form of modernized parity that is contained in the law, and we go along with the President's suggestion that modernized parity should be adopted gradually.

For the benefit of those who think that parity is too high I may suggest that when this transition to modernized parity is completed the parity price on wheat will be 33 cents less than it is now; the parity price on corn will be 19 cents; the parity price on cotton will be 1.3 cents per pound less; and the parity price on peanuts will be 2.4 cents per pound less.

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

Mr. HOPE. I yield.

Mr. ALBERT. I believe the gentleman from New York indicated that modernized parity is not the parity formula on which the farm bloc is agreed, leaving the impression that since it has been agreed upon we should get to it as soon as possible. That is my understanding.

I think it is fair to point out—and I think my chairman will agree, that some farmers and some farm organizations do not agree with the modernized parity formula, and some of the members of this committee do not. Is not that true?

Mr. HOPE. Yes; the gentleman is absolutely correct.

Mr. COOLEY. Mr. Chairman, I move to strike out the last two words.

Mr. HOFFMAN of Michigan. Mr. Chairman, I have a preferential motion to strike out the enacting clause.

The CHAIRMAN. The Clerk will read the gentleman's motion.

The Clerk read as follows:

Mr. HOFFMAN of Michigan moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken.

The CHAIRMAN. The gentleman from Michigan is recognized.

Mr. HOFFMAN of Michigan. Mr. Chairman, I do not expect too great success with this motion, but if some of the Members who are in favor of this or some other farm program can filibuster, some of the rest of us can do the same thing. They spent all day yesterday and quite a lot of the day before in talking about the bill; some talked 2 or 3 times on 1 amendment. I am not claiming the same privilege for myself.

But what the gentleman from New York was doing here, if I understood him correctly—and I think I do—was to call attention to the fact—and I am referring

to the gentleman from New York [Mr. JAVITS]—what the gentleman did was to call attention to the fact—and it is a fact—if I am in error on that, you tell me—that this new parity formula does not go into effect for 3 years. Is not that right?

Mr. JAVITS. The stepped-down formula does not go into full effect for 3 years.

Mr. HOFFMAN of Michigan. Yes; that is right—and the chairman of the committee—

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

Mr. HOFFMAN of Michigan. Oh, sure. Mr. HOPE. I think the gentleman should amend his statement and say that in the case of wheat it does not go completely into effect for 3 years. On some crops it goes into effect in 1 year.

Mr. HOFFMAN of Michigan. Sure, he was talking about the date and, of course, everybody understands it. I think the gentleman from Kansas said it does not raise the parity from what it is now. We knew you did not. I ask the gentleman from New York: Is not that true?

Mr. JAVITS. Yes; I was saying it would take 3 years to step it down.

Mr. HOFFMAN of Michigan. I am quite sure you were.

But, in the meantime, if they do not change the effective date of this law and postpone it, if they do not, just how much of a reduction are we to get in the price of bread, if and when the new parity figures go into effect? Can you tell me that?

Mr. JAVITS. When it goes into effect. I feel that is the nubbin of the whole controversy. If you do not have a rigid base you have an opportunity to get more flexibility of a retail price. I think that was conclusively proven in the case of butter. That is the nubbin of my point, as representing city consumers.

Mr. HOFFMAN of Michigan. I thought that is what it was.

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

Mr. HOFFMAN of Michigan. I yield to the chairman of the Committee on Agriculture.

Mr. HOPE. I appreciate the gentleman's anxiety.

Mr. HOFFMAN of Michigan. I have none. The Lord will take care of the country, not the Agricultural Committee, not the administration, not my colleagues over here.

Mr. HOPE. I thought the gentleman was concerned about the price of bread.

Mr. HOFFMAN of Michigan. No, I do not eat too much bread. I have heard that argument about bread. When wheat was up to nearly \$3 the gentleman was yelling about the poor farmers out in Kansas, the insurance companies who really have the acreage, and the big boys. Never mind the little fellows who have 1 or 2 tractors, they do not seem to care so much about them. The big boys get the bulk of the payments. Then these peanut boys came along and they tell us how badly off their people are. How many automobiles does the average farmer down there have? I do

not know. Our farmers have 1 or 2. They are getting along fairly well and retaining their independence.

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

Mr. HOFFMAN of Michigan. I yield to the gentleman from Pennsylvania.

Mr. GAVIN. I have listened to these pitiful appeals and, as I said before, most of the boys from the farm States are always crying the blues with a ham under each arm.

Mr. HOFFMAN of Michigan. And a big ham, too. In order that we may expedite this thing and get through today, because if we do not get along early then surely we will have to have an engrossed copy of the bill because we will not know what is in it, may we not have less debate?

I yield back the balance of my time.

Mr. COOLEY. Mr. Chairman, I rise in opposition to the preferential motion.

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

Mr. COOLEY. I yield to the gentleman from Kansas.

Mr. HOPE. I attempted to get the gentleman from Michigan to yield for the purpose of telling him that when wheat was \$3 a bushel the cost of a loaf of bread was 4 cents less than it is now.

Mr. HOFFMAN of Michigan. Then somebody made a mistake somewhere, did they not?

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

Mr. COOLEY. I yield to the gentleman from Massachusetts.

Mr. HESELTON. In yesterday's RECORD I noticed the gentleman indicated that the amendment I had offered would provide for 75 percent as a maximum. The amendment was 75 to 90 and I hope the gentleman will agree that was the amendment.

Mr. COOLEY. I noticed this morning in the RECORD it did have the word "maximum." I am eager to correct the RECORD. I used the word "maximum" yesterday in talking about the Heselton amendment when, as a matter of fact, it should have been minimum. Actually I did not understand the situation because there was so much noise in the Chamber at the time. The Heselton amendment was an amendment to the amendment offered by the gentleman from Nebraska [Mr. HARRISON]. We all know that the Heselton amendment would have fixed the minimum price supports on the basis of 75 percent of parity. We also know that that is exactly the purpose of the present administration and I need not remind you of the fact that Mr. Benson, who has proposed this 75 percent minimum with a maximum of 90 percent, was repudiated when Mr. HESELTON's amendment was defeated, if I understand the situation correctly. So in desperation the leadership for the administration, seeing the handwriting on the wall and in an effort to avoid outright defeat, offered to this House a compromise. That is all it is. Your leader said, "We are not going to pull the rug out from under the farmer all at once." It is like the little boy chopping off the puppy's tail. He is going to cut it off an inch at a time because it will hurt less.

Now, you can not kid the American farmer. He is no longer naive; he is smart, and he knows who is doing what to him and how they are doing it. You are pulling the rug out. You are breaking the market. You are compromising with one of your Cabinet officer's propositions. And, the gentleman from Indiana, Mr. HALLECK, told the leadership of the House that he was doing what the President asked him to do. As much as we respect the President, what right has he to send his spokesman here to interfere with this deliberative body seeking to legislate in behalf of the people of this Republic? Here is the bill that was brought to our committee on March 10, 1954, an orphan left on the doorsteps of the House committee, and not a single Republican in the Congress has been willing to adopt it or even to give it his name.

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

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

Mr. ABERNETHY. I do not think the gentleman has made it quite clear, that no one in the House as yet ever introduced it.

Mr. COOLEY. No one has adopted, introduced, or named it. Here it is, with 16 Republicans on our committee, all of them devoted to the cause of agriculture, and not a one of them would introduce it. All of you farmers and farmers' friends from the great city districts, why did you not come over to put your name on it? Not even the majority leader would call it his own or take it to his breast and embrace it. No; he came out with a compromise. Why did you not stand up and fight for your Cabinet officer, Mr. Benson? Oh, no; you compromised it, and I do not suppose that "Mr. Ezra" will like it, either. You repudiated him here yesterday.

Now, let me ask you this question. The gentleman from Kansas, CLIFF HOPE, has been a Member of his House for 28 years. He is known throughout the length and breadth of this republic as one of the great friends of agriculture. He has a record here, the like of which is enjoyed by few men. Are you going to follow CLIFF HOPE as your leader?

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent to proceed for 3 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

Mr. HOFFMAN of Michigan. I object, Mr. Chairman.

Mr. COOLEY. I withdraw the request, Mr. Chairman.

The CHAIRMAN. The question is on the motion offered by the gentleman from Michigan [Mr. HOFFMAN].

The motion was rejected.

Mr. WHITTEN. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I take this time to point out the difference between modernized parity and the other or, as described, the old parity formula. Our

Republican friends say give us the modernized version. We hear everybody speak of modernized parity. You know, it sounds nice to say something is modern. Lots of people think it must be good if it is modern.

I would like to point out to you what is involved in this so-called modernized parity. The regular parity formula is based on an effort, 100 percent of it, to give the farmer the same comparative purchasing power that he had from 1909 to 1914. In order to give the farmer that comparative purchasing power that he had in that period, an index is kept of the selling price of various and sundry commodities which he buys and his support varies with the rise and fall of the cost of what he buys. So, there is a tie-in on the old parity formula between what other things are costing and what the farmer gets for his commodity.

What is modernized parity? Modernized parity ties the support program to the average price received by the farmer for the last 10 years. That means that there is no tie-in between the supports he gets and the cost of things he must buy. It does not recognize his costs. I tell you that modernized parity could conceivably, year by year, reduce supports down to where, over a period of years, there would be no support price at all; not only that but his costs could be going just as rapidly or more so in the other direction.

The record shows that there is real reason to be disturbed about modernized parity, because it ignores rising costs to the farmer. You cannot afford to ignore rising costs. Since 1945 the costs attached to farm commodities from the farmer's hands to the consumer have increased 83 percent. Since World War II we have had 11 freight increases. Steel has gone up a number of times, and so with nearly everything else, and such trend will likely continue.

Every place the Secretary of Agriculture would turn to the modernized parity formula today would have the direct effect of reducing support levels. The only place the modernized formula is not already in effect today is that place where to put it into effect would reduce the supports the farmer is getting and so they want to use the modern version to reduce supports. There is one other thing that would be a little amusing if it were not so serious. I thought it somewhat odd yesterday to hear my good friend, the majority leader, explain to this House how it was that President Eisenhower when he was a candidate had not really assured the American farmer 90 percent support price in law. I heard his statement and I do not remember his exact words, but I understood Mr. HALLECK to say that the President did promise 90 percent supports but did not exactly mean it or exactly say it, and therefore was free to recommend reduced supports. Mr. HALLECK read the fine print to us.

It reminds me of a situation when I first started practicing law. I had a number of Negro clients who came to me to collect insurance on a number of insurance policies written by a Negro insurance company. In large print in

those policies it said, "In the event of death we will pay the beneficiary \$2,000." The persons insured had died and their relatives and beneficiaries came to me as a lawyer to represent them. I looked at the policy and in fine print below the \$2,000 which was in large print, in fine print the policy stated "or 25 cents for each member of the insurance society." I pointed that fine print to my clients and said unfortunately that is all the company actually promised. "That is the contract. All you can collect is 25 cents per member." They read the fine print just as we are having the fine print in the President's campaign speeches read to us now. We collected only 25 cents per member. But I would like to say this. That company did not have to pay but 25 cents per member, but that company nor its agents were ever able to sell any more of those policies to the families or others in that community. The administration in effect is giving us the "25 cents per member" treatment but I will bet they do not sell that bill of goods the second time.

It is one thing for the majority leader to say that the campaign statements and promises were carefully worded. He can say Candidate Eisenhower meant "at the market place." However, the American people accepted the statements as implying an intention to support farm commodities at 90 percent, and I do not care how much explanation you may try to make, if the folks will not listen it will do you no good. Many folks think farm conditions are going to deteriorate, regardless of what you do, so in this bill you go ahead and make a slight change, as you say, in the support levels for basic commodities, and think that you are going to be able to show by the set-asides and various other means that it really will not be responsible for the hurt which will come to the farmers, but if conditions are going to get worse with American agriculture—and there is much to indicate that they are—do you not know they are going to attribute it to the slight change that you made and they are not going to listen when you try to explain it away.

Of course I heard it said yesterday that an important Democratic Senator had assured your leadership that to return to flexible supports was the way for the Republicans to retain control of Congress in the next election.

I do not know, but if the situation were reversed, and a strong Republican Senator were to tell the Democrats how to win control of Congress, I would take his advice with more than one grain of salt.

The Clerk read as follows:

Sec. 105. Section 401 of the Agricultural Act of 1949, as amended, is amended by adding thereto the following new subsection:

"(e) Whenever any price support or surplus removal operation for any agricultural commodity is carried out through purchases from or loans or payments to processors, the Secretary shall, to the extent practicable, obtain from the processors such assurances as he deems adequate that the producers of the agricultural commodity involved have received or will receive not less than the support price therefore or, in the absence of a support price, a fair price in the light of the

operation being carried out, as determined by the Secretary."

TITLE II—SET ASIDE OF AGRICULTURAL COMMODITIES

Sec. 201. The Commodity Credit Corporation shall, as rapidly as the Secretary of Agriculture shall determine to be practicable, set aside within its inventories not more than the following maximum quantities and not less than the following minimum quantities of agricultural commodities or products thereof heretofore or hereafter acquired by it from 1954 and prior years' crops and production in connection with its price support operations:

Commodity	[In millions]	
	Maximum quantity	Minimum quantity
Wheat (bushels).....	500	400
Upland cotton (bales).....	4	3
Cottonseed oil (pounds).....	500	0
Butter (pounds).....	200	0
Nonfat dry milk solids (pounds).....	300	0
Cheese (pounds).....	150	0
Corn (bushels).....	300	0

Such quantities shall be known as the "commodity set-aside."

With the following committee amendment:

Page 4, in the table following line 16, after "Corn", insert "(bushels)."

The committee amendment was agreed to.

The Clerk read as follows:

Sec. 202. Quantities of commodities shall not be included in the commodity set-aside which have an aggregate value in excess of \$2,500,000,000. The value of the commodities placed in the commodity set-aside, for the purpose of this section, shall be the Corporation's investment in such commodities as of the date they are included in the commodity set-aside, as determined by the Secretary.

Sec. 203. (a) Such commodity set-aside shall be reduced by disposals made in accordance with the directions of the President as follows:

(1) Donation, sale, or other disposition for disaster or other relief purposes outside the United States pursuant to and subject to the limitations of title II of the Agricultural Trade Development and Assistance Act of 1954.

(2) Sale or barter (including barter for strategic materials) to develop new or expanded markets for American agricultural commodities, including but not limited to disposition pursuant to and subject to the limitations of title I of the Agricultural Trade Development and Assistance Act of 1954.

(3) Donation to school-lunch programs.

(4) Transfer to the national stockpile established pursuant to the act of June 7, 1939, as amended (50 U. S. C. 98-98h), without reimbursement from funds appropriated for the purposes of that act.

(5) Donation, sale, or other disposition for research, experimental, or educational purposes.

(6) Donation, sale, or other disposition for disaster or other relief purposes in the United States or to meet any national emergency declared by the President.

(7) Sale for unrestricted use to meet a need for increased supplies at not less than 105 percent of the parity price in the case of agricultural commodities and a price reflecting 105 percent of the parity price of the agricultural commodity in the case of products of agricultural commodities.

The President shall prescribe such terms and conditions for the disposal of commodities in the commodity set-aside as he determines will provide adequate safeguards against interference with normal marketings of the supplies of such commodities outside the commodity set-aside.

(b) The quantity of any commodity in the commodity set-aside shall be reduced to the extent that the Commodity Credit Corporation inventory of such commodity is reduced, by natural or other cause beyond the control of the Corporation, below the quantity then charged to the commodity set-aside.

SEC. 204. (a) The Corporation shall have authority to sell, without regard to section 203 (a) (7) hereof, any commodity covered by the commodity set-aside for the purpose of rotating stocks or consolidating inventories, any such sale to be offset by purchase of the same commodity in a substantially equivalent quantity or of a substantially equivalent value.

(b) Dispositions pursuant to this title shall not be subject to the pricing limitations of section 407 of the Agricultural Act of 1949, as amended.

SEC. 205. The quantity of any commodity in the commodity set-aside or in the national stockpile established pursuant to the act of June 7, 1939, as amended (50 U. S. C. 98-98h) shall be excluded from the computation of "carryover" for the purpose of determining the price support level for such commodity under the Agricultural Act of 1949, as amended, and related legislation, but shall be included in the computation of total supplies for purposes of acreage allotments and marketing quotas under the Agricultural Adjustment Act of 1938, as amended, and related legislation. Until such time as the commodity set-aside has been completed, such quantity of the commodity as the Secretary shall determine between the maximum and minimum quantities specified in section 201 of this title shall be excluded from the computations of "carryover" for the purpose of determining the price support level, for the 1955 crop of the commodity, notwithstanding that the quantity so excluded may not have been acquired by the Corporation and included in the commodity set-aside.

With the following committee amendment:

Page 8, line 2, after "level", insert "but shall be included in the computation of total supplies for purposes of acreage allotments and marketing quotas."

The committee amendment was agreed to.

Mr. KING of Pennsylvania. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, a while ago the gentleman from New York [Mr. JAVITS] pointed out to you a softener that had been injected into the water of this bill. I merely want to point out to you another one.

The setting aside of \$2½ billion of the surpluses on hand and calling it a set-aside, and then providing as you do on page 7 that it "shall be excluded from the computation of 'carry-over' for the purpose of determining the price support level for such commodity," is of course purely a mechanical way of forcing the Secretary of Agriculture in his determination of prices under the flexible provisions to set them higher than he otherwise would. In other words, it gives him a formula which says that we shall ignore \$2½ billion worth of this surplus. I just think that the Members of the House should understand this

little piece of fiction, knowing that it is injected here just for the purpose of holding support prices as high as possible. Certainly no one can believe that this action in creating this set-aside is going to diminish in any respect the weight of all these surpluses on the free markets of the country.

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

Mr. KING of Pennsylvania. I yield.

Mr. HOPE. I want to call to the attention of the gentleman and the members of the committee as well, that the exact language used in this provision of the bill, on the point which the gentleman has been discussing, came from the Department of Agriculture and carries out a recommendation made by the President of the United States.

Mr. KING of Pennsylvania. I am perfectly willing to admit it came from the Secretary. It was, perhaps, the first compromise he made in his logical stand in support of a full flexible system as previously provided. Of course, it gained support from this committee. I am not going to attempt to eliminate it. I simply want the committee to understand that here again they have softened up the water in this bill so as to arbitrarily, and in defiance of all the true laws of economics, decide we are going to ignore \$2½ billion worth of these surpluses.

The Clerk read as follows:

SEC. 206. The Commodity Credit Corporation shall keep such records and accounts as may be necessary to show, for each commodity set-aside, the initial and current composition, value (in accordance with section 202), current investment, quantity disposed of, method of disposition, and amounts received on disposition.

SEC. 207. In order to make payment to the Commodity Credit Corporation for any commodities transferred to the national stockpile pursuant to section 203 (a) (4) of this title, the Secretary of the Treasury is authorized and directed to cancel notes issued by the Commodity Credit Corporation to the Secretary of the Treasury in amounts equal to the value of any commodities so transferred. The value of any commodity so transferred, for the purpose of this section, shall be the lower of the domestic market price or the Commodity Credit Corporation's investment therein as of the date of transfer to the stockpile, as determined by the Secretary of Agriculture.

TITLE III—COMMODITY PROGRAMS

SUBTITLE A—WHEAT

SEC. 301. Title III of the Agricultural Adjustment Act of 1938, as amended, is amended (1) by changing the designation thereof to read as follows: "Title III—Loans, parity payments, consumer safeguards, marketing quotas, and marketing certificates"; (2) by changing the designation of subtitle D thereof to read as follows: "Subtitle E—Miscellaneous provisions and appropriations"; and (3) by inserting after subtitle C a new subtitle D, as follows:

"SUBTITLE D—WHEAT MARKETING CERTIFICATES

"Legislative findings

"SEC. 380a. Wheat, in addition to being a basic food, is one of the great export crops of American agriculture and its production for domestic consumption and for export is essential to the maintenance of a sound national economy and to the general welfare. The movement of wheat from producer to consumer, in the form of the commodity or any of the products thereof, is prepon-

derantly in interstate and foreign commerce. That small percentage of wheat which is produced and consumed within the confines of any State is normally commingled with, and always bears a close and intimate commercial and competitive relationship to, that quantity of such commodity which moves in interstate and foreign commerce. For this reason, any regulation of intrastate commerce in wheat is a regulation of commerce which is in competition with, or which otherwise affects, obstructs, or burdens, interstate commerce in that commodity. In order to provide an adequate and balanced flow of wheat in interstate and foreign commerce and thereby assist farmers in obtaining parity of income by marketing wheat for domestic consumption at parity prices and by increased exports at world prices, and to assure consumers an adequate and steady supply of wheat at fair prices, it is necessary to regulate all commerce in wheat in the manner provided under the marketing certificate plan set forth in this subtitle.

"Domestic food quota

"SEC. 380b. Not later than July 1 of each calendar year the Secretary shall determine and proclaim the domestic food quota for wheat for the marketing year beginning in the next calendar year. Such domestic food quota shall be that number of bushels of wheat which the Secretary determines will be consumed as human food in the continental United States during such marketing year.

"Apportionment of domestic food quota

"SEC. 380c. (a) The domestic food quota for wheat, less a reserve of not to exceed 1 percent thereof for apportionment as provided in this subsection, shall be apportioned by the Secretary among the several States on the basis of the total production of wheat in each State during the 5 calendar years immediately preceding the calendar year in which the quota is proclaimed, with such adjustments as are determined to be necessary for adverse weather conditions and for trends in production during such period. The reserve quota set aside herein for apportionment by the Secretary shall be used to establish quotas for counties, in addition to the county quotas established under subsection (b) of this section, on the basis of the relative needs of counties for additional quota because of reclamation and other new areas coming into the production of wheat during the 5 calendar years immediately preceding the calendar year in which the quota is proclaimed.

"(b) The State domestic food quota for wheat, less a reserve of not to exceed 3 percent thereof for apportionment as provided in subsection (c), shall be apportioned by the Secretary among the counties in the State on the basis of the total production of wheat in each county during the 5 calendar years immediately preceding the calendar year in which the quota is proclaimed, with such adjustments as are determined to be necessary for adverse weather conditions and for trends in production during such period.

"(c) The county domestic food quota for wheat shall be apportioned by the Secretary, through the local committees, among the farms within the county on which wheat has been seeded for the production of wheat during any one or more of the three calendar years immediately preceding the calendar year in which the marketing year for which the quota is proclaimed begins, on the basis of the normal yield of the acreage planted to wheat during such 3-year period. The reserve provided under subsection (b) shall be used to adjust farm quotas which the county committee determines to be inequitable on the basis of tillable acres, crop-rotation practices, type of soil, and topography.

"Marketing certificates"

"SEC. 380d. (a) The Secretary shall prepare for issuance in each county marketing certificates aggregating the amount of the county domestic food quota. Such certificates shall be issued to cooperators in an amount equal to the domestic food quota established for the farm pursuant to the applicable provisions of section 380c of this act. The marketing certificates for a farm shall be issued to the farm operator, but the Secretary may authorize the issuance of marketing certificates to individual producers on any farm on the basis of their respective shares in the wheat crop, or the proceeds thereof, produced on the farm. Marketing certificates shall be transferable only in accordance with regulations issued by the Secretary.

"(b) Whenever a domestic food quota is proclaimed for any marketing year pursuant to section 380b of this act, the Secretary shall determine and proclaim for such marketing year (1) the estimated parity price and the estimated farm price for wheat, and (2) the value of the marketing certificate. The value of the marketing certificate shall be equal to the amount by which the estimated parity price exceeds the estimated farm price as determined herein. The value of the marketing certificate shall be computed to the nearest cent. The proclamation required by this subsection shall be made during the month of June immediately preceding the marketing year for which such domestic food quota is proclaimed.

"(c) The Secretary is authorized and directed through the Commodity Credit Corporation to buy and sell marketing certificates issued for any marketing year at the value proclaimed pursuant to subsection (b) of this section. For the purpose of facilitating the purchase and sale of certificates, the Secretary may establish and operate a pool or pools and he may also authorize public and private agencies to act as his agents, either directly or through the pool or pools. Certificates shall be valid to cover sales and importations of products made during the marketing year with respect to which they are issued and after being once used to cover such sales and importations shall be canceled by the Secretary. Any unused certificates shall be redeemed by the Secretary at the price established for such certificates.

"Marketing restrictions"

"SEC. 380e. (a) All persons engaged in the processing of wheat into food products composed wholly or partly of wheat are hereby prohibited from marketing any such product for domestic food consumption or export containing wheat in excess of the quantity for which marketing certificates issued pursuant to section 380d of this act have been acquired by such person.

"(b) All persons are hereby prohibited from importing or bringing into the continental United States any food products containing wheat in excess of the quantity for which marketing certificates issued pursuant to section 380d of this act have been acquired by such person.

"(c) Upon the exportation from the continental United States of any food product containing wheat, the Secretary shall pay to the exporter an amount equal to the value of the certificates for the quantity of wheat so exported. For the purposes of this subsection, the consignor named in the bill of lading, under which the article is exported, shall be considered the exporter: *Provided, however*, That any other person may be considered to be the exporter if the consignor named in the bill of lading waives claim in favor of such other person.

"Conversion factors"

"SEC. 380f. The Secretary shall ascertain and establish conversion factors showing the amount of wheat contained in food products processed wholly or partly from wheat. The conversion factor for any such product shall

be determined upon the basis of the weight of wheat used in the processing of such product.

"Civil penalties"

"SEC. 380g. Any person who violates or attempts to violate, or who participates or aids in the violation of, any of the provisions of subsection (a) or (b) of section 380e of this act shall forfeit to the United States a sum equal to three times the market value, at the time of the commission of such act, of the product involved in such violation. Such forfeiture shall be recoverable in a civil suit brought in the name of the United States.

"Adjustments in domestic food quotas"

"SEC. 380h. If the Secretary has reason to believe that because of a national emergency or because of a material increase in demand for wheat, the domestic food quota for wheat should be increased or suspended, he shall cause an immediate investigation to be made to determine whether the increase or suspension is necessary in order to meet such emergency or increase in the demand for wheat. If, on the basis of such investigation, the Secretary finds that such increase or suspension is necessary, he shall immediately proclaim such finding (and if he finds an increase is necessary, the amount of the increase found by him to be necessary) and thereupon such quota shall be increased or shall be suspended, as the case may be. In case any domestic food quota for wheat is increased under this section, each farm quota for wheat shall be increased in the same ratio and marketing certificates shall be issued therefor in accordance with section 380d of this act. In case any domestic food quota for wheat is suspended under this section, the Secretary may redetermine the value of marketing certificates issued pursuant to section 380d of this act.

"Reports and records"

"SEC. 380i. (a) The provisions of section 373 of this act shall apply to all persons, except wheat producers, who are subject to the provisions of this subtitle, except that any such person failing to make any report or keep any record as required by this section or making any false report or record shall be deemed guilty of a misdemeanor and upon conviction thereof shall be subject to a fine of not more than \$2,000 for each such violation.

"(b) The provisions of section 373 (b) of the act shall apply to all wheat farmers who are subject to the provisions of this subtitle.

"Referendum"

"SEC. 380j. In the referendum held pursuant to section 336 of this act on the national marketing quota proclaimed for the 1956 crop of wheat, the Secretary shall also submit the question whether farmers favor a marketing certificate program under this subtitle in lieu of marketing quotas under subtitle B. If more than one-half of the farmers voting in the referendum favor such marketing certificate program, the Secretary shall, prior to the effective date of the national marketing quota proclaimed under subtitle B, suspend the operation of such quota and a marketing certificate program shall be in effect for the 1956 and subsequent wheat crops under the provisions of this subtitle and marketing quotas and acreage allotments shall not be in effect for wheat under subtitle B.

"Price support"

"SEC. 380k. Notwithstanding any other provision of law—

"(a) Whenever a wheat marketing certificate program under this subtitle is in effect, price support for wheat shall be determined in accordance with the provisions of subsection (b) of this section.

"(b) The Secretary of Agriculture is authorized to make available through loans, purchases, or other operations, price support

to producers of wheat who are cooperators. The amount, terms, conditions, and extent of such price support operations shall be determined by the Secretary, except that the level of such support shall be determined after taking into consideration the following factors: (1) the supply of the commodity in relation to the demand therefor, (2) the price levels at which corn and other feed grains are being supported and the feed value of such grains in relation to wheat, (3) the provisions of any international agreement relating to wheat to which the United States is a party, (4) foreign trade policies of friendly wheat exporting countries, and (5) other factors affecting international trade in wheat, including exchange rates and currency regulations.

"(c) Compliance by the producer with acreage allotments, production goals, and marketing practices (excluding marketing quotas) may be prescribed and required by the Secretary as a condition of eligibility for price support and for the receipt of wheat marketing certificates."

Mr. HOPE (interrupting the reading of the bills). Mr. Chairman, this is quite a long title. As a matter of fact, it runs to page 18, and in the interest of saving time, I ask unanimous consent that this section of the bill may be considered as read.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

Mr. HOFFMAN of Michigan. Mr. Chairman, reserving the right to object, under the rules of the House can a Member who is not a member of the committee, or who is not in charge of the bill, ask unanimous consent that debate on any amendment be limited?

The CHAIRMAN. The Chair will entertain a unanimous consent request from any Member.

Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. FORD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Ford: On page 9, line 2, strike the remainder of the page and all of pages 10, 11, 12, 13, 14, 15, 16, and 17 through line 20 on page 18.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. FORD].

Mr. HOFFMAN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. FORD. I yield.

Mr. HOFFMAN of Michigan. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan [Mr. HOFFMAN]?

Mr. HOPE. Mr. Chairman, I object. This is a very important provision of the bill and I do not think that is time enough for a proper discussion of the amendment.

Mr. ROGERS of Texas. Mr. Chairman, I also object.

The CHAIRMAN. Objection is heard.

Mr. FORD. Mr. Chairman, there is no doubt that the surplus situation in wheat gives all of us great concern, however, I feel sure that the proposal to institute the two-price certificate plan is not a sound solution. The provisions of the Agricultural Act of 1949, if they

had been allowed to operate, would have corrected the situation to a great extent. However, we have continued year after year to postpone facing up to the facts of life with regard to wheat price supports, acreage controls, and the loss of our export markets.

Some will say that by instituting the two-price plan, we will be able to export more wheat. Based on the best information available to me, I see little hope of materially increasing our exports on any permanent basis, even though we instigate this dumping program.

How about the 2 years' supply—1 million bushels—we will have on hand? Let us not hold out as bait to farmers that with a two-price certificate plan that we can avoid acreage controls and quotas.

This question should also be raised. Should we justify a two-price program on the premise of providing food to the people of other countries at prices cheaper than those at which such food is sold to our own citizens.

The proposed two-price system for wheat will also have a significant impact upon producers of feed grains. In effect the program would increase the price of wheat for food in order to permit a reduction in the price of wheat for feed. This is not exactly fair competition for producers of corn, barley, oats, and other feed grains. This is a good deal as though a railroad, having a monopoly on traffic from A to B were to increase rates on shipments from A to B in order to reduce rates on shipments from C to D. The people who had to pay the high rates on traffic from A to B would have a legitimate complaint that they were over-charged and the transportation competitors of the railroad on the route from C to D could justly complain relative to the subsidized competition with which they were faced.

It should also be pointed out in this connection that although the proposal for a two-price system in H. R. 9680 provides for a means of terminating the program, for all practical purposes once the program is instituted it will continue in effect indefinitely. The result is that the acreage of wheat could be permanently frozen on farms now producing wheat—or more exactly, the right to produce wheat for the high-priced domestic food market, would be permanently frozen. It has been the history of most marketing quota programs that they are not instituted on a permanent basis, but rather that every once in a while production is freed of controls, giving an opportunity for natural shifts in production to take place. But the marketing certificate proposal incorporated in H. R. 9680 does not appear to me to have any terminal facilities that would actually work. This is of particular importance in the wheat industry as shifts in production occur rather rapidly as new and improved varieties of wheat, and other commodities competitive for acreage with wheat, are developed and new practices particularly adapted to certain areas and other factors affecting the relative advantage of wheat as compared to other commodities are originated.

The only reason that serious consideration is being given to a two-price plan for wheat is the incredible situation in which the industry finds itself today, with over \$2¼ billion of Federal money invested in surplus wheat, and with production even on a controlled basis running far ahead of effective demand. This current wheat situation is due in part, in large part, to the fact that the Federal Government has involved itself so intimately in the wheat business in recent years. The problem would not be nearly so serious today if the Federal Government had not been telling farmers to "plant more wheat," "plant more wheat." Now, let us not get ourselves, the Federal Government, and the wheat producers further involved in a morass of Government participation in the wheat business on a permanent, institutionalized basis such as is involved in the proposal for a two-price plan for wheat.

The wheat certificate plan does not come to grips with the basic problem facing the wheat grower. Under the existing legislation we have diverted too much land, labor, and equipment to the production of wheat, not only in this country but in the rest of the world. In my opinion we shall not return to a healthy wheat market demand until we either lower production capacity to market demand or increase such demand to balance our present productive plant.

Mr. METCALF. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. METCALF. Mr. Chairman, I support the amendment to eliminate the two-price system for wheat from the bill.

The market price would range from \$1.35 to \$2.50 per bushel as computed by the present parity formula. The consumer payment could be as high as \$1.15 per bushel, or in other words, the value of a marketing certificate would be about \$1.15 per bushel.

There has been a good deal said about the fact that this system will not cost the taxpayer anything. But the value of the marketing certificate is the difference between parity and the estimated price. This must be paid by someone. Properly this difference should be paid by production payments financed by direct taxation. Instead it is to be paid by the consumer and the farmer together.

If the whole thesis of this bill is valid, and I believe it is, then the cost of maintaining farm prices should be borne by general taxation.

The Secretary issues to wheat producers on the basis of their respective share of the wheat crop these negotiable marketing certificates. So the farmer who produces 4,500 bushels of wheat would have a domestic allotment of about 2,500 bushels under present conditions. For this he would receive \$2.50 per bushel.

If the price fell to \$1.35 per bushel, the value of the certificate would be \$1.15. Who would make up the difference? The bill says flour millers and other processors will pick up these certificates.

But the processors and millers would pass on the cost of these certificates by means of a higher sale price on flour or other products.

Thus the cost of the two-price system would be borne about 50 percent by a sales tax on domestic consumers, a sales tax on bread and flour, and 50 percent by the farmers themselves.

This is a slick scheme to shift the burden of a farm program from the general taxpayer, who should pay it, to farmers and consumers who should not be obliged to assume this additional load.

Second, no matter what you call the program of disposing of surplus wheat abroad, it is dumping. Adoption of such a program will threaten the economy of friendly, wheat-exporting nations. It will upset the good done by the International Wheat Agreement. It will work contrary to the intent of several bills, among them one of mine, to use part of our surplus food to help out old friends and make new ones abroad.

Third, it is said that this two-price system will remove controls. But even the committee report admits there will have to be controls because the present surplus is so large.

Mr. BELCHER. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, although I am a member of the Committee on Agriculture, this is the first time I have come to the well of the House to use up any of the time of this committee, because I was in hope that we could go along and not have to reiterate all the arguments that have been made for and against this price-support system during the past several years. But this is a completely new proposition and it has not been discussed thoroughly.

At the outset the two-price system on wheat merely gives the wheat farmers an opportunity to determine whether or not in a referendum they want to adopt the two-price system. One of the things that the proponents of this amendment failed to state is the fact that it would not cost the taxpayers 1 dime. This is the first program that has been offered in this bill that does not in some degree require tax money to support the program.

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

Mr. BELCHER. I yield.

Mr. HOPE. As a matter of fact this amendment would save the taxpayers hundreds of millions of dollars, because it is going to stop the paying of subsidies on exports of wheat.

Mr. BELCHER. This program is completely self-sustaining. It will not cost the taxpayers a penny, and you folks in the city will not have to answer the charge that your consumers have to pay taxes in order to keep prices high.

This two-price system on wheat will not require subsidies in order to keep up prices. It will only give an opportunity to the wheat farmer to get a fair price for that portion of his wheat that is used in the United States; and then it gives him an opportunity to compete with the other countries of the world in the foreign markets which at the present

time he does not have under the price support system.

In my opinion, the strongest argument that can be made for the two-price system is that it gives an opportunity to the farmer to determine whether or not he wants the program. It gives an opportunity to get the program out from under Federal control.

It will save the taxpayers a lot of money. We have heard arguments as to how much money is being spent, but every one of us knows that if you do not have a two-price system you are going to have to spend money to support the price. If we can get this program in operation, in the first place it gives the farmer an opportunity to more independently regulate his own acreage; it gives him an opportunity to compete in the world market; it does not freeze the acreages as the gentleman from Michigan states. It can be just as flexible, as far as the establishment of quotas is concerned as it can be under the present bill. It puts a quota on bushels and not on acres which all of the price support systems we have had so far do; they place a quota on acres. When you cut down acres the farmers have enough ingenuity to use more fertilizer, more summer fallowing, and produce more wheat, more commodities on the lesser number of acres, which puts them right back in the same place. This program puts the quota on the number of bushels raised.

This will keep the quota as far as the domestic market is concerned in line with consumption, which your acreage controls do not do because the number of acres planted does not always determine the yield of the crop. In this particular year it looked first as though we were going to have a poor crop year, yet it has turned out to be one of the biggest crops in history.

Mr. KING of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. BELCHER. I yield.

Mr. KING of Pennsylvania. Some plan which would really control production would be much better than the present economy of filling up Government storage, but I did not know that we were still in the days of the miraculous. The gentleman presents this as a scheme which does not cost anybody anything. That is impossible. When you subsidize farmers somebody has got to pay, and under this scheme of quotas somebody would still have to pay the bill.

Mr. BOLLING. Mr. Chairman, I have to strike out the requisite number of words.

The CHAIRMAN. The gentleman from Missouri is recognized.

Mr. BOLLING. Mr. Chairman, I move no pretense of being an expert on agriculture. I do, however, represent the type of district which has been spoken of quite a little during the debate on this legislation, a city district. While I am not an expert on agriculture, I have had the responsibility and the opportunity to give some study to these problems as a member of the Joint Committee on the Economic Report, which had to face this basic issue during the early part of this

year when we commented on the President's recommendations that affect the economy of our country. It so happens that I do not feel that the present section which is being debated is the best section in the bill. I question whether we are facing the whole problem of the United States in this field when we fail to recognize that we do have a responsibility to a number of our allies who produce wheat; therefore, I am inclined to favor this particular amendment.

However, this is but a part of a whole problem. Frankly, when the Eisenhower message on flexible price supports was read to the House in January, I felt quite sympathetic to the views expressed therein. However, I found it necessary to make some study of the question and in the course of that study I came to the conclusion that the proposal of Secretary Benson was as unsound a proposal as could possibly be made. I came to that conclusion because all the evidence which could be considered unbiased that I could obtain convinced me that a 75-percent floor was totally inadequate to reduce much less to eliminate surpluses. And the problem we face is one of surpluses. If we are to reduce surpluses by reducing the level of support, in my judgment, we would have to go to something like 50 percent of parity, and I do not believe there are many in this Congress or in this country who would advocate reducing supports to 50 percent of parity. Therefore, if a 75- to 90-percent program would not effect a reduction in surpluses, all it would do would be to effect a reduction in the farmer's income at a time when it is now clear, even to those who in January and February talked of prophets of gloom and doom when some of us mentioned unemployment, that this country still is in a recession. I do not believe that it makes sense to anybody in any district in the United States of America to cut the income of an important segment of our economy at a time when we are not using to anything like the fullest extent possible the productive capacity of the United States. My personal view is that the whole approach to the farm problem from the point of view of scarcity is the wrong approach. I think that we need abundance.

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

Mr. BOLLING. I yield to the gentleman from Kansas.

Mr. HOPE. The gentleman should be for this provision in the bill and against the amendment that has been offered because this provision is designed to do away with the idea of scarcity.

Mr. BOLLING. I disagree with the gentleman because I think this provision of the bill fails to go to the heart of another problem we have in international affairs. I think if we produce wheat in great quantities and compete with some of our allies, we may well injure our free world alliance against Communist aggression. However, I would like to reiterate my point that simply because some of us are against certain sections of the bill we should not make the mistake of being fooled by the arguments against 90 percent price supports. I think there could hardly be a worse time

in the history of this country than today for us to move to flexible price supports. I think as a matter of general economic policy it is extremely important for us to provide for 90-percent supports at this time.

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

Mr. Chairman, this language now before us would strike out a section of this bill which has had long and serious consideration by the chairman of the committee, particularly, and by other members, and by wheat growers from all over the Nation. The amendment represents the best thought of those who are most familiar with the wheat problem. We do not grow enough wheat in my district to feed more than a small fraction of our people. Wheat is not an agricultural commodity of importance down where I live.

There are other areas of our country where your great commodities are dairy products, and the committee has listened attentively to those who represent the producers of dairy products, and they felt that they were in a better position to suggest the provisions relating to those special commodities than those of us who do not come from areas where we are so dependent upon those things.

The district represented by the gentleman from Kansas [Mr. HOPE] produces more wheat than any other congressional district in the United States. I do not think there is a man in this House that will disagree with my statement that CLIFF HOPE knows more about what is good for the wheat farmers than any other man in the United States. It seems to me, if for no other reason, we should leave this section in the bill because of the confidence that I have, and I believe you have, in CLIFF HOPE and his knowledge of the wheat problem.

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

Mr. POAGE. I yield to the gentleman from Oklahoma.

Mr. BELCHER. I just want to say that I agree with the statement that the gentleman from Kansas [Mr. HOPE] knows more about the wheat problem than any man in America. And I represent one of the big wheat-growing districts of the Nation also.

Mr. POAGE. Yes; I understand.

Mr. BELCHER. We are willing to leave this problem up to the farmers to determine whether or not this is a better program than the price-support program, and that all we are asking is to give an opportunity to them to determine for themselves, and if the farmers determine that they would rather have this than a price-support system it is going to save the taxpayers a lot of money.

Mr. POAGE. That is exactly right, and I want to point out that this program, if carried out, and if the wheat growers of America ask that we use this program, it will not be at anybody else's expense; it will be at their expense. They will pay the bill and your taxpayers will not. It will not add to the cost of living one penny, so why not give the wheat growers this opportunity to decide for themselves.

Frankly, if it works well for wheat, I am going to want to consider it for cotton, but if it fails, the other fellow is going to carry the loss. I do not know how those of us who come from areas where wheat is not a great, important crop could get a better deal than is offered by this proposal of allowing someone else to carry the burden of the experimentation, to allow someone else to carry the trial run and then let us get the benefit of their experience and see if we cannot make it applicable to our commodities. I hope that the Members of this Committee will not feel constrained to destroy this program, this opportunity, for democracy in agriculture.

Mr. HOFFMAN of Michigan. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

Mr. HOPE. I object, Mr. Chairman.

Mr. HOFFMAN of Michigan. Mr. Chairman, I move that all debate on this amendment and all amendments thereto close in 10 minutes.

The CHAIRMAN. The question is on the motion offered by the gentleman from Michigan.

The motion was rejected.

Mr. HOFFMAN of Michigan. My colleague is asking for a division. I do not care. I will not make it. He can make it himself.

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

Mr. Chairman, in the debate yesterday on the Harrison amendment, the majority whip [Mr. ARENDS] made the point that the present 90-percent support program was a snare and a delusion. He pointed out, for example, that in the case of corn, although the law provides for 90 percent of parity, as a matter of fact, according to the Secretary of Agriculture, the average market price is only about 80 percent of parity. In the case of wheat he said that the average market price of wheat is only 82 percent of parity. I should like to ask this question of the advocates of the Harrison amendment. Are we to assume that if the parity price is set at 82½ percent, that the market price paid to the farmers for corn and wheat will rise or will it fall? If, as the Secretary of Agriculture says, the farmer is getting 80 percent of parity for corn now, will he get 82½ percent if the new program goes into effect? If he is getting 80 percent now on wheat, will he get 82½ percent? Will he get 82½ percent if the support level is set at 82½ percent? Or do you expect that as you move from 90 percent down to 82½ percent that there will be a corresponding reduction in the actual price that the farmer gets, so that instead of getting 80 percent of parity he will get on corn 70 to 75 percent, and instead of getting the 82 percent of parity for wheat which the Secretary now says he is getting, will he get 72 to 75 percent?

The advocates of the Harrison amendment ought to tell us what the effect of that amendment will be if it is adopted

and if the support level on wheat is reduced to 82½ percent and the support level on corn is reduced to 82½ percent. Will the actual price which will be paid to the farmers for these commodities be raised or will the actual price paid be lowered by some 10 percent below what the Secretary now says is the level?

I do urge that someone in the Republican leadership, or someone who has supported the Harrison amendment will explain to the House before we take the final vote on this question just what effect they expect this amendment to have on the actual prices which are paid to the farmers for corn and wheat and for other commodities.

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

Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Michigan, my good friend, a man for whom I have the very highest affection and regard, although I believe he is entirely wrong in the position he has taken on this particular proposition.

The reason this proposal is in this bill is because we are trying to do the very things the gentleman from Michigan indicates he wants to do. We are trying to get away from the idea of scarcity in the first place, trying to get away from the idea of strict controls, trying to get away from the idea of paying money out of the Treasury for export subsidies, trying to get away from the dumping of agricultural commodities. This provision, if adopted, will do all of those things.

The gentleman from Michigan has characterized this proposal as dumping. I do not believe that under GATT or under any of the other international trade arrangements a proposal of this kind could be characterized as dumping. But it is true what we are doing right now is nothing but dumping because we are paying subsidies out of the Treasury. In the last 4½ years we have paid almost \$600 million in export subsidies on wheat.

This bill provides for a support price on that part of our wheat that is consumed domestically for human food, but it lets the rest of it go in the world market without a subsidy at the world price. If ideal conditions existed now for putting a program of this kind into effect I do not think it would be necessary to have acreage allotments or any restrictions on wheat, but with the large supplies we have on hand at this time I think it is necessary to give the Secretary some authority to put acreage allotments on and also to put into effect a low support price, possibly 60 or 65 percent of parity, in order to maintain the price of that part that does not go for human consumption.

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

Mr. HOPE. I yield to the gentleman from Oklahoma.

Mr. BELCHER. The point was made a while ago that this might interfere with our international relations. Under this proposal, wheat from the United States would merely compete in the open market of the world. At the present time it can compete in the open market of the world and the American producer

gets paid a subsidy for competing in that world market. It certainly would disturb the world setup worse than just competing on an even basis with all the other countries of the world.

Mr. HOPE. I agree with the gentleman 100 percent. His observation is absolutely right.

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

Mr. HOPE. I yield to the gentleman from California.

Mr. SCUDDER. This provision will permit the sale of wheat to the poultry people throughout the country at a lesser price than the supported price?

Mr. HOPE. Yes, that is true. The wheat would go to market at whatever the market price was. The support domestically would come about through the certificates that the millers would purchase from the farmer.

Mr. SCUDDER. This would relieve the poultry people, then, of having to pay a full support price for the product necessary for the production of poultry and eggs?

Mr. HOPE. Yes, that is true.

In conclusion, may I say that if we want to follow the tenets of free enterprise, if we want to get away from controls, if we want to get away from export subsidies, and the international complications that come from dumping, the way to do it is to vote down this amendment and retain this title in the bill.

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

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

Mr. GOLDEN. Is it not a fact that if we retain the provisions as written in the bill and vote against the amendment we will participate to a larger extent in the world market, and we can dispose of not only some of our surplus but much of the wheat that will be grown in the future, without costing the taxpayers of America anything at all?

Mr. HOPE. Yes. I thank the gentleman for his statement. I agree with him 100 percent.

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

Mr. HOPE. I yield.

Mr. ROGERS of Texas. There have been many plans offered to the Committee on Agriculture to settle this surplus situation.

Mr. HOPE. Yes. We have a stack of them that high.

Mr. ROGERS of Texas. This provision is nothing in the world but a step in the direction of trying to explore some of these, to see if we cannot answer some of the problems that have been presented and talked about on this floor in the last few days.

Mr. HOPE. Yes. This gives the farmers an opportunity when they have the next referendum on wheat to vote as to whether they want to adopt this program as a substitute for the program that is at that time in existence.

Mr. ROGERS of Texas. It leaves it to the farmers to decide that, does it not?

Mr. HOPE. Yes.

Mr. COON. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the Record.

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

There was no objection.

Mr. COON. Mr. Chairman, the two-price or domestic parity plan for wheat included in this bill would give greater freedom to wheat farmers, expand exports, provide needed feed to stockmen and poultrymen in feed-deficit areas, and save the Government money. I urge that this program be retained in H. R. 9680.

A two-price program would pay parity for wheat used in domestic human consumption, but would allow wheat for feed, export, and industrial uses to seek its own price in the market. The program would support itself through a system of certificates; the only cost to the Government would be the administration of the program. The Government would not pay the parity payment, and there would be no need to invest huge sums in storing surplus wheat.

But not only would this plan be of benefit to wheatmen, it would be helpful to poultrymen, stockmen, and feeders in feed-deficit areas. It would give them grain at competitive feed-grain prices.

The two-price plan in this bill is important also in that it can serve as a pilot project for better agricultural legislation. If the program can succeed for wheat, I believe it would prove effective for other crops as well. We must test this idea as soon as we can in order to determine its feasibility and locate its flaws.

As the bill is presently drawn, the program would go into effect for the 1956 crop year if approved by a vote of the wheat farmers.

There are four important objectives we are seeking in agricultural legislation today. We want our farmers to be more free while, at the same time, having fair protection. We want prices for agricultural commodities to reflect real values, and thus to promote wide and realistic use. We must find ways of reducing and preventing surpluses. And we are seeking Government economy.

This program moves in the direction of all these objectives.

A two-price plan would give the wheat farmers greater freedom while, at the same time, insuring a reasonable level of income. It would permit normal market forces to determine the price of excess wheat, and thus would help keep surpluses down. When oversupply drives the price down, much wheatland would be turned to more profitable uses.

Greater feed and wider industrial uses would also come automatically under a two-price plan, and this would reduce surpluses in another way—by using them up. The greater the surpluses became, the greater would be the incentive to use them, and the less would be the incentive to produce them.

Since this program would be financed by means of certificates, it would take the burden off the Government. Considering the problems the Government faces today in this connection and the need for economy, I believe this is an objective well worth seeking.

I strongly urge that this two-price or domestic parity plan for wheat receive

favorable consideration from the Congress today, and that this amendment be voted down.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. Ford].

The amendment was rejected.

The Clerk read as follows:

SEC. 302. (a) Section 335 of the Agricultural Adjustment Act of 1938 (7 U. S. C., sec. 1335) is amended by adding at the end thereof the following new subsection:

"(e) If, for any marketing year, the acreage allotment for wheat for any State is 2,500 acres or less, the Secretary, in order to promote efficient administration of this act and the Agricultural Act of 1949, may designate such State as outside the commercial wheat-producing area for such marketing year. No farm marketing quota with respect to wheat shall be applicable in such marketing year to any farm in any State so designated. Notice of any such designation shall be published in the Federal Register."

(b) Section 101 (d) of the Agricultural Act of 1949 (7 U. S. C., sec. 1441 (d)) is amended by adding at the end thereof the following new paragraph:

"(7) Where a State is designated under section 335 (e) of the Agricultural Adjustment Act of 1938 as outside the commercial wheat-producing area for any marketing year, the level of price support for wheat to cooperators in such State for such marketing year shall be 75 percent of the level of price support to cooperators in the commercial wheat-producing area."

(c) Section 408 (b) of the Agricultural Act of 1949 (7 U. S. C., sec. 1428 (b)) is amended by inserting "or wheat" after "corn", and by inserting "or wheat-producing" after "corn-producing".

Mr. ROGERS of Texas. Mr. Chairman, I move to strike out the last word.

Mr. ROGERS of Texas. Mr. Speaker, I ask unanimous consent to address the House for 5 additional minutes.

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

There was no objection.

Mr. ROGERS of Texas. Mr. Chairman, I have listened with great interest to the debate on this piece of legislation. I think it is one of the most important which will come before the House because it affects every segment of the economy of this country and of the world. Prior to our deliberations on this bill, we saw the people of the United States subjected to the worst propaganda campaign against the American farmer that I have witnessed in my lifetime. We saw surpluses condemned. We saw farmers blamed for having created those surpluses, and we saw farmers called everything under the sun that they could be called without someone being guilty of libel. I want to say here and now that I resent that campaign. I think it is a tragic thing when the people of this country try to set one American against the other, and that is exactly what has been done in this particular case. We have heard from some high officials in this Government, that if the farmers did not watch out the city folks were going to rebel against them. Well, now I just want to make an observation or two about that. I hope I can talk you city folks out of rebelling against the farmers—I sure do. In the event, however, that I cannot and you are going to insist upon it, I think what you should do be-

fore the deadline for that rebellion is to take an inventory of these great bins that we have heard about which are bulging with all of these products and make sure that those bins are bulging and that those products are available. And if you find there is not a supply on hand that is going to last the people of this country for several years, I suggest you postpone your rebellion. What the city people of this country had better be worried about, if they want to start a fight, is that the American farmer might rebel against them. And when that time comes that such a fight happens, and God forbid that it ever does, the city people are the ones who are going to feel it first. They are the ones who are going to be hurt and hurt bad. Agriculture is the basis of our economy. This country was founded by farmers, and agriculture is and always will be, the basis of our economy. And those who are a part of that segment of our economy are getting pretty sore, when every time somebody wants to adjust the economy downward, the first group they jump on is the American farmers. When the time comes to adjust it upward, the American farmer is the last one that is thought of.

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

Mr. ROGERS of Texas. I yield to the gentleman from Minnesota.

Mr. WIER. I think you should clarify that, because many of us from the labor movement in the large industrial centers supported this bill yesterday.

Mr. ROGERS of Texas. I thank the gentleman. I apologize if I have offended anyone. I was merely making the point that we should be unified today for these programs, and there should not be a continuation of this propaganda campaign to set American people one against the other.

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

Mr. ROGERS of Texas. I yield.

Mr. ROOSEVELT. Is it not true that this propaganda has been spearheaded by the incumbent Secretary of Agriculture?

Mr. ROGERS of Texas. He has made speeches that have been quoted as the core of this campaign.

As a matter of fact, we hear talk about \$6½ billion in surpluses as constituting a crime; yet, my friends, it was not a crime for this House of Representatives just a day or two ago to underwrite giving \$3½ billion to foreigners, in addition to \$9 billion that was already appropriated and unexpended.

Now, what do you think the American farmer is going to think about that when he is one of the main contributors of that \$12 billion in foreign aid? Let us look at this thing realistically and quit trying to pull the wool over someone's eyes. The purchasing power of the American farmer is what makes prosperity. The reason for that is simply this, that the farmer always needs something, and if he can get his hands on the money he will buy it. It is not hard to understand why he needs it. If you have any doubt in your mind about a tractor seat being harder on a pair of pants than an overstuffed chair, just go out and ride a tractor for a while. That

is all you have to do. It is that simple. The American farmer is a man who is willing to buy what he needs. He is willing to increase his standard of living so that others may live also. When you hurt the farmer you hurt yourselves, because what you are doing is simply this: You are killing the very purchasing power that makes prosperity, and when you do that you run the little farmers off of the farms. When you run them off of the farms, where do they go? They go into the cities and into the labor markets? When they go into the labor markets, what happens? The farmlands that they have occupied and used and made a living from for their families and their children and used to feed and clothe them are operated in large tracts. The result is that in one section where you might have used 25 tractors your need for tractors is reduced to 5 or 10 because of the unitization of several family-size farms. This means that the available labor to produce tractors will be increased but the demand for tractors will decrease. The inevitable result will be unemployment.

Yes, let us be realistic. You cannot have prosperity in this country unless you have purchasing power, and you cannot have purchasing power unless the little man that keeps this country together—and I am talking about the American farmer, and especially the one on the family-size farm—has some wherewithal to buy what he needs for himself and his children.

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

Mr. ROGERS of Texas. I yield.

Mr. DOWDY. I think the gentleman is getting directly at the problem here. William Jennings Bryan said many years ago that you can destroy a city and leave the productive farms and soon the city will be rebuilt. If you destroy the farms and leave the city the grass will grow in the streets of the city. That is not an exact quotation but that is what the gentleman is driving at, I am sure.

Mr. ROGERS of Texas. Yes; the gentleman is exactly right and I thank him for his contribution. People do not realize how much we depend on the farmers. If there were a general grass crop failure for one full year all animal life would perish.

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

Mr. ROGERS of Texas. I yield.

Mr. YATES. The gentleman does not contend that ours is not an integrated economy and that the workers of the city do not contribute to the greatness of the country the same as do the farmers, does he?

Mr. ROGERS of Texas. Not a bit in the world; and the farmers do not want to fight with the city people. They want to live in harmony and help to build a stronger America.

Mr. YATES. Mr. Chairman, will the gentleman yield further?

Mr. ROGERS of Texas. Let me make just one point. I will yield provided I have any time left.

I wish that I had the time to discuss each of the various phases of the farm program and show you how much they have contributed to America, but the

limited time will not permit. However, there is one point that I want to conclude with. We all recognize the Communist threat against the freedoms that we so dearly cherish. We also recognize that there has been much investigation in the battle to protect this country from infiltration by this insidious force of evil. Do we fully appreciate that in all these long and involved investigations, the American farmer has never been the subject of question either directly or indirectly? His patriotism and devotion to country have always been beyond the shadow of suspicion. He has always been Mr. America, a shining symbol of honesty, integrity, industry and deep patriotism.

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

Mr. Chairman, the first section of the bill now under consideration provides for a 1-year continuation of price supports at 90 percent of parity for basic commodities. The Harrison amendment, the alternative offered and urged by the Republican leadership in the House, will place these basic commodities under a system of flexible price supports.

The proponents of the Harrison amendment have made several claims in support of it which, in my opinion, have not been substantiated by their arguments. For example, the argument that flexible price supports will solve the surplus problem is not borne out by the record. The records reveal that many of the surplus troubles with certain farm commodities have occurred at a time when they were under a system of flexible supports. Milk and butter are under a flexible program. Potatoes were under a flexible program several years ago when we had such a tremendous surplus. A similar experience was had with eggs under a program of flexible supports.

The argument that a program of flexible price supports will reduce the cost to the consumer has not been substantiated. In answer to an inquiry made by a member of the House Committee on Agriculture to Secretary of Agriculture Ezra Taft Benson as to whether he thought that a loaf of bread would be any cheaper to the housewife if flexible price supports were imposed, Secretary Benson answered, "There will be practically no change in the loaf of bread or in food prices generally." This was the answer of the gentleman who is the chief advocate of flexible price supports.

The argument that the inclusion of the basic commodities under a system of flexible price supports will save millions or even billions of dollars to the taxpayers is refuted by the facts. The senior Democrat on the House Agriculture Committee [Mr. COOLEY], pointed out on the floor during the first day of debate that on the basic commodities, which involves the 90 percent price-support program, the sum of \$21 million has been lost over a period of 21 years—a total loss of only \$1 million a year to the taxpayers. This amount seems ridiculously small when compared to the \$3½ billion authorized by the House earlier this week for the foreign-aid program.

If the inclusion of the basic commodities under a system of flexible price supports will not necessarily solve the

surplus problem, reduce costs to the consumer, or save millions for the taxpayers, then what advantage does it offer? Some argue it will be beneficial to the farmer who raises these basic commodities. Actually, there are many reasons to believe it will have a reverse effect at the present time. We know that the net income of the farmer has declined 13 percent during the past 2 years. In the case of wheat, cotton, peanuts, tobacco, and corn, acreage allotments or marketing quotas are already in effect. This, of course, means an additional cut. To further reduce the income of the farmers of this country by including at this time the basic farm commodities under a system of flexible price supports will, in my opinion, be unwise.

The bill now before us is the result of 10 months of work by the House Committee on Agriculture. I am certain the recommendation that there be a 1-year continuation of price supports at 90-percent parity was no hasty decision by the members of that great committee. I supported the committee recommendation by voting yesterday in opposition to the Harrison amendment. I trust that today we will have a record vote on the Harrison amendment and that it will be defeated.

The Clerk read as follows:

SEC. 303. Section 332 of the Agricultural Adjustment Act of 1938, as amended, is amended to read as follows:

"SEC. 332. Not later than April 15 of each calendar year the Secretary shall ascertain and proclaim the national acreage allotment for the crop of wheat produced in the next succeeding calendar year."

SEC. 304. Section 335 of the Agricultural Adjustment Act of 1938, as amended, is amended by striking out of subsection (a) "July 1" following the words "not later than" and inserting in lieu thereof "April 15."

The CHAIRMAN. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: Page 20, line 7, insert:

"SEC. 305. Notwithstanding any other provision of law, in areas where a summer-fallow crop rotation of wheat is a common practice the 1955 wheat acreage allotment for farms in such areas on which such rotation was practiced with respect to the 1952 and 1953 crops of wheat shall not be less than 50 percent of (1) the average acreage planted for the production of wheat for the calendar years 1952 and 1953 plus (2) the average acreage summer fallowed during the calendar years 1952 and 1953, adjusted in the same ratio as the national average seedings for the production of wheat during the calendar years 1952 and 1953 bears to the national acreage allotment for wheat for the 1955 crop: *Provided*, That no acreage shall be included under (1) or (2) which the Secretary, by appropriate regulations, determines will become an undue erosion hazard under continued farming. To the extent that the allotment to any county is insufficient to provide for such minimum farm allotments, the Secretary shall allot such county such additional acreage (which shall be in addition to the county, State, and National acreage allotments otherwise provided for under the Agricultural Adjustment Act of 1938, as amended) as may be necessary in order to provide for such minimum farm allotments."

The committee amendment was agreed to.

Mr. D'EWART. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. D'EWART: Page 21, following line 3, add a new section:

"SEC. 305.1. Whenever the Secretary finds that there is a shortage of high-protein wheat he shall allot additional wheat acreage to those farms that during the last crop year produced wheat testing 14 percent protein or higher: *Provided*, That the total acreage allotted by the Secretary under this section shall not exceed the total acreage found necessary by the Secretary to increase the production of high-protein wheat to an amount necessary to supply domestic needs."

Mr. D'EWART. Mr. Chairman, the intent of this amendment is to meet a shortage in a certain class of wheat in this country.

Earlier in this session I introduced a bill that had this objective. The bill was not enacted into law because, in the Senate an amendment was adopted that provided that when a class of wheat was in shortage the Secretary could increase the acreage for that class. It was enacted into law and went into effect as it applies to different classes of wheat. It is a fact that it is broad enough so that it could cover this wheat, but they do not, and in this country at this time we have an actual shortage in high protein wheat. There are certain areas of the country that raise this high protein wheat. The shortage is indicated by the premiums that are paid on high protein wheat. There is in this country at the present moment a shortage of high protein wheat; in fact, recently the premium for this class of wheat has gone as high as 80 cents a bushel and even that did not bring very much high protein wheat into the market. As a result we are at the present time importing this particular class of wheat from Canada.

My amendment proposes that when this wheat is in shortage, this high protein wheat, then the Secretary will be permitted to increase the acreage allotment on which high protein wheat is grown. I think it is in the interest of the country to adopt this particular amendment.

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

Mr. D'EWART. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. When I heard the amendment read I thought it applied primarily to the production of durum wheat, of which we have a shortage.

Mr. D'EWART. No; I named protein wheat and when it is about 14 percent. The average runs about 11 percent.

Mr. AUGUST H. ANDRESEN. I am somewhat familiar with high-protein wheat. At the present time, unfortunately, most of the high-protein wheat is in the hands of the Commodity Credit Corporation, and I understand there is a quantity in storage out in the State of Montana.

Mr. D'EWART. If that is true, why is it that 80 cents a bushel premium does not bring it out of storage? We doubt that it is in the hands of the Commodity Credit Corporation.

Mr. AUGUST H. ANDRESEN. They have paid as high as 96 cents for 16-protein wheat.

Mr. D'EWART. Which indicates a shortage in the market for high-protein wheat.

Mr. AUGUST H. ANDRESEN. I am somewhat familiar with wheat, and let me say to the gentleman it is difficult to say what the protein content of wheat is going to be until after your crop is harvested.

Mr. D'EWART. That is correct; but there is no difficulty after it is harvested. We have a case history of every farmer who grows high-protein wheat.

Mr. AUGUST H. ANDRESEN. You have to wait for the weather. I have known times when they produced 14- or 15-protein wheat in Kansas, where they have had a crop of high-protein wheat; but they can never tell until the maturing season came on as to the protein content.

Mr. D'EWART. High-protein content wheat is produced only in limited quantity. The provision would not become effective unless there is a shortage, in which case it would permit the production of this class of wheat by increasing the allotment of acreage of those people based on the case history.

Mr. AUGUST H. ANDRESEN. I am surprised that some of the high-protein wheat that is in private storage in Montana has not come out on the market.

Mr. D'EWART. There are no figures to prove it is in storage. I have tried to check that with the Secretary of Agriculture, and he has not been able to produce any figures to show that there is high-protein wheat in storage. If there is, why was it not made available to those who need it when the premium is as high as the gentleman says? I think that proves it is not available.

Mr. AUGUST H. ANDRESEN. They told me there is high-protein wheat in storage; on the other hand, I have heard the charge that the Commodity Credit Corporation is cornering high-protein wheat. They sell a little bit of it. But I think our American millers should have the benefit of some of the high-protein wheat whether it comes from the Commodity Credit Corporation or from the private holders of wheat.

Mr. D'EWART. I am trying to give a little benefit to the wheat farmers who can grow this kind of wheat. When that shortage is so great that a premium of 80 to 96 cents is paid, it is clear evidence we need more acreage of that kind of wheat.

Mr. HAGEN of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. D'EWART. I yield to the gentleman from Minnesota.

Mr. HAGEN of Minnesota. As a matter of fact, the farmers of Minnesota, North Dakota, and Montana are anxious to raise additional durum wheat, which is in short supply. Would your amendment increase the supply and thereby decrease the cost to the consumers?

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

Mr. HOPE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I regret that I feel I must oppose the amendment offered by the distinguished gentleman from Montana who has always done a splendid

job in representing the wheat producers of his great State which produce such high quality wheat. I am in sympathy with the viewpoint that he has expressed here, but it would seem to me for several reasons that we should not adopt this amendment at this particular time.

In the first place, I believe it would be very difficult, if not impossible, to administer the amendment in its present form. In the second place, I think everyone who is familiar with wheat out in the high plains country knows that protein, while it is a regional characteristic, and while wheat generally in those areas has a high protein content still it is also something that is promoted to a considerable extent by the weather that prevails in any particular year. You might have a situation where wheat would have 15, 16, or 17 percent protein in 1 year, and yet the weather and the climatic conditions might be so different the next year, that it would be down considerably.

So, it seems to me that we should perhaps approach the matter from a little different viewpoint and give it further study. I am glad to assure the gentleman from Montana that if the amendment is voted down, that our committee will give careful consideration to some provision that might enable high protein wheat producers to be given consideration for additional allotment when there is a scarcity of that commodity. I think that the provision in this bill relating to a two-price system on wheat which will permit the payment of premiums for high quality wheat and not impose restrictions will, to some extent, meet the situation if they are adopted. I urge, until we have time to study the matter further, that the amendment be rejected.

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

Mr. Chairman, I realize that the House is impatient to proceed with this bill. However, I would like to make a few overall observations before the final votes are cast. I realize that the bill has been debated extensively, and I have no desire to undertake to repeat all the arguments which have been made.

I do want to reiterate my unalterable opposition to the proposal for a flexible, so-called sliding-scale system of supports for basic and storable crops. I think the 90-percent basis of support should not be referred to as a high support. Ninety percent is high when compared to 75 percent, but 90 percent of parity is not high when compared to the true facts of the situation. It is 10 percent less than an adequate price. Would labor and industry call 90 percent of an adequate wage or price for industrial products high? Of course not.

Yesterday I was shocked and surprised when the House tentatively adopted the Harrison amendment, which provides that the minimum basis for price supports on basic crops shall not be 90 percent, but 82½ percent of parity. This adoption of a modified form of sliding scale is a step in the wrong direction. It is a move toward greater farm surpluses, toward unemployment for labor, and stagnation for business. It is the beginning trend of demoralization in ag-

riculture. I have no doubt as to the accuracy of my words.

Some well-intentioned people sincerely believe that the sliding-scale support program will reduce agricultural surpluses and solve the farm problem. Unfortunately it will not do anything of the kind. I think it is very probable that the lower support program will increase farm surpluses. The farmer will have to try to produce more in order to get together enough cash to pay his fixed charges of operation.

Some in good faith believe that the sliding-scale program of support will reduce the cost of living to the consumer. The debate during the last 3 days tends to defeat that claim. Of course, if stagnation comes, the cost to the consumer will be less, but the capacity of the consumer to pay will be drastically reduced. The consumer needs a healthy condition in agriculture in order that he may be assured of an adequate and dependable supply of food and fiber. Stagnation in agriculture will not meet the requirement. It will set up a chain reaction that will slow down industrial production, throw city workers out of employment, and remove the farmer as a major purchaser of manufactured goods.

Another thing I want to go on record against is a reduction below the 90 percent support level for basic crops next year or thereafter. If there is going to be a support program on basic crops, 90 percent will never be too high.

I regret to see the Brannan plan adopted in portions of the pending measure. If the plan was bad a few years ago under a different administration, it is bad today.

I well recognize that it is impossible to have a perfect farm program, but I think a better job could have been done on the pending bill. I repeat that I very much fear that a trend has begun which will mean dark days and distress for the farm people of our country. There is rough sledding on the road ahead for agriculture, and the impact will be felt on the entire economy.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Montana [Mr. D'EWART].

The amendment was rejected.

The Clerk read as follows:

SUBTITLE B—COTTON

SEC. 305. Section 301 (b) of the Agricultural Adjustment Act of 1938, as amended, is amended as follows:

"10 (C) The 'normal supply' of cotton for any marketing year shall be the estimated domestic consumption of cotton for the marketing year for which such normal supply is being determined, plus the estimated exports of cotton for such marketing year, plus 20 percent of the sum of such consumption and exports as an allowance for carryover."

With the following committee amendment:

Page 21, line 5, strike out "305", and insert "306."

The committee amendment was agreed to.

Mr. HUNTER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HUNTER: On page 21, beginning with line 5, strike out all of the language through line 13.

Mr. HUNTER. Mr. Chairman, the effect of my amendment is to leave the law as is with respect to the definition of "normal supply" of cotton.

The permanent provisions of the Agricultural Act of 1949 provide that, in calculating normal supply, the carryover allowance shall be 30 percent of the estimated domestic consumption of cotton for the marketing year for which such normal supply is being determined, plus estimated export of cotton for such marketing year.

The bill now before us reduces the carryover allowance from 30 percent to 20 percent. That means that the Secretary of Agriculture would be required to invoke quotas on cotton upon the basis of a supply smaller by 10 percent of estimated domestic consumption plus exports than under existing law.

My amendment would strike out this part of the bill and leave the carryover allowance at 30 percent, as provided in the 1949 act.

I am advised that the intended purpose of this provision of the bill is to prevent the recurrence of such a large carryover, or surplus, of cotton as that with which we are now faced. It is estimated that, as of August, it will be close to 10 million bales, or 165 percent of estimated domestic consumption plus exports for the coming marketing year.

I submit that such a provision is not an advisable means of reducing the current surplus. It will have no effect this year, or next year, 1955, or the year after next, 1956. For the years after that, it could very likely cause a dangerously low reserve, which, in turn, could cause price ceilings and export quotas to be placed in effect as they were in 1950. You will recall that in 1949 we had a carryover of 7 million bales. Yet on September 8, 1950, due to the emergency created by the Korean war and a 10-million-bale crop for 1950, export restrictions were placed on United States grown cotton. Following that, the world price of cotton almost doubled. Cotton in Egypt rose from 50 cents a pound to \$1.04 in 7 months. The price of cotton in Mexico rose from 31 to 63 cents, and in Pakistan from 34 to 63 cents during that same period, August 1950 to March 1951.

In 1951, foreign cotton acreage increased over 7,500,000 acres and production rose by approximately 2,200,000 bales. This cotton displaced United States exports. Meanwhile, United States growers were receiving \$75 a bale less than the world price.

Most of the additional 7,500,000 acres still remains in production. As a consequence, we have not gained back the markets we lost. Our exports in 1952 were 3 million bales—just half what they were in 1949.

This change in the law came as a surprise to me. It was not discussed in the hearings to any appreciable extent. It was not considered at any beltwide conference of the cotton industry. After the bill was printed, I inquired of

the National Cotton Council if that organization knew anything about the provision, and, if so, what did the membership think of it. The representatives of the council informed me that it was new to them and that upon checking with various segments of the industry, the reaction was one of amazement and virtually unanimous opposition.

Upon checking with the Western Cotton Growers Association and other representatives of the cotton industry in the West, I found that they, too, were opposed to this change.

I also discovered that the American Farm Bureau Federation opposed the measure, and that the farm bureaus of the Southern States were in accord. On inquiring of the Secretary of Agriculture, I learned that the Department of Agriculture is also opposed to the change.

Why this opposition? Because a 20-percent carryover is not considered adequate, particularly in the case of cotton which is an export commodity.

I asked the Cotton Council to compute for me the possible effect of reducing the carryover allowance to 20 percent. Following are their figures:

Possible effect of reducing carryover allowance to 20 percent
[Million bales]

	Objective	Actual ¹
Carryover Aug. 1.....	2.5	1.5
Plus average ginnings to Sept. 1....	.75	.75
Cotton available to Oct. 1.....	3.25	2.25
Less consumption August and September.....	2.00	2.00
	1.25	.25

¹ Estimates have to be made 1½ years ahead. If 10 million bale crop under marketing quotas were 5 percent below normal due either to underplanting or low yield or both and domestic consumption and exports were 4 percent above estimates made 1 to 1½ years ahead, carryover Aug. 1 would be 1.5 million bales instead of 2½ million bales anticipated when quota was set.

NOTE.—Lowest United States mills stocks in past 25 years was 670,000 bales in 1949.

When applied to the most recent years, the 30 percent carryover amounts to 3.5–4 million bales. That is equal to about 5 months domestic consumption or about 3 months domestic consumption plus exports. I believe we should continue to use the 30 percent figure in calculating the allowance for carryover instead of the lower figure of 20 percent.

Mr. Chairman, cotton producers and other segments of the cotton industry have worked many years to develop the permanent provisions of the present price support and adjustment legislation as it relates to cotton. There is general agreement throughout the cotton producing areas of the United States with regard to the provisions of the Agricultural Adjustment Act of 1938 as amended on the definition of "normal supply." I, therefore, am of the opinion that the change embodied in the bill before us should not be made at this time.

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

Mr. HUNTER. I yield to the gentleman from Texas.

Mr. MAHON. I am friendly toward the gentleman's amendment. Has he made it clear that if this amendment is

adopted it will not affect cotton production in 1955-56?

Mr. HUNTER. It will not affect cotton production in 1955 and 1956. The year following it might create a dangerously low reserve. That was the point I brought up.

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

Mr. HUNTER. I yield.

Mr. COOLEY. Does the gentleman know how many bales of cotton his amendment would add to the normal carryover?

Mr. HUNTER. It is a difference of about 1 million-plus. Thirty percent would give you a carryover of from 3½ to 4 million bales. Twenty percent would give you about 2½ million bales. That is not considered an adequate carryover if we are going to maintain and develop our foreign markets over the years.

Mr. COOLEY. Does the gentleman know how many acres are involved? It would be far more than 1 million—perhaps 2 million acres, would it not?

Mr. HUNTER. The number of acres is not the question here. I am speaking of the definition of normal supply.

Mr. COOLEY. I know exactly what the gentleman is speaking of.

Mr. HUNTER. In my opinion, a 30-percent carryover constitutes a proper part of a normal supply and is in the best interests of our marketing program, both domestic and foreign. I am interested in maintaining those markets.

Mr. COOLEY. If the gentleman will yield further, the gentleman is aware, I am sure, that under the Benson proposal he is proposing to set aside 4 million bales of American cotton. That is true, is it not?

Mr. HUNTER. Yes, but acreage allotments and marketing quotas are not affected. The set aside is included as part of normal supply.

The CHAIRMAN. The time of the gentleman from California [Mr. HUNTER] has expired.

Mr. HUNTER. Mr. Chairman, I ask unanimous consent to proceed for 3 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HUNTER. Finishing the statement that I was making to the gentleman from North Carolina [Mr. COOLEY], the set-aside does not affect the acreage allotments and marketing quotas. The set aside only affects the support price.

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

Mr. HUNTER. I yield to the gentleman from California.

Mr. PHILLIPS. Very briefly I want to say that I commend the gentleman on and support his amendment. Is it not a fact that 30 percent represents the present situation and the gentleman merely proposes to continue the percentage which exists at the present time?

Mr. HUNTER. That is correct. It was in the Agriculture Act of 1949. It is permanent legislation.

(By unanimous consent (at the request of Mr. ALBERT), Mr. HUNTER was given

permission to proceed for 1 additional minute.)

Mr. ALBERT. Mr. Chairman, will the gentleman yield for one question?

Mr. HUNTER. I yield.

Mr. ALBERT. It is a fact, however, that the carryover will have some effect on whether our supply is dangerously low or not? I am referring to the set-aside. That is, it is a fact that the set-aside will have some effect on the question of how dangerously low our supply might be?

Mr. HUNTER. That is the point. In computing normal supply the Secretary of Agriculture is required to include the set-aside. It is only when it comes to the question of price supports that the set-aside is excluded. It is ironic that the Committee on Agriculture has deemed it advisable to establish a set-aside of 4 million bales and yet reduces the carryover to 2.5 million bales. These actions are inconsistent.

Mr. HAGEN of California. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I want to join my Republican colleague from California in urging support of his amendment. I have an identical amendment at the desk; therefore, this is not a partisan question.

May I first comment that the cotton program is one with respect to which the Federal Government has not lost a cent; in fact, the Government has made money on the price-support operation with respect to cotton. This would indicate that there is no substantial reason for changing the ground rules which govern cotton allotments and cotton production. This success is the best answer to this contemplated change in the law, which was arrived at with almost no, or no public hearings, not in response to substantial requests from cotton producers throughout the United States, and certainly without the agreement of the producing groups in the United States.

This program of Federal price supports, the farm program, is not a relief program for farmers; it is a recognition of the fact that the farmers are a substantial element in our economy and that they need special answers in order to rationalize their production so that supply is kept in a fair ratio to demand. That is the way the cotton provisions of the law have worked out, as I say, at no cost to the Government.

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

Mr. HAGEN of California. I yield.

Mr. MAHON. Is it the gentleman's point that under existing law on 130 percent of normal supply the Government has made about a quarter of a billion dollars?

Mr. HAGEN of California. That is correct.

Mr. MAHON. Therefore, why change the system which seems to have been reasonably adequate?

Mr. HAGEN of California. That is right. There has been no demonstrated need for the suggested change. The surpluses which have been handled in the past have not been such that they have cost the Government any money, and there is no necessity for a change.

Mr. Chairman, it is recognized that as a part of this concept of a rational adjustment of cotton supply to demand there should be some carryover of supply from marketing year to marketing year as a cushion to meet emergency demand or short supply caused by crop failures. In other words, it is beneficial to the consumer and to the Nation to have a carryover. That has been recognized in this cotton program. So the question comes up—what is a reasonable carryover? I think the committee has supplied the answer to that, and it is not the answer supplied in this particular change which they seek to make in the law, but is found in their set-aside amendment. There they specify that the Secretary shall set aside from 3 million to 4 million bales of cotton. That is a figure which corresponds with 30 percent of carryover much more than it does with 20 percent. In other words, it is a recognition that for the purposes of a sound cotton program and a sound cotton market, and for the purposes of national defense, we should at all times have at least 3 to 4 million bales of cotton on hand in excess of anticipated foreign and domestic demand. I think the committee has, therefore, placed again their imprimatur of approval on the existing feature of the law and in trying to adopt this amendment they are, in effect, being slightly inconsistent.

Mr. RHODES of Arizona. Mr. Chairman, will the gentleman yield?

Mr. HAGEN of California. I yield.

Mr. RHODES of Arizona. Is it not true also that during the last session the whole Cotton Belt was very much disturbed about the possibility that the imposition of acreage allotments under the laws existing at that time might reduce the reserve of the cotton carryover to a point which would be extremely dangerous to the country?

Mr. HAGEN of California. Yes, and I believe some of the gentlemen who support this amendment and who are opposed to the amendment offered by the gentleman from California [Mr. HUNTER], and myself, were the loudest exponents of that theory.

Mr. RHODES of Arizona. And the whole Cotton Belt was standing shoulder to shoulder at that time to keep the cotton reserve at that point which would not be dangerous and which would not have the result we saw in 1950 when we lost our foreign markets.

Mr. HAGEN of California. That is quite correct, and you must also recall that we are in a very ticklish international situation today. We do not know from day to day when we might need a much greater supply of cotton than we have now.

Mr. RHODES of Arizona. I support the gentleman's position. I feel that it is dangerous to change the law from the way it now is.

Mr. HAGEN of California. You reasonably ask why representatives of some cotton areas oppose an action which other cotton area representatives endorse. In addition to the reasons I have already stated I oppose the committee action on the ground that it is a long step toward a constant quota situation

which will close the door to expansion of cotton production in new areas where costs can be reduced and a better product secured. We in the West feel that our area is one of such areas and that we have been rendering the consumer and the Nation a real service by instituting a better and more efficient cotton culture. We don't want a straitjacket type of program which has no justification of necessity and will cause periods of short supply with speculative boosts in prices similar to those now occurring with respect to coffee with the consumer footing the bill and no benefit whatsoever to the producer for whom the program was designed.

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

Mr. HAGEN of California. Mr. Chairman, I ask unanimous consent to proceed for 1 additional minute?

Mr. AUCHINCLOSS. Mr. Chairman, reserving the right to object, and I will not object in this instance, I want to notify the Members of the House and of the Committee of the Whole that I intend to object to any further requests for extension of time.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HAGEN of California. Mr. Chairman, we have visualized the situation where the cotton industry might be under quotas at all times. In other words, there will be no room for improved methods in the field of production. That is the situation we want to avoid. We want to avoid as far as possible regimentation in the production of cotton and we feel in California, and in the West generally and in some areas of the South and the Southwest, that we can get along very well with a minimum of quota requirements.

Mr. JONES of Missouri. Mr. Chairman, will the gentleman yield?

Mr. HAGEN of California. I yield.

Mr. JONES of Missouri. In other words, the people of California want no regulations and no acreage controls and they want the lid taken off so that they can grow all the cotton they want to; is that correct?

Mr. HAGEN of California. No, we recognize that a part of a sound program is regulation. But the question is what regulation is reasonable? We say that the present law represents a reasonable regulation.

Mr. GATHINGS. Mr. Chairman, I rise in opposition to the amendment of the gentleman from California [Mr. HUNTER].

Mr. Chairman, this measure was discussed painstakingly by the Committee on Agriculture. It took 2 or 3 days' time to finally arrive at an agreement on this amendment, which was offered by the gentleman from Mississippi [Mr. ABERNETHY], in striking out the 30 percent and inserting in lieu thereof 20 percent. Here is what it really means. It just says that when you obtain the normal supply of cotton, then quotas and acreage allotments would be invoked by the Secretary of Agriculture.

Now what will be the normal supply of cotton? It would be the domestic

consumption of cotton, plus exports, plus 30 percent, as the law now stands. But the Committee on Agriculture has brought in 20 percent. The normal supply would be the consumption in the United States, plus exports, plus 20 percent under the bill. Then in that event quotas would be invoked. Now it is going to get down to a question of whether or not this House wants to invoke quotas; whether or not this House is desirous of cutting down on the surplus cotton. I come from a great cotton-producing area. Many of the counties in the State of Arkansas have gone out of the production of cotton. The greater part of the State's cotton is grown in the alluvial valley area, a portion of which I am privileged to serve. It may be beneficial to some to open it wide open and let the cotton farmer plant all of the acreage that he desires. This would aggravate instead of alleviate the surplus problem. It was the intention of the Committee on Agriculture to keep down these surpluses by requiring quotas when you obtain a supply figure that would equal the domestic consumption, plus exports, plus 20 percent.

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

Mr. GATHINGS. I yield to the gentleman from California.

Mr. HUNTER. Is it the gentleman's view that a carryover of three or four million bales is too much? In my opinion, three or four million bales is not excessive. We have to have something outside the pipeline in order to meet the demands of our foreign consumers. If they do not have an adequate carryover, we are likely to get into the same position that we got into in 1950.

Mr. GATHINGS. There will be ample cotton if 20 percent more than is required to meet all needs here and abroad is on hand. It is expected, after this present crop is harvested on August 1 next year that there will be a percentage supply of 135.9 percent. Quotas would then be invoked for the following year 1956. Now, let us look 1 year further ahead. It is expected that the supply percentage will be 126.9 percent. It will lack only about 3.1 percent before the Secretary will have the privilege of invoking quotas should the gentleman's amendment be agreed to. So if this House wants to invoke quotas for 3 straight years you should vote down the amendment offered by the gentleman from California, because after 2 years the supply percentage would be 126.9 and quotas would not be invoked the following year. If you run along 1 more year the supply percentage would be 114.7 percent. Quotas would not become effective that year, because it would have to reach 120 percent under the provision written in the bill. It is a question of whether or not this House wants to assure quotas for 1 more year or you desire controls for 3 years. Under your amendment it would insure quotas for 2 years.

Mr. HUNTER. My interest in this matter is that a carryover of 30 percent is more reasonable both in terms of our

domestic requirements and our needs for foreign export.

Mr. GATHINGS. The cotton industry would be better off if the farmer knew that he would be under controls for 3 more years rather than 1. We would not have been in the present supply dilemma if Secretary Brannan had put acreage allotments and quotas into effect in the crop year 1953. I hope the amendment will be defeated.

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

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

Mr. Chairman, when we were considering this bill in the committee I offered this particular provision and it was overwhelmingly adopted by the committee. The House can, and I hope it does, work its will on the gentleman's amendment.

I want to be fair with you and I want you to be fair with me and the author of this amendment. I want you to know the situation, the full meaning of his amendment, and be fully informed before you vote, and that will be the purpose of my remarks. If after speaking I have not given you exactly the situation and what you are voting on, I would like for the author of the amendment to challenge my statement.

Just a few moments ago the author of the amendment was asked this question by the gentleman from Texas [Mr. MAHON]: "Do you want to continue the present situation?" You heard the question; and the gentleman from California replied that he did wish to continue the present situation and made it clear that that is what his amendment would do.

Now, what is the present situation? We have 8 or 9 million surplus bales of cotton. That is too much, and you know it. I for one do not want to continue the present situation; I think it is terrible. It is bad both for the farmer and the Government. Just think of the quantity of money the Government has out on that cotton. Think of the trouble it has visited upon our cotton farmers. Should we not do something about it? Should we not take action now to see that once this surplus is out of the way that a similar one will never again accumulate to haunt and hound us?

We have complained time and again that the Secretary of Agriculture did not invoke marketing quotas and acreage allotments soon enough. There was good ground for the complaints, I must say. They should have been invoked on the 1953 crop and would have been if the law had been in the same language as is carried in this bill. So why not amend the law so another Secretary cannot make the same mistake.

I am attempting to tighten up the law just a little. I put the Secretary in the position of determining that when we get as much as 2,600,000 bales or thereabout on hand over and above that which we do not need, that we are going to cut this acreage down and not repeat what happened in 1953.

The position of the gentleman from California is that he wants to wait until you have on hand 4 million bales of cotton over and above the need before the acreage is reduced. Am I right or wrong?

Mr. HUNTER. Somewhere between 3,500,000 and 4 million bales.

Mr. ABERNETHY. Then I have made only a slight error in my estimate and am therefore substantially correct.

The point is that you want to have on hand a larger surplus and I want to have a smaller surplus, one that will not keep our price down.

Mr. HAGEN of California. Mr. Chairman, will the gentleman yield?

Mr. ABERNETHY. I yield.

Mr. HAGEN of California. I want to compliment the gentleman on his fine presentation, as always. But last year we were confronted with cotton legislation and the Secretary proclaimed an allotment of 17,500,000 acres.

Mr. ABERNETHY. That is right.

Mr. HAGEN of California. Do you know what the surplus was at that time?

Mr. ABERNETHY. I do not recall. I know what it is now.

Mr. HAGEN of California. It was considerably more than now; is that not right?

Mr. ABERNETHY. I said I do not recall.

Mr. HAGEN of California. At that time, if you were quoted correctly, you were saying that 17,500,000 acres would jeopardize our position in the world market; in other words, that that acreage was too low, although it would have much more effectively got rid of our surplus.

Mr. ABERNETHY. With all deference, I did not take that position. I took the position that when Secretary Benson cut these farmers from 25 million back to 17 million acres in 1 year it was much more than they could stand, and you took the same position—of course you did.

Undoubtedly I have correctly stated the facts; otherwise I would have been challenged; and since I have not been, I am going to ask you to defeat this amendment and at least permit the bill to go to conference as is. It has for the first time forced this important subject to a head. Every Member and every individual with whom I have talked says something ought to be done about the situation. This may be the cure; it may not be; but certainly, if we ever once get this big surplus down, something must be done to keep cotton from running out of our ears again as it is now.

Mr. JONES of Missouri. Mr. Chairman, will the gentleman yield?

Mr. ABERNETHY. I yield.

Mr. JONES of Missouri. Does not the gentleman think that the adoption of this amendment will insure that the cotton producers will not be coming in here as they have twice during the past 3 years asking for additional acres after the market quotas have been set by the Secretary?

Mr. ABERNETHY. Certainly it will contribute to that.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. HUNTER].

The question was taken; and the Chair being in doubt, the Committee divided and there were—ayes 39, noes 43.

Mr. HUNTER. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. HUNTER and Mr. ABERNETHY.

The Committee again divided; and the tellers reported that there were—ayes 61, noes 86.

So the amendment was rejected.

Mr. HARVEY. Mr. Chairman, I ask unanimous consent that the remainder of the bill be considered as read, and printed in the RECORD at this point, and open to amendment at any place.

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

There was no objection.

The remainder of the bill is as follows:

Sec. 306. Section 344 (f) (6) of the Agricultural Adjustment Act of 1938, as amended, is amended by changing the first sentence to read as follows:

"(6) Notwithstanding the foregoing provisions of this subsection except paragraph (3), if the county committee recommends such action and the Secretary determines that such action will result in a more equitable distribution of the county allotment among farms in the county, the county acreage allotment, less the acreage reserved under paragraph (3) of this subsection, shall be apportioned to farms on which cotton has been planted in any 1 of the 3 years immediately preceding the year for which such allotment is determined, on the basis of the acreage planted to cotton on the farm during such 3-year period, adjusted as may be necessary for abnormal conditions affecting plantings during such 3-year period: *Provided*, That the county committee may in its discretion (A) apportion such county allotment by first establishing minimum allotments in accordance with paragraph (1) of this subsection and by allotting the remaining acreage to farms other than those receiving an allotment under paragraph (1) (B) in accordance with the foregoing provisions of this paragraph and (B) limit any farm acreage allotment established under the provisions of this paragraph for any year to an acreage not in excess of 50 percent of the cropland on the farm, as determined pursuant to the provisions of paragraph (2) of this subsection: *Provided further*, That any part of the county acreage allotment not apportioned under this paragraph by reason of the initial application of such 50 percent limitation shall be added to the county acreage reserve under paragraph (3) of this subsection and shall be available for the purposes specified therein.

SUBTITLE C—PEANUTS

Sec. 307. Section 358 (a) of the Agricultural Adjustment Act of 1938, as amended, is amended by changing the proviso in the second sentence to read as follows: "*Provided*, That the national marketing quota established for the crop produced in the calendar year 1955 and any year subsequent to 1955 shall be a quantity of peanuts sufficient to provide a minimum national acreage allotment not less than the smaller of 95 percent of the national acreage allotment for the preceding year or the 1955 acreage allotment. The amount of the national marketing quota proclaimed hereunder may, not later than the following March 1, be increased if the Secretary determines that such increase is necessary in order to meet market demands or to avoid undue restriction of marketings."

Sec. 308. Section 359 (a) of the Agricultural Adjustment Act of 1938, as amended, is amended by amending the first sentence thereof to read as follows:

"The marketing of any peanuts in excess of the marketing quota for the farm on which such peanuts are produced, or the

marketing of peanuts from any farm for which no acreage allotment was determined, shall be subject to a penalty at a rate equal to 50 percent of the parity price for peanuts for the marketing year (August 1-July 31)."

Sec. 309. Section 359 of the Agricultural Adjustment Act of 1938, as amended, is amended by adding three new subsections as follows:

"(d) The person liable for payment or collection of the penalty provided by this section shall be liable also for interest thereon at the rate of 6 percent per annum from the date the penalty becomes due until the date of payment of such penalty.

"(e) Until the amount of the penalty provided by this section is paid, a lien on the crop of peanuts with respect to which such penalty is incurred, and on any subsequent crop of peanuts subject to marketing quotas in which the person liable for payment of the penalty has an interest, shall be in effect in favor of the United States.

"(f) The Secretary is authorized to compromise any claim for the penalty provided by this section at any time prior to referral of such claim to the Department of Justice for prosecution."

SUBTITLE D—WOOL

Sec. 310. This subtitle may be cited as the "National Wool Act of 1954."

Sec. 311. It is hereby recognized that wool is an essential and strategic commodity which is not produced in quantities and grades in the United States to meet the domestic needs and that the desired domestic production of wool is impaired by the depressing effects of wide fluctuations in the price of wool in the world markets. It is hereby declared to be the policy of Congress, as a measure of national security and in promotion of the general economic welfare, to encourage the annual domestic production of approximately 300 million pounds of shorn wool, grease basis, at prices fair to both producers and consumers in a manner which will have the least adverse effects upon foreign trade.

Sec. 312. The Secretary of Agriculture shall, through the Commodity Credit Corporation, support the prices of wool and mohair, respectively, to the producers thereof by means of loans, purchases, payments, or other operations, after consultation with producer representatives. Such price support shall be limited to wool and mohair marketed during the period beginning April 1, 1954, and ending March 31, 1956. The support price for shorn wool shall be at such incentive level as the Secretary, after taking into consideration prices paid and other cost conditions affecting sheep production, determines to be necessary in order to encourage an annual production consistent with the declared policy of this subtitle. The support prices for pulled wool and for mohair shall be established at such levels, in relationship to the support price for shorn wool, as the Secretary determines will maintain normal marketing practices for pulled wool, and as the Secretary shall determine is necessary to maintain approximately the same percentage of parity for mohair as for shorn wool. The deviation of mohair support prices shall not be calculated so as to cause it to rise or fall more than 10 percent above or below the comparable percentage of parity at which shorn wool is supported. The Secretary shall, to the extent practicable, announce the support price levels for wool and mohair sufficiently in advance of each marketing year as will permit producers to plan their production for such marketing year.

Sec. 313. If payments are utilized as a means of price support, the payments shall be such as the Secretary of Agriculture determines to be sufficient, when added to the national average price received by producers, to give producers a national average return for the commodity equal to the support price

level therefor: *Provided*, That the total of all such payments made under this subtitle shall not at any time exceed an amount equal to 70 per centum of the accumulated totals, as of the same date, of the gross receipts from specific duties (whether or not such specific duties are parts of compound rates) collected on and after January 1, 1953, on all articles subject to duty under schedule 11 of the Tariff Act of 1930, as amended. The payments shall be made upon wool and mohair marketed by the producers thereof, but any wool or mohair placed under loan pursuant to a price support loan operation shall not be the subject of payments unless such wool or mohair was placed under loan subsequent to April 30, 1954, and redeemed by the borrower. The payments shall be at such rates for the marketing year or periods thereof as the Secretary determines will give producers the support price level as herein provided. Payments to any producer need not be made if the Secretary determines that the amount of the payment to the producer or all producers is too small to justify the cost of making such payments. The Secretary may make the payment to producers through the marketing agency to or through whom the producer marketed his wool or mohair: *Provided*, That such marketing agency agrees to receive and promptly distribute the payments on behalf of such producers. In case any person who is entitled to any such payment dies, becomes incompetent or disappears before receiving such payment, or is succeeded by another who renders or completes the required performance the payment shall, without regard to any other provisions of law, be made as the Secretary may determine to be fair and reasonable in all the circumstances and provided by regulation.

Sec. 314. For the purpose of reimbursing the Commodity Credit Corporation for any expenditures made by it in connection with payments to producers under this subtitle, there is hereby appropriated for each fiscal year beginning with the fiscal year ending June 30, 1956, an amount equal to the total of expenditures made by the Corporation during the preceding fiscal year and to any amounts expended in prior fiscal years not previously reimbursed: *Provided, however*, That such amounts so appropriated for any fiscal year shall not exceed 70 per centum of the gross receipts from specific duties (whether or not such specific duties are parts of compound rates) collected during the period January 1 to December 31, both inclusive, preceding the beginning of each such fiscal year on all articles subject to duty under schedule 11 of the Tariff Act of 1930, as amended. For the purposes of the appraisal under the Act of March 8, 1938, as amended (15 U. S. C. 731a-1), the Commodity Credit Corporation shall establish on its books an account receivable in an amount equal to any amount expended by Commodity Credit Corporation pursuant to this subtitle which has not been reimbursed from appropriations made hereunder.

Sec. 315. Except as otherwise provided in this subtitle, the amounts, terms, and conditions of the price support operations and the extent to which such operations are carried out shall be determined or approved by the Secretary of Agriculture. The Secretary may, in determining support prices and rates of payment, make adjustments in such prices or rates for differences in grade, quality, type, location, and other factors to the extent he deems practicable and desirable. Determinations by the Secretary under this subtitle shall be final and conclusive. The facts constituting the basis for any operation, payment, or amount thereof when officially determined in conformity with applicable regulations prescribed by the Secretary shall be final and conclusive and shall not be reviewable by any other officer or agency of the Government.

Sec. 316. The term "marketing year" as used in this subtitle means the 12-month period beginning April 1 of each calendar year or, for either wool or mohair, such other period, or periods for prescribed areas, as the Secretary may determine to be desirable to effectuate the purpose of this subtitle.

Sec. 317. The Secretary of Agriculture is authorized to enter into agreements with, or to approve agreements entered into between, marketing cooperatives, trade associations, or others engaged or whose members are engaged in the handling of wool, mohair, sheep, or goats or the products thereof for the purpose of developing and conducting on a national, State, or regional basis advertising and sales promotion programs for wool, mohair, sheep, or goats or the products thereof. Provision may be made in such agreement to obtain the funds necessary to defray the expenses incurred thereunder through pro rata deductions from the payments made under section 312 of this subtitle to producers within the production area he determines will be benefited by the agreement and for the assignment and transfer of the amounts so deducted to the person or agency designated in the agreement to receive such amounts for expenditure in accordance with the terms and conditions of the agreement. No agreement containing such a provision for defraying expenses through deductions shall become effective until the Secretary determines that at least two-thirds of the producers who, during a representative period determined by the Secretary, have been engaged, within the production area he determines will be benefited by the agreement, in the production for market of the commodity specified therein approve or favor such agreement or that producers who, during such representative period have produced at least two-thirds of the volume of such commodity produced within the area which will be benefited by such agreement, approve or favor such agreement. Approval or disapproval by cooperative associations shall be considered as approval or disapproval by the producers who are members of, stockholders in, or under contract with such cooperative association of producers. The Secretary may conduct a referendum among producers to ascertain their approval or favor. The requirements of approval or favor shall be held to be complied with if two-thirds of the total number of producers, or two-thirds of the total volume of production, as the case may be, represented in such referendum, indicate their approval or favor.

SUBTITLE E—DAIRY PRODUCTS
Legislative finding

Sec. 318. The production and use of abundant supplies of high quality milk and dairy products are essential to the health and general welfare of the Nation; a dependable domestic source of supply of these foods in the form of high grade dairy herds and modern, sanitary dairy equipment is important to the national defense; and an economically sound dairy industry affects beneficially the economy of the country as a whole. It is the policy of Congress to assure a stabilized annual production of adequate supplies of milk and dairy products; to promote the increased use of these essential foods; to improve the domestic source of supply of milk and butterfat by encouraging dairy farmers to develop efficient production units consisting of high-grade, disease-free cattle and modern sanitary equipment; and to stabilize the economy of dairy farmers at a level which will provide a fair return for their labor and investment when compared with the cost of things that farmers buy.

"Price support"

Sec. 319. Section 201 (c) of the Agricultural Act of 1949, as amended, is amended to read as follows:

"(c) The price of whole milk, butterfat, and the products of such commodities, respectively, shall be supported at such level not in excess of 90 percent nor less than 75 percent of the parity price therefor as the Secretary determines necessary in order to assure an adequate supply. Such price support shall be provided through loans on, or purchases of, or for the period ending March 31, 1956, other operations in connection with milk and the products of milk and butterfat, except that, beginning September 1, 1954, and ending June 30, 1956, not to exceed \$50 million annually of funds of the Commodity Credit Corporation shall be used to increase the consumption of fluid milk by children in nonprofit schools of high school grade and under. In determining the level at which such price support for the marketing years beginning April 1, 1955, and April 1, 1956, respectively, shall be provided the Secretary shall take into consideration: (1) The declared policy of this act, (2) the estimated supply of milk and dairy products for the marketing year, (3) the estimated demand for milk and dairy products for the marketing year, (4) the price level for feed crops which affect the cost of milk production, (5) the estimated costs of producing, processing, and marketing milk and dairy products, (6) estimated returns to farmers from alternative crops and commodities, and (7) other economic conditions which affect the market supply and demand for milk and dairy products. For the purpose of determining the level of price supports, the parity equivalent of manufacturing milk shall continue to be computed on the 30-month base July 1, 1945, to December 31, 1948, at 88½ percent of parity for all milk sold wholesale by farmers until 10 full years shall have elapsed since July 1, 1946; thereafter the parity equivalent for manufacturing milk for any marketing year shall be computed on the basis of the average ratio which the prices received by farmers for manufacturing milk bears to the prices received by farmers for all milk sold wholesale during the most recent 10-year period ending July 1 of the previous year. Effective on milk and butterfat and the products thereof produced on and after September 1, 1954, the level of support for milk and butterfat for the marketing year ending March 31, 1955, shall be no less than 80 percent of the parity price therefor."

"Secretary directed to undertake domestic disposal programs"

Sec. 320. In order to prevent the accumulation of excessive inventories of dairy products the Secretary of Agriculture shall immediately undertake domestic disposal programs under authorities granted in the Agricultural Adjustment Act of 1938 and the Agricultural Act of 1949, as amended, or as otherwise authorized by law.

"Donation of surplus dairy product to military services and veterans hospitals"

Sec. 321. Title II of the Agricultural Act of 1949, as amended, is amended by adding at the end thereof the following:

"Sec. 202. As a means of increasing the utilization of dairy products, upon the certification that the usual quantities of dairy products have been purchased in the normal channels of trade—

"(a) The Commodity Credit Corporation shall make available to the Administrator of Veterans' Affairs at warehouses where dairy products are stored, such dairy products acquired under price-support programs as the Administrator certifies that he requires in order to provide butter and cheese and other dairy products as a part of the ration in hospitals under his jurisdiction.

"(b) The Commodity Credit Corporation shall make available to the Secretaries of the Army, Navy, and Air Force, at warehouses where dairy products are stored, such dairy products acquired under price-support programs as each Secretary certifies that he requires in order to provide butter and cheese and other dairy products as a part of the ration of the Army, Navy, or Air Force, and as a part of the ration in hospitals under his jurisdiction.

"(c) Dairy products made available under this section shall be made available without charge, except that the appropriate Secretary or the Administrator of Veterans' Affairs shall pay the Commodity Credit Corporation the costs of packaging incurred in making such products so available.

"(d) The obligation of the Commodity Credit Corporation to make dairy products available pursuant to the above shall be limited to dairy products acquired by the Corporation through price-support operation and not disposed of under provisions (1) and (2) of section 416 of this act, as amended."

"Authorization for 5-year foreign contracts"

SEC. 322. For the purpose of assisting private trade channels in the development and expansion of foreign markets for United States dairy products, the Secretary is authorized, notwithstanding any other provision of law, to enter into commitments and contracts for periods of not to exceed 5 years for the sale of such products.

"Authorization for accelerated brucellosis eradication program"

SEC. 323. As a means of stabilizing the dairy industry and further suppressing and eradicating brucellosis in cattle the Secretary is authorized to transfer not to exceed \$15 million annually for a period of 2 years from funds available to the Commodity Credit Corporation to the appropriation item "Plant and Animal Diseases and Pest Control" in the Department of Agriculture Appropriation Act, 1955, for the purpose of increasing to not to exceed \$50 per head of cattle the amount of the indemnities paid by the Federal Government for cattle destroyed because of brucellosis in connection with cooperative control and eradication programs for such disease in cattle entered into by the Secretary under the authority of the act of May 29, 1884, as amended, for the purpose of increasing the number of such indemnities, and for the purpose of defraying any additional administrative expenses in connection therewith.

"Secretary directed to make additional studies"

SEC. 324. The Secretary of Agriculture is directed to make a study of the various methods of production control and of the various methods of price support which could be made applicable to milk and butterfat and their products, including programs to be operated and financed by dairymen; and to submit to Congress on or before the 3d day of January 1955, a detailed report thereof showing among other things the probable costs and effects of each type of operation studied and the legislation, if any, needed to put it into effect. The purpose of the study and report is to develop basic material which can be used by Congress in formulating an improved agricultural program for milk and butterfat and their products. Alternative programs are to be submitted for consideration by Congress and for possible submission to a referendum of dairy farmers. The Secretary may conduct such hearings and receive such statements and briefs in connection with such study as he deems appropriate.

SUBTITLE F—CORN

SEC. 325. (a) The Agricultural Act of 1949, as amended, is amended by adding to title I a new section as follows:

"Sec. 102. (a) Notwithstanding the foregoing provisions of this act, the Secretary is authorized and directed to make available through loans, purchases, or other operations price support for the 1956 crop of corn as follows:

"(1) To cooperators in the commercial corn producing area, if the majority of producers voting in a referendum held pursuant to section 325 (b) of the Agricultural Adjustment Act of 1938, as amended, favor:

"The level of support shall be the following percentage of the parity price:

"(A) An acreage allotment..... 90
 (B) No acreage allotment..... A minimum of 75 and a maximum of 90

"(2) To cooperators outside the commercial corn producing area the level of support shall be 75 percent of the level of support to cooperators in the commercial corn-producing area.

"(b) If producers voting in a referendum favor price support under subsection (a) (1) (B) of this section, the Secretary shall establish the price support level by taking into consideration the factors set forth in section 401 (b) of this act.

"(c) Notwithstanding the foregoing provisions of this section, if the Secretary proclaims an acreage allotment for the 1956 crop of corn pursuant to section 328 (a) of the Agricultural Adjustment Act of 1938, as amended, the Secretary is authorized and directed to make available through loans, purchases or other operations price support on such crop to cooperators in the commercial corn producing area at 90 percent of the parity price."

(b) Section 328 of the Agricultural Adjustment Act of 1938, as amended, is amended to read as follows:

"SEC. 328. (a) The acreage allotment of corn for any calendar year shall be that acreage in the commercial corn-producing area which, on the basis of the average yield of corn in such area during the 5 years immediately preceding the calendar year in which such allotment is proclaimed, adjusted for abnormal weather conditions, will produce an amount of corn in such area adequate, together with the estimated carryover at the beginning of the marketing year which begins in the next calendar year, the amount of corn to be produced outside such area, and the amount of corn to be imported, to make available a supply equal to the normal supply. The Secretary shall proclaim such acreage allotment not later than November 20 preceding the calendar year for which such acreage allotment was determined.

"(b) Notwithstanding the foregoing provisions of this act, if the Secretary finds prior to November 20, 1955, that the total supply of corn for the marketing year beginning October 1, 1955, does not exceed the normal supply for such marketing year by more than 30 percent—

"(1) In lieu of proclaiming a national acreage allotment for the 1956 crop of corn pursuant to subsection (a) of this section, the Secretary shall, between November 20 and December 15, 1955, conduct a referendum, by secret ballot, of farmers engaged in the production of corn in the commercial corn-producing area in the calendar year 1955. The Secretary shall submit in the referendum the questions whether the farmer favors for the 1956 crop (1) price support at 90 percent of the parity price with an acreage allotment in the commercial corn-producing area which will make available a

total supply for the marketing year for such crop equal to the normal supply, or (2) price support at not less than 75 nor more than 90 percent of the parity price without an acreage allotment in the commercial corn-producing area. Upon publication of the notice of the referendum, the Secretary shall also determine and publish the acreage allotment for the 1956 crop of corn in the commercial corn-producing area which, on the basis of the average yields of corn in such area during the 5 years immediately preceding the calendar year 1955, adjusted for abnormal weather conditions, will produce an amount of corn in such area adequate, together with the estimated carryover at the beginning of the marketing year which begins in the calendar year 1956, the amount of corn to be produced outside such area, and the amount of corn to be imported, to make available a supply equal to the normal supply.

"(2) The Secretary, within 30 days after the date of such referendum, shall announce the results thereof, proclaim the acreage allotment, if favored by the majority of producers voting in the referendum, and announce the price support level determined pursuant to section 102 of the Agricultural Act of 1949, as amended."

SEC. 326. Section 329 of the Agricultural Adjustment Act of 1938, as amended, is amended by striking out the word "ten" and inserting in lieu thereof the word "five."

SEC. 327. (a) Sections 322 to 325, inclusive, and section 326 insofar as it is applicable to corn, of the Agricultural Adjustment Act of 1938, as amended, are hereby repealed, and section 327 thereof is hereby amended to read as follows:

"Proclamation of commercial corn-producing area"

"SEC. 327. Not later than February 1 of each calendar year, the Secretary shall ascertain and proclaim the commercial corn-producing area."

(b) Public Law 74, 77th Congress, as amended, shall not be applicable to corn.

SEC. 328. Section 371 of the Agricultural Adjustment Act of 1938, as amended, is hereby amended—

(1) by adding in the first sentence of subsection (b) after the words "national marketing quota" the words "or acreage allotment" and by adding in the second sentence thereof after the words "such quota" the words "or allotment";

(2) by adding in subsection (c) after the words "marketing quota", wherever they appear therein, the words "or acreage allotment"; and

(3) by deleting subsection (d) therefrom.

SUBTITLE G—RICE

SEC. 329. The Secretary of Agriculture is directed to make a study of the various two-price systems of price support and marketing which could be made applicable to rice and to submit to Congress on or before March 1, 1955, a detailed report thereon. The Secretary may conduct such hearings and receive such statements and briefs in connection with such study as he deems appropriate.

TITLE IV—CONSERVATION AND EXTENSION OF ACP PROGRAM

SEC. 401. Section 8 of the Soil Conservation and Domestic Allotment Act, as amended (16 U. S. C. 590h), is amended by striking out of subsection (a) "January 1, 1955" and "December 31, 1954", wherever they appear therein, and inserting in lieu thereof "January 1, 1957" and "December 31, 1956", respectively.

SEC. 402. Section 15 of the Soil Conservation and Domestic Allotment Act, as amended (16 U. S. C. 590o), is amended by adding at the end thereof the following: "Notwithstanding the foregoing provisions of this sec-

tion and the provisions of section 7 (g), programs of soil-building practices and soil- and water-conserving practices shall be based on a distribution of the funds available for payments and grants among the several States in accordance with their conservation needs, as determined by the Secretary, except that the proportion allocated to any State shall not be reduced by more than 15 percent from the distribution of such funds for the next preceding program year. In carrying out such programs, the Secretary shall give particular consideration to conservation problems on farmlands diverted from crops under acreage allotment programs."

TITLE V—MARKETING AND DISPOSAL OF AGRICULTURAL COMMODITIES

SUBTITLE A—AGRICULTURAL ATTACHES

SEC. 501. For the purpose of encouraging and promoting the marketing of agricultural products of the United States and assisting American farmers, processors, distributors, and exporters to adjust their operations and practices to meet world conditions, the Secretary of Agriculture shall acquire information regarding the competition and demand for United States agricultural products, the marketing and distribution of said products in foreign countries and shall be responsible for the interpretation and dissemination of such information in the United States and shall make investigations abroad regarding the factors affecting and influencing the export of United States agricultural products, and shall conduct abroad any other activities including the demonstration of standards of quality for American agricultural products for which the Department of Agriculture now has or in the future may have such standards, as he deems necessary. Nothing contained herein shall be construed as prohibiting the Department of Agriculture from conducting abroad any activity for which authority now exists.

SEC. 502. (a) To effectuate the carrying out of the purposes of this subtitle, the Secretary of Agriculture is authorized to appoint such personnel as he determines to be necessary and, with the concurrence of the Secretary of State, to assign such personnel to service abroad.

(b) When an officer or employee is assigned or appointed to a post abroad pursuant to this subtitle he shall have the designation of Agricultural Attaché, or such other title or designation as shall be jointly agreed by the Secretary of State and the Secretary of Agriculture.

(c) Upon the request of the Secretary of Agriculture, the Secretary of State shall regularly and officially attach the officers or employees of the United States Department of Agriculture to the diplomatic mission of the United States in the country in which such officers or employees are to be assigned by the Secretary of Agriculture, and shall obtain for them diplomatic privileges and immunities equivalent to those enjoyed by Foreign Service personnel of comparable rank and salary.

(d) The President shall prescribe regulations to insure that the official activities of persons assigned abroad under this subtitle are carried on (1) consonant with United States foreign policy objectives as defined by the Secretary of State; (2) in accordance with instructions of the Secretary of Agriculture with respect to agricultural matters; and (3) under the supervision and coordination of the chief of the United States overseas diplomatic mission.

SEC. 503. The Secretary of Agriculture may, under such rules and regulations as may be necessary, provide to personnel appointed or assigned under this subtitle allowances and benefits similar to those provided by title IX of the Foreign Service Act of 1946. Annual leave for personnel under this subtitle shall be on the same basis as is provided for the

Foreign Service of the United States by the Annual and Sick Leave Act of 1941 (5 U. S. C. 2061).

SEC. 504. (a) The reports and dispatches prepared by the officers appointed or assigned under this subtitle shall be made available to the Department of State, and may be made available to other interested agencies of the Government, and the reports, dispatches, and agricultural information produced by officers of the Foreign Service shall be available to the Secretary of Agriculture.

(b) The Secretary of State is authorized and directed upon request of the Secretary of Agriculture to provide office space, equipment, facilities, and such other administrative services as may be required for the personnel affected by this subtitle. The Secretary of Agriculture is authorized and directed to reimburse the Secretary of State for such services, except for rent of space in Government-owned buildings.

SEC. 505. Provisions in annual appropriations acts of the Department of State facilitating the work of the Foreign Service of the United States shall be applicable under rules and regulations prescribed by the Secretary of Agriculture to activities pursuant to this subtitle.

SEC. 506. The Secretary of Agriculture may make rules and regulations necessary to carry out the purposes of this subtitle and may cooperate with any Department or agency of the United States Government, State, Territory, or possession or any organization or person. In any foreign country where custom or practice requires payment in advance for rent or other service, such payment may be authorized by the Secretary of Agriculture.

SEC. 507. (a) For the fiscal year 1955 so much of the Department of State and Department of Agriculture unexpended balances of appropriations, allocations, and other funds employed, held, used, available, or to be made available, in connection with the functions covered by this subtitle as the Director of the Bureau of the Budget shall determine shall be transferred to or established in accounts under the control of the Department of Agriculture, and there are hereby authorized to be established such additional accounts as may be necessary for this purpose.

(b) There are hereby authorized to be appropriated to the Department of Agriculture such amounts as may be necessary for the purpose of this subtitle. The Department of Agriculture shall determine the amounts to be requested based on consultations with the Department of State.

(c) Funds appropriated under the authority of section 507 (b), together with such amounts as may be determined under section 507 (a), shall pay the full cost of program activities, administrative service and support costs, and such other expenses as may be required by this subtitle.

(d) Notwithstanding other provisions in this section, the expenses of officers or employees of the Department of State directly engaged in agricultural functions abroad, but not predominantly so engaged, shall continue to be provided from funds made available to the Department of State.

(e) For the fiscal year 1955 funds which become available for the purposes of this subtitle may be expended under the provisions of law, including current appropriation acts, applicable to the Department of State: *Provided*, That the provisions of section 571 (d) of the Foreign Service Act of 1946, as amended, with respect to the source of payment for Foreign Service officers and employees shall not apply to personnel employed under this subtitle.

SEC. 508. Nothing in this subtitle shall be construed to affect personnel employed by or funds available to the Foreign Operations Administration or programs conducted under its authorities.

TITLE VI—AMENDMENTS TO AGRICULTURAL MARKETING AGREEMENT ACT OF 1937

SEC. 601. The Agricultural Adjustment Act (of 1933), as amended, and as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, is further amended as follows:

(a) Section 8c (6), as amended (7 U. S. C. 608c (6)), is amended—

(1) by deleting the provisions immediately preceding paragraph (A) thereof and inserting in lieu thereof the following:

"(6) In the case of the agricultural commodities and the products thereof, other than milk and its products, specified in subsection (2) orders issued pursuant to this section shall contain one or more of the following terms and conditions, and (except as provided in subsec. (7)) no others:"; and

(2) by adding the following new paragraphs at the end thereof:

"(H) Fixing or providing a method for fixing the size, capacity, weight, dimensions, or pack of the container, or containers, which may be used in the packaging, transportation, sale, shipment, or handling of any fresh or dried fruits, vegetables, or tree nuts: *Provided, however*, That no action taken hereunder shall conflict with the Standard Containers Act of 1916 (15 U. S. C. 251-256) and the Standard Containers Act of 1928 (15 U. S. C. 257-2571).

"(I) Establishing or providing for the establishment of marketing research and development projects designed to assist, improve, or promote the marketing, distribution, and consumption of any such commodity or product, the expense of such projects to be paid from funds collected pursuant to the marketing order."

(b) Section 8 as amended, is further amended by adding a new section 8e reading as follows:

"8e. Notwithstanding any other provision of law, whenever a marketing order issued by the Secretary of Agriculture pursuant to section 8c of this act contains any terms or conditions regulating the grade, size, quality, or maturity of tomatoes, avocados, limes, grapefruit, green peppers, Irish potatoes, cucumbers, or eggplants produced in the United States the importation into the United States of any such commodity during the period of time such order is in effect shall be prohibited unless it complies with the grade, size, quality, and maturity provisions of such order: *Provided*, That whenever two or more such marketing orders regulating the same agricultural commodity produced in different areas of the United States are concurrently in effect, the importation into the United States of any such commodity shall be prohibited unless it complies with the grade, size, quality, and maturity provisions of the order which, as determined by the Secretary of Agriculture, regulates the commodity produced in the area with which the imported commodity is in most direct competition. Such prohibition shall not become effective until after the giving of such notice as the Secretary of Agriculture determines reasonable, which shall not be less than 3 days. The Secretary of Agriculture may promulgate such rules and regulations as he deems necessary to carry out the provisions of this section. Any person who violates any provision of this section or of any rule, regulation, or order promulgated hereunder shall be subject to a forfeiture in the amount prescribed in section 8a (5) or, upon conviction, a penalty in the amount prescribed in section 8c (14) of the act, or to both such forfeiture and penalty."

With the following committee amendments:

Page 21, line 14, strike out "306" and insert "307" and renumber the following sections accordingly.

Page 37, line 10, strike out all of line 10 down to and including line 19 on page 40.

The committee amendments were agreed to.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. AUGUST H. ANDRESEN: On page 33, line 20, after "than" strike out "80" and insert "82½."

Mr. AUGUST H. ANDRESEN. Mr. Chairman, the purpose of this amendment is to place the dairy farmers and dairy products on the same basis as action taken by the committee yesterday to fix the support price on basic commodities at 82½ percent. The amendment simply changes the language of the committee bill on page 33, line 20, where the words "80 per centum" appear, to read 82½ percent.

Mr. Chairman, this is a fair amendment, giving equality to dairying, which is the largest industry in American agriculture and the largest enterprise in most of the States of the Union. I think all of us want to be fair. I know that in the Committee on Agriculture I tried to get through an amendment to increase the support price from 75 percent to 90 percent, giving the Secretary of Agriculture the authority to reduce the support price 5 percent in any 1 year. I felt that that was gradual reduction. I also felt that the action taken by the Secretary of Agriculture to reduce the support price on April 1 to 75 percent was going too far too fast. The committee after nearly a week of discussion adopted the 80 percent amendment, raising the support price to 80 percent and approving other provisions of the bill which we felt would use up the surpluses in this country and help straighten out the dairy industry in its complicated problems.

The 80 percent amendment adopted by the committee begins on September 1 of this year and terminates on March 31 of next year. In other words, it is in operation for 7 months. But, in view of the action taken yesterday and after talking with my colleagues here, it was felt that the dairy farmers of this country should be on a parity with the other farmers who are under the price-support program now fixed by the committee at 82½ percent.

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

Mr. AUGUST H. ANDRESEN. I yield.

Mr. ALBERT. I want to say to the gentleman that I am going to support his amendment. I should like to ask him if it is not true that in the committee we have in more ways than one changing either acreage, parity formula, or price.

Mr. AUGUST H. ANDRESEN. That is correct.

Mr. ALBERT. And that is what the gentleman is aiming at here?

Mr. AUGUST H. ANDRESEN. That is what I am trying to do. That is a 50 percent cut over what the support price was during the past marketing year.

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

Mr. AUGUST H. ANDRESEN. I yield.

Mr. SMITH of Wisconsin. I want to say that I support the gentleman's amendment, and I want to be associated with him in it.

Mr. AUGUST H. ANDRESEN. I thank the gentleman.

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

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

Mr. EVINS. I want to commend the gentleman for offering this amendment and say that the gentleman is recognized as one of the foremost representatives of the dairy industry in the Nation. The problem that has always been presented to the dairyman is the fact that he has to buy expensive, high-priced feedstuffs which are supported at 90 percent or higher, whereas the dairy industry has been supported at a much lower percentage.

I want to associate myself with the gentleman in his views and shall support his amendment.

Mr. AUGUST H. ANDRESEN. I thank the gentleman. Let me point this out before I conclude. The dairy farmers of this country number around 4 million farm families in every State in the Union. All they are asking is a fair, square deal.

This amendment, seeking to raise the support price to 82½ percent, will put all branches of agriculture who are under the support program on an identical basis. That is all we are asking for, and I am sure that the House of Representatives, which has always been fair, will go along with that proposition.

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

Mr. AUGUST H. ANDRESEN. I yield.

Mr. KILBURN. I commend the gentleman for offering the amendment and would like to say that I am going to support it.

Mr. AUGUST H. ANDRESEN. I thank the gentleman.

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

Mr. AUGUST H. ANDRESEN. I yield.

Mr. LAIRD. I should like to say that I commend the gentleman for offering the amendment. He is the real leader in Congress of the dairy industry and the real spokesman for the dairy farmers, and I am glad to support his amendment.

Mr. AUGUST H. ANDRESEN. I thank the gentleman.

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

Mr. AUGUST H. ANDRESEN. I yield.

Mr. SCUDDER. I wish to commend the gentleman for offering the amendment. I believe the dairy farmers are entitled to equal protection with that given any other branch of agriculture in our country and shall support the gentleman's amendment.

Mr. AUGUST H. ANDRESEN. I thank the gentleman.

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

Mr. AUGUST H. ANDRESEN. I will be very glad to yield to the gentleman.

Mr. BYRNES of Wisconsin. I would like to ask the gentleman a question concerning the contemplated operation of the dairy-support program. I think

the Committee is to be congratulated for providing that milk and dairy products can be supported by other operations in addition to loans and purchases. As the gentleman knows, I introduced a bill to accomplish this objective and appeared before the Agriculture Committee in support of it.

We know that the addition of other operations contemplates the possibility of instituting a direct payment or a sell-back plan. Now, at the present time the support of dairy products is limited to the Government purchase of butter, Cheddar cheese, dried milk, and whey. Whey was only recently added to the list of purchased products.

If a direct payment plan is put into operation, the price of these items will, of course, reduce the price of these items to the consumer. What I would like to ask the gentleman from Minnesota, as a member of the committee, is this: Is it understood and contemplated by the committee that in establishing any such payment or sell-back plan, the Department should not limit support only to the dairy products now supported under the purchase program?

I raise this question because of the relationship which exists between cheddar cheese and other types of cheese and also because of the particular problem of whey?

It seems to me that what we are trying to do by this program is to support the price of milk to the farmer. In order to do this, we must recognize that the outlet for milk is not limited to butter, cheddar cheese, and dried milk.

I wonder if the gentleman will elaborate on this problem and what is contemplated by the committee.

Mr. AUGUST H. ANDRESEN. It is exceedingly difficult to specifically answer the questions asked by the gentleman from Wisconsin because I do not know what the Secretary of Agriculture will do in the administration of the provisions of the dairy section of the bill in the event that it is enacted into law.

However, the price-support program authorized in the law of 1949 is continued in this bill, and, in addition to making loans and purchases of dairy products, this bill gives the Secretary of Agriculture additional authority to put into operation any plan to deal with dairy products. This additional authority is contained in the words "and other operations" which has now become a part of this bill.

I am unable to say what the Secretary will do in the administration of the provisions of this bill. The legislation gives him the authority which you have indicated is desirable in your question.

The price-support program as heretofore authorized, and also included in this bill, directs the Secretary of Agriculture to support the price of milk and butterfat and the products thereof through loans, purchases, and other operations.

You have specifically asked what types of cheese come under the support program. At the present time the Secretary is supporting the price of cheese through the purchase and loans on cheddar cheese. He could also make loans on, and purchases of, all other types of

cheese, including Italian cheese, under the same section of the law. The test is if the cheese was made in the United States from American milk. He could purchase and make loans on American swiss cheese, blue cheese, brick cheese, the type known as Italian varieties of cheese, and any other type of cheese produced from milk in this country.

There is no question but what the language of existing law and the bill before the House gives him broad authority to take in all types of cheese produced in this country, in addition to cheddar cheese, under the support program. These are all products of milk. He also has the authority to support the price of milk and milk powder, as well as to continue the support-price program for butter. I might also say that the Secretary has the authority, which he is now exercising, to support the price of whey, which is a product of milk. He is doing so now under the act of 1949, and he can continue to do so under the provisions of this bill. I hope that I have made myself clear to the gentleman from Wisconsin.

Mr. MARSHALL. Mr. Chairman, the Committee on Agriculture is to be commended for its wisdom and foresight in providing for an expanded and accelerated program of brucellosis eradication. It is more important than ever that we wage unrelenting war against this vicious disease. The program authorized in section 324 of the bill before us today will help to do this important job.

It should be recalled that the Secretary of Agriculture eliminated this program in the budget he submitted to the Congress and it was only because of the diligent efforts of the distinguished chairman of our subcommittee on agricultural appropriations [Mr. H. CARL ANDERSEN] and other members of our committee that funds for continuation of the program were included in the bill passed by this House.

We provided an increase of \$200,000 for the payment of indemnities under the tuberculosis and brucellosis eradication programs. Recognizing the seriousness of the threat to the health of the people of the country from these two diseases, the committee felt that at least \$1,000,000 should be set aside to make certain that adequate funds were available for such indemnity payments next year.

In our report, we pointed out that considerable culling of herds would probably result from the lower income received by dairy farmers and that the need for a larger indemnity fund would result.

I am pleased to know that our colleagues on the Committee on Agriculture shared our concern over this growing problem and provided a remedy in this bill. The eradication program has suffered in recent years from the lack of adequate funds to combat this dangerous threat to dairy herds. Indemnities have been reduced from \$50 for purebred dairy cows and \$25 for grade animals, to the present rate of \$18 for purebreds and \$9 for grades.

The provisions of this section will restore indemnity payments at the \$50-\$25 levels and will provide for greatly expanded activity by the various States

with the cooperation and assistance of the Federal Government.

The Committee estimates that 400,000 dairy cows may be eliminated in 1955 and approximately 500,000 in 1956.

The Federal-State eradication program has proved its effectiveness in stamping out this serious disease if carried on at a reasonable level of operation.

I would like to read you a telegram I have received from Dr. Ralph L. West, secretary and executive officer of the Minnesota Livestock Sanitary Board, who has been in the forefront of the fight against brucellosis and whose opinion I regard very highly:

Much interested in H. R. 9680, particularly section 324, subtitled E. Hope you will make every effort to see this bill receive favorable consideration.

Dr. West has been active in this program in our State and knows firsthand the grave need for augmenting it at this time. The same high standards of the present program will be maintained but it will be made available to more farmers and in consequence will better serve both the need of the farmer and the consumer.

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

Mr. MARSHALL. I am pleased to yield to my friend and colleague from Minnesota.

Mr. WIER. I want to join in the remarks of the gentleman from Minnesota in commending the committee for improving the program for brucellosis control.

As the representative of the most heavily populated district in Minnesota, I represent both many consumers and farmers and I know that they are all in support of every effort to rid our dairy herds of this disease. Farmers want to produce a high quality product for their city customers and their customers want and expect to receive the best product possible. We can make no better contribution to both than by helping rid our herds of this threat. We know that it is a source of undulant fever and that the best way to combat this human disease is to help farmers attack animal disease. Milk is the most wholesome and nutritious food the consumer can buy. It is still the best bargain the food dollar can buy. All of us who want to keep it that way ought to support the best brucellosis eradication program possible and I think section 324 of this bill will help to offset the losses we have suffered in recent years.

The CHAIRMAN. The time of the gentleman has expired.

Mr. JAVITS. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. JAVITS to the amendment offered by Mr. AUGUST H. ANDRESEN: On page 33, amendment to the Andresen amendment: strike out "82½ percent" and insert "75 percent."

Mr. JAVITS. Mr. Chairman, I am very unhappy about breaking into this scene of sweetness and light in which, apparently, the gentleman from Minnesota has left us, with all of the representatives of the dairy areas agreeing that it is a very fine idea to raise the

price of dairy products including, I emphasize, the price of butter. But I should certainly be derelict to the interests of the people of my community if I did not oppose it vigorously and point out to the House why it should stand exactly as it is today, which is the point of my amendment. I want to emphasize that I am representing in a situation such as this one my district in New York City, and I believe it to be typical in its fundamental interest of city districts generally. It is my duty to protect the interests of those people on this bill. Right now the average price of butter at retail is about 69 cents a pound instead of 79 cents a pound, which it was before April 1st when Secretary Benson first issued the order that the 75 percent of parity standard should apply on butter.

We have heard a lot of arguments here about the fact that you have to have a higher parity price for basics. That has been the big thesis that has been propagated to us by the Committee on Agriculture, a higher parity price for basics. We are not so simple that just because we have a figure of 82½ percent for basics we are going to assume you will use the same figure for these perishable commodities, not when you are literally being flooded by butter, with 425 million pounds of butter in storage.

Here is a letter, a photostat of which I have, from a warehouse in Jersey City. I would just like to read the first paragraph of it. It is apparently addressed to an inquiry from some fellow who wanted to store butter with the warehouse. It says:

We regret to inform you that our available freezer space for butter is just about exhausted. Please be advised that we cannot accept any butter for storage after the close of business Wednesday, June 30, 1954, until further notice.

This butter situation threatens to be as bad as the potato surplus which was a "scandal"—and I do not use that word insidiously. The shambles that potato situation made of the farm program and the interests of the consumer of the United States we know all about in this House. Are we going consciously today to increase this butter surplus designedly by raising the price of butter to the buyers in the retail stores and raise the guarantee to the farmer, when even under 75 percent of parity, which he is getting today, the Commodity Credit Corporation, I am informed, has to take from 3 million to 4 million pounds of butter because it is being produced as surplus every weekday? Are we going to add to that? How unwise can we be just in the guise of saying, "Well, it is 82½ percent for the basics, let us make it 82½ percent for the perishables"? I should think that the people in the dairy areas, though I know very well they have their problems too, would feel that 75 percent is pretty good and they are not badly off if they can stick to that and not try to push this thing for even more than that.

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

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

Mr. AUGUST H. ANDRESEN. I am glad the gentleman touched on the butter proposition, but I think the consumption of milk in the gentleman's area is probably equally important with butter. Has the gentleman gone into the proposition of the cost of distribution of milk and dairy products in his own district? We are paying milk drivers all the way from \$500 a month to \$15,000 a year. Does the gentleman favor that?

Mr. JAVITS. I do not favor any uneconomic raising of the price for the dairy farmer any more than he favors any uneconomic raising of the price by milk distributors or anybody else, but I point out that you have to start somewhere to put prices on an economic level. Right now we have this dairy proposition before us. If we are going to put the price up ourselves right here today over what it is, we have no chance to go after uneconomic channels of distribution. Otherwise those channels of distribution are trading on a fixed basis which we ourselves have established. You have to start somewhere. The opportunity today is to start here. At least, it is not even to start here, it is to prevent this butter price from being put back up again when the national interest dictates it should be left at a reasonable level and when this was received or accepted well by consumers and most of the other people of the country, except the dairy people directly affected who objected, of course.

Mr. AUGUST H. ANDRESEN. You will not get any cheaper milk up there because your organized labor and your distributors fix up the price.

Mr. JAVITS. My point is you have got to start from some base, and if the base is higher and the base is rigid, it is going to be reflected in the end price to the consumer. Let us not forget, no matter what you say about the cost of distribution and the middleman, the 15-percent drop on April 1 in the support percentage announced by the Secretary of Agriculture was exactly reflected in the retail stores butter prices. That is all I know and that is all my consumers know.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from New York [Mr. ROOSEVELT].

Mr. ROOSEVELT. Mr. Chairman, a point of order. Is the opposition on the other side of the aisle to have any right to oppose this amendment?

The CHAIRMAN. The Chair will recognize members of the committee first, and other Members as rapidly as possible.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I do not seek the floor at this time.

Mr. O'KONSKI. Mr. Chairman, I offer a substitute amendment.

The Clerk read as follows:

Amendment offered by Mr. O'KONSKI as a substitute for the amendment offered by Mr. AUGUST H. ANDRESEN: On page 33, line 19, strike out "March 31, 1955," and insert "December 31, 1955"; and in line 20, strike out the figures "80 percent" and insert "90 percent."

Mr. O'KONSKI. Mr. Chairman, I am not going to take the entire 5 minutes

because I do not think there is anything that can be said for or against any amendment or for or against any part of the bill that has not already been said. I want at the outset to say I am introducing this amendment not only on behalf of myself, but on behalf of many other Members on the left side of the aisle who want to introduce it, but after they found out I was introducing it they gave me the permission to do so. I am also introducing it in cooperation with my colleague from the Ninth District of Wisconsin [Mr. JOHNSON] on the right side of the aisle, and for other Members on the right side of the aisle who also wanted to introduce this amendment.

I feel this amendment is in keeping with the bill as originally reported to this House. I feel that a grave mistake was made when the reduction was made from 90 percent to 75 percent of parity without any program and without any consultation with the dairy farmers of America, and without any consultation with the House or Senate Committees on Agriculture. I believe that a grave mistake was made and that the adoption of this amendment to the bill will rectify the error which has been made. I was one of those who supported the rigid price-support program and went through the aisle here yesterday. Frankly, I want to tell you it would be easier for me to support a system of high, rigid supports with dairy products at 90 percent of parity than it will be for me to support a system of high, rigid supports with dairy products at only 80 percent, as in this bill. It is difficult for me, coming from the greatest dairy State to go home and explain to the farmers that I voted for 90 percent support for the things like wheat and corn, which my dairy farmers have to buy, and only 80 percent for the dairy farmers. That disparity between the two just cannot be justified. So this amendment, if it is adopted, will put into operation a system of high, rigid supports for dairy products in keeping with the system of high, rigid supports originally reported by this committee.

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

Mr. O'KONSKI. I yield.

Mr. JOHNSON of Wisconsin. I believe that it is the intent of the gentleman from Wisconsin [Mr. O'KONSKI] that in case the original provision of the bill carries to support basic commodities at 90 percent of parity then dairy products will be also supported at 90 percent of parity.

I wish to state that yesterday I also was one of those who voted on the tellers' vote to support basic commodities at 90 percent of parity. I cast this vote as a matter of honest conviction that all farm products should be supported at 90 percent of parity. I do not believe that there should be any disparity between agricultural support prices.

I hope that this amendment will be adopted because there is no economic justification for supporting some commodities at 90 percent of parity while dairy farmers who use some of these commodities for feed receive only 80 percent support prices.

I regret to say that some of the Members from dairy areas did not vote as you

and I did yesterday on basics, and this defection has caused disunity among the various Members coming from different agricultural regions. This disunity has worked to the disadvantage of dairy farmers and we have lost support of Members from other agricultural regions because some of our dairying farming Members did not support the basic commodities. These Members helped to widen the wedge that has been driven into the ranks of farm Members from both sides of the House.

Mr. O'KONSKI. I believe so because, as I just stated; it was difficult for the Members from the dairy States to go through the line yesterday on the high, rigid price-support program because of this disparity. It is pretty hard to justify 90 percent of parity for one segment of agriculture and only 80 percent of parity for another segment of agriculture. I hope this amendment will be adopted.

Mrs. PFOST. Mr. Chairman, I rise in wholehearted support of the amendment offered by the gentleman from Wisconsin [Mr. O'KONSKI]. Its passage would in some small measure help repay the dairy industry for the 2 months of serious readjustment, of mounting financial losses, and of genuine hardship experienced since the Benson order went into effect on April 1.

I vigorously opposed the Benson order from the day it was announced. I said it was unfair and discriminatory so far as the dairy industry was concerned, and unwise so far as the economy of the country was concerned.

I still think so. Markets are so demoralized that it is hard to know just what is happening, but the last reports from my home county in Idaho indicated gross creamery receipts have dropped considerably and probably will drop some more. In one creamery the daily income has been cut approximately \$3,500. It is estimated that dairymen's income in Boise Valley will fall approximately \$2½ million below last year and \$4 million below 2 years ago on manufactured dairy products alone. It is also estimated that the loss in capital value of dairy cattle in the Boise Valley will be approximately \$5 million for the past 2 years.

The farmers of Boise Valley cannot afford that much and neither can the communities they help support. A drop of that sort will not only be felt in the budgets of the farm families, but it will be reflected in the earnings—or I should say drop in the earnings—of every business in the valley.

One of the main arguments offered by the administration in favor of the drop in dairy price supports was that dairy farmers would produce less milk. That sounds like the thinking of a theoretical farmer to me—not an actual one. What has happened in Idaho, and I am sure it has happened everywhere else—is that the dairy farmer has produced more milk in order to make up for his loss in income. This simply adds to the surplus the Department is trying to find some way to get rid of.

I do not believe the people in the city want to eat cheaply at the expense of the farmer. They know all too well that

farm prosperity is the basis of prosperity for all; that high employment levels depend to a great extent on the amount of money the farmer has to spend on farm equipment, automobiles, clothing, and other manufactured items which furnish jobs to so many working people.

I believe the city people and farm people alike would favor this amendment to bring the dairy price-support level back up to 90 percent of parity.

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

Mr. Chairman, I am going to vote for the amendment of the gentleman from Minnesota. However, I would like for the situation to be made perfectly clear. It is quite noticeable that the Members from the up country dairy belt are very strong for the amendment. It increases their price support. They claim it is giving them equal treatment with the basics. Now do not let us have any misunderstanding on this question. The facts are it gives you special treatment and you all know it.

The treatment that you Members from the Dairy Belt—some of you, not all of you—accorded the producers of cotton, wheat, and corn positively is not in keeping with what you are attempting to accord yourselves. You helped put us on this slip and slide, flex and fleece program with a millstone around our necks. You not only limited our production about which I do not complain but agree with but you went out of your way to go down through the aisle and put us on flexible supports.

You have said that we can plant only so much. You have provided that we can market just so many bushels or so many bales. But oh, no; you have not applied such limitations to yourselves. You are attempting to put yourselves in position to not only get the same price support, but you also want the right to market, without marketing quotas or restrictive production, every pound of milk that Old Bess will give. With that right and a good high support price you are going to milk her to death.

Price supports on unlimited production as against comparable price supports on controlled productions certainly is not equal. The former is preferential and that is what you seek under the guise of seeking equality. You are not fooling anyone.

Mr. ROOSEVELT. Mr. Chairman, I rise in opposition to the Javits amendment.

Let me speak to you about this butter situation in New York. Surely, it is selling at 69 cents today, but the consumption of butter has not greatly increased. The consumption of butter by the housewife has not increased. Why? Because butter has a competitor by the name of oleomargarine, that is selling for about half the price of 69-cent butter.

The answer to the dairy farmers' problem is not to sell more butter but to sell more fluid milk.

I would like to ask my colleague from New York [Mr. JAVITS] if it is not true that today the dairy farmer in New York State is getting far less under 75 percent than he was under 90 percent, and the price of fluid milk today to his housewife

and my housewife is the same, if not higher.

Mr. JAVITS. That may be so at the start, but unless you start from some kind of a lower base of cost of the product you have no possible hope of lowering the ultimate price to the consumer, increasing consumption, reducing the costs of distribution, and increasing thereby the real benefits to the dairy farmer, and that is what really counts, to him.

Mr. ROOSEVELT. The answer to your statement is simply this: We can consume and sell more fluid milk in this country, and that will eliminate the present surplus of dairy products. That is the constructive way to do it, and it will make the dairy farmer prosperous instead of bankrupting him, which your method and some of the other methods will do.

I had intended to offer an amendment along the same lines as the O'Konski amendment. I think the fact is that the dairy farmer should be put on a par with the farmer who produces the other basic crops. We buy a lot of our feed in the northeastern area from the Midwest. Today, New York farmers are penalized. We buy our feed high and sell our products low.

Mrs. FRANCES P. BOLTON. Mr. Chairman, I have listened to the debate with the greatest amount of interest. I was very glad to have the gentleman from New York mention fluid milk and exceedingly glad with several other bits that have been said about what I call the basic product, which is fluid milk.

I happen to represent a city district now, though the 22d District used to have two largely farming counties. I happen to have lived on a farm also. As I am the only woman from Ohio in this House I have always felt that I represent the women of Ohio and the children of Ohio. As their Representative I would like to suggest that it is high time that everyone who has anything to do with the Committee on Agriculture or with the Department of Agriculture found ways by which we could see to it that our children drink at least as much per capita fluid milk as they drank in 1945—our children, our sick, our aged, and our whole Nation. If they were doing so at this time there would be no surplus, we would not have the problem of too much butter and too much cheese. May I suggest that there have been rumors that some pretty rancid butter has come out of those huge storage places.

I would like to suggest that if we have any ingenuity left in our minds and beings, our souls and imaginations, we put some of it to work so that the children at least of this country will have at least the amount of milk they had in 1945. The discussions here today have all been on cheese and butter, on processed products. I want to bespeak the interest and mercy of this House for the children and the women of this country, for the lunch programs, for the hospitals, the homes for the aged. Why cannot we find ways to get proper amounts of milk for our lunch program?

And then I have heard a very disturbing thing, and that is that in our camps

our soldiers are getting only a pint of milk, and if they want cereal they have to use that pint on the cereal. I hope it is not true, because certainly American boys serving in the Army, Navy, and Air Force ought to be able to get plenty of milk.

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

Mrs. FRANCES P. BOLTON. I yield.

Mr. AUGUST H. ANDRESEN. I am glad to be able to advise the gentlewoman from Ohio that we have anticipated just what she has said; we have included in the bill funds to provide milk for 23 million school children who are not now receiving milk.

Mrs. FRANCES P. BOLTON. I am glad to hear that.

Mr. AUGUST H. ANDRESEN. We are also providing in this legislation that Government-owned butter, cheese, and other dairy products be supplied without cost to the Army, Navy, Marine Corps, and to the veterans' hospitals.

Mrs. FRANCES P. BOLTON. I am very happy to be so advised and hope it will be put into effect. But that does not strike the fundamental thing. It is not enough to put into the bill that milk shall be free for certain persons and institutions. What are you doing to see about the distribution of milk, to see that it reaches the child as well as the adult that needs it?

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentlewoman yield further?

Mrs. FRANCES P. BOLTON. I yield.

Mr. AUGUST H. ANDRESEN. Distribution is a very important problem, one in which we must have the cooperation of the public and from parent-teachers associations, and other organizations, and school authorities to get this milk into the hands of those who need it.

Mrs. FRANCES P. BOLTON. Yes; but I would like to say that if you will just go to the mothers of the country and a lot of intelligent grandmothers, you will find a great deal of cooperation that you least expect.

Mr. AUGUST H. ANDRESEN. I have the greatest admiration for the gentlewoman and her work.

Mrs. FRANCES P. BOLTON. I am giving it to you as a job. And I would like to ask why the 500,000 dairy farmers cannot run their own affairs as is suggested in a bill introduced by the distinguished gentleman from Washington [Mr. WESTLAND]. Possibly the Committee on Agriculture will give this matter consideration.

Mr. ROOSEVELT. Mr. Chairman, will the gentlewoman yield?

Mrs. FRANCES P. BOLTON. I yield.

Mr. ROOSEVELT. I wish to congratulate the gentlewoman from Ohio and to make one slight correction: That the men in the Armed Forces today get a glass of milk, or half a pint instead of a pint of fluid milk a day.

Mrs. FRANCES P. BOLTON. I thank the gentleman.

Mr. ROOSEVELT. I intend to offer an amendment which will increase the allowance per man to 1 quart.

Mrs. FRANCES P. BOLTON. My effort is that we try to see that this fluid milk gets where it is most needed.

Mr. HOPE. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment and all amendments thereto close in 20 minutes, with 5 minutes to be given to the gentleman from North Carolina [Mr. COOLEY].

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from North Carolina [Mr. COOLEY].

Mr. COOLEY. Mr. Chairman, it is with some reluctance that I appear in opposition to this amendment. I hope I may have the attention of Members while I try to explain my position.

Actually, the high support price on the unlimited production of dairy products has brought us to the grief we are now witnessing in connection with our agricultural surpluses. I dare say that but for the butter program we would not have had all of this controversy about the support program on the basics. Just as Mr. Brannan had his headache with potatoes, Mr. Benson is having his headache with butter.

When Mr. Brannan was supporting the price of potatoes at 90 percent of parity he did not fix his goals low enough; consequently a great production was harvested every year, and year after year we lost millions, yes hundreds of millions of dollars, I think actually almost a half billion dollars on potatoes alone. Mr. Benson embarked on this program of 90 percent of parity and he continued it for about 14 long months.

He came into office in January and for some unknown reason he did not darken our committee room doors until July. It took a devastating drought to drive him into our committee room even in July for a brief hearing on drought relief. He did not come and advise with any member of our committee, but he held prices of dairy products at 90 percent of parity. Instead of lowering the price gradually as the President has indicated he would like for prices to be lowered, he dropped the boom all at once, on April 1, on the heads of the dairy farmers of this country. I do not see how you can possibly justify supporting unlimited production of any perishable commodity grown in this country. I have never advocated that and never shall advocate it, and every time any Secretary of Agriculture has ever attempted to do so, we have sustained tremendous and gigantic losses, and we have always brought the program generally into disrepute. Now, I am anxious to do everything I can for the dairy farmer that is consistent with the exercise of good, sound judgment, but certainly it is not good judgment to support a perishable agricultural commodity, potatoes or 1,001 other things, at an uneconomic level.

I want to say this to the gentleman from New York [Mr. JAVITS], I want to compliment him for having sufficient courage to stand up here in the well of this House and put up a fight for Mr.

Benson's program. Actually, as I view the situation, Mr. JAVITS, the gentleman from New York, is the only Republican in this House who stood up for Mr. Benson. Everybody else was compromising and accepting something less than Mr. Benson proposed. Now, that is all right. If the gentleman from New York [Mr. JAVITS] is going to be the leader of the Republican Party and if he is going to carry the burden for agriculture and for Mr. Benson and Mr. Benson's old friend, Bossy—well, that is where the gentleman from New York [Mr. JAVITS] is. He has made his position perfectly clear.

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

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

Mr. WIER. With reference to the April 1 cut on dairy products, the 15 percent, is it not true that today in the dairy regions the farmer, with his hopes and ambitions to get equal income under the 15 percent reduction, is increasing his herd to get the same production?

Mr. COOLEY. I think the gentleman is right, and I think we are still taking into storage enormous quantities of butter and dairy products.

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

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

Mr. JUDD. Will not the gentleman agree that Secretary Benson had no choice under the law except to reduce the support level to 75 percent because the law required that by April 1 he establish the support price at a level that would insure an adequate supply?

Mr. COOLEY. I understand the proposition, and I will answer in a clear-cut way. He had discretionary power from the very beginning, from the time he took the oath of office, and up to April 1 and he did not exercise that power.

Mr. JUDD. He had discretionary power prior to that time. It was mandatory thereafter.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. WIER].

(Mr. WIER asked and was given permission to yield the time allotted him to Mr. JOHNSON of Wisconsin.)

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin [Mr. BYRNES].

Mr. BYRNES of Wisconsin. First, Mr. Chairman, I want to express my gratitude and the gratitude of the Wisconsin dairy farmers for the great work that has been done by the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN], a member of the Agriculture Committee, in connection with the provisions of this bill relating to the dairy farmer and the dairy industry.

To speak briefly with respect to the amendments that we have before us, I regret I must differ with my colleague, the gentleman from Wisconsin [Mr. O'KONSKI], in his request that this amendment to support the price at 90 percent be adopted. The dairy industry is only asking for fair play. The dairy industry is not asking for rigid supports.

They are asking for flexible supports but with a graduality, which is what this House voted for yesterday with respect to the so-called basic commodities. It is my hope that the House will support the amendment offered by the gentleman from Minnesota to provide for 82½ percent as the minimum until at least March 31, 1955.

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

Mr. BYRNES of Wisconsin. I yield to the gentleman from Mississippi.

Mr. ABERNETHY. The gentleman is not attempting to tell the House that there is no distinction between this particular amendment and what happened yesterday, is he?

Mr. BYRNES of Wisconsin. I think there is a very definite relationship. The question is whether or not the Secretary of Agriculture is to have an area of flexibility within which to work in establishing the level of support, plus the fact that this House has taken the position that in applying flexible supports any reduction in the level of support should be made gradually rather than abruptly. Although a drop in the support level may be necessary we should not permit a drop of 15 percentage points all at one time. That is what happened when the Secretary reduced the support level on dairy products earlier this year from the maximum of 90 percent to the minimum of 75 percent.

When the House yesterday adopted the Harrison amendment it agreed that the basic commodities should be under flexible support but that the level should not be dropped more than 7½ percentage points, that is from 90 percent to 82½ percent, between now and the end of the next crop year. Now that is exactly the position we hope the House will not adopt with respect to the level of support for dairy products.

Mr. ABERNETHY. But your production is not controlled, is it?

The CHAIRMAN. The time of the gentleman has expired.

The Chair recognizes the gentleman from New York [Mr. JAVITS].

Mr. JAVITS. Mr. Chairman, I would not think of intruding upon the House twice, something I have rarely done, but there is one point which needs to be emphasized.

My amendment seeks to leave the situation where it is. May I just repeat that? My amendment leaves the situation where it is. The Andresen amendment, the O'Konski amendment propose to raise the figure. I leave it where it is.

Just one other point. It seems to me very clear that we are talking about a very hot political issue. There is no use kidding ourselves about it. The only way you can enact good legislation in these cases is if people who represent areas with different economic interests will temper the situation of their area, one to the other. I think the most ardent dairyman would not suggest that his representatives should run the Congress of the United States just the way his constituents want it, because they would probably run it into the ground. It would be the same if I attempted to do

that, or if anybody else did from some other particular area.

I say, in this particular situation you have got to have the impact of the people with other economic interests in order to bring sense into this decision.

Therefore my amendment should be agreed to.

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

Mr. JAVITS. I yield.

Mr. COOLEY. Was I correct when I said that the gentleman from New York [Mr. JAVITS] is trying to sustain the action of Secretary Benson who did, in the exercise of his discretion, lower the price or the level to 75 percent of parity?

Mr. JAVITS. The gentleman is correct, I think.

Mr. COOLEY. And these other amendments would, if agreed to, be a repudiation of his orders.

Mr. JAVITS. My point is that I leave it where it is. That is the only point that I am making. I leave the situation where it is.

The CHAIRMAN. The time of the gentleman has expired.

The Chair recognizes the gentleman from Illinois [Mr. SPRINGER].

Mr. SPRINGER. Mr. Chairman, I have been deeply impressed by the sincerity that has been shown by the House Committee on Agriculture. No committee within my memory has worked harder to come forth with a program for the welfare of the country than this committee. This bill is the result of 10 months of work by the House Committee on Agriculture. The committee began early last September a series of grassroots hearings throughout the country for the purpose of studying the problems of the farmer and getting his viewpoint with respect to agricultural legislation.

During those hearings this committee traveled more than 20,000 miles throughout the United States. It heard more than 2,000 witnesses and visited many farmers on their farms and discussed their problems with them there. I feel that the members of this committee got very close to rural America which enabled this committee to do a better job in preparing a farm bill.

Figures of the Department of Agriculture itself show that the net farm income has declined 13 percent in the past 2 years while other sectors of our economy have achieved new records. This loss of income already has been felt by business in the towns and villages of the 22d District of Illinois that supply the needs of our farm population. Without price supports, surplus removal, and marketing agreement programs, farmers' incomes in 1953 would have been \$3 billion lower or a net income of 25 percent less.

In 1953 the present integrated program, price supports, and surplus removal, and marketing agreements covered 70 percent of the value of all crops produced, and livestock and livestock products in 1953. Between 90 and 95 percent of all farmers producing crops and livestock for marketing were directly or indirectly benefited by existing

price stabilization and market-agreement programs that prevented further impairment of agriculture income.

I wish that I could say that this was the entire picture. But now agriculture is in a crucial position. Farmers now face two additional reductions in income in 1954:

First. Farmers face further reduction of income by their voluntary action, severely limiting acreage of major crops, in order to bring production into balance with consumption.

Second. Unless Congress acts today, the 1949 Agricultural Act will take effect next year, reducing the 90 percent of parity supports of the basic crops to a flexible system of 75 percent to 90 percent of parity.

It is estimated that reduction in first above, alone, will amount to about 5 percent of the farmer's gross income. Such a sudden reduction in prices in addition to 13 percent already suffered, would be dangerous not only to agriculture, but to the whole economy. It is estimated that further reduction in second, above, would be an additional thousand dollars per 100 acres of land for the entire country. The average size of a farm in the 22d District of Illinois is 183 acres. The total reduction of gross income for each average farm in my district by virtue of a reduction to 75 percent would be around \$1,800 of gross income.

For the benefit of my colleagues in the House may I review this again?

First. During the last 2 years, net farm income has declined approximately 13 percent.

Second. By action this year, voluntarily putting into force acreage controls, the farmer has further reduced his income by approximately 5 percent.

Third. By next year, imposing 75 percent of parity—which is what the Secretary has indicated he would do—the average farmer will lose an additional gross income of \$1,800 per farm, in my particular district. Can any one in this House name any other segment of our economy that could afford to take three cuts in income within 36 months and hope to survive as a going concern? Has any one indicated that labor would be willing to take a similar reduction in wages or in standard of living? Can anyone tell me of any business that would be willing to take the same kind of a decrease in either its net or gross income? And may I say that I am certainly not proposing that either one of those would be either deserving or should take that kind of a reduction?

Time and again I have heard upon the floor of this House, and have read in the editorials of metropolitan newspapers that the price-support program on the basic agricultural commodities has been unduly financially burdensome. I would like to comment on that for a few minutes if I may.

We have six basic commodities: wheat, corn, cotton, peanuts, rice, and tobacco. According to information furnished me by the Secretary of Agriculture, Mr. Benson—I am giving you the facts and figures submitted by him to me, and which I am presenting to you. The losses on those six commodities during

the entire operation of the program, over a period of 21 years, have amounted to a net loss of \$21 million, or actually, \$1 million a year.

Now, can anyone give me a good, solid reason to destroy the program on the basic commodities—and they are the commodities which have been supported by 90 percent of parity.

These figures are well known to the Committee on Agriculture, the same testimony was rendered by the Secretary of Agriculture at the time of his testimony before that great committee.

At this time, I am going to pause to allow any Member of this House who would like to, to dispute these figures. If there are any figures to the contrary and if this statement is not true, I would like to have someone comment on it.

There are serious misunderstandings and misconceptions of the farm program. They should be corrected.

Misconception No. 1: That the present program of 90 percent supports on the basic crops is primarily responsible for the accumulation of existing surpluses in those crops. The facts refute this. The present accumulation of food and fiber has occurred in the last 2 years. This was due to the 30 percent drop in farm exports, near record production by a war-expanded agricultural plan. At the onset of the Korean conflict, our Government encouraged expansion of the production of food and fiber. A large part of the surplus went into Government-supported storage, and has been charged against the farm program. The real facts are that the overproduction was brought about by Government policy related to national defense.

Misconception No. 2: That a flexible price-support program at 75 percent to 90 percent of parity would of itself discourage production and help remove the surplus problem.

I have read the hearings before the Committee on Agriculture. Evidence before that committee indicates that all farm production now in ample supply will be maintained or increased in production, as the farmers seek to protect their income in the face of lowering prices. There is no credible evidence I can find that if flexible supports had been in effect since 1952, that our surplus problem would have been any less. The only evidence in those hearings in support of the theory that flexible price supports would reduce production is a statement by the Secretary of Agriculture that some study showed that a 10 percent reduction in the price of a farm product, would mean 2 percent less production of that product in the forthcoming year.

Misconception No. 3: That flexible price supports would result in important price reductions to consumers and a substantial increase in consumption.

That, too, is a fallacy. The farm price of the basic commodities supported at 90 percent of parity is only a small part of the retail cost of consumer production made from them. A drop of 10 to 20 percent in the farm prices of these commodities would reduce consumer prices for their products less than 3 percent. Evidence before the committee indicates that a reduction from 90 percent to 75

percent of parity of wheat would lower the price of a 16-cent loaf of bread by approximately one-sixth of a penny. The farmer gets 2¼ cents for the total amount of wheat in the loaf. The price a farmer gets for wheat would have to be cut from the present price of about \$2 to about 75 cents a bushel to reflect a 1-cent reduction in the cost of a loaf of bread.

Misconception No. 4: That agriculture is subsidized to a greater extent than other segments of our economy and that agriculture is being subsidized in vast amounts by the Federal Government.

The best and latest figures on that subject are found in the Federal budget and I would like to point out that the 1953 Federal budget, under "Special analysis and tables—Investment, operating, and other budget expenditures," lists actual expenses for 1952 for "Aids and special services," as follows:

Total agricultural aids and special services.....	\$463,000,000
Total business aids and special services.....	1,041,000,000
Total labor aids and special services.....	200,000,000

So whatever may be said about subsidies in the Federal budget, it must be admitted that agriculture is not alone in this respect.

I have mentioned these misconceptions because there has never been a time in our history when it was more important for the average citizen—the consumer—to be informed on agricultural policies as today. It is most important that city people understand that the farm problem is their problem, too.

Consumers get more and better food today, with an expenditure of a smaller percentage of their total income, than in any other period in history.

Figures prepared by the Department of Agriculture economists show that in 1914—which is 1 of 3 years cited by the Department of Labor as being a year of the fairest exchange between labor and agriculture—the average factory employee could buy 3½ pounds of bread with an hour's earnings. In 1929 he could buy 6¼ pounds with 1 hour's earnings; in 1953 he could buy 10¾ pounds.

These economists have set up a table for other major foods showing what 1 hour's average factory pay bought in 1914, 1929, and 1953, as follows:

	1914	1929	1953
Round steak.....pounds.....	0.9	1.2	1.9
Pork chops.....do.....	1.0	1.5	2.1
Butter.....do.....	.6	1.0	2.2
Milk.....quarts.....	2.5	3.9	7.5
Eggs.....dozen.....	.6	1.1	2.5
Potatoes.....pounds.....	12.4	17.7	32.6
Oranges.....dozen.....		1.3	3.6
Bacon.....pounds.....	.8	1.3	2.2
Tomatoes.....No. 2 cans.....		4.4	10.0
Cheese.....pounds.....	1.0	1.4	2.9

The largest reduction in the price of food in comparison with wages has occurred during the years of the development of the present program that had as its aim a parity income for agriculture. It is evident, therefore, that consumers have gotten their greatest concessions in prices of food and fiber at

the time of the growth of farm-income stability.

As farm income has declined, the prices of many things that farmers buy are going up. The farmer has found himself in a price squeeze. The individual farmer, in the middle, finds that he has less and less money remaining after paying expenses, as time goes on. For this reason, you saw the farm market narrowing for many products of industry. Tractor output declined around 25 percent in 1952. Tractor sales went down another 10 to 15 percent in the first 3 months of 1953. There was a further decline in late 1953 and early 1954. The prices that farmers pay are firm and headed upward in most cases. A medium-sized tractor still costs around \$1,990, on the average, or about \$120 more than in 1950. A stake truck averages \$2,330, up \$270 from the 1950 price. A tractor plow costs the farmer about 20 percent more than on the eve of the Korean war. Gasoline has gone up to about 28 cents a gallon, where it was 24.5 3 years ago.

These weaknesses in farm prices show the working of supply and demand in the farm markets. Supplies of nearly everything that the farmer produces are huge, while the demand for them is going down. What has been said about the prices in this paragraph can also be said about farm labor, farm supplies, fertilizers, feeds, and seeds.

What is the solution for this squeeze between farm income and the price the farmer pays for what he uses? There is one thing for sure. We must not let farm income drop in 1954. As expenses rise, it is ever more vital to prevent a slump in cash receipts. One of the men in my own county of Champaign, in Illinois, keeps cost accounts with the College of Agriculture at the University of Illinois, in Urbana. The chart which was prepared by him shows that in 1946, his total expenses were 58 percent; in 1948, 71 percent; and in 1951, 76 percent. This means that within a 3-year period, his own take-home percent of his business had declined from 42 percent to 24 percent.

I think this is a good place to refer to the erroneous idea that the farmers, as a class, are all getting rich. In the past, a few, through frugality and good management, have achieved a competence. But the answer to those who think that farmers as a class are unusually prosperous is given by the cold figures compiled by the Bureau of Agricultural Economics. Those figures show that for 1952 the average per capita income of persons living on farms from both agricultural and nonagricultural sources was \$924. This included cash from marketings, Government payments, value of home consumption, and rental value of dwellings. For the same period the per capita income of the nonfarm population was \$1,827 from all sources or practically twice as much.

I happen to have the largest cash grain district in America. We grow, mostly, in that district, corn and soybeans. I have heard much discussion about farm surpluses. Many of these

surpluses are overemphasized and overmagnified. Take, for instance, the situation in corn. It is true that we will have, on October 1, 1954, a carryover of some 900 million bushels. However, may I point out to this House that that constitutes only about a 3 months' domestic supply. The world conditions being what they are today, I would rather have an economy of abundance than an economy of scarcity such as we had when we entered World War II.

The farmer has suffered within the last 24 months 2 drastic reductions in income—1 of 13 percent overall, and another of 5 percent as a result of acreage controls on farm-supported products in 1954. I believe we would be doing the farmer a serious injustice to impose another farm income reduction of approximately \$1,000 per 100 acres of land by the imposition of 75 percent parity support prices. That is the decision which my colleagues in this House have to make today. If you decide to support the program to reduce parity prices in line with the Secretary's recommendation, you will have to justify this decrease in farm income.

The farmer has recovered his confidence from last year. He is again spending in the market, because he has confidence in the future of the present farm program.

I intend to do my best to help him still maintain a fair portion of the national income.

These are my reasons for voting to retain the 90 percent of parity program on basic commodities for another year while we examine the results of acreage controls and the effect of the agricultural surplus trade bill which was passed in this House last week. I have faith that we are going to work out the farm surplus problem in the next 2 years without severely penalizing farm income.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. O'HARA].

Mr. O'HARA of Minnesota. Mr. Chairman, you are dealing with a food item which has been over the course of history one of the most important food items we have ever had. Take a quart of milk. I think the scientists would tell you that it has about 42 cents worth of food value.

I am supporting the Andresen amendment. I think that is reasonable. I would not take the viewpoint of my good friend from New York [Mr. JAVITS]. If he knew what that drop, from 90 to 75 percent, did in the economy of the people in the dairying business, his viewpoint would change. If that same move were applied to his people I am sure you would hear him at the height of his oratory complaining about it.

Mr. BENNETT of Michigan. Mr. Chairman, will the gentleman yield?

Mr. O'HARA of Minnesota. I yield.

Mr. BENNETT of Michigan. I desire to say that I think the O'Konski amendment is meritorious and represents the proper solution to this problem and I intend to give it my support. If the O'Konski amendment is defeated I shall support the Andresen amendment.

Mr. O'HARA of Minnesota. The O'Konski amendment is meritorious. I am just trying to reconcile the differences of viewpoint and, therefore, I am supporting my great friend from Minnesota, a member of the Committee on Agriculture, Mr. AUGUST H. ANDRESEN. His amendment is fair, and reasonable, and meritorious.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin [Mr. JOHNSON].

Mr. JOHNSON of Wisconsin. Mr. Chairman, I am in favor of the O'Konski amendment offered as an amendment to the Andresen amendment. This amendment provides for 90 percent of parity for dairy farmers. If that amendment fails, I am for the original amendment offered by the gentleman from Minnesota, [Mr. AUGUST H. ANDRESEN]. I had also planned to introduce an amendment raising the support on dairy products from 80 percent of parity to 90 percent of parity. But when the House yesterday cut basics down from 90 percent of parity to 82½ percent of parity I withdrew my amendment in favor of the gentleman from Wisconsin [Mr. O'Konski]. I then introduced an amendment which would tie dairy products with basic commodities. But as the gentleman from Minnesota, being a member of the Committee on Agriculture, has priority I am offering my amendment as an addition to that of the gentleman from Minnesota.

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

Mr. JOHNSON of Wisconsin. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. If the gentleman would read the formula that goes into operation on April 1 of next year, I think he would agree with me that it will do the business so that we can balance supplies and cost of production and distribution and secure the desired support price.

Mr. JOHNSON of Wisconsin. My amendment extends dairy supports to December 31, 1955. Does the gentleman object to that?

Mr. AUGUST H. ANDRESEN. We also have a lot of butter in Pierce county that we cannot get rid of.

Mr. JOHNSON of Wisconsin. Mr. Chairman, the purpose of my amendment is first to change the period for dairy-price supports to conform with the support-price period for all other commodities, and second to set the level of support for milk and other dairy products at not less than 2½ percent of parity of the basic commodities.

The farmers of this Nation have a great many needs, aspirations, and problems in common. All farmers have been in the same boat over the past 50 years—that is to say they have shared the same ups and downs. Going a step further—there really isn't any human difference between farm families who produce milk for sale and those who produce cotton, wheat, hogs, flax, barley, rice, peanuts, potatoes, cantaloups, fruit, or any other commodities.

It may come as a surprise to most of you to learn that the main difference between milk producers and other farm families is that, year in and year out,

the operators and family workers on dairy farms make lower returns per hour and per family for labor and management than any other group of commercial family farms except cotton producers in the southern Piedmont.

Dairy farmers in Vermont and New York, on the average for the 5 years 1937-41, earned 12 cents per hour.

Wisconsin milk producers did only a little better. Their return was 17 cents per hour.

During the same period, wheat farmers in the Northern Plain States averaged 20 and 30 cents per hour. The hourly income of corn hog farmers ranged from 24 to 44 cents per hour. The hog farmers with the lowest hourly income were the ones who combined hog-dairy enterprises.

By 1952, milk producers were making between 55 and 74 cents per hour in the Central Northeast and Wisconsin areas.

The same year, hog-dairy combinations made \$1.13 per hour. Income per hour of most farmers was higher than the income of dairy farmers that year.

It is not my purpose, in citing these figures, to set the dairy farmer apart from other farmers. On the contrary, I firmly believe that farmers must share concern for each other's income problems. It is only through such concern that full parity for farmers can be achieved. Let me illustrate further, I represent a dairy area but I would not sit idly by and see present price supports on the basic commodities eliminated. By the same token, I believe you may, my colleagues, be aware that the actions of the Department of Agriculture flexible supporters in cutting dairy price supports endangers every commodity.

Do not be led astray by glib examples of how few farmers and few States benefit from price supports.

If mutual concern for our mutual price-support problems prevails in the House today, you will not depart until dairy farmers are assured, as an absolute minimum, of at least 90 percent of parity. Based on the hourly pay figures cited earlier, 90 percent of parity would not provide as much as the minimum hourly wage guaranteed to many non-farm workers under the wage and hour law.

Letters I have received recently from Mr. C. L. Graff, Wheeler, Wis., and Mrs. Richard Hogan, route No. 2, Rice Lake, Wis., give the case for dairy-price supports. These letters are thoughtful expressions of the grassroots thinking and concern.

Mr. Graff writes that a 2-plow tractor cost \$1,710 in 1947, \$2,215 in 1954; a 2-bottom plow, \$190 in 1947, \$280 in 1954; a manure spreader—2 wheel—\$315 in 1947, \$423 in 1954; a tractor mower, \$190 in 1947; \$310 in 1954.

Mr. Graff writes further that the average price received by him this year for grade A milk is down 66 cents per hundred from 1947—down from \$3.81 in 1947 to \$3.15 in 1954. In making calculations from the figures supplied by Mr. Graff, I find that farm-equipment prices have increased from 61 to 77 percent while milk prices have declined 17.3 percent.

Mr. Graff makes a very telling comparison in his letter on the cost of a

tractor and the amount of milk it takes to buy that tractor. According to Mr. Graff, milk in 1952 brought \$4.12 a hundredweight. At this price it took 54,000 pounds of milk to buy a \$2,215 tractor. Today it takes 74,000 pounds of milk to buy the same tractor. I believe that this illustration sums up very well the plight of the Nation's dairy farmers.

Mr. Graff writes further, and I quote:

I think a cross-the-board package plan such as the Farmers Union proposes is the soundest plan presented so far.

Mrs. Hogan writes, and I quote:

Ninety percent will help, but how can anyone expect a farmer to operate his business when he loses 10 to 25 cents on every dollar's worth of business.

* * * after all, 100 percent of parity means only that we receive prices that make our dollars worth as much as everyone else's dollars.

We are the only business that takes its produce to the consumer and says, "What will you pay for it?" Everyone else figures out how much it cost to produce the product and give them a profit and interest on their money and that is what we have to pay.

* * * Now let's take 1942. * * * We received \$2.85 per hundred for our milk, the same as last month.

Here is a comparison of some of the prices we paid then and have to pay now.

All items are the same brand or trade name.

The figures supplied by Mrs. Hogan are as follows:

Egg mash per hundred pound in 1942, \$3.15; in 1954, \$5.50.

Calf feed per hundred pound in 1942, \$3.75; in 1954, \$9.10.

Tractor in 1942, \$1,100; in 1954, \$2,280.

Telephone in 1942, \$1 per month; in 1953, \$4.14.

Men's shoes in 1942, \$3.75; in 1954, \$9.95.

Electric light bill in 1942, \$5.67; in 1954, \$22.

Mrs. Hogan indicates that this increase is due in part to increased use of electricity.

Hybrid seed corn in 1942 (per bushel), \$6.60; in 1954, \$10.50 to \$14.95.

Automobile in 1942, \$1,400; in 1954, \$2,390.

Mrs. Hogan writes further, and I quote:

Since the spring of 1953 our farm has not produced enough cash to meet expenses and give us a modest living (\$2,400 for food, clothing, fuel, and the entire light and phone bill for 7 people.

If we cannot meet expenses milking 26 cows, we will have to milk 36 cows and so will every other dairy farmer have to increase his production in proportion.

Reduced farm income is not just a farm problem. It is a national problem. A national problem just as serious in its implication to consumers as to farmers themselves.

The big questions are: First. How long are family farmers going to be able to stay on their farms? Second. How secure is the Nation's food supply? Third. How can we maintain a full employment economy with a cut in farm purchasing power?

I ask that you support this amendment I have introduced to restore dairy farmers' price to near the level of basic commodities.

A vote for dairy farmers is a vote for all of our citizens—farmers and consumers alike.

The CHAIRMAN. The Chair recognizes the gentleman from Indiana [Mr. BEAMER].

Mr. BEAMER. Mr. Chairman, I think there is a very important point that we must recognize in connection with dairy products. I am a dairy farmer. I appreciate very much the opportunity of bringing our product to the tables of the farmer and the consumer.

In 1953 the dairy farmers produced over 121 billion pounds of dairy products and it is anticipated that in 1954 they will produce over 123 billion pounds, all of which means that every effort has been made to increase the production of dairy products and nothing especially has been done to increase their consumption.

What are you going to do when you raise the support to 90 percent and encourage increased production when you have not increased consumption? Do you not see the problem you are facing? The fact of the matter is that since Secretary Benson has reduced it to 75 percent of parity the consumption of butter has increased from 7 to 10 percent each month.

I just received a letter from my farm yesterday saying that the price of milk is up 10 cents. We are not going to be in bad shape as dairy farmers if we can put our products on the table at a price at which the consumer can buy it and use it.

I do not have figures giving an estimate of the additional cost that would be entailed if the 90 percent of parity price were adopted. On the basis of the 80 percent maximum parity which is in the committee bill, the cost of the program would increase approximately \$100 million for a year's operation.

At the same time, on this 80-percent committee recommendation, the Government acquisition of butter would increase by about 100 to 150 million pounds above acquisition at the present 75 percent of parity, which in itself will be frighteningly high.

A proper disposal program could reduce this figure. It is hoped and contemplated that the school children, veterans, men in the Armed Forces and all other possible outlets can be used as an escape valve for the accumulating dairy products.

It has been alarming to those of us who want to increase the sale of butter and milk products to learn that the per capita consumption of oleomargarine now is greater than the per capita consumption of butter. If high support prices maintain high butter prices, legitimate butter consumption will continue to decrease. Does it not seem the greater part of wisdom to have an incentive to build markets for dairy products? In fact, the dairy industry has made great strides in that direction in its advertising program, in new self-service dispensers, and other similar marketing devices. How would the dairy industry strive to build these additional markets if the Government

stands ready to purchase at attractive prices.

The fact of the matter is that the concern should be with two classes of people—the milk producer and the milk consumer. Windfall profits would be most likely to accrue to the trade or to the middleman. It is conceivable that the creameries and cheese plants would hold back their supplies and then offer tremendous stocks at the new attractive prices which would become effective September 1.

In brief, it is hoped that the entire dairy problem can be considered in the Congress, as well as by the industry itself, as a continuing one for the future instead of one merely for immediate gain.

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. POAGE].

Mr. POAGE. Mr. Chairman, I had hoped in the committee to get as high as 82½ percent or even 85 percent for dairy products for this coming year because I felt that we should not step dairy products down too fast. But, I think we are faced with a practical proposition. If this House proposes to cut the support on the basic commodities which are under controls where the farmers are taking a big cut in acreage and in production, then we certainly should not fix the price of an uncontrolled commodity as high as the support of controlled commodities. Consequently, it seems to me that since you have taken the action, which you took yesterday, and cut the basic commodities down 7½ percent or down to 82½ percent even where there are controls, it would be rather ridiculous and rather strange, and it would be an indefensible position if we were then to attempt to support dairy products without any control at exactly the same figure at which we support the controlled basics. If we put the basics at 90 percent where they ought to be, I will agree we ought to support dairy products at 85 percent. Certainly, dairy products ought not to take such a tremendous cut as the Secretary of Agriculture has invoked. But, I cannot in good conscience say that you are sincerely trying to work out a sound farm program, and then put a price on uncontrolled commodities on exactly the same basis that you put on the price-support level of controlled commodities.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN].

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I recognize the criticism made by the gentleman from Texas [Mr. POAGE] has some validity to it as to controlling production of milk from dairy herds in this country. But if the provisions of the bill, which we have presented in the dairy title are properly administered, we will not only control production of milk by reducing the number of milkcows, but we will also have a program which will provide adequate supplies for the American people at reasonable prices. The Secretary of Agriculture has been given blanket authority to initiate any program he desires to

distribute surplus milk and dairy products in this country. We do not administer the laws, and if he does not have the intelligence to work out a program, having full authority to do so, then we had better write specific instructions in the law so that he can go ahead and carry out letter by letter what we have written here. I want to give him the authority. He said he has a program, but he has failed to put it into operation. I urge the adoption of my original amendment to increase the support prices from 80 percent to 82½ percent to give equality to our great dairy industry.

Mr. H. CARL ANDERSEN. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. H. CARL ANDERSEN. Mr. Chairman, I wish to associate myself with my colleague [Mr. AUGUST H. ANDRESEN] in the amendment which he is offering here today in behalf of the dairy farmers. Congressman ANDRESEN knows more about the dairy problem than any other Congressman and it is unfortunate that his knowledge is not made use of by the Department of Agriculture.

It is unthinking to me that the man who milks cows 14 times a week should only be entitled to 75 percent or 80 percent of parity. If we continue to discourage initiative in the production of dairy products, our people will, in years to come, suffer because of the lack of that most nutritious of all human foods—milk.

Personally, I feel that we should have at least an 85-percent support on milk and dairy products and 90 percent of our basic feed grains. Inasmuch as the House has decided, against my protestations, to reduce the price support on our basic feeds from 90 percent to 82½ percent, I surely hope that it will give at least equal consideration to the dairy farmers and agree to Mr. ANDRESEN's amendment.

Mr. JAVITS. Mr. Chairman, I ask unanimous consent that the amendments be read in the order in which they will be voted.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. JAVITS as an amendment to the amendment offered by Mr. AUGUST H. ANDRESEN: Strike out "82½ percent" and insert "75 percent."

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. JAVITS] to the amendment offered by the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN].

The question was taken; and on a division (demanded by Mr. JAVITS) there were—ayes 39, noes 102.

So the amendment to the amendment was rejected.

The CHAIRMAN. The Clerk will report the substitute amendment offered

by the gentleman from Wisconsin [Mr. O'KONSKI] as a substitute for the amendment offered by the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN].

The Clerk read as follows:

Amendment offered by Mr. O'KONSKI as a substitute for the amendment offered by Mr. AUGUST H. ANDRESEN: Page 33, line 19, after the word "ending" strike out "March 31, 1955" and insert "December 31, 1955"; and in line 20 strike out "80 percent" and insert "90 percent."

The CHAIRMAN. The question is on the substitute offered by the gentleman from Wisconsin for the amendment offered by the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN].

The substitute amendment was rejected.

Mr. JOHNSON of Wisconsin. Mr. Chairman, I offer an amendment to the Andresen amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. JOHNSON of Wisconsin as an amendment to the amendment offered by Mr. AUGUST H. ANDRESEN: On page 33, line 19, strike out "March 31," and insert "December 31," and amend the amendment by adding at the end of said amendment: "That in the event the parity price of basic commodities is raised above 85 percent, the parity price for milk and butterfat and the products thereof produced shall not be less than 2½ percent of the parity price for the basic commodities."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin [Mr. JOHNSON] to the amendment offered by the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN].

The amendment to the amendment was rejected.

The CHAIRMAN. The Clerk will report the amendment offered by Mr. AUGUST H. ANDRESEN.

The Clerk read as follows:

Amendment offered by Mr. AUGUST H. ANDRESEN: On page 33, line 20, after "than" strike out "80" and insert "82½."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN].

The question was taken; and the Chair being in doubt, on a division, there were—ayes 83, noes 87.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I ask for tellers.

Tellers were ordered, and the Chair appointed as tellers Mr. AUGUST H. ANDRESEN and Mr. HOPE.

The Committee again divided; and the tellers reported that there were—ayes 91, noes 108.

So the amendment was rejected.

Mr. HILL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HILL: On page 25, strike out all of lines 9 and 10 and line 11 to the period.

Mr. HILL. Mr. Chairman, before I begin a few remarks on my amendment I should like to pay a compliment to the excellent gentleman who is presiding.

He is a former member of the Committee on Agriculture and he got his training over there on the third floor of the New House Office Building. Of course, I hope that gets me a favorable vote or two on my amendment. If it does not, I am going to be disappointed.

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

Mr. HILL. I yield to the gentleman from California.

Mr. PHILLIPS. May I say also that he received a postgraduate course as a member of the Committee on Appropriations.

Mr. HILL. Then he is well qualified to keep you in order, so I will hasten on with my amendment.

Mr. Chairman, this is a simple amendment to section 313, page 25. We just strike out two and a half lines. All we do is to take out the end of this Wool Marketing and Support Act.

The reason we do that is obvious. The intent of the pending amendment and the intent of this bill is to create in the wool industry itself legislation that will provide us with the necessary wool which we might need in case of an emergency. Wool is quite different from most other products.

In looking over a list given to our committee in the hearings, you will discover on page 6 of the committee hearings 8 crops that I shall mention, and wool is the only crop that has changed downward or that has been reduced in the last 10 years. Let me give you the percentages; then you will know why we have been in trouble in the last 10 years. A comparison of the changes in production and the relation of our output to domestic utilization for a number of products clearly indicates what our trouble is.

Let me read to you from pages 6 and 26 of our hearings:

Separate legislation should be enacted for this program. We have separate legislation for sugar. Wool and sugar are the two major agricultural commodities in which the United States is deficient in production. Both face heavy import competition with serious international complications. Legislation and programs for the commodities which are produced in surplus in this country just do not fit such situations as we are confronted with in the case of wool and sugar.

Comparison of the changes in production and the relation of our output to domestic utilization for a number of products clearly indicates the need for treating wool by separate legislation.

Product	Change in production during last 10 years	Percentage production is of domestic disappearance
Corn.....	+7	105
Cotton.....	+34	162
Rice.....	+80	206
Soybeans.....	+72	111
Tobacco.....	+62	147
Wheat.....	+25	169
Wool.....	-42	35
Sugar.....	+13	27

The above percentage changes in production are based on the average production for the 3 years 1951-53, compared with the 3 years 1941-43. The relationship between our production and domestic utilization is figured for the 3 years 1951-53. It will be noted that in the case of wool, our production de-

clined even though we are on an import basis; while for the other products listed, production has increased even though we are on an export basis, except for sugar.

Mr. HILL. Mr. Rizley, as I remember correctly, you were a member of this committee in 1942. Is that correct?

Mr. RIZLEY. Yes, I think that is right; 1942 as I recall.

Mr. HILL. I am not sure who was chairman at that time, but do you recall sitting in this room when two Congressmen from sheep areas had to have a towel to catch their tears because we insisted that the OPA had frozen the price of wool at a lower price than any other product had been frozen? We hit the downward grade on wool. Have you forgotten that testimony and the men who testified—the Congressman from Wyoming and myself? I have not looked up the record, but I just remember what we tried to do for the sheep people in 1942 when they were freezing the price of wool at the lowest price of wool for 20 years in its relation to other products. Have you forgotten that?

Mr. RIZLEY. I am sure my former colleague's memory is more accurate than my own, but I do remember that was substantially right.

Mr. HILL. That was the beginning of the downward trend in the price of wool, as your own table indicates. You will notice it not only was the beginning of the downward trend of wool prices, but the beginning of the breaking up of our great wool-producing activities in the sheep-growing sections of the United States.

Mr. RIZLEY. I think that exhibit speaks for itself.

Mr. HILL. Then you notice another peculiar thing from your table. When you got the price up to a respectable price of 97 cents around 1952, then your sheep population increased and then immediately something happened. Down went the price from 97 to 54. Off went the number of sheep population. What I am trying to bring into this is some little past history which indicates to me that something desperate must be done if we are going to save what is left of the sheep industry, or they are going to be right where the lead and zinc producers are. Is that correct?

Mr. RIZLEY. I will say, Congressman HILL, while I have only been down there a short time, I have had a considerable number of meetings with every segment of the wool industry in this country. What you have said certainly represents their sentiments, that something has to be done; otherwise they are not going to be able to keep the mandate of this Congress to produce the amount of wool that Congress has said is strategic and necessary for our national defense.

Mr. HILL. How will this bill operate in paying the sheep producers? Does he have to wait for a year after he has sold his clip before he will receive his pay?

Mr. RIZLEY. I will let Mr. ImMasche answer that.

Mr. IMMASCHÉ. Under this program, the Secretary would announce the incentive price probably 8 months before the beginning of the marketing year. He would announce the price in the fall of the year when woolgrowers are shaping up their herds for next year's production. That price would apply for all marketing beginning for the marketing year April 1, until the next April 1.

Now then, after the year is over, if the reported farm price turns out to be less than the incentive price, then payments would be made at that time. So it is conceivable that the grower would have to wait as much as a year. But as long as you have the tariff and the domestic price of wool is

based upon the world price plus the tariff, we do not figure that these payments will amount to any substantial part of his total income. It might be 10, 20, or 30 percent; but he will have to wait as much as a year for that part.

Mr. HILL. The next question. I notice, from casually looking over your tables, that you do not have what has been going on with these section 32 funds. If I remember correctly—and you may put me straight if I am wrong—the tariff on wool has been producing more money than any other or any combination of other imports. Is that correct?

Mr. IMMASCHE. I would have to have the record on that, sir, but I imagine that could be so.

Mr. HILL. Then what has been going with those funds that we have been getting through all these years while the sheep men have been having real difficulties? How has the Agriculture Department spent the money that has been raised by the tariff on wool? Have the wool men not had any benefit of those funds whatever? If they have, I would like to know what it is.

Mr. IMMASCHE. Under the restrictions on the use of section 32 money, none of it has been made available for purposes like this. Some of it has been used, for instance, this last year for the purchase of beef to assist the cattle market during that period when we had heavy marketings of grass cattle. But there are definite limitations as to the way section 32 funds can be used.

Mr. HILL. That brings me to the next question that is wrong, I think, not with this legislation but the legislation to help the wool industry. That is, that the tariff money that has been raised from the importation of wool certainly should have been—a considerable amount of it at least—used to help the wool industry. The late Reed Murphy, who was a grand Congressman and who served for years on this committee, always insisted, in private conversation, that the money that was raised by the wool tariff should have been applied to the industry that raised the money. In other words, the wool people of these United States have been suffering because of imported wool; and yet the money that was raised by the tariff never benefited the wool people to any extent. Now, am I correct in that statement?

Mr. IMMASCHE. Sir, we would be glad to insert in the record what has been collected and what use has been made of section 32 funds. We do not have it here.

Mr. HILL. Will you do that for the record? I am very much interested in working on this from the standpoint of saving the wool and the sheep industry. They go together. We must protect them or one of these days we will be completely out of both lambs and the wool industry, too. Where I live we feed hundreds and hundreds of head of lambs. Our lamb-feeding industry is on the way up. We almost quit this year because of the lack of lambs on the ranges. That is because of the price of wool.

So it is important that we begin to do something for this, shall I say, stricken agricultural industry. So I am glad to know, Mr. Rizley, that you are back up here fighting to help us farmers pay our bills and keep our industry solvent.

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

Mr. HILL. I am through.

Mr. ANDRESEN. I just wanted to add my idea on this table that you are going to submit. Under the use of section 32 funds, will you make that an itemized table showing how each part of the section 32 funds was used and the commodity and the amount for which it was used?

Mr. IMMASCHE. We will be glad to get whatever is available, sir.

Mr. COOLEY. Will that also show from what source the revenue is collected?

Mr. ANDRESEN. Yes; I would like to have that, too.

Mr. HILL. That is correct. I had that in mind.

Mr. IMMASCHE. We may have to contact the Tariff Commission or the Department of the Treasury for that.

The CHAIRMAN. Of course there are a tremendous number of agricultural items. I think it will be satisfactory if you include only the larger items.

Mr. IMMASCHE. I know that we have certain summary information readily available; but if we try to get something else, it is going to take time.

Agricultural Marketing Service—Removal of surplus agricultural commodities—Estimated duties and import taxes collected by tariff schedules

Tariff schedules	Calendar year					1953 (through October)
	1948	1949	1950	1951	1952	
Chemicals, oils, and paints.....	\$14,252,477	\$10,635,456	\$23,132,738	\$25,748,718	\$20,708,726	\$22,531,547
Earths, earthenware, and glassware.....	15,320,506	16,219,703	21,934,881	31,663,266	29,568,624	26,837,947
Metals and manufactures.....	53,421,364	48,512,878	85,474,866	108,144,978	109,965,499	119,410,547
Wood and manufactures.....	4,623,999	4,563,886	8,513,952	9,866,184	10,133,764	11,332,616
Sugar, molasses, and manufactures.....	34,564,761	37,206,085	37,634,849	34,956,558	36,044,381	33,234,165
Tobacco and manufactures.....	23,784,290	23,521,845	19,534,035	20,483,865	16,758,305	14,340,278
Agricultural products and provisions.....	56,729,299	51,913,610	66,678,488	71,369,217	75,080,813	58,625,744
Spirits, woods, and other beverages.....	23,833,587	24,144,815	29,284,373	31,456,304	30,025,363	27,861,359
Cotton manufactures.....	6,224,481	5,376,191	9,741,665	10,874,834	8,984,279	10,169,020
Flax, hemp, jute, and manufactures.....	9,999,966	7,034,962	9,279,437	11,097,617	8,364,289	7,101,418
Wool and manufactures.....	81,409,809	58,039,722	94,293,824	103,170,493	103,622,707	66,719,810
Silk manufactures.....	6,258,108	5,670,351	8,952,893	9,672,478	9,076,695	7,349,873
Manufactures of rayon or other synthetic textiles.....	6,744,300	1,706,081	7,876,673	9,296,063	6,111,580	5,645,896
Pulp, paper, and books.....	3,442,239	2,199,444	2,691,116	3,672,590	3,677,355	3,973,118
Sundries.....	45,419,178	43,373,912	61,370,442	58,832,317	57,134,683	53,253,682
Free list commodities taxable under the Revenue Act of 1932 and subsequent acts.....	18,749,537	24,499,166	35,947,370	50,955,908	44,868,024	26,199,633
Total.....	404,777,901	364,618,107	522,336,602	591,261,388	570,062,087	494,586,653

NOTE.—From Bureau of Customs, Treasury Department, the amount of customs duties is calculated on the basis of reports of the Bureau of the Census showing the quantity and value of merchandise imported. These reports are confined to commercial entries, therefore, total collections are somewhat less than the actual collections reported by collectors of customs.

Production and Marketing Administration—Removal of surplus agricultural commodities (sec. 32)—Expenditures by commodity groups, fiscal years 1936-53

Fiscal year	Cotton	Dairy	Eggs and poultry	Fruits	Grain	Livestock products	Peanuts and products	Tobacco	Tree nuts	Vegetables	Miscellaneous	Total
1936.....	\$4,059,978.		\$198,604	\$2,439,281	\$5,764,307		\$306,550	\$1,090,213	\$1,289,188	\$1,707,599	\$40,462	\$16,896,182
1937.....	6,836	\$368,386	2,136,766	6,290,222	653,290	\$107,229		1,720,637	1,544,360	1,365,684	1,258,177	15,451,587
1938.....	133,829	5,876,612	1,726,868	17,330,045	13,812,962		2,301,818	1,555,838	1,611,723	7,942,674	1,958,852	54,251,221
1939.....	1,894,431	38,965,906	5,570,549	11,851,799	18,236,037			400,897	1,232,127	5,466,358	1,197,604	79,848,708
1940.....	49,472,402	17,884,220	15,489,520	25,557,097	44,302,278	25,826,388	699,353		1,408,633	3,685,463	883,117	185,208,471
1941.....	54,008,941	14,855,720	14,753,283	33,000,818	22,479,059	30,719,343	8,125,877		669,197	24,724,596	8,996,194	212,333,028
1942.....	12,238,044	29,379,618	25,977,967	29,967,124	29,155,316	14,221,175	462,200	367,361	1,830,902	35,394,445	3,745,120	182,739,272
1943.....	6,475,499	10,382,973	11,895,850	11,839,079	19,137,498	440,000	1,049,970	1,694,000	679,881	2,898,063	626,453	86,119,266
1944.....	1,319,636	3,610,624	5,883,402	1,242,780	1,314,938	367,194		2,708,475		6,403,824	239,269	23,090,142
1945.....	273,764		3,072,033	3,069,212	4,154,712					3,143,083	19,796	13,732,600
1946.....	18,586,865				3,751,462					7,948,508		30,286,835
1947.....	34,458,392		10,697,769	34,062	10,138,591					26,516,422		71,706,645
1948.....	2,482,582		19,713,194	19,543,631				8,546,500	1,133,820	21,099,758	822,158	73,341,643
1949.....	235,371	1,823,100	13,857,261	10,138,591	4,191,686		10,167,023		11,096,628	1,715,950	53,225,610	
1950.....	20,157	15,542,796	13,265,626	27,794,183	2,473,426		4,559,192		3,928,890	5,255,334	690,617	78,530,221
1951.....	289		5,107,626	23,453,264	7,094,364		876,074			226,552	1,567,375	33,325,514
1952.....		4,175,294	3,701,330	23,823,198		13,893,228			3,476,467	11,698	3,847,739	52,929,004
1953.....		22,059,056	27,181,441	13,859,717		1,382,188			1,040,000		4,304,585	69,826,987
Total.....	185,667,016	164,954,305	175,229,139	261,234,103	176,521,335	86,966,745	28,548,057	18,083,921	19,845,188	183,886,659	31,913,648	1,352,839,936

Production and Marketing Administration—Removal of surplus agricultural commodities (sec. 32)—Expenditures, by programs and commodities, fiscal years 1936-53

Commodity	Stamp plans	Purchases	Diversion	Exportation	Total	Commodity	Stamp plans	Purchases	Diversion	Exportation	Total
Almonds			\$1,713,431		\$1,713,431	Milk		\$37,750,688	\$13,246,524	\$112,426	\$51,109,638
Apples (canned, dried and fresh)	\$10,781,000	\$61,192,983	14,300	\$9,462,460	81,451,743	Oats, rolled		3,401,290			3,401,290
Apricots (dried)		1,155,002		143,663	1,298,665	Olive oil		442,616			442,616
Beans (dry, lima and snap)	12,644,843	12,439,746			25,084,589	Onions		2,928,946			2,928,946
Beef		1,489,417			1,489,417	Oranges (fruit and juice)	\$12,924,186	19,581,789	601,405	18,466,397	51,573,777
Beets		1,012,940			1,012,940	Peaches	2,269,000	7,645,676		102,928	10,017,604
Blackberries		134,600			134,600	Peanut butter		1,705,665			1,705,665
Butter	26,188,453	83,904,601		32,708	110,125,762	Peanuts			11,240,103	15,602,289	26,842,392
Cabbage		4,712,398	425,752		5,138,150	Pears	1,957,000	8,162,055	486,203	1,327,625	11,932,883
Carrots		1,247,785	65,710		1,313,495	Peas (canned, dried, and fresh)		2,270,845			2,270,845
Cauliflower		119,880			119,880	Pecans		3,330,517		514,843	3,845,360
Celery		481,092			481,092	Pineapple		52,840			52,840
Chard		258			258	Plums		506,368			506,368
Cheese		3,718,905			3,718,905	Pork products	36,079,000	29,755,215		141,620	65,975,835
Cherries		2,227,623			2,227,623	Pork and beans		2,050,062			2,050,062
Citrus (juice and salad)		34,062		83,734	117,796	Potatoes, Irish	18,316,000	51,250,488	34,569,208	1,881,315	106,017,011
Coffee			622,354		622,354	Potatoes, sweet		3,746,481	189,514		3,935,995
Corn		94,949		758,466	853,415	Prunes (dried and fresh)	4,129,740	16,453,432	2,470,778	13,497,390	36,551,340
Gormmeal	8,623,000	9,498,413		12,623	17,334,038	Raisins	1,957,000	9,997,826	1,637,768	19,554,844	33,147,438
Cotton	24,017,000	46,490,384	16,329,915	98,629,517	185,667,016	Rice	1,396,000	5,191,736		25,200	6,612,936
Cottonseed oil		1,705,862			1,705,862	Shortening, vegetable	99,000	15,107			15,107
Cranberries		1,187,303			1,187,303	Sorghum, grains			26,386	5,998,307	6,024,693
Dates			345,279	33,777	379,056	Soup		926,625			926,625
Eggs	43,568,415	81,061,999		17,225,567	141,855,981	Spinach		277,040			277,040
Figs		1,388,431	938,245	281,056	2,607,732	Squash		135,886			135,886
Filberts		223,602	307,118		530,720	Sugar, beet		110,951			110,951
Fish		1,159,723			1,159,723	Sirup		361,608			361,608
Flax fiber			189,736		189,736	Tangerines		1,081,272			1,081,272
Flaxseed				5,447,985	5,447,985	Tobacco			9,533,540	8,550,381	18,083,921
Grapes		463,503			463,503	Tomatoes		3,807,920			3,807,920
Grapefruit (fruit and juice)	3,483,000	21,401,180		1,199,609	26,083,789	Turkeys		33,373,158			33,373,158
Greens		32,313			32,313	Turnips		7,668			7,668
Hominy grits	1,449,000	2,010,406			3,459,406	Vegetables, miscellaneous	30,970,167	5,763			30,975,950
Honey		8,491,593	18,363	2,815,384	11,325,330	Walnuts		1,450,124	9,940,518	2,365,035	13,755,677
Hops			664,839		664,839	Watermelons		599			599
Kale		26,674			26,674	Wheat		5,555,941	8,034	16,177,084	21,741,059
Lard	7,024,000	12,290,342			19,314,342	Wheat cereal	1,248	4,545,739			4,546,987
Lemons (fruit and juice)				396,055	396,055	Wheat flour	38,694,422	37,731,300		30,568,753	106,994,475
Linseed oil				388,902	388,902	Other		12,075,811			12,075,811
Loganberries		22,117			22,117						
Meat, miscellaneous		177,151			177,151						
						Total	285,972,494	669,284,484	105,785,013	271,797,945	1,332,839,936

Let me say that as far as round figures are concerned we only produce about 32 percent of the entire amount of wool consumed in this country.

We have gradually and gradually—and we have the figures here—reduced the production of our flocks of sheep until we are doubtful whether we ever can reach the 300 million pounds as provided in this legislation. If you leave the date in the legislation as presented here and not strike it out, it simply means that you will have two clips. I do not know whether all of you know what a clip is, and I am not going to tell you except that is what the farmer sells off the sheep ranch for one season's clip. In the early part of the summer he turns these sheep out on the ranch, so we have provided in this legislation that it shall contain the protection or direction of the price that the Secretary shall pay for wool for two clips only, and then it disappears and that is the end of it. There is not a bit of use setting up section 32 funds to pay the wool producers of this country their proportion, shall I say, or percentage of these section 32 funds that requires no appropriation without setting it up for a longer period of time, because you cannot do anything about producing sheep for wool clips in even 2 years. It takes time, because you do not get the type of wool I am speaking about except from your ewes, and it takes some time to set up and produce a herd or flock of sheep.

I hope you will pay attention to this amendment. It is not difficult to understand, and I cannot understand how anyone could be against it.

I notice my friend from Texas on his feet. He probably knows more about wool and sheep than I ever could learn, and I yield to the gentleman from Texas.

The CHAIRMAN. The time of the gentleman from Colorado has expired. Mr. HILL. Mr. Chairman, I ask unanimous consent to proceed for 3 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Colorado?

Mr. HOFFMAN of Michigan. I object, Mr. Chairman.

Mr. AUCHINCLOSS. Mr. Chairman, in view of my previous statement, I will have to object.

Mr. YOUNG. Mr. Chairman, I rise to support the amendment offered by the gentleman from Colorado to strike the time limitation on the provisions of the agricultural bill relating to wool. It has been pointed out here this afternoon by those who spoke on this subject that the wool industry is in a unique position among the agricultural items here under consideration, and that these unusual conditions make necessary a different legislative approach.

First, I would like to point out to the Members that wool is not one of the surplus crops presenting a problem to the national economy. Indeed, in the last few years we have produced only one-third of domestic requirements. It was felt that in the interest of national security domestic production should be increased to 300 million pounds per year. To accomplish this will require an increase in the number of sheep in this country. The arbitrary limitation pro-

viding for the termination of this program on March 31, 1956, and which the amendment is designed to strike, is an obstacle to the expansion of the number of sheep necessary to produce that amount which is felt essential to national security.

It is my understanding that in the legislation as provided by the Senate there is no termination date. I feel that to accomplish the increased yield which is the purpose of this new approach to wool production the time limitation should be stricken from the bill, and I urge the adoption of this amendment.

Mr. ENGLE. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. ENGLE. Mr. Chairman, I am in hopes that the amendment by the gentleman from Colorado [Mr. HILL] will be adopted. It has the effect of striking the 1-year limitation on the operation of the wool program, and making that program continuous until changed by Congress. The trouble with the 1-year limitation is that it in a very material way destroys the effectiveness of the wool program put in effect in the bill. The purpose of that wool program is to provide an incentive for the production of wool. That cannot be done on a program which is only continued for 1 year and thereafter may lapse or be continued in a different form. Raising of sheep for wool production is not an annual crop. It takes at least 3 years

to get a band of sheep into good wool production. No wool grower could breed and raise a lamb for production of wool in the time limit established in this bill. Moreover, no sensible wool grower would on the basis of a 1-year program make the necessary investment to increase his band with the present limitation in the bill. When he got his money into the band the program next year might be changed and he would be left financially out on the limb. As a consequence, I say again that the time limitation on the program in the bill in effect destroys the purpose of the program itself. Furthermore, it doesn't even represent a fair trial run because the wool growers will not make a trial run on the basis of such a limited program. The situation therefore boils down to the proposition that including this limitation for all practical purposes fatally limits and impairs the wool program which everybody agrees should be put into effect. The members of this distinguished Committee on Agriculture evidently thought so because they put wool in the bill. The President recommended a wool program, but without a time limitation, in his message to Congress on agriculture. Therefore, everybody agrees that it is a necessary program to put into effect. I therefore urge that you support the amendment which would take out the limitation which has the effect of destroying what everybody has clearly indicated is intended to be done.

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

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

Mr. FISHER. I yield to the gentleman from Kansas.

Mr. HOPE. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments there-to close in 10 minutes, with the last 3 minutes reserved to the committee.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

Mr. POAGE. Mr. Chairman, reserving the right to object, may I suggest to my chairman that this is one of the most important amendments, from my standpoint. I certainly would like to have at least 5 minutes to discuss this matter. I think we are just fixing to break down something here.

Mr. HOPE. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HOPE. The gentleman from Texas [Mr. FISHER] has been recognized, and I am assuming that it will be 10 minutes in addition to the time that the gentleman from Texas will have.

The CHAIRMAN. The gentleman from Texas [Mr. FISHER] was recognized and yielded to the gentleman from Kansas, so that his time will not come out of the 10 minutes requested.

Mr. COOLEY. Mr. Chairman, further reserving the right to object, I would like to make an inquiry of the chairman of our committee. Does the chairman intend to speak in opposition to the

pending amendment? If not, I would like to speak.

Mr. HOPE. I intend to speak in opposition.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. FISHER. Mr. Chairman, I do not intend to take all the 5 minutes. In fact, if I could have had the opportunity to ask the gentleman from Colorado a question or two, I do not think I would have asked for any time at all. I do want to comment on this particular issue which has been brought up. First, this deals with the administration's wool program presented to Congress some time ago. It was heard in the Senate and a bill was passed in the Senate, with, I think, 16 dissenting votes.

If the gentleman's amendment which is now before the committee is adopted, you will be in conformity, so far as the time element is concerned, with the bill already passed in the Senate, and which was referred to the Committee on Agriculture.

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

Mr. FISHER. I yield.

Mr. POAGE. If we do that, then we will not be in a position to consider this matter in the conference, is that right?

Mr. FISHER. I think the gentleman is right.

Mr. POAGE. You will then tie the hands of the conferees so, no matter what we do in regard to other commodities in this bill, the conferees will be tied on wool and nothing else.

Mr. FISHER. Tied with respect to the period of time that the program will run. I think this has got to be decided on a question of merit. The matter should be decided on the question of whether it is a meritorious proposition or not, whether this should be a permanent program or a patched-up program from year to year. I take the committee's word for it that this is planned as a permanent program. The whole philosophy of it is that it is an incentive program over a period of years. You cannot have an incentive program based on that philosophy, if the matter is to be dealt with from one year to another.

If this is to be a permanent program, then, of course, this amendment should be adopted. If it is not the idea to have it a permanent program, then it should not be adopted. It is just that simple. Here is what the committee said about it on page 22 of the committee report:

The committee hopes and believes that it will provide a relatively permanent solution to our wool problems.

That refers to this program. That is from the committee report.

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

Mr. FISHER. I yield.

Mr. COOLEY. I want to ask the gentleman if he does not think that this is an experiment and that it should be restricted. The gentleman knows that this is the Brannan plan for wool. We are trying to encourage production of wool. It is not limited to 80 percent or

90 percent or 99 percent or 110 percent or 120 percent of parity. That is the fact, is it not?

Mr. FISHER. No, I do not think Secretary Brannan originated this. I have to disagree with the gentleman. I would like to make that clear. Your hearings remove any doubt about it. In 1946 the Special Committee for the Investigation of Production, Transportation, and Marketing of Wool introduced in the Senate a bill which provided for direct payments in a wool-support program, and for the use of tariff revenues in reimbursing the CCC for that cost. An identical measure was introduced in the House by Congressman Granger, of Utah, and it was referred to the Committee on Agriculture.

CLINTON ANDERSON was then Secretary of Agriculture. He signed a report in 1946 approving this method of supporting wool prices through the direct payments by the CCC and the reimbursement of the CCC through the use of wool tariff revenues.

Then, in the Agricultural Act of 1948, according to the hearings, the 80th Congress gave authority for direct payments as an alternative method of supporting prices. This method was rejected for wool by the then Secretary of Agriculture, Mr. Brannan.

Moreover, when the so-called Brannan plan was finally submitted, it included many factors not involved in the wool plan. It called for controlled size of farms, units of production, and gross income limitations. It also called for incentive or directive payments. But that was but one of the factors in the Brannan plan. It is therefore obviously incorrect to refer to this program regarding wool as the Brannan plan. That simply is not the case.

Mr. COOLEY. It was never before the House heretofore, was it?

Mr. FISHER. It was before your committee on agriculture.

I want to point out that I am not here either praising or condemning this program. I am simply saying that if we are going to have this program, which is an administration program, we ought to treat it as a permanent and not as a temporary thing. I am not saying it is a wise program or that it is an unwise program. I am simply saying that a sensible wool program in this country, whatever it is, cannot be very desirable if it is on a piecemeal, year-to-year basis. In the very nature of the industry, it calls for long-range planning. And that is why the pending amendment should be adopted.

The CHAIRMAN. The time of the gentleman from Texas [Mr. FISHER] has expired.

(Mr. HARRISON of Wyoming and Mr. YOUNG asked and were given permission to yield the time allotted to them to Mr. PHILLIPS.)

The CHAIRMAN. The Chair recognizes the gentleman from California [Mr. PHILLIPS].

Mr. PHILLIPS. Mr. Chairman, I thank the gentlemen who have yielded me their time. I am going to try to make this very brief, because to me it is very simple. I ask for an "aye" vote upon this amendment. This is not a

complicated question. It is a very simple question.

This amendment refers not only to the wool supply that we may need, in peace and in war; this is also a question of meat, of lamb chops. You cannot, as some of our friends from the cotton States do, plan the production from year to year in the sheep industry. You must plan well ahead of time. The Senate has sent us a bill without this limitation in it.

It seems to me we should treat it realistically and say, "Here is a commodity which cannot conform to this limitation of time, and realistically we should lift it. There is another reason and it has nothing to do with the commodity itself, that is, wool as opposed to something else, but with the time limit, because wool is a very necessary commodity in American industry. It has had very difficult times and is attempting to pull itself out of those times. It is in effect the innocent bystander in many of the discussions that are being held here on the floor regarding other commodities. If we put in here this arbitrary limitation which was not in the Senate bill, then we have given wool a termination date along with other commodities which are highly controversial, and where wool should not belong. So in the simplest fashion, I ask you as a realistic treatment of an American commodity which supplies us with both wool and food to lift the limitation that was imposed in this bill and make that part of the bill conform to the bill as it came separately from the Senate. I ask for an "aye" vote.

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

Mr. PHILLIPS. I yield to the gentleman from California.

Mr. SCUDDER. I appreciate very much the statement the gentleman has made. I know the wool situation will be taken care of in this amendment and join in the support of the amendment proposed by Mr. HILL, the gentleman from Colorado.

Mr. PHILLIPS. I thank the gentleman.

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

Mr. PHILLIPS. I yield to the gentleman from California.

Mr. HUNTER. I also rise in support of the amendment introduced by the gentleman from Colorado.

Mr. Chairman, limiting the program to the period April 1, 1954, to March 31, 1956, is contrary to the intent of this measure as expressed in section 312 of subtitle D—Wool, which states:

It is hereby declared to be the policy of Congress, as a measure of national security and in promotion of the general economic welfare, to encourage the annual domestic production of approximately 300 million pounds of shorn wool—

And so forth.

The proposal now being considered is designed to create an incentive for an increase in wool production in the interest of national security. We are now producing only 225 million pounds annually. That is far below our domestic needs in peacetime, let alone wartime requirements.

To increase wool production in this country takes long-time planning and a great deal of capital investment. A lamb, for example, cannot be a substantial wool producer in a year.

Mr. Chairman, in my opinion this limitation mitigates against the very purpose of the measure, namely, to increase wool production in the United States.

The CHAIRMAN. The Chair recognizes the gentleman from Montana [Mr. D'EWART].

(By unanimous consent, Mr. Coon was given permission to transfer the time allotted to him to Mr. D'EWART.)

Mr. D'EWART. Mr. Chairman, I rise in support of the Hill amendment because we are here dealing with a critical and strategic material, wool. It was because of the lack of wool in the Germans' uniforms that they lost the Battle of Stalingrad. Here we have a material necessary to our country that has decreased in production from 75 percent of our domestic needs to less than a third at the present time. We propose in this amendment to extend support to the wool industry so that the sheepmen of the country can produce this critical and strategic material.

I think it is important that this amendment be adopted because the time that is provided in the bill will not give the incentive necessary to the industry. It has been recognized by the Congress that we should produce at least 300 million pounds of wool in this country.

That was done by an act of this Congress, and in order to produce that 300 million pounds, we must have a firm, established program. The adoption of this amendment will carry out a previous directive of this Congress. It is exceedingly important that this amendment be adopted so that we can have a strong program which will produce this critical and strategic material.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. YATES].

Mr. YATES. Mr. Chairman, I am inclined to oppose this amendment. I believe that in view of the fact that the program is an experimental one, it should not become permanent law. The Senate version of the bill makes that provision. This bill should go to conference and in the event that the termination should be postponed, the conferees can agree upon such a later date; but treading a new and uncharted field as this program proposes to do, we should not attempt to freeze what may be a very undesirable program into permanent farm legislation, which is what will happen if this amendment is accepted.

The CHAIRMAN. The Chair recognizes the gentleman from Utah [Mr. STRINGFELLOW].

Mr. STRINGFELLOW. Mr. Chairman, the treatment of wool should be on a special basis because of the special situation in which it finds itself. Wool cannot be treated equally with the other commodities because it is not in an equal situation. What are the tangible aspects of the program which the President has offered? President Eisenhower

in recommending the wool program listed them as follows:

1. It will encourage efficient production and marketing coupled with further advantages of avoiding the need for governmental loans, purchases, storing and other regulations and interferences with the market.

2. It will require the minimum of governmental interference both with producers and processors.

3. It will entail a minimum of cost to the taxpayers and consumers and

4. It will align itself compatibly with our overall foreign and international trade policies.

Therefore, I ask for favorable consideration of the amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. HOFFMAN].

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

Mr. HOFFMAN of Michigan. I yield.

Mr. HILL. Under this bill, as we had it explained to us, Mr. Chairman, the Secretary does not buy a single pound of wool. He can do it, but that is not the intention. He is supposed to use the section 32 funds to bring the total or snail I say the domestic price of wool up to at least parity. That is all—as high as he can bring it—up to a point where the wool producers receive a comparative price per pound as determined by the Secretary.

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. POAGE].

Mr. POAGE. Mr. Chairman, this is not a question of whether you are going to give wool the benefit of the Brannan plan or not. The bill provides that, and it is the Brannan plan, regardless of what anybody tells you. Every intelligent person here knows it is. The payments are directly out of the Commodity Credit funds and not out of section 32 funds. They are compensatory funds. I am not objecting to it. I think wool is entitled to consideration, but this certainly is a new and strange and untried program. We are limiting every other commodity here to 1 year. You just voted on dairy products and they were limited to 1 year. The supports on basics are limited to 1 year. We are limiting all the rest to 1 year.

Now, this is the most untried program of them all. Why should we make this thing permanent this year when there is nobody here who knows how it is going to work out.

The CHAIRMAN. The time of the gentleman has expired.

The gentleman from North Carolina [Mr. COOLEY] is recognized.

Mr. COOLEY. Mr. Chairman, I agree with the observation just made by the gentleman from Texas [Mr. POAGE]. He and I perhaps are in a better position to vote for this wool provision than any other Members of this House, because it will be recalled that he and I brought out a trial-run bill in 1949, and it contained this very provision. The bill I refer to was for wool, eggs, and potatoes, three commodities on which we had lost large sums of money. We have already lost more than \$90 million on wool. I am willing to have a reasonable trial

run on wool to see what can be accomplished, but we need not delude ourselves, because the Secretary can still support the price of wool at more than 100 percent of parity if he wants to.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

The Chair recognizes the gentleman from Kansas [Mr. HOPE].

Mr. HOPE. Mr. Chairman, the provision which would be deleted from this bill by the amendment offered by the gentleman from Colorado [Mr. HILL] was put into the bill after considerable discussion and consideration by the committee. The wool section of this bill is a new and untried proposal. I think we are justified in asking that we use this period as a trial run and see how it works. I hope it works all right. I am in favor of the proposal as a temporary one until we can see how it operates. It involves the use of payments, which has always been a controversial subject as far as agricultural legislation is concerned. While I have never been one who has contended that we should not use payments on occasion, yet I think they should be used sparingly, and we should be sure that we know what we are doing when we do use them. For that reason I think this amendment should be defeated. This bill will go to conference, and if it is necessary or desirable at that time to increase the time, then of course we can take care of that in the conference.

I urge that the amendment be rejected.

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

Mr. HOPE. I yield to the gentleman from Utah.

Mr. STRINGFELLOW. I would like to ask just how we can offer the wool industry an incentive program on a trial-run basis. You are defeating the very purpose for which you brought out the legislation.

Mr. HOPE. This is in effect for 2 years. We put a similar limitation on the dairy provision, and I see no reason why we should not also apply it to the wool program.

Mr. HAGEN of California. Mr. Chairman, we in the West are painfully aware of the problems which beset the sheep people and the economic chaos which threaten if action is not taken now to stabilize the industry. We are better aware of the situation than Members from other parts of the country because we have observed at close hand the uphill battle which the sheepmen have been waging during the last several years. Many sheepmen right now face financial ruin unless the program recommended in this legislation is instituted with a reasonable assurance it will not be soon terminated.

Yet, despite the fact that wool has been recognized as vital to our defense efforts and despite the fact that the committee has offered elements of a sound program to stabilize the industry, we have in the bill which is before us a provision which would render that program completely ineffective. The sheepmen cannot live with a 1-year limitation on the program. The raising of sheep to produce wool

cannot be done over a 1-year period. By the same token and for the same reason the Government cannot live with such a limitation. The intention of the wool industry in offering the wool program was to stabilize the industry so sheepmen could look to the future and plan the wool production which is needed so desperately for defense.

I cannot conceive of this body deliberately destroying the well-thought-out wool plan by imposing this limitation. That is why, Mr. Chairman, I am urging an aye vote on the amendment to lift the 1-year restriction.

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

The question is on the amendment offered by the gentleman from Colorado [Mr. HILL].

The question was taken; and on a division (demanded by Mr. D'EWART) there were—ayes 39, noes 79.

So the amendment was rejected.

Mr. HOPE. Mr. Chairman, I would like to see if we can arrive at an agreement on time for concluding debate on the bill. I therefore ask unanimous consent that all debate on the bill and all amendments thereto close at 3:20.

Mr. COOLEY. Mr. Chairman, reserving the right to object, would the gentleman move that back to 3 o'clock?

Mr. HOPE. The gentleman from Kansas knows there are a number of amendments at the desk and does not want to crowd this thing too closely. I am just as anxious to get through as is the gentleman from North Carolina.

The CHAIRMAN. The Chair is informed that there are 10 amendments at the desk.

Mr. COOLEY. I have no objection to the 3:20 limit.

The CHAIRMAN. Will the gentleman from Kansas restate his request?

Mr. HOPE. Mr. Chairman, I ask unanimous consent that all debate on the bill and all amendments thereto close at 3:15; I will move it back 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

There was no objection.

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

Mr. Chairman, I think, if I might have the attention of the Committee, I will not take the full 5 minutes that are allowed me. I wish to call attention to two things for the attention of my colleagues.

First of all, I want to say that this has been a very difficult bill. I think the House has eventually worked its will. I trust that the product of this effort will meet with the approval not only of the producers but also of the consumers.

I have been a little disturbed the last few days by the evident and apparent break in the ranks between the various segments of agriculture. There has been a tendency for certain segments of our agriculture to complain about the fact that they are dependent for feed grains upon a commodity that is supported or which is the backbone of most of the feed grains or prepared feed, that the users are selling on an unprotected mar-

ket, yet they have to buy the grain at a protected price.

I want to relate a little incident that will illustrate the case. It happens that in the general New England area let me say—and I want to say that a great deal more frequently comes out in informal discussion after the formal hearing than comes out in the formal hearings themselves, and it happened that way in this instance, because finally those folks proclaiming against support on corn unofficially, as we were discussing it afterward, said quite frankly that the price of feed was a factor taken into consideration when the price of their milk was determined under the milk-marketing agreement, and that if the price of corn were cut in half that the lesser cost to the producers would be taken into consideration and would be reflected in the price of the milk product they had to sell. So I think that should clear up this matter.

There is one other factor that I want to mention. We have in here a provision which was stricken by the committee through amendment to provide for a referendum in 1955 for the corn producers. That amendment was stricken because it was felt that since all of the other commodities were being restricted to 1955 that a so-called referendum would give the corn grower an advantage over the others. There was some justice to that, and it was stricken from the bill.

I want to offer three different points to remind you of the differential that pertains to corn as compared with other basics. First, corn has not been a problem crop; second, corn does not get, except to a very limited extent, into commercial channels. It is not a problem from the standpoint of Government loans that these other basic commodities are. And, third, corn has great flexibility in its use.

Because of those factors and because of the fact that since 1938 acreage allotments, not even marketing quotas, have been proclaimed but once, it felt this would give a very excellent opportunity for the farmers themselves to voice their sentiment with regard to whether they wanted acreage control and support price or whether they wanted none. I think the referendum would have been a fair and equitable one. I have certain convictions as to how it would have gone and it might have been a surprise to you. But that is neither here nor there. I think the referendum feature should have been left in the bill and I am hopeful that at some time we will have an opportunity for this great segment of our agriculture to have a referendum on the subject.

The CHAIRMAN. The Chair will state that at the time the agreement to terminate debate at 3:15 was entered into, there were 22 Members on their feet. The Chair understands that no specific agreement was made regarding division of time and unless there is objection the Chair will divide the time equally among the 22 Members.

Is there objection to dividing the time equally among the 22 Members who were on their feet at the time this arrangement was entered into?

Mr. JONES of Missouri. Mr. Chairman, reserving the right to object, unfortunately I was out of the Chamber eating a little lunch at the time the agreement was made. I have been waiting to get a minute or two, and I ask unanimous consent that my name be included on that list of 22.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. SIMPSON of Illinois. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. SIMPSON of Illinois. Mr. Chairman, what about an amendment that has been on the desk for 2 days?

The CHAIRMAN. The gentleman may offer his amendment.

Mr. ROOSEVELT. Mr. Chairman, reserving the right to object, will the Chair call the 21 or 22 Members in the order of those who have amendments?

The CHAIRMAN. The Chair will call the names of those having amendments to offer first and others afterward, unless they signify a desire to use the time to debate a pending amendment.

Is there objection to division of the time in the manner the Chair has suggested?

There was no objection.

Mr. MARSHALL. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MARSHALL. Mr. Chairman, has a request been made for Members to extend their remarks in the RECORD?

The CHAIRMAN. I think no such request has yet been made.

Mr. MARSHALL. Mr. Chairman, I ask unanimous consent that all Members may have the privilege of extending their remarks in the RECORD on the pending bill.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. VURSELL. Mr. Chairman, for several years the six basic farm crops have been operating under a price support of 90 percent of parity. These supports were made high and rigid during the war to increase farm production, so that we could help to supply food for the nations of the world, most of which were at war.

We encouraged the farmers to greatly expand their production, and they did it. In the past, I have been a supporter of 90 percent of parity. My last vote 2 years ago was to continue 90 percent of parity, up to and including this 1954 crop year. However, the bountiful crop yields we have had during the past few years coupled with the stopping of the war in Korea have caused our exports to be reduced and due to the fact that England, Germany, Holland, Belgium, Turkey, France, and the other nations have greatly increased their farm production. These increases have reduced our export of farm production abroad.

Now we are faced with surplus crops in which the Government, through the Commodity Credit Corporation, has an investment of about \$6,500,000,000, and

the big crops which are being harvested this year may increase our surpluses to the extent where we may have \$8½ billion of the people's money taken from them in taxes, tied up in hoarding these surpluses.

May I point out that it is costing the United States Government about \$700,000 a day to provide the storage alone.

With the close of the war in Korea, there has been a cutback in industries manufacturing munitions of war of every kind, yet, I am sure this Congress would not take the position that the Government should continue to buy all of the munitions of war that could be produced, just in order to keep men employed and business going at full speed.

I am sure this Congress would not support legislation that would provide that the Government should buy and store all of the excess automobiles that industry could manufacture, in order to keep those businesses prosperous.

These illustrations may be a little overdrawn but they serve as a comparison with reference to the farm problem.

Mr. Chairman, I realize that the general prosperity of the country rests to a considerable extent on a prosperous agriculture. I feel certain that no Member on the floor of this House is more generally interested in the welfare of the farmers than I am, and certainly I would not knowingly vote against the interests of agriculture, because it is so important to the economy of our Nation.

Mr. Chairman, I was born and reared on a farm; have been a member of the Farm Bureau for 40 years; have owned and operated farms most of my life. I doubt if there is a group of citizens in the United States who have worked so hard and so long as have the farmers. I think there is no group of citizens who have made quite so great a contribution to the economy of our country, and to the solid political thinking of our country, in helping to direct the affairs of our Government, as have the farmers of these United States.

I feel sure we all want to do what we think is best in this critical time in the interest of the farmers.

I do believe as the Farm Bureau Federation leaders and the Members generally do, that these tremendous surpluses hanging over the agricultural market are forcing prices down and are doing great damage to the farmers now, and that unless we make a move in this legislation to reverse the surplus trend, they may wreck the future of the farmers and do great damage to them and to the economy of the Nation.

Mr. Chairman, in an effort to get the thinking of the farmers on this legislation, I personally addressed a letter to many farmers in every county in my district asking them whether or not they favored continuing the 90 percent of parity, or whether they favored a 75 to 90 percent flexible program. The replies I received were heavily in favor of adopting the flexible program. That was early in the year. Later on hundreds of farmers have written me urging that I support the 75 to 90 percent of parity.

The best information I can get from farmers in my district would lead me to

believe that they are at least 60 percent for a flexible program as against probably less than 40 percent for continuing 90 percent of parity.

Now the compromise before us is, shall we adopt a flexible program ranging from 82½ percent parity to 90 percent of parity. This, of course, will not meet with the approval of most of the farmers who insist that something must be done to stop the piling up of surpluses who want the 75 to 90 percent flexible program. The temper of this Congress have proven that there is no chance to get enough votes for the 75 to 90 percent program to enact it into law. That is the reason that this compromise has been brought to the floor of the House by Congressman HALLECK, the Republican leader, after having a conference with the President.

Mr. Chairman, we understand now that this program has been approved by the President who believes that a start must be made to reduce farm surpluses and give the law of supply and demand some opportunity to help bring about such a reduction of surpluses.

This amendment sets a reasonable minimum of 82½ percent below which we cannot go in the coming year. I am supporting this amendment because I believe it will be in the best interest of the farmers, in the best interest of our Nation and that a halt must be made now against the continuing mounting surpluses which are doing great damage to the farmers now, and will doubtless do much greater damage to the farmers in the future unless this legislation is passed.

We had a year's supply of wheat hanging over us—we are going to get another year's surplus this year and the crop is bountiful as all farmers know. We cannot store the wheat only in part. We may find that wheat and soy beans will have to be stored in the open on the ground before this harvest is over. We have millions of bushels of wheat stored, much of it in victory ships in the Hudson River now where it has to be turned over every day to keep it from spoiling.

Where do the Members of the House who insist on rigid price supports think we are going to come out? Certainly the problem is serious. It is time to stop, look, listen and it is time for the Members of this House to have the courage to do what they think is best for the farmers and the economy of the Nation.

No one argues that the flexible system is the complete answer to the problem; I wish it were, but it does seem to me that the farmers cannot get hurt seriously if we adopt an 82½ percent to 90 percent flexible program and I am convinced in the long run it will be of great benefit to the farmers. That is why I am supporting this legislation. If I believed it would not benefit the farmers of our Nation I would continue to vote for 90 percent of parity as I have in the past.

Mr. NEAL. Mr. Chairman, had the gallery seats in the House of Representatives been occupied by rank-and-file American dirt farmers during the discussion of the farm bill, no doubt the loudspeakers from the well of the House would have been silenced by outbursts

of chuckles and roars from men who know more about the problems of the farmers than many of us do.

I dare say that few farmers who read this day's proceedings will be much impressed by the sincerity of some of these arguments.

Most farmers are hard-headed realists. They have learned the hard lessons of farming from direct association with its varying and unpredictable problems since childhood. They have learned that working with the soil keeps them closer to their Maker than any other occupation. They believe that success comes from following the slogan: "We trust in God but work like the Devil."

And because they understand practical farming, they become fundamentalists. They prize their independence and glory in their freedom. They evaluate their profits without boasting and accept their losses with an abiding faith that next year's crops will compensate. They constitute the hard-working, self-sacrificing, God-fearing core of our civilization.

Sensible citizens that they are, they realize the impracticability of present farm policies that return them temporary gains on overproduction growing out of wartime demands, and, naturally, they are loath to give up their price guarantees unless and until the general commodity price structure is equalized in terms of farmer income.

They are equally aware that the Nation's economy simply cannot long endure when the consuming public is stripped of its income by buying the products of his farm twice—first with his taxes and second when he purchases it for his table.

He knows that eventually accumulated surpluses, waste and spoilage will completely destroy public sympathy for any kind of support prices for his products.

Being thoroughly human, he cannot be blamed for planting every available acre when assured it will return a profit. But, again, being human, he will not willingly accept total regimentation that places him at the mercy of Government bureaucrats appointed to police his every act.

The farmer is not being fooled by vague promises that increased home consumption and foreign shipments can prevent accumulations of surplus foods as long as high price supports guarantee a profit to tempt further overproduction.

My source of information, the farmer himself, convinces me he prefers price adjustments carefully timed and regulated as a means of preventing unwieldy surpluses to the only alternative, complete Government control, not only of prices but of production as well.

Let us pass this bill as amended to favor flexible farm price supports with confidence that our agriculturalists, the intelligent and independent group of our national economy, will welcome the opportunity to cooperate freely in their endeavor to eliminate this troublesome problem of an ever-increasing accumulation of surpluses.

No nation on earth has responded more readily and more generously to

relieve disaster befalling the people of the farm areas in times past than ours, nor has any group of our citizens shown more competence than the farmers when called upon to meet the needs of emergencies.

The Congress must recognize, however, that the farmers of our country are entitled to and will insist upon protective legislation when circumstances beyond their control threaten to prevent them from receiving their fair share of the Nation's economy.

The American people, aware of the fact that their welfare depends upon the farmers' economic well-being, will never let them down. This bill, establishing flexible price supports, will strengthen the mutual interdependence of both producers and consumers and will halt the uneconomic waste of the resources of the land now going into unusable surplus products.

Mr. HAGEN of California. Mr. Chairman, I would like to comment briefly on this bill and my proposed actions with respect thereto and make some general observations about farm programs.

It is my intention to vote against the Harrison amendment to this bill. At the outset of the discussion of the committee bill we were confronted with a fairly clear-cut issue of flexible versus rigid price supports for a limited number of crops. This issue has now become lost in the fog of politics by the adoption of a compromise which most certainly contains none of the asserted virtues of a flexible program and radically departs from the virtues of a rigid program. I refuse to be taken in by any such compromise and will vote for extension of the present program in this aspect of the support law. Parenthetically, I may say that I have not received a single communication urging my support of this political compromise.

Should the compromise prevail, I still must support the legislation, because it is a hard fact that the bill contains many virtuous features, and time does not exist to secure their enactment in a separate package. The wool program which has been endorsed by our western ranchers is in the bill. A new law with respect to marketing agreements, including features for the protection of our producers of perishables, is contained therein. The dairy farmers are afforded relief from their present situation. There are other examples of a wholesome approach to agricultural problems in this bill.

We witnessed a refreshing action here yesterday, to wit, the support given the farmers' position by the gentleman from New York [Mr. CELLER] and other Democratic Congressmen from New York City. Their action was a tribute to their statesmanship and their knowledge of the principles of sound farm economics and sound economics for the Nation.

The farm program which has been constructed over the last 20 years is not a program of relief for farmers. If it is in any sense a relief program it is a relief program for the whole Nation. It is a recognition of the fact that farm depression or prosperity is the key to general depression or prosperity and that steps should be taken to supply the farm-

er with an adequate tool to rationalize his production and selling to eliminate the disadvantage he suffers in a market which has pretty generally become a managed market for all other equally important producers and sellers.

It can be demonstrated that this Government tool has not cost the consumer 1 penny. In fact it has protected him against the huge speculative profits which occur in commodity marketing of products which are either in a state of glut or shortage. A glance at the present price of coffee bears out the validity of this conclusion. The programs of price support have not cost the taxpayer money either. The better distribution of commodity income and the stimulus given to a high level of economic activity on the farm have resulted in a return of taxes to the Federal Government greatly in excess of costs of the program. The contributions of these programs to our war and security effort are obvious to everyone. Another minor example of the benefits of these programs is in order. Educators and parents may be certain that there would be no school-lunch program in the absence of our farm program.

The motives of critics of a program of Federal assistance to farmers in the solution of the problem of maintaining a fair price structure and equating supply to demand are many and varied, sometimes pure but often impure.

There are utter reactionaries who oppose these programs out of a doctrinaire addiction to Piltown economics. There are those who are opposed to any program which they consider to be a social program, that is, to say a governmental program designed to relieve distress. These are the same people who welcome unemployment because it permits them to beat down the wages of people less strategically situate economically than themselves. They deplore mass prosperity because they feel that it weakens their personal bargaining position.

Sadly enough there are farmers who oppose these programs. Some do so sincerely because their vision is concentrated solely on the imperfections of the various programs and they do not see them whole. These persons are sincere and seek to change the programs in the direction of perfection. Their answers may not always be wise but they are soundly motivated.

There are other farmers who have gotten rich under these programs and who now feel big enough to buck the economic cycle alone provided they can get rid of some of their smaller neighbors who they regard as expendable. They have the same attitude as the chainstore proprietor sometimes has toward the corner groceryman. They want to swallow up competition. This attitude is often complicated by the viewpoint that the subsidy or benefit to them is abated by their contributions to their neighbors in the form of taxes. These gentlemen do not really understand the farm program and have long ago ceased to be farmers and become mere speculators or financiers.

We have heard a great deal of talk about consumers and a great effort has been made to pit consumers against

farmers on this issue of price supports. Consumers should be the first to recognize the necessity for a sound farm program. The typical consumer is selling his goods or services or the sweat of his brow and he is in the same economic boat as the farmer. All are prosperous or none are prosperous.

We must recognize that farmers will rationalize their production in some fashion if they are to survive. Why should a Government program which is subject to public scrutiny and limitations in the general public interest be categorized as more evil than some of the programs for creating scarcity or raising cost which obtain by private action? Very often these private programs are protected by statutes which have no element of consideration of the general public interest aside from the interest of assuring the farmer of the maximum return for his product.

In conclusion let me say that I am proud and happy to be a Member of this Congress and to contribute my small part to these programs which are an assurance that we are not embarking upon a farm-led depression which will endanger the prosperity of each of us and our very lives in this time of international tension.

Mr. DORN of South Carolina. Mr. Chairman, personally I have always opposed Government interference in the farm business. Back in the 1930's my father and I both bitterly opposed the Henry Wallace program of telling you what to plant, plowing up cotton, killing pigs and cattle while people were hungry and ragged. However, the Government embarked upon a program of Government control and Government subsidy. This policy was continued through World War II and since in nearly every field of American endeavor. I believe it would be most unfair to the farmer of today whose income is falling drastically not to support the basic commodities; namely, wheat, cotton, peanuts, corn, tobacco, and dairy products.

I take this position because the Government is subsidizing many businesses. It subsidizes the airlines, foreign countries and certain publications such as Time and Life magazines. Many industries in America are protected by the Government. Labor is protected by a minimum wage law and I am in favor of that. The farmer is forced to buy machinery, fertilizer, insecticides, and many other things costing terrific prices because of Government protection of the other segments of our economy. If the farmer in a planned economy such as we have is forced to sell without any protection, many of them would soon go out of business and then the cost of foods to the consumer would really go up.

Falling prices of farm products have not resulted in lower prices to the consumer. For instance, last fall in my district, farmers sold their wheat crop for \$1.50 per bushel. In 1948 they received \$3 per bushel for their wheat. The same week they received \$1.50 per bushel, bread went up 1 penny a loaf. Farmers in my district sold their cattle last fall for 6 or 7 cents per pound and steak was selling up to \$1 per pound. I

sold my cattle last year for 13 cents per pound and have been paying up to \$1.30 per pound for steak in Washington this year. If this trend continues, the little farmer will be forced out of business. If farmers gave their products away, these farm products would still cost the consumers terrific prices.

When World War II started, we had a surplus of 13 million bales of cotton. Today we have a surplus of only 7 million bales. During World War II we used up this surplus and urged our farmers to grow more cotton. We are spending billions of dollars to build up stockpiles of guns, tanks, and other equipment against the possibility of war. In order to protect the consumer and our Armed Forces in case of war, we should build up a great surplus of food and fibers.

In the last 20 years the American people have paid only \$2 per capita per year to support the entire farm program which includes the Extension Service, the Soil Conservation Service, the Forestry Service, the Agricultural Stabilization Service, and the Commodity Credit Corporation. Yet in these last few years, the American citizens have paid \$87 per capita per year to subsidize foreign countries under our foreign aid program.

Mr. Chairman, we do not find Communists conserving our soil. We do not find socialists working on our farms and in our forests. History teaches us that almost every President of the United States was born on a farm and yet every year there is a migration from our farms to our large centers of population. If we are to maintain the political philosophy of our Founding Fathers, we must insure that a large segment of our population remain on our farms. I urge this Congress to accept a farm bill that will protect the interests of our entire Nation.

Mr. ELLIOTT. Mr. Chairman, I want it understood that my vote, representing as it does the more than 30,000 farmers of the Seventh Congressional District of Alabama, will be for extending 90 percent parity price supports for 1 year. I wish that the bill before us provided for a longer extension than 1 year. Next year, it will be my intention to vote for another extension of 90 percent parity price supports on the basic commodities.

I will vote against every amendment which seeks to fix parity price supports on the basic farm commodities at a rate lower than 90 percent. I am against 82½ percent parity price supports. I oppose the Harrison amendment.

In the 21 years that our 90 percent parity price supports on basic commodities have been effective, the Government has lost exactly 21 million dollars through its support of prices on cotton, wheat, corn, peanuts, tobacco, and rice.

This averages losses at 1 million dollars a year. Considering the size of this country, the number of farms, the population of the country, the fact that we have been through two wars, we come to the conclusion that the cost of the support program for basic commodities has been very, very small. As a matter of

fact, the price-support program for basic commodities has averaged costing the American people about 1 cent per person per year.

Our losses in the field of price supports have always been in the field of nonbasic commodities, or, perishables, and in most cases they have not been supported at 90 percent parity prices anyway.

I cannot for the life of me see the point which this Republican administration has in mind when it seeks to take the portion of the price-support program affecting cotton, wheat, corn, peanuts, tobacco, and rice, that is now breaking even, under 90 percent parity supports, and put it under the same parity system that covers perishables where all the losses now occur. For example, if we should lower parity price supports on cotton, it would still break even. The only person who would lose would be the American cotton farmer.

The small cotton farmer of the district that I represent is the most poorly paid worker in America. His hours are long. His work is hard. His return is small. Generally speaking he can barely earn an existence even under 90 percent parity price supports. I am not going to contribute to his economic misery by casting my vote to lower those supports.

The record will show that if we lower parity price supports on basic commodities from 90 percent to 82½ percent, it will be done over the opposition of the vast majority of the Democrats in this House. The Republican majority must take full responsibility for this action.

Mr. FOGARTY. Mr. Chairman, I have given much thought to the question of a proper price-support program for agricultural commodities. As a result, I have come to the conclusion that I can best serve my constituents, the people of the State of Rhode Island, by opposing the committee's recommendation for a continuance of the 90 percent price-support program on basic commodities and by supporting a flexible program for such supports.

We have had a long and interesting experience with a program of rigid controls. I submit that from a cold analysis of its operation it has not produced the beneficial results intended. It has resulted in a piling up of fantastic surpluses which are costing the country more than \$700,000 per day for storage alone. The record reveals that under the 90-percent program, the income to the farmer has declined about 16 points in the past 3 years. At the same time, the retail price of the basic farm commodities has remained fairly stable. It would appear, therefore, that the greatest claim that can be made for the success of its operations is that it has stabilized, and, in fact, greatly increased, the middleman's profit. The consumer has had the burden of higher prices forced on him. The farmer has ended up with a reduced income. Each of these great segments of our economy—who were supposed to be helped by the rigid price-support program—appear to be on the short end of any benefits resulting.

President Eisenhower, in his state of the Union message, remarked:

A farm program promoting stability and prosperity in all elements of our agriculture is urgently needed.

I agree with that statement but would like to place additional emphasis on the word "all." In the State of Rhode Island, dairy farming and poultry raising are two of our most important agricultural industries. Because of the exceedingly high cost of feed, farmers in these lines have been hard pressed to make a decent living. This, I am informed, is directly attributable to the maintenance of a rigid price-control system which has forced the cost of feed to its present level. Obviously, all segments of agriculture are not being adequately considered under the present program. In view of this situation, I intend to support the President's proposal and will vote against the continuance of a 90 percent rigid price control.

Mr. JENSEN. Mr. Chairman, I want to again read into the record today, the remarks I made as to why I support 90 percent of parity for basic farm crops on May 12 last:

Mr. Speaker, my reason for supporting 90 percent of parity for basic storable farm crops—corn, wheat, cotton, tobacco, peanuts, and rice—are as follows:

Because our farmers are entitled to a dollar which will purchase 100 cents' worth of manufactured goods produced by higher and higher labor costs.

Because the proposed flexible price-support formula would within the next 3 years reduce the price of a bushel of corn, for example, at least 30 cents per bushel, and other products in proportion.

Because when the selling price of corn, for example, is reduced, the price of hogs, cattle, sheep, and poultry will in turn shortly be reduced proportionately, because the price of livestock ready for market, like finished manufactured goods, is determined by the cost of the labor and raw products it takes to produce the article. So, whether it be meat, marbles, or mowers, the producer must have cost of production, plus a reasonable profit or he will sooner or later be out of business. Also, let us not forget that the cost of raw products, generally speaking, represents only a small part of the price you pay for the finished manufactured products.

All new wealth springs from the surface of the earth, is mined or pumped out from beneath the surface of the earth, or fished out of the sea; from these sources come all our raw products from which is made everything we Americans eat, wear, and use every minute of our daily lives. And every American must find employment in producing, transporting, processing, manufacturing, marketing, or using the finished product made from raw products. About 90 percent of all our raw products are consumed or made into finished manufactured articles within a year after it is grown, mined, or taken out of the sea; hence, each succeeding year new wealth is produced in the form of raw products and when the number of units and the price per unit is reduced, employment inevitably is reduced; and purchasing power is reduced all along the line; hence, our entire economy suffers, forcing a reduction in our national income, and in turn reduced tax revenue to the respective States and Federal Treasury.

Also let us not forget that the American farmer buys on an average of about twice the amount of manufactured goods that the average American buys year in and year out. In normal times, approximately 70 percent

of our people are employed in production, transporting, processing, manufacturing, and marketing the raw products which spring from the surface of mother earth. Mr. Speaker, so long as over \$90 billion is taken from the pocket of the American people in local, State, and Federal taxes annually, or any amount even close to that figure, we must maintain a high national income or be ready and willing to force every American to suffer the consequences by taking a greater percentage of their income for taxes.

Whether you farm the surface of the earth, or the bowels of the earth, or the sea for seafood, all are farmers so far as producing raw products is concerned. Flexible supports as proposed would surely bring about an annual agriculture farm income loss of not less than \$4 billion, which would in turn force a national income loss of about \$28 billion because our agriculture farm income over any 5-year period pyramids itself approximately seven times into national income. A fact which has never been, and cannot be, successfully disputed.

Who would pay the loss of revenue now collected by the United States Treasury because of the reduced national income of that \$28 billion? Certainly we must not add it to our present Federal deficit of over \$270 billion for our children and their children to pay. It is an agreed fact that the ultimate consumer of goods pays all taxes in the final analysis. Our latest census shows that about 17 percent of our population live on farms, and since our farmers who till the soil purchase and consume about twice the average of other Americans, our farmers will pay approximately 35 percent of the lost revenue. Our wage earners and our retired, elderly folks make up approximately 70 percent of our population, they will pay about 55 percent of the lost revenue, the remaining 12 percent are businessmen, big and small—who must add all taxes to their cost prices, or soon go broke—and professional people of every nature and folks like you and I would pay the balance of about 10 percent to make up the lost revenue. Who among you would like to pay your share of this lost revenue? Or I might ask, who among you could pay your share and still make both ends meet without a terrific hardship on yourself and family?

I have heard some folks talk who seem to be worried because we Americans are blessed with a reserve of food, feed, and fiber, which actually amounts to only about 2 percent of the crops the farmers have produced since Pearl Harbor. Bear in mind we are having a population increase annually of over 2½ million. And also bear in mind that a couple of years of moderate crop failures would wipe out the reserves we now have in storage—then the price of food would go up, up, and up. No, my colleagues, I for one will not worry so long as God will bless us with a plentiful supply of food, feed, and fiber. The day I start worrying is when we suffer a scarcity, and that day will come again. We had better be prepared.

Believe it or not, we Americans are today spending on an average less than 25 percent of our income for food, while the other nations of the world are today spending on an average of 70 percent of their income for food. On my trip around the world last fall with other Congressmen, we saw how deeply grateful and friendly the people of those nations were to whom we had sent food. Also there are many deserving, needy Americans who would be mighty thankful for some of our surplus food supply.

Lose the farm program? Not on your life. Why? Because the majority of the Members of Congress feel exactly as I do, not only those who represent the agriculture districts, but in addition a number of Congressmen who represent city districts, who are now fully aware of the fact that the prosperity and welfare of the people they repre-

sent depends on the prosperity and welfare of he who tills the soil, and they have educated their people to know the truth.

Now, Mr. Speaker, in conclusion I must say that it seems mighty strange to many of us in Congress that so few people worry or seem to give a minute's thought to the tens of billions of dollars' worth of military supplies of every nature which have been stockpiled and stored up since World War II. All of which would be useless without a plentiful supply of food, feed, and fiber to back it up in time of war. Remember, the final victors in every war in recorded history has been the side that God has blessed with the greatest supply of food, feed, and fiber. Pray God that war will not again be our lot, but should it come, let us make doubly sure of victory.

Mr. BRAY. Mr. Chairman, it is obvious that while the United States is the largest agriculture producing country in the world, and that while we are capable of producing and are producing far beyond our own needs, yet we are failing to find markets for our agriculture market abroad. This condition is a strong contributing factor to our present farm problem. This condition exists despite the fact that there are hungry people in the world who need the American food surpluses which are decaying in our graneries and other storage facilities.

We must make a careful study to determine the reason for this failure of American food products to reach those who need them. I believe and want to point out that title V of this act, to wit: marketing and disposal of agricultural commodities, will greatly contribute to the moving of American farm products abroad. The principal purpose of this section is to place our agriculture attachés in foreign embassies under the direction and control of the Agriculture Department rather than under the State Department. I believe that this section is absolutely necessary to the proper functioning of our Government's plan to dispose of American farm surpluses abroad; and I strongly oppose any attempt to strike out this section of the bill.

In the last 3 years our agriculture exports have decreased by almost 50 percent. This situation should arouse us to renewed efforts to find markets for American products, and by so doing help the underfed in the world and also help American farmers, which in turn would help our entire American economy. Do you know that in the year 1953 the United States imported approximately \$3 billion worth of agriculture products and exported approximately \$2 billion worth of agriculture products? It is difficult to imagine the largest agriculture producer in the world importing \$1 billion more agricultural products than it exports.

I do not desire to be critical of our State Department, but it is a fact that at the present time, and also under previous administrations, it has not properly protected the interests of the American farmer. Perhaps that is not the function of the State Department; but I do insist that it is the job of the agriculture attachés, along with their other duties, to look to the interests of American agriculture.

I could cite numerous instances of this failure, but I will take time to point out

only one typical situation. In order to assist the economy of Denmark the United States is buying and shipping millions of pounds of butter from Denmark halfway around the world, for the use of American troops in Japan, Korea, and Okinawa. At the same time we are allowing American butter to spoil. We must see that such foolishness is stopped.

There are several reasons for the failure of the American agricultural products to reach the foreign countries which need them. We all realize that one reason for our failure to find adequate markets abroad is that many countries which need our products do not have the dollars to make the purchases because of an unfavorable balance of trade. An attempt to remedy this situation was made in the Mutual Security Act of 1953 which attempted to facilitate the movement of American farm products abroad to countries which, because of an unfavorable balance of trade, could not obtain sufficient American dollars. For reasons that are difficult to understand this act accomplished little and practically no agriculture products were shipped abroad under this authorization.

While not a member of the House Agriculture Committee, I have been interested and quite active in attempting to find an outlet for American farm products abroad. I have worked with members of the Agriculture Committee and others acquainted with the problems involved in the exports of agricultural products to devise methods and procedures to facilitate the movement of American agricultural products abroad to countries which need them.

We were successful a few days ago in enacting the agriculture surplus export program which provides, along with other provisions, a method of selling a billion dollars worth of surplus American farm products abroad in exchange for moneys of the country buying the product. This is a fine law which will be greatly beneficial to American farm prosperity. It will be humane in that it will move the surplus food products where they are needed. Our Government in turn can use these foreign moneys for projects we have in that country or to buy their products which we need.

But no law can be better than the manner in which it is administered. Unless the agency or bureau which has jurisdiction over this program is seriously interested in successfully carrying it out, it will amount to little. That is the reason title V of this bill, which places agriculture attachés under the Department of Agriculture rather than the State Department, is so important. We must not allow this section to be scuttled.

It is difficult to understand why the agriculture attachés have been under the State Department and not under the Agriculture Department. I do not like to make unkind remarks with reference to the way our agriculture attachés, under the jurisdiction of the State Department, are functioning, but it is a fact that they have failed to find markets for our American agriculture products abroad. They apparently believe their job is to bolster the economies of

foreign countries, and they have repeatedly found markets for foreign agriculture products in other foreign countries instead of attempting to sell our American farm products abroad. I could cite numerous instances of this failure, but I will take time to point out only one typical situation. In order to assist the economy of Denmark, the United States is buying and shipping millions of pounds of butter from Denmark halfway around the world, for the use of American troops in Japan, Korea, and Okinawa. At the same time we are allowing American butter to spoil. We must see that such foolishness is stopped. I also am interested in establishing a strong farm economy in foreign countries, but it is my sincere belief that our agriculture attachés in foreign countries should adequately represent America and should keep in mind the importance of establishing a sound farm economy at home by acquiring markets abroad for our surplus products. By doing so, our entire economy of America will be greatly affected. The farmer is the largest buyer of products of industrial America. Through the years farm income in America has been one-seventh of the national income. To help farm income is to help all America.

I think we owe a vote of thanks to the gentleman from Mississippi [Mr. WHITTEN], who has for so long attempted to have the agriculture attachés taken from under the jurisdiction of our State Department and placed under the jurisdiction of the Agricultural Department where they belong. As you recall, in the agricultural appropriations bill the gentleman from Mississippi [Mr. WHITTEN] attempted to add an amendment to accomplish this objective. I supported him at the time, but this body apparently felt that the appropriations bill was not the proper vehicle to use to accomplish this change.

I believe that we now have a sound method of getting American farm products on the markets of the world where they are needed. Let us insist that the program be fully utilized.

Mr. VORYS. Mr. Chairman, I am going along on this bill because I understand that, with the adoption of the Harrison amendment, it will be acceptable to President Eisenhower and the administration. I would have preferred flexible supports of 75 percent to 90 percent, as requested by the President, but in the situation prevailing in the House, the choice is between the Harrison amendment and rigid 90 percent supports. I shall therefore vote for this amendment on a roll call.

I do not profess to be an expert on agriculture, and therefore do not understand fully all of the complex provisions of this elaborate bill, and must therefore take much of it on faith, but I hope the rest of it will work better for the farmer and the public than some of the provisions I think I understand.

I think the 2-price system for wheat will either not move surplus wheat into export, or will result in retaliatory measures such as we might use under our own antidumping laws, if imports were dumped into the United States under a 2-price system.

I fear that the provision for Agricultural attachés will not work. The proposal is an organizational monstrosity. For instance, the Secretary of State is "directed" to provide office space, typewriters etc. for clerical help the Secretary of Agriculture decides to send to our Embassies abroad. Both the Departments of State and Agriculture may request appropriations for this purpose, but none of this is to interfere with the Foreign Operations Administration. Thus we are going to have at least four different sets of personnel in practically every foreign country; State Department, Agriculture, Foreign Operations Administration and United States Information Service. Theoretically they will be receiving foreign policy directives from the State Department. Since policies, however, are not things written on a piece of paper, but courses of action, we may have 4 different courses of action, 4 foreign policies, operating in a single country. During World War II, when we had at times as many as eight different agencies operating in a single foreign country, the result usually was that the agency with the most money to hand out was the most influential. I doubt whether the new kind of agricultural attaché will succeed in moving additional surpluses in the way the Agriculture Committee hopes, particularly if he is joined soon by a quasi-independent commercial attaché from the Department of Commerce, as is now being proposed. These five agencies, plus military attachés and military advisory groups, will make a big happy family of United States Government officials in each country; certainly big, perhaps not so happy. Perhaps someday we may learn that, while the division of powers here at home into 3 branches is vital to our liberty and welfare, the division of our executive powers into 4 or 5 branches in a foreign country is not the way to operate, to move agricultural surpluses or to do anything else.

Mr. WOLVERTON. Mr. Speaker, for a long time the Government has been required to buy great quantities of wheat, corn, cotton, peanuts, and rice to support the price of these commodities to the producer. This has resulted in certain conditions that have resulted adversely to the consumer and the Government. For instance there is today in storage quantities of wheat, corn, cotton, dairy products and tobacco to the value of over \$6 billion. This vast expenditure by the Government for the purchase of the commodities I have enumerated, is not the only expenditure that has been necessary to maintain the price of these commodities, but, in addition thereto is the cost of storage that amounts to \$700,000 per day. All of this results not only in increased taxes to our people but also increases the cost of living to them.

President Eisenhower, while not unfriendly to the necessity of the farmer having a fair return for his products, yet, is of the opinion that the rigid controls that require the maintenance of price for the favored farm products, under the law as it has been for several years, is neither right or just to all the

farmers of the Nation nor to any of the consumers. The law as it is selects only a few crops, such as I have mentioned, and helps only the farmers who produce them. The farmers who are interested in diversified crops such as we have in New Jersey are not helped by the present farm program, nor, the one now under review by the pending legislation before us.

Instead of this unfair system of farm aid the President, through his Secretary of Agriculture has submitted a more flexible plan in place of the rigid plan now in force. It is a well-considered plan. It is entitled to the support of Congress. It does no injustice to the producers of the so-called basic crops and does do justice to the consumers.

It is time something is done to reduce the cost of living. While this bill in itself will not accomplish this purpose, yet, it is one of the steps that must be taken if the consumer is to obtain any degree of relief, and other farmers not within the present farm program, and, citizens generally are not to be required to sustain such an unfair system by paying increased taxes.

On last Monday morning, June 28, 1954, the Philadelphia Inquirer, in an editorial entitled "Congress' Duty: End Farm Price Gouge," has clearly, logically, and forcefully set forth in detail the reasons that justify the adoption of the President's program instead of that reported by the Agriculture Committee of the House. Therefore, I include a copy of the editorial as part of my remarks. It reads as follows:

CONGRESS' DUTY: END FARM PRICE GOUGE

The sound, constructive effort of the Eisenhower administration to free the Nation from the costly and wasteful burden of high rigid farm price supports will come to a head in the House of Representatives this week, and shortly afterward in the Senate.

In both bodies the Committees on Agriculture have ignored the President's proposal and voted to recommend another year's extension of the rigid support system, binding the Government to buy wheat, corn, cotton, peanuts, and rice at 90 percent of parity.

They voted, in effect, to continue high food prices for American dinner tables, high costs for taxpayers. They voted to encourage indefensible overproduction and the piling up of huge, and useless, surpluses.

These committee actions represent the stubborn determination of the farm bloc to maintain the glaring evils of the rigid support system. Their recommendations reflect a hard-boiled political attempt to deal with a problem that is of vital concern to all Americans, including farmers.

In the House both Republicans and Democrats who have the interests of the country at heart should set aside the committee proposal and put through the administration program for flexible supports to vary, as needs prescribe, between 75 and 90 percent. When the time comes, the Senate should follow suit.

The committee actions have been interpreted as snubs to the President and to Secretary of Agriculture Ezra Taft Benson.

They were snubs for all the people of this country who have to buy food and clothing and pay taxes. And the time is overdue for their interests to have full consideration in Congress.

Does the Eisenhower farm program aim to wipe out reasonable aid for American farmers? Not a bit of it. Under flexible supports basic farm commodities will continue to be bought by the Government. The supports would move up to encourage production dur-

ing times of low farm output and move down to discourage plantings in times of excess production.

There's the essential and important feature of this plan. It will hold down needless overproduction, which high rigid supports foster. So long as those high supports prevail, overproduction is inevitable.

We have got to get rid of the immense surpluses we already have. And that's almost a superhuman task. We have got to halt the sinful loss and waste, such as we've seen in stored butter. And we've got to have farm aid geared, to some extent at least, with the idea of giving housewives a better break on prices than is possible under the current high-support plan.

The President's farm policy deserves the support of Members of Congress of both parties. It is a sincere attempt to solve a gigantic problem in which Secretary Benson, notably, has gained stature by his sturdy courage in seeking to further a farm program that would serve the interests of all the people. He has stood out against threats, bullying, cajolery—all sorts of pressures—and bravely but with good humor has held firmly to what he believes in.

For far too long the farm program has operated to the disadvantage of millions of consumers. It has meant the shocking paradox of enormous accumulations of food and fiber along with unyielding high prices.

Solution of that must be removed from the crude political arena in which it has not often been left. Republicans should support the President unless there are grave reasons for disagreeing with him. And in this case there are none. Democrats in Congress should stand by Mr. Eisenhower and his farm program because it is a wise program, in the best interest of the Nation.

We hope that in both House and Senate that interest—the real interest of America—will prevail and that the shameful waste and inequity of Government-rigged high prices will become a thing of the past.

Another editorial on the same subject that is forceful and conclusive appeared in the Evening Bulletin, of Philadelphia, Pa., issue of June 28, 1954. It is entitled "A Consumer Defeat." It reads as follows:

A CONSUMER DEFEAT

By the very comfortable margin of 26 to 2 the House Agriculture Committee has approved a measure which would continue rigid high-support prices for basic crops for 1 year. There is nothing original in this action. Twice before lower and flexible supports were slated by law to go into effect. Both times Congress relented and allowed high supports to continue when the time came to end them.

A promise to end them in the future costs Congressmen no votes and does consumers no good. To fulfill the promise in an election year might do considerable political damage in areas where the farm bloc is strong.

That not all farmers want this expensive and wasteful policy continued can be seen from the two votes cast against the present bill. They came from Congressman KARL C. KING, a Republican, and a commercial vegetable grower in Bucks County, and from Congressman PAUL B. DAGUE, Republican, who represents the rich farm area of Lancaster County. These Pennsylvania Congressmen bespoke the feelings of many eastern farmers.

The House committee took this action in defiance of the President's request at a time when bumper crops threaten to overwhelm the storage facilities of the Nation. Wheat has already done so and favorable conditions for an exceptional corn crop in the Middle West may well provoke a similar situation.

Yet despite all this plenty, food prices took a sharp jump upward in the most recent report of the Bureau of Labor Statistics.

Fortunately the action of the House committee is not final. The House itself must vote and then the Senate. The President is expected to exert pressure in support of his sane program. He has a big stick in his veto power because if he kills this extension of high-price supports they will automatically end in accordance with the law now in force. There is still a chance the consumer will get a break.

Realizing the substantial and worthwhile reasons that justify the adoption of President Eisenhower's program, it is my intention to vote for the adoption of his plan as an amendment to the bill now before the House. I hope and expect it will be adopted as it would be beneficial to all of our people.

Mr. LESINSKI. Mr. Chairman, in preparing to vote on the farm bill, the House has been under strong pressure from the administration to reduce substantially the level at which the Government will support farm prices. It is the position of this administration that the program which has been in effect since World War II to assure a fair return to the farmer and to maintain the farmer's purchasing power and standard of living is costing us too much money and that we should therefore reduce these benefits.

This may sound good in some of our urban communities where the people are being told that lower support prices for the farmer will mean lower food prices in the stores, and perhaps lower taxes. Neither of these things is necessarily true.

As a matter of fact, farm prices have been falling steadily at the farm level ever since this administration took office. Farm income has followed suit. Farmers are getting, on the average, about 10 percent less purchasing power from the crops they sell than they did all through 1952 or for any year since the war. At the same time, food prices to the consumer are at or near record levels and have not followed farm prices downward. In other words, when prices go up at the farm level they also go up in the grocery store, but when they go down at the farm level—and they have been down substantially ever since the end of 1952—they do not come down in the grocery stores. High food prices are not the farmer's fault. He is not getting them. He is getting mighty little for the crops he raises in comparison to the prices he has to pay for the things he buys and that is why the thing we call the parity ratio—that is, the relationship between what the farmer gets for his crops and his cost of operation and cost of living—is at only about 91 percent. It went below 100 percent right after the Republicans came into power and it has steadily fallen ever since so that all through 1953 and so far in 1954 it has been down around 91 or 92 percent. If we lower farm supports and reduce the degree of protection we give the farmer against bankruptcy prices, the evidence shows that it will hurt the farmer terribly without necessarily helping the consumer at all.

KEEPING THE FACTS COVERED UP ON PRICE SPREADS

Here we have voted down a proposal from those of us on the Democratic side to incorporate in this bill provision for

an investigation of the spread—the steadily increasing spread—between farm prices and consumer prices on such things as milk, and so on. Apparently the Republicans do not want the public to know where these extra profits go.

Now, why should I, Mr. Chairman, representing an urban district and not a farm district, stick my neck out by voting for higher support prices for the farmer than this administration recommends? Of course, I recognize that attempts will be made in my district to use this vote in an attempt to prove that I am against the consumer, which anyone in my district who knows anything about my record would certainly recognize as being ridiculous. On the other hand, it is supposed to be smart politics not to stick your neck out at any time, and particularly on an issue which is not familiar to the people in your own district.

In my case, however, I think the people of my district want me to vote for those things which I think will best serve them and their economic welfare. And just from looking at the record of automobile and truck and tractor production and sales, it is obvious to me that I would be very poorly serving my district—the greatest automotive center of the world—if I were to vote here for a further decline in farm income.

The record shows, Mr. Chairman, that since early in 1953 car and truck production has followed downward pretty much directly in line with the downward trend of farm prices and the parity ratio.

Everyone in the Detroit-Wayne County area knows, Mr. Chairman, that the farmers are among our best customers. While we would all like to see lower food prices in the grocery stores—and, I repeat, there is no evidence that lower price supports for the farmer as provided in this bill will mean lower food prices in the grocery stores—we do not want to see the farmer pushed to the wall and driven out of the market for the things that we produce in our automobile and truck and tractor factories. I am alarmed at the extent of unemployment in our area now. I am fearful that a further reduction in farm income will mean more unemployment in Wayne County. I cannot vote for a measure deliberately intended to reduce the farmer's return for his crops at a time when the farmer is already in a desperate squeeze.

Therefore, I have no choice in representing the interests of my constituents and their economic welfare and their jobs and their incomes but to support the recommendations of the overwhelming majority of both the Republicans and the Democrats on the House Committee on Agriculture. The members of that committee are close to the problems of the farmer and aware of the farmer's needs. When they tell me that the farm economy is jeopardized and that a reduction in price supports will further depress farm income, I will follow their recommendation on this bill.

Mr. DORN of South Carolina. Mr. Chairman, personally I have always opposed Government interference in the farm business. Back in the 1930's my father and I both bitterly opposed the Henry Wallace program of telling you

what to plant, plowing up cotton, killing pigs and cattle while people were hungry and ragged. However, the Government embarked upon a program of Government control and Government subsidy. This policy was continued through World War II and since in nearly every field of American endeavor. I believe it would be most unfair to the farmer of today whose income is falling drastically not to support the basic commodities; namely, wheat, cotton, peanuts, corn, tobacco, and dairy products.

I take this position because the Government is subsidizing many businesses. It subsidizes the airlines, foreign countries, and certain publications such as Time and Life magazines. Many industries in America are protected by the Government. Labor is protected by a minimum-wage law and I am in favor of that. The farmer is forced to buy machinery, fertilizer, insecticides, and many other things costing terrific prices because of Government protection of the other segments of our economy. If the farmer in a planned economy such as we have is forced to sell without any protection, many of them would soon go out of business and then the cost of foods to the consumer would really go up.

Falling prices of farm products have not resulted in lower prices to the consumer. For instance, last fall in my district, farmers sold their wheat crop for \$1.50 per bushel. In 1948 they received \$3 per bushel for their wheat. The same week they received \$1.50 per bushel, bread went up 1 penny a loaf. Farmers in my district sold their cattle last fall for 6 cents or 7 cents per pound and steak was selling up to \$1 per pound. I sold my cattle last year for 13 cents per pound and have been paying up to \$1.30 per pound for steak in Washington this year. If this trend continues, the little farmer will be forced out of business. If farmers gave their products away, these farm products would still cost the consumers terrific prices.

When World War II started, we had a surplus of 13 million bales of cotton. Today we have a surplus of only 7 million bales. During World War II we used up this surplus and urged our farmers to grow more cotton. We are spending billions of dollars to build up stockpiles of guns, tanks, and other equipment against the possibility of war. In order to protect the consumer and our Armed Forces in case of war, we should build up a great surplus of food and fibers.

In the last 20 years the American people have paid only \$2 per capita per year to support the entire farm program which includes the Extension Service, the Soil Conservation Service, the Forestry Service, the Agricultural Stabilization Service, and the Commodity Credit Corporation. Yet in these last few years, the American citizens have paid \$87 per capita per year to subsidize foreign countries under our foreign-aid program.

Mr. Chairman, we do not find Communists conserving our soil. We do not find Socialists working on our farms and in our forests. History teaches us that almost every President of the United States was born on a farm and yet every year there is a migration from our farms

to our large centers of population. If we are to maintain the political philosophy of our Founding Fathers, we must insure that a large segment of our population remain on our farms. I urge this Congress to accept a farm bill that will protect the interest of our entire Nation.

Mr. COON. Mr. Chairman, I wish to add my support to section 305 of the bill now before us. This section would direct the allocation to summer fallow wheat farmers a sufficient acreage to prevent a reduction in their allotments any larger than the cut in the national allotment as a whole.

It is important that this section be retained in the bill. It will prevent an unfair discrimination against summer fallow wheat farmers in allotting acreage for the 1955 crop.

Under the methods by which acreage is allotted, many of the wheat producers who follow the summer fallow practice have received larger cuts in their acreage allotments for 1954 than have been received by wheat producers in the same areas who do not summer fallow, or by wheat producers in areas where summer fallowing is not necessary.

Representatives of the wheat industry, both from my home State of Oregon, and from their national organization, have pointed out that these unduly heavy cuts on summer fallow lands would actually be discrimination against good farming methods. They have pointed out also that relatively dry summer fallow wheat lands will grow fewer alternative crops than other wheat lands, especially when the use of diverted acres is restricted, as at present.

It is estimated that between 550,000 and 750,000 acres will be required to adjust this inequity. The national allotment, I believe, is 55 million acres.

According to figures which I have, about 30 percent of the acres planted in the United States in a normal year are in a wheat-fallow rotation. These acres will normally produce, I believe, about one-third of the wheat that is produced each year in this country. The figures show that about 29 percent of the farms in the major wheat-producing States are summer fallow farms.

So this section would prevent possible discrimination against one-third of the wheat industry.

I wish to urge the passage of this important provision of the farm bill.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. KING].

Mr. KING of Pennsylvania. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KING of Pennsylvania: On page 43, after line 3, insert the following: "Sec. 403. Section 348 of the Agricultural Adjustment Act of 1938, as amended, is amended to read as follows:

"Sec. 348. (a) Any person who knowingly plants any basic agricultural commodity on his farm in any year in excess of the farm acreage allotment for such commodity for the farm for such year under this title shall not be eligible for any payment for such year under the Soil Conservation and Domestic Allotment Act, as amended (7 U. S. C. 1348 (b)).

"(b) Persons applying for any payment of money under the Soil Conservation and Domestic Allotment Act, as amended, with

respect to any farm located in a county in which any basic agricultural commodity has been planted during the year for which such payment is offered, shall file with the application a statement that the applicant has not knowingly planted, during the current year any basic agricultural commodity on land on his farm in excess of the acreage allotted to the farm under this title for such year (7 U. S. C. 1348 (b))."

Mr. KING of Pennsylvania. Mr. Chairman, this amendment is not as complicated as it sounds.

This amendment simply provides that a farmer cannot be given a subsidy in the form of agricultural conservation payments to take care of diverted acres and other agricultural conservation practices if he knowingly plants in excess of any of his allotments for basic agricultural commodities.

At present under this section of the law a farmer is denied this subsidy if he knowingly overplants his cotton acreage allotment. I am merely making the same provision applicable for other basic commodities as is now in effect for cotton.

Today the capacity of America's farms to produce agricultural commodities is larger than the effective market demand. We are adding to the capacity of the Nation's agricultural plant when we subsidize, through Government payment, improving a particular piece of ground, when at the same time a farmer is knowingly overplanting or ignoring the acreage restrictions on crops under acreage restrictions.

Certainly Federal money should not be spent to expand the productive capacity of a farm at the same time that farm is being overworked to create additional surpluses of crops, the production of which the Government is trying to reduce.

If such a provision as is now provided by law for cotton is fair, and I think it is, then such a provision is fair for other basic crops.

This makes a farmer responsible for his actions and denies him a reward for contributing to excess production. I urge the adoption of this amendment.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. WAINWRIGHT].

Mr. WAINWRIGHT. Mr. Chairman, I am glad to rise in support of this amendment. I also understand that my colleague the gentleman from Illinois [Mr. SIMPSON] will offer an amendment of a similar nature. This is so important that I am going to repeat Mr. SIMPSON's amendment:

In order to stockpile fertility in the soil and build a soil fertility bank, the Secretary of Agriculture is hereby authorized to require producers to devote a percentage of their cropland to soil building crops or practices as a condition of eligibility for (1) conservation payments, and (2) price supports on crops which are not under marketing quotas and acreage controls (either one or both).

In addition the Secretary is hereby directed to establish on an appropriate geographical basis lists of crops which may not be produced for direct or indirect sale (except pasture).

As has been indicated, this amendment will control diverted acreage when

acreage allotments and marketing quotas have once been established. Without this amendment one crop competes against another, thus creating surplus in that commodity.

On Long Island, and particularly in Suffolk County, the farmers are justifiably bitter about the free ride given to the high parity crop farmers. They are bitter not because of the special privilege which is granted these farmers. They are bitter not because of the powerful farm bloc that has always backed so-called basic crops. But, they are bitter because of the salt being rubbed into these open scratches. And, the salt is this:

The corn farmer, or the wheat farmer, when his land has been diverted, promptly plants potatoes. Not only does he raise inferior potatoes, but he also creates a surplus and thus deteriorates the potato market. This action has reduced the price the farmers receive for potatoes below actual cost and causes ruin to our farmers.

I understand that the Secretary of Agriculture has, in the last few days, taken drastic action to correct this injustice. He should be supported by statute.

This also gives me the opportunity to ask the gentleman from New York [Mr. ROOSEVELT] several questions which I tried to ask yesterday. However, my colleague and friend did not yield to me. I would like to know why he, himself, has urged a continued rigid price support? Why he has urged his Democratic colleagues representing New York City to vote with the Southern Democrats and farm bloc Republicans? Does he believe that by forcing high, fixed, rigid parity he will cause a Presidential veto?

The gentleman from New York [Mr. ROOSEVELT] well knows that the housewives in his district, the consumers all over the country, would benefit from reduced farm prices; would benefit from withdrawing this special privilege to a small 22 percent of our farmers.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania [Mr. KING].

The amendment was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. SIMPSON].

Mr. SIMPSON of Illinois. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SIMPSON of Illinois:

Page 42, after line 12, insert the following: "Sec. 402. Section 8 of the Soil Conservation and Domestic Allotment Act is further amended by adding at the end thereof the following new subsection:

"(h) In order to stockpile fertility in the soil and build a soil fertility bank, the Secretary of Agriculture is hereby authorized to require producers to devote a percentage of their cropland to soil building crops or practices as a condition of eligibility for (1) conservation payments, and (2) price supports on crops which are not under marketing quotas and acreage controls (either one or both). In addition the Secretary is hereby directed to establish on an appropriate geographical basis lists of crops which may not be produced for direct or indirect sale."

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. SIMPSON].

Mr. SIMPSON of Illinois. Mr. Chairman, there is a passage in Proverbs which states:

He that keepeth his mouth and his tongue keepeth his soul from distress.

There are three kinds of farmers, I have found in the last year and a half during these hearings; those who want flexible supports, those who want rigid supports, and those who want to be let alone.

From my experience in the committee, if all the farmers could listen to all the jaw bone that has been going on in the last year and a half, they would all join the let-alone group.

There are three farm organizations, the American Farm Bureau, which is for flexible supports; The Grange, which is for this bill; and the Farmers Union, which is for 100 percent. I cannot deal with diverted acres in the generous allotment of 1½ minutes. No one else can.

Mr. Chairman, I withdraw my amendment and I will see if I can get it put in in the Senate.

Mr. GATHINGS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GATHINGS: Page 32, line 11: Strike out all of line 11 and the first four words of line 12, up to and including the word "butterfat."

Mr. GATHINGS. Mr. Chairman, I am urging that this amendment be adopted. It is my purpose to strike out payments out of the Treasury for the difference between the support price and the market price of dairy products. The words "other operations in connection with milk and the products of milk and butterfat" means subsidy payments. If you adopt my amendment you will knock out these payments, which will amount, according to the testimony before the committee, to \$500 million a year. There was one estimate made that it might get up to \$750 million a year of payments to help pay the food bill of the people of the Nation. That money can be saved if this amendment is adopted.

I cannot, for the life of me, see why we should adopt the Brannan plan in this dairy section or any other section of the bill. It is a bad policy to adopt. It is an expensive experiment which would tend to increase production instead of keeping output in line with demand.

I hope my amendment will be agreed to. It will make it possible for the taxpayer not to have to pay, out of the Treasury of the United States direct subsidies to the creameries and to the farmers themselves. I do not believe our farmers want a dole or handout. He is entitled to receive a fair price in the market place.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Arkansas [Mr. GATHINGS].

The amendment was rejected.

Mr. ROOSEVELT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROOSEVELT: At page 32, delete the period after the word "under" and substitute a comma and insert the following: "and not to exceed \$110 million annually of the funds of the Commodity Credit Corporation shall be made available to the Secretaries of the Army, the Navy, and the Air Force, and shall be used by each Secretary to increase the ration of fluid milk to enlisted members of his respective branch of the armed services."

Mr. HOPE. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. HOPE. I make the point of order against the amendment that it is an appropriation upon a legislative bill.

Mr. ROOSEVELT. Mr. Chairman, may I be heard upon the point of order?

The CHAIRMAN. Yes.

Mr. ROOSEVELT. This is not an appropriation on a legislative bill. This simply diverts the funds of the Commodity Credit Corporation, as is already being done in line 13 in connection with the school-lunch program. This does not provide for appropriating any more money. It just diverts the Commodity Credit Corporation funds already there. In effect, this amendment will not cost the taxpayer a dime. It will save him money in storage costs.

The CHAIRMAN. The Chair is ready to rule.

The rule under which this bill is being considered waives points of order on the bill but not in regard to amendments. The amendment which the gentleman offers diverts funds and therefore, in the opinion of the Chair, is against the rule because it is an appropriation. Therefore the Chair is constrained to sustain the point of order.

Mr. ROOSEVELT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROOSEVELT: At page 36, line 16, "Sec. 325" shall be designated "Sec. 325 (a)" and the following inserted at page 37, line 9:

"(b) The Secretary of Agriculture is further directed to make a study of the prices received or paid by producers, distributors, processors, dealers, and consumers of milk and butterfat and their products and to submit to Congress on or before the 3d day of January 1955, a detailed report thereof showing among other things the spread in prices paid by producers and consumers in the various milk marketing areas, the reasons therefor, and the legislation, if any, needed to protect the public interest."

Mr. ROOSEVELT. Mr. Chairman, may I say before I talk on this amendment that I offered that amendment with regard to the Armed Forces appropriation bill, and I was ruled out of order. I was told I was proposing legislation in an appropriation bill and that I should offer this as an amendment to the agricultural bill. I now propose the same amendment to the agricultural bill, and I am ruled out of order on the grounds that it is an attempt to make an appropriation in a legislative bill. Each time the point of order was made on the Republican side of the aisle. So the men in the Armed Forces are not going to get more fluid milk and the farmers are not going to

sell more fluid milk. Thank you very much. It will be remembered.

I would like to explain the amendment which has just been ruled out of order. It provides that some of the funds which the Commodity Credit Corporation would normally use to purchase surplus manufactured dairy products such as butter, cheese, and nonfat dried milk shall be used to increase the fluid milk consumption by the men in the armed services.

It seems absolutely inconsistent to me that while we are confronted with a serious problem of surplus dairy products, the men in the armed services are limited to only one glass of fluid milk per day. The average American young man, drafted into the Army, is used to his quart of milk a day. This amendment would have permitted him a quart of milk per day. It would not have cost the Government a cent since it would use funds already available for surplus dairy products. In fact, it would save the Government the cost of storing these manufactured products.

The Government pays just about the same price per pound for manufactured dairy products going into surplus as it costs the Army to purchase fluid milk and the farmer receives 46 percent more for his fluid milk than he does for the milk used in manufactured dairy products.

I commend the committee for its program to permit increased consumption of butter, cheese, and nonfat dried milk by our men in the armed services through permitting the Secretaries of the Army, Navy, and Air Force to acquire surplus dairy products from the Commodity Credit Corporation. But while this helps to dispose of the surplus, it does not help to prevent a surplus and it does not help the farmer increase his milk check. This amendment which you have ruled out of order would have done just that, and without additional cost to the Government.

I first proposed this legislation when I introduced H. R. 8952. The committee saw fit to reject that portion of my bill which related to increased fluid milk for the armed services but I am grateful to the committee, as I am sure the dairy farmers of the Nation are grateful, that the committee did see fit to accept that part of H. R. 8952 in which I proposed doubling the fluid milk allocation to each child who participates in the school-lunch program.

Now as to this second amendment: The Legislature of the State of New York has spent \$1 million in the last 9 years to investigate the price spread between what the farmer gets and the consumer pays for milk, cheese, and butter. This amendment simply asks the Secretary of Agriculture to investigate this spread in milk prices so that the gentleman from New York [Mr. JAVITS] and my consumers in New York City will understand why they have to pay three times what the farmer gets, and the farmer will be able to understand why the price to the consumer is so high while the price he receives is so low.

The commission established by the New York State Legislature, issued its

first report in 1946, and reached this very startling and profound conclusion:

The prosperity of New York farmers, as that of all agriculture, is determined largely by the general price level of all commodities, although usually farm prices go higher in periods of inflation and lower in periods of deflation.

In 1947 it made the following far-reaching recommendation:

The commission decided, however, that * * * thorough study of cost elements involved in the price spread, and milk-marketing and distribution practices, including search for possible economies, could benefit producers, dealers, and consumers.

In 1949 the commission's annual report contains what is called Analysis of the Spread Between Farm and Consumer Milk Prices in New York City Under Present Practices. In the section headed "Specific Findings," we find the following sage observations:

The study revealed that wide differences in cost existed within each of the steps or functions from the gathering of milk in the country to its ultimate distribution to consumers in the city.

Substantial reductions in the spread and the accompanying milk prices can be accomplished by reducing costs.

Cost reduction initiated by an individual company will result in increased profits for the company rather than in reduction in the spread unless the company passes these economies on to the consumer through price reductions.

The costs prevailing among dealers where price competition was most keen indicated that cost reductions are most likely to be accomplished under conditions of competition.

In 1950 the commission reported its Analysis of the Spread Between Farm and Consumer Milk Prices in Buffalo Under Present Practices. Its findings for that investigation contain the following very helpful observation:

By improvement in efficiency and more complete utilization of facilities, cost and price reductions are possible.

In 1951 the commission decided to review the effect of transportation on the spread between producer and consumer milk prices. By this time the commission had spent a total of \$238,622 for management consultants; another \$80,000 in attorney's fees; \$58,357 for research and public relations services; \$40,000 for the services of a single economist; \$110,000 for staff salaries, and reported this momentous conclusion:

The time required for a trip from the truck to the consumer's door with the product (milk) and the return to the truck with the empty bottle depends upon the distance traveled.

In each year since 1945 the commission has been consistent in one recommendation, however, they have sought and received an additional appropriation.

Let me read to you what one of our most important eastern agricultural publications, the Rural New Yorker, had to say about this same New York State legislative commission in an editorial published in January of 1951:

A MISERABLE FAILURE

On April 1, 1945, the New York State Temporary Commission on Agriculture was set

up by the legislature upon the express direction of Governor Dewey to determine and correct all adverse conditions in the marketing of farm products. Also on the specific request of the Governor, priority was to be given to an investigation of the milk price spread.

The commission had the complete, unqualified support of farmers, particularly dairy farmers who were puzzled and angry at the steadily increasing spread between the price they received for their milk and the price charged by dealers to consumers. At that time, in early 1945, the spread was 9½ cents on every quart of milk. Countless hearings were held throughout the State and hundreds of interested persons gave testimony voluntarily. All this, for some unexplained reason, took close to 3 years. Finally, in the latter part of 1947, when public patience was all but exhausted, although hope still ran fairly high that somehow something would still be done, the commission appointed a special investigator who in turn hired a firm of efficiency experts. The first report on the milk price spread, finally issued in the spring of 1949, turned out to be nothing more than a useless morass of figures and analyses which were supposed to establish that milk dealers in New York City were earning only two-tenths of a cent, before taxes, on every quart of milk sold.

Since then, the commission has released a similarly pointless report on the Buffalo milk market and is now engaged in studying conditions in the city of Amsterdam.

In addition, there has been some desultory study of farm-to-market roads, and a proposed revision of the cooperative laws, which retains practically every one of the bad features of the existing laws.

For all this, the legislature has made six appropriations of taxpayers' money totalling \$649,923.91, of which, according to the following analysis, \$598,516.86 had already been spent down to December 5, 1950:

Stevenson, Jordan & Harrison (management consultants).....	\$238,662.85
Staff salaries.....	98,644.58
Charles H. Tuttle (legal fees and expenses).....	79,891.67
Agricultural Advertising & Research Agency (public relations, supervision, etc.).....	58,357.57
Dr. Ernest C. Young (milk spread investigator).....	40,552.30
Capitol Research, Reporting & Publicity Service—W. W. Tyler and H. T. Sheffer, partners (public relations).....	11,031.05
Stenographic and stenotype fees.....	10,856.64
Expenses of commission members.....	9,840.12
Hotel accommodations.....	7,347.37
Printing costs.....	5,612.83
Postage.....	3,900.00
Miscellaneous supplies and expenses.....	2,935.62
Office supplies.....	2,520.26
Dr. M. C. Bond (fees and/or expenses as expert, adviser etc.).....	2,230.81
Transportation expenses.....	1,849.50
Stationery supplies.....	1,456.25
Subscriptions.....	690.50
Cornell University.....	160.75

Other expenses (being payments to following persons):

A. L. Marshall.....	4,454.29
E. G. Byer.....	2,531.67
Marion M. Crain.....	2,309.90
R. W. Mosely.....	2,172.53
N. B. M. Barton.....	2,020.87
R. S. Butler.....	1,215.86
G. B. Robinson.....	1,120.19
C. H. Freeman.....	1,060.67
E. A. Lutz.....	827.66
E. F. Muldowney.....	800.00
M. Hoefler.....	432.90
J. L. Peet.....	397.88

Other expenses—Continued

H. B. Vroman.....	\$382.69
E. Beckwith.....	332.64
Jane M. Hillen.....	285.47
F. E. Serviello.....	221.76
J. P. Christensen.....	206.26
W. M. Allred.....	147.87
F. T. Jensen.....	137.03
R. G. Jamison.....	89.95
H. Mooney.....	87.50
E. J. Mattes.....	80.96
G. N. Blodgett.....	54.86
A. Volk.....	51.90
Joseph Biekirk.....	50.00
S. G. Matthews.....	48.53
L. N. Einsel.....	47.73
T. A. Buhl.....	44.45
H. S. Leffer.....	40.93
M. C. Cary.....	40.00
S. M. Lukas.....	31.68
H. W. Lowe.....	30.39
G. Turner.....	30.00
D. Lush.....	27.60
Page Scott.....	27.30
F. Brand.....	27.30
S. C. Beagle.....	25.00
K. Towner.....	24.50
W. J. Dwyer.....	20.08
V. V. Lenzetti.....	11.63
Frank Jones.....	10.00
W. L. Coughtry.....	7.11
Kirk Stone.....	5.00
Helen Hoehner.....	3.70

Total..... 21,976.19

Total expenditures..... 598,516.86

Classification made by the Rural New Yorker from photostatic copies of ledger sheets furnished by New York State Department of Audit and Control, and from personal analysis of warrants in files of New York State Department of Audit and Control.

Significant in the above list are the charges of the milk experts to the amount of some \$238,000—\$178,871 of it spent in the past 2 years; the legal fees of some \$80,000, and still being paid at the rate of \$625 a month; and the public relations expense of \$69,000.

In a brazen attempt to justify the Commission's expenditures, Senator Austin Erwin, the chairman, has taken full credit for the Sheffield milk price cut back in October, 1949. Only through "permanent cost reductions," he says, can any substantial price reductions be obtained, and then proudly boasts: "We are well on the road to that goal of permanent cost reductions."

These statements, made by chairman Erwin in his 1950 report to the legislature, will come as a distinct surprise to everyone who is even remotely connected with the milk business. There was, of course, no connection whatsoever between the Sheffield price cut and the commission's report and, if Mr. Erwin still insists that this commission's work on milk is responsible—at a cost to date of a definitely earmarked \$280,000, how does he explain the constant increase in the dealer spread within the past 6 months—a total of 2 cents on every quart of milk? Is this what he calls being "well on the road to the goal of permanent cost reductions?"

There was no publication in this area that was more responsible for initiating an investigation of the price spread than the Rural New Yorker; nor was there anyone more hopeful for the successful outcome of the commission's work. There is, therefore, no publication that is more bitterly disappointed and disgusted with what the commission has failed to accomplish—deliberately failed since the facts were, and still are, there to be unearthed. Who is really responsible, we do not know; why hundreds of thousands of dollars have been allowed to go down the political drain in a long drawn-out whitewash of milk dealers, has not been divulged.

This much, however, is clear. Unless there is a complete right-about-face in the com-

mission's policy, and unless there is a real investigation with a full and fearless use of the legislative subpoena powers, it will be a shameless waste of time and money to allow this commission to operate any longer. It has had plenty of time and opportunity, and it has failed miserably those whom it was delegated to aid and protect.

This amendment which I now propose merely provides that the Secretary of Agriculture in addition to the investigation and report which the committee desires he make concerning a new program for the dairy farmer also tells us why the consumer has to pay three times as much as the dairy farmer gets for a quart of milk. It proposes that the Secretary of Agriculture find out and tell the Congress who is getting that spread or difference in the two prices, why he is getting it, and what should be done about it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

The question was taken; and on a division (demanded by Mr. ROOSEVELT) there were—ayes 64, noes 76.

Mr. ROOSEVELT. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. ROOSEVELT and Mr. HOPE.

The committee again divided, and the tellers reported that there were—ayes 93, noes 105.

So the amendment was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin [Mr. LAIRD].

Mr. LAIRD. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LAIRD:
On page 34, line 20, after the period insert "The Administrator shall report monthly to the Committees on Agriculture of the Senate and House of Representatives and the Secretary of Agriculture the amount of dairy products used under this subsection, and."

On page 35, line 3, after the period insert "The Secretaries of the Army, Navy, and Air Force shall report monthly to the Committees on Agriculture of the Senate and House of Representatives and the Secretary of Agriculture the amount of dairy products used under this subsection."

(By unanimous consent, the time allotted to Mr. OLIVER P. BOLTON (at the request of Mr. BOLTON) was granted to Mr. LAIRD.)

Mr. LAIRD. Mr. Chairman, last spring and summer I was instrumental in getting a contract negotiated between the Defense Department and the Commodity Credit Corporation, which provided that the Defense Department could purchase butter in addition to their normal open-market purchases of butter from the Commodity Credit Corporation. The following figures reflect the effect of this purchase contract upon the Army, Navy, and Air Force:

	January through June 1953	July through December 1953
Butter (open market).....	Pounds 12,300,000	Pounds 15,200,000
Butter (CCC).....	None	16,000,000
Butter substitutes.....	17,900,000	1,700,000

This is an example of what can be done right within the Government.

I commend the Committee on Agriculture for the provisions included in this bill to make dairy products available to the armed services and the Veterans' Administration. The amendment which I proposed will put the responsibility upon the Administrator of the Veterans' Administration and also upon the Secretaries of the Army, Navy, and Air Force, to move forward on this program to use dairy products and to make monthly reports of the actual progress which is being made in these agencies of the executive departments.

Mr. JOHNSON of Wisconsin. Mr. Chairman, I would like to be recognized to speak in favor of the amendment offered by the gentleman from Wisconsin [Mr. LAIRD] inasmuch as I have the same amendment at the Clerk's desk and have had it there for the last 2 days. At this point I wish to extend my remarks to include the amendment as I left it at the desk yesterday:

Amend subtitle E, section 322, by adding a new subsection (e) at the end of subsection (d), page 35, line 14:

"Starting January 1, 1955, and annually thereafter, the Commodity Credit Corporation shall report to the Committee on Agriculture of the House and the Committee on Agriculture and Forestry of the Senate the total quantity and value of each type of dairy product made available under this section to the Administrator of Veterans' Affairs and the Secretaries of the Army, Navy, and Air Force."

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin [Mr. JOHNSON].

(By unanimous consent (at the request of Mr. MILLER of California) the time allotted to him was given to Mr. JOHNSON of Wisconsin.)

Mr. JOHNSON of Wisconsin. Mr. Chairman, I favor the amendment for the same reasons as given by the gentleman from Wisconsin [Mr. LAIRD].

I feel there has been a great tendency to charge up to farm price support programs everything possible. Under our amendment it will be necessary for them to report the amount of butter, cheese, and dairy products that are used by Administrator of Veterans' Affairs and the Secretaries of the Army, Navy, and Air Force, and we will know what they use; and we will have the figures available so they cannot be charged against the farm program.

Section 322 of the bill under consideration provides for amending section 202 of the Agricultural Act of 1949 to increase the consumption of dairy products. Section 322, while not specifying increased allowances to Armed Forces personnel, should increase consumption of dairy products by such personnel. This is the objective of the bill I introduced recently.

My bill, H. R. 8600, if enacted, would increase dairy allowances of milk, butter, and cheese to Armed Forces personnel. Specifically, butter rations would be increased from 1 $\frac{1}{10}$ ounces, cheese rations from $\frac{1}{2}$ to 1 ounce; evaporated and powdered milk from 4 ounces to 1 pint and 1 ounce to 4 ounces respectively. Whole milk rations under provisions of the bill would be 1 quart per day for all branches of our Armed Forces.

The enactment of this bill would mean that Armed Forces consumption of fresh milk, or its equivalent, would be tripled. The consumption of cheese would be doubled and the consumption of butter increased substantially.

Section 322 of the bill before us requires that the Commodity Credit Corporation shall make available to the Administrator of Veterans' Affairs dairy products for use in hospitals under his jurisdiction. Additionally, this section requires the Commodity Credit Corporation to make available to Secretaries of the Army, Navy, and Air Force dairy products for use as a part of the ration of personnel, including hospitalized personnel.

Except for packaging costs, dairy products will be made available by the CCC without charge.

As I mentioned earlier, section 322 does not provide for an increase in daily allowances of dairy products to our Armed Forces personnel. Might I suggest at this point that the Administrator of Veterans' Affairs and the Secretaries of the Army, Navy, and Air Force use the increased allowances of dairy products in my bill as a guide in the future use of dairy products. If time permitted, I would like very much to cite all the reasons why increased allowances of dairy products to our Armed Forces personnel are necessary. It will suffice to say, however, that the men and women serving their country deserve the best in food. Increased allowances of health-giving dairy products is one way to give them the best.

Dairy products under section 322 are to be made available without charge except for packaging costs. The amendment I have introduced has to do with this phase of the bill.

Under the bill, as now written, the costs of this program would be charged to the Commodity Credit Corporation. While my amendment does not change this, it would require, if adopted, that the Commodity Credit Corporation to prepare on January 1 of each year a report of the amount and value of dairy products transferred from the Commodity Credit Corporation under the provision of section 322 to the Administrator of Veterans' Affairs and the Secretaries of the Army, Navy, and Air Force.

This amendment does not change in any way the bill before us. It is a safeguard which will make it possible to ascertain each year the exact amount of dairy products furnished by the CCC to the Administrator of Veterans' Affairs and the Secretaries of the Army, Navy, and Air Force.

This amendment is needed to assure that the costs of this program are not charged to farmers, but to the costs of national defense.

It has been clearly demonstrated since Mr. Benson became Secretary of Agriculture that some definite safeguards are needed to assure that the cost of a farm price support program can be determined without question. It is toward this and that I ask your support of this amendment.

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

The question was taken; and on a division (demanded by Mr. LAIRD) there were—ayes 81, noes 9.

So the amendment was agreed to.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Wisconsin [Mr. LAIRD].

The Clerk read as follows:

Amendment offered by Mr. LAIRD: Page 51, after line 2, insert the following:

"SEC. 602. The Agricultural Marketing Agreement Act of 1937 is amended by adding at the end thereof the following new section:

"SEC. 7. (a) The purpose of this section is to remove those barriers to the free movement of milk and milk products in interstate commerce which now exist because of milk marketing agreements and orders issued under this act, and because of various State and local sanitation requirements; and to provide uniform sanitation standards governing milk and milk products shipped in interstate commerce.

"(b) The Surgeon General of the Public Health Service shall prescribe uniform sanitation standards governing the production and handling of milk and milk products shipped in interstate commerce. As used in this section, the term "sanitary milk or milk products" means milk or milk products produced in a State whose chief agricultural officer has certified to the Secretary of Agriculture of the United States that milk and milk products produced in such State are produced and handled in compliance with the standards prescribed under this subsection.

"(c) No marketing agreement or order issued under this act shall apply to, or be effective in, any marketing area in which any Federal, State, or local restrictions operate to prevent the free marketing of sanitary milk or milk products shipped into such area in interstate commerce.

"(d) No Federal, State, or local law shall operate to prevent the free marketing, in any area of the United States, of sanitary milk or milk products shipped into such area in interstate commerce."

Mr. LAIRD. Mr. Chairman, this is a complicated amendment but it is necessary to provide for the free flow of milk throughout the country. At the present time the free flow of milk from Wisconsin to other sections of the country is being stopped by local health ordinances which act to keep out low-priced Midwest milk. Federal milk marketing orders issued by the United States Department of Agriculture have had the same effect. Local health ordinances are used in dozens of ways to keep out low-priced milk from Midwest areas. Federal marketing agreements have kept class I fluid milk prices at such a high level that the result has been to increase milk output in city milkshed areas. Just last year there were 49 Federal marketing agreements in force. Over 44 percent of the milk coming into these areas was surplus milk which could not be sold as fluid milk. These Federal orders have encouraged building up huge surpluses in these selected milksheds because of monopoly prices and distant producers have been forced out of these same markets. The amendment which I propose will help to clean up the sorry milk-marketing mess.

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

Mr. LAIRD. I yield.

Mr. AUGUST H. ANDRESEN. As the gentleman knows, I have a similar measure pending before the Committee on Agriculture. This matter of trade barriers between sections of the United States is something that many of us are interested in. I brought up the matter in the Committee on Agriculture, and we did not come to any conclusion because many members of the committee felt that with the beginning of a new Congress we should hold extensive hearings on it, which have not been agreed to, but we hope the entire matter will be explored at that time.

Mr. LAIRD. I thank the gentleman. Mr. Chairman, in view of the fact that time is limited and because this amendment has served a very desirable purpose indeed in calling to the attention of this Congress a situation as it exists regarding the free flow of milk in this country, I will ask that the amendment not be considered at this time and under unanimous consent ask that it be withdrawn.

I wish to commend the Committee on Agriculture, particularly the chairman, the distinguished and able Congressman from Kansas, Hon. CLIFFORD HOPE, and the senior Republican member of this committee, the able spokesman for the dairy farmer on the floor of the House, the Honorable AUGUST H. ANDRESEN, of Minnesota, for agreeing to study this entire dairy marketing situation between now and the 1st session of the 84th Congress. I realized at the time this amendment was introduced that it was a complicated amendment, but it was my purpose to call this situation to the attention of all Members of the House.

I thank my colleagues for their consideration, and particularly the House Committee on Agriculture, for undertaking a complete review of milk-marketing procedures and the marketing of dairy products.

The CHAIRMAN. Is there objection? There was no objection.

The CHAIRMAN. The gentleman from New York offers an amendment which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. OSTERTAG: On page 43, line 3, before the period, insert the following: "and to the maintenance of proper balance between soil-conserving and soil-depleting crops on the farm."

Mr. OSTERTAG. Mr. Chairman, this amendment will give the Secretary of Agriculture discretionary authority to require the maintenance on farms of a proper balance between soil-conserving and soil-depleting crops, in the administration of ACP programs.

In many areas of our country, it will not be necessary for the Secretary to use this authority because farmers are already pursuing crop-rotation systems that provide for a balance between the soil-exhausting and soil-building crops. In other areas, however, as Members of this House from rural districts can testify, some farmers devote all of their tillable acres, year after year, to soil-depleting crops. My amendment will give the Secretary of Agriculture the authority he needs to restore a proper balance to crop rotation in such areas, and thus to insure that the ACP payments

actually serve the purpose for which they are made.

I may say, Mr. Chairman, that this amendment has the full backing and approval of the Secretary of Agriculture and his Department, and will, if adopted, greatly strengthen the ACP program and the objective it is designed to serve. It will serve both our immediate and our long-range agricultural objectives, while preserving, to the maximum degree possible, flexibility in the administration of the program.

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

Mr. OSTERTAG. I yield.

Mr. KEATING. I am happy to support the gentleman and commend him for offering this amendment.

Mr. OSTERTAG. I thank the gentleman.

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

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

The amendment was rejected.

Mr. YATES. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. YATES: Page 25, line 16, after the word "subtitle" strike out the period, insert a colon and the words: "Provided, That the support price for shorn wool shall not exceed 110 percent of the parity price therefor."

Mr. YATES. Mr. Chairman, my amendment, which sets a maximum limit of 110 percent of parity for the wool program, may sound strange after listening for 3 days to Members pulling and pushing each other to obtain 82½ percent of parity or 90 percent of parity, but I believe it is a necessary one. In my opinion the provision to which my amendment is directed is a sleeper. If you read the sentence beginning on line 11 on page 85, you will see that the Secretary of Agriculture has been given a blank check to pay any support price for shorn wool which he considers to be necessary in carrying out the program. I am opposed to giving him such a blank check, particularly in view of the fact that the program is a new and experimental one which may result in tremendous expense to the taxpayers.

The new program is supposed to be predicated on the Brannan plan. The single most vehement argument made against the Brannan plan apart from the charge that it set up a dole for farmers, was to its possible expense. Certainly if we place no curbs upon the discretionary power of the Secretary of Agriculture, knowing that he is required to offer incentives to procure the production of 300 million pounds of wool during the next year, we may find ourselves faced with a tremendous deficit for this one program alone.

My amendment simply imposes a ceiling beyond which the Secretary of Agriculture cannot go in purchasing shorn wool. The gentleman from North Carolina, Mr. COOLEY, for whose opinion on farm matters I have a great deal of respect, has frequently stated that parity is a fair price to the farmer. The stated purpose of the wool program is to stimulate domestic production. Incentives are

offered for that purpose. Certainly, a ceiling of 110 percent of parity should furnish more than an adequate incentive for development of domestic wool. If anything, the figure is excessive, but it is the maximum. The Secretary will still have the responsibility of operating the program discreetly and reasonably in order to assure maximum efficiency and economy.

I urge that my amendment be adopted.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois.

The question was taken; and on a division (demanded by Mr. D'EWART) there were—ayes 76, noes 71.

So the amendment was agreed to.

The CHAIRMAN. The gentleman from California [Mr. PHILLIPS] is recognized.

Mr. PHILLIPS. Mr. Chairman, I rise only to ask a question either of the gentleman from Kansas [Mr. HOPE], or of the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN]. On page 37, line 3, under section 321, the Secretary of Agriculture is directed to make a study and report to Congress. I understand this section does not authorize the Secretary of Agriculture to conduct a referendum of dairy farmers, that the authority for the referendum will originate in a later enactment.

Mr. AUGUST H. ANDRESEN. The gentleman is correct in his interpretation. There is no existing law that would authorize the referendum.

The section of the bill to which the gentleman refers simply requires a study and report by the Secretary.

Mr. YATES. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. YATES: Page 27, line 20, after the word "hereby", insert the words "authorized to be."

Mr. YATES. Mr. Chairman, this amendment is to require that payments made to producers under the new program be approved by the Appropriations Committee. The language now in the bill would make appropriations automatic for 70 percent of the duties received on wool imports. The funds would be made available to and paid out by the Commodity Credit Corporation, without reference to the Appropriations Committee. The wool program provided for in this bill is stated to be the Brannan plan concerning which the major criticism has been the potential cost. If we want to know what the Brannan plan costs in operation, why should we not keep a check on it by requiring appropriations to be made through the Appropriations Committee? Funds received automatically under section 32 have a habit of getting lost, much more so than if they were required to be a part of the agricultural budget. It seems to me that the growing tendency to make permanent appropriations for agricultural commodities, without the supervision by congressional committees annually, is undesirable. I am not willing to accept the argument that has been made "that this is wool's part of the section 32 funds," as though each of the agricultural commodities is entitled to

its proportionate share of tariff income which otherwise would be paid into the treasury and lighten the taxpayer's burden.

I urge that my amendment be accepted.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois.

The question was taken; and on a division (demanded by Mr. YATES) there were—ayes 21, noes 68.

So the amendment was rejected.

Mr. DONOHUE. Mr. Chairman, I ask unanimous consent to extend my remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. DONOHUE. Mr. Chairman, I do not rise in any spirit of personal argumentation or contention. My sincere purpose is to reflect with you on the very serious questions that deeply disturb me about this farm legislation. I believe, and I feel there are many millions of other Americans believing with me, that it is high time for the Congress to re-examine and reappraise the high rigid farm price support program that portends eventual disaster to the farmer himself and more immediate suffocation of our burdened taxpayers.

Sensible it is to recognize our obligation of helping to maintain a stable farm economy for the national welfare. At the same time, we cannot deny the duty we have to afford all possible protection to the general consuming public.

Any legislative program involving an investment of \$6½ billion with storage charges alone amounting to \$700,000 per day, or about \$30,000 per hour, certainly demands the objective, nonpartisan, unprejudiced, conscientious analysis of this House. This staggering amount is a defenseless burden being imposed on all American taxpayers, farmers, and consumers alike. It challenges our legislative duty to find and apply some other method of saner assistance to the basic farm economy and sensible saving of the taxpayers' money.

Summarizing the current situation, we find the mandatory rigid 90 percent support prices for the so-called basic commodities have created enormous surpluses. Under the existing law, the Government is compelled to purchase these surpluses regardless of the quality offered or of the needs of the consumer. As an inevitable result of the extension of these Government guaranties, the farmer is now producing these products for Government storage instead of for consumption. This factor alone seems to me, in all commonsense, to be an inherent contradiction of all natural and economic laws.

As these surpluses constantly mount, the present law requires the Secretary of Agriculture to impose smaller acreage quotas upon the farmer, with marketing limitations and penalties for violations. This requires farmers to take more and more acres out of production of these crops. The situation is now approaching a stage in which the reduced production, even with the high supports, will mean a lower income to the farmer

while at the same time, the costs to the Government for storage and spoilage have already reached stupendous proportions.

Eventually, this impractical policy promises to lower the purchasing power of the farmer for the equipment and machinery produced by labor and industry. Likewise with restricted and limited operation, the farmer will need less equipment and manufactured materials and services. A chain reaction is threatening all along the line which can seriously injure every factor of our economy.

Mr. Chairman, that is substantially and briefly why I earnestly urge an unbiased review of the present farm program and initiation of determined effort to find a better way to solve the problem. In furtherance of that objective, I suggest the practical wisdom of reconstituting into this legislation the principle of flexible prices incorporated in the farm-support program in 1948. From a study of the legislative action then, it is clear that the Congress never intended that this high rigid price-support program must go on forever. I do not intend to convey any conviction that the flexible system offers the full and complete answer to this perplexing dilemma. However, any beginning of the flexible system would obviously tend to stop the incentive to overproduce. Unquestionably, it would encourage domestic consumption, and I do not think there is any Member here who would not rather have these healthy food products eaten by the American people than put away to spoil in warehouses all over the Nation. In addition, the flexible system would tend to stimulate foreign export of agricultural commodities. Will anyone dare say that these salutary changes are not worth seeking?

Realizing the Chief Executive's concern over this legislation, let us take no chance of provoking a Presidential veto. There are some very sound features in this legislation, such as those providing fair and equitable adjustments to encourage the stability of the wool and dairy industries. Let us not sacrifice these substantial segments of our economy for any dubious political advantage.

Let us also consciously realize that savings of the funds now needlessly expended for high price supports can and should be utilized to promote increasing advantages for the farmer and the country at large. For instance, these savings can be used for increased support of agricultural research and education; on research aiming to expand efficient marketing of farm products, both at home and abroad, and for the development of a more positive program of soil and water conservation, all of which add to the preservation of our natural resources.

Mr. Chairman, let me emphasize that I have no thought of sudden abandonment of any farm program or immediate transition to a new system that might well impose serious hardships upon everyone concerned. That is not the objective at all. The purpose is to begin a gradual retreat from the tentacles of an octopus threatening us with hopeless envelopment. The common-sense thing to do is to take a step back, for

healthy perspective, away from the rigid high price supports imposed only as a wartime precaution, that we all well understand cannot go on indefinitely and are each day plunging the country and the farmer into a widening financial morass. I, for one, do not want to see the day in this country when there could be more storage houses than dwelling houses.

We all appreciate that politics has played too great a part in the continuation of the current program. In that respect, let me recall the words of the President of the United States on last June 10 when he was speaking before a congressional committee of his own party. On that occasion he said, "Now, I want to make this one point clear. In this matter I am completely unmoved by arguments as to what constitutes good or winning politics. I know that what is right for America is politically right."

That is the kind of courageous language I rather imagine is, in these turbulent times, most welcome music to the ears of our loyal American people. I further believe they will wholeheartedly approve of our individual action, in the spirit of that language, of voting for what is right and good for all America.

LEGISLATIVE PROGRAM FOR NEXT WEEK

Mr. HALLECK. Mr. Chairman, I ask unanimous consent to proceed for 1 minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. HALLECK. Mr. Chairman, we will adjourn over until Tuesday.

On Tuesday we will call the Consent and Private Calendars, after which we will call up H. R. 8009, care of mentally ill, Alaska, and H. R. 9252, to provide reserve of tankers. If there is a record vote on either of those bills that record vote will go over until Wednesday. For Wednesday and the balance of the week the following bills will be considered:

H. R. 9640, Vocational Rehabilitation Act, and H. R. 7486, harboring of fugitives.

If rules are granted, the following bills will be considered:

H. R. 9709, unemployment compensation.

H. R. 9580, Espionage and Sabotage Act.

S. 2987, transfer of hay and pasture seeds from Commodity Credit Corporation.

Senate Concurrent Resolution 79, continue Texas City tin smelter.

H. R. 9144, Federal Reserve Act loans by Small Business Administration.

H. R. 8386, conservation of water resources.

S. 1276, act to amend the Bankhead-Jones Farm Tenant Act.

Conference reports may be called up at any time, and any further program will be announced later.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. CORTON, Chairman of the Committee of the Whole House on the State of the

Union, reported that that Committee, having had under consideration the bill (H. R. 9680) to provide for continued price support for agricultural products; to augment the marketing and disposal of such products; to provide for greater stability in the products of agriculture, and for other purposes, pursuant to House Resolution 604, he reported the bill back to the House and sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment?

Mr. COOLEY. Mr. Speaker, I demand a separate vote on the so-called Harrison amendment.

The SPEAKER. Is a separate vote demanded on any other amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The Clerk will report the amendment upon which a separate vote has been demanded.

The Clerk read as follows:

Amendment offered by Mr. HARRISON of Nebraska: On page 1, strike out line 7 and all that follows down through line 2 on page 8 and insert in lieu thereof the following:

"(6) except as provided in subsection (c) and section 402, the level of support to co-operators shall be not more than 90 percent and not less than 82½ percent of the parity price for the 1955 crop of any basic agricultural commodity with respect to which producers have not disapproved market quotas; within such limits, the minimum level of support shall be fixed as provided in subsections (a) and (b) of this section."

Mr. HOPE. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the amendment.

Mr. COOLEY. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 228, nays 170, answered "present" 1, not voting 35, as follows:

[Roll No. 96]

YEAS—228

- Adair, Campbell, Fenton
Addonizio, Canfield, Fernandez
Allen, Calif., Carrigg, Fogarty
Allen, Ill., Cederberg, Forand
Arends, Chenoweth, Ford
Auchincloss, Chipperfield, Freilinghuysen
Ayres, Church, Friedel
Bailey, Clardy, Fulton
Baker, Clevenger, Gamble
Barrett, Cole, Mo., Garmatz
Bates, Coon, Gary
Beamer, Corbett, Gavin
Becker, Cotton, Golden
Belcher, Coudert, Goodwin
Bender, Cretella, Graham
Bentley, Crumpacker, Granahan
Betts, Cunningham, Green
Bishop, Curtis, Mass., Gubser
Boland, Curtis, Mo., Gwinn
Bolton, Curtis, Nebr., Hale
Bolton, Dague, Haley
Bolton, Davis, Wis., Halleck
Bolton, Dawson, Utah, Hand
Bosch, Delaney, Harden
Bow, Dempsey, Harrison, Nebr.
Bramblett, Derounian, Harrison, Va.
Bray, Devereux, Harrison, Wyo.
Brown, Ohio, Dollinger, Harvey
Brownson, Dondero, Herlong
Broyhill, Donohue, Hesselton
Budge, Donovan, Hess
Bush, Dorn, N. Y., Hiestand
Byrd, Elsworth, Hill
Byrne, Pa., Engle, Hillelson
Byrnes, Wis., Fallon, Hinshaw

- Hoffman, Ill., Meader
Hoffman, Mich., Merrill
Holmes, Merrow
Holt, Miller, Md.
Holtzman, Miller, Nebr.
Hosmer, Miller, N. Y.
Howell, Morano
Hruska, Mumma
Hunter, Neal
Hyde, Nelson
Jackson, Nicholson
James, Oakman
Javits, O'Brien, Mich.
Jenkins, O'Neill
Johnson, Calif., Osmers
Jonas, Ill., Ostertag
Jonas, N. C., Patterson
Judd, Pelly
Kean, Philbin
Kearney, Phillips
Kearns, Pillion
Keating, Poff
Kelly, N. Y., Prouty
Kilburn, Radwan
King, Pa., Ray
Knox, Reams
Laird, Reece, Tenn.
Lane, Reed, Ill.
Lantaff, Reed, N. Y.
Latham, Rhodes, Ariz.
LeCompte, Rhodes, Pa.
Lipscomb, Riehlman
McConnell, Robison, Ky.
McCulloch, Rodino
McDonough, Rogers, Fla.
McGregor, Rogers, Mass.
McIntire, Sadlak
McVey, St. George
Mack, Ill., Saylor
Mack, Wash., Schenck
Malliard, Scherer
Martin, Scott

NAYS—170

- Abbott, Frazier
Abernethy, Gathings
Albert, Gentry
Alexander, George
Andersen, Grant
Andersen, H. Carl, Gregory
Andresen, Gross
August H., Hagen, Calif.
Andrews, Hagen, Minn.
Ashmore, Hardy
Aspinall, Harris
Barden, Hays, Ark.
Battle, Hays, Ohio
Bennett, Fla., Hebert
Bennett, Mich., Hoeven
Bentsen, Hope
Berry, Horan
Blatnik, Icard
Boggs, Jarman
Bolling, Johnson, Wis.
Bonner, Jones, Ala.
Bowler, Jones, Mo.
Boykin, Jones, N. C.
Brooks, La., Karsten, Mo.
Brooks, Tex., Kee
Brown, Ga., Kelley, Pa.
Buchanan, Kilday
Burlison, King, Calif.
Cannon, Kirwan
Carlyle, Kluczynski
Carnahan, Krueger
Celler, Landrum
Chelf, Lanham
Chudoff, Lesinski
Colmer, Lovre
Condon, McCarthy
Cooley, McCormack
Cooper, McMillan
Crosser, Madden
Davis, Ga., Magnuson
Davis, Tenn., Mahon
Dawson, Ill., Marshall
Deane, Matthews
D'Ewart, Metcalf
Dies, Miller, Calif.
Dolliver, Miller, Kans.
Dorn, S. C., Mills
Dowdy, Mollohan
Doyle, Morgan
Durham, Moss
Eberhardter, Moulder
Edmondston, Multer
Elliott, Murray
Evins, Natcher
Fine, Norrell
Fisher, O'Brien, Ill.
Forrester, O'Brien, N. Y.
Fountain, Scott

- Scrivner
Scudder
Seely-Brown
Sheehan
Shelley
Short
Sieminski
Simpson, Pa.
Small
Smith, Va.
Smith, Wis.
Staggers
Stauffer
Stringfellow
Taber
Taylor
Thomas
Thompson, Mich.
Tollefson
Utt
Van Pelt
Van Zandt
Velde
Vors
Vursell
Wainwright
Walter
Warburton
Westland
Wharton
Widnall
Wigglesworth
Williams, N. J.
Williams, N. Y.
Wilson, Ind.
Withrow
Wolcott
Wolverton
Yates
Young
Younger

- O'Hara, Ill.
O'Hara, Minn.
O'Konski
Passman
Patman
Patten
Prest
Pilcher
Poage
Polk
Preston
Price
Priest
Rabaut
Rains
Rayburn
Rees, Kans.
Richards
Riley
Rivers
Roberts
Robeson, Va.
Rogers, Colo.
Rogers, Tex.
Rooney
Roosevelt
Selden
Shuford
Sikes
Simpson, Ill.
Smith, Kans.
Smith, Miss.
Spence
Springer
Steed
Sullivan
Talle
Teague
Thompson, La.
Thompson, Tex.
Thornberry
Trimble
Tuck
Vinson
Wampler
Watts
Wheeler
Whitten
Wickersham
Wier
Williams, Miss.
Willis
Wilson, Tex.
Winstead
Yorty
Zablocki

NOT VOTING—35

- Angell
Gordon
Morrison
Bonin
Hart
Norblad
Buckley
Heller
Perkins
Burdick
Hillings
Powell
Busbey
Keogh
Regan
Camp
Kersten, Wis.
Secrest
Chatham
Klein
Shafer
Cole, N. Y.
Long
Sheppard
Dingell
Lucas
Sutton
Dodd
Lyle
Weichel
Feighan
Machrowicz
Wilson, Calif.
Fino
Mason

So the amendment was agreed to. The Clerk announced the following pairs:

On this vote:

- Mr. Hillings for, with Mr. Burdick against.
Mr. Cole of New York for, with Mr. Hollifield against.
Mr. Bonin for, with Mr. Perkins against.
Mr. Mason for, with Mr. Camp against.
Mr. Busbey for, with Mr. Keogh against.
Mr. Fino for, with Mr. Lucas against.
Mr. Weichel for, with Mr. Klein against.
Mr. Shafer for, with Mr. Chatham against.
Mr. Hart for, with Mr. Regan against.

Until further notice:

- Mr. Angell with Mr. Morrison.
Mr. Wilson of California with Mr. Long.
Mr. Kersten of Wisconsin with Mr. Gordon.
Mr. Norblad with Mr. Sutton.

Mr. HOLIFIELD. Mr. Speaker, I voted "nay." I have a live pair with the gentleman from New York, Mr. COLE. I therefore withdraw my vote and vote "present."

The result of the vote was announced as above recorded.

The SPEAKER. 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.

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

The bill was passed.

The title was amended so as to read: "A bill to provide for the continued price support for agricultural products; to augment the marketing and disposal of such products; to provide for greater stability in agriculture; and for other purposes."

A motion to reconsider was laid on the table.

SPECIAL ORDER GRANTED

Mr. MEADER asked and was given permission to address the House for 5 minutes today, following the special orders heretofore entered.

INCREASE OF COMPENSATION AND PENSIONS FOR VETERANS

Mr. RADWAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

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

There was no objection.

Mr. RADWAN. Mr. Speaker, I am introducing a resolution which calls for a closed rule for the consideration of the bill H. R. 9020, which has been pending before the Committee on Rules since May 28.

This bill, which I have the honor to sponsor and which was carefully con-

ANSWERED "PRESENT"—1
Hollifield

sidered by the Subcommittee on Compensation and Pensions and unanimously reported by the full Committee on Veterans' Affairs, provides increases in the rates of compensation and pension for veterans and their dependents of all wars, service-connected and non-service-connected.

In the case of the service-connected veteran the increase is 10 percent across the board. An increase is granted the service-connected widow without children who was omitted from the last compensation bill, from \$75 to \$87. There is also an increase provided for dependent parents who were likewise omitted from the compensation bill passed in the 82d Congress. The non-service-connected cases received varying increases. The rate for World War I today is \$63 if less than 65 years of age and this is fixed under the bill at \$68. At age 65 the rate today is \$75, and this is increased to \$80. The aid and attendance rate applicable to veterans of all wars is now \$129 and the bill would increase that to \$135. The Spanish War veterans today receive \$96.75 per month and this rate is increased to \$100 even.

Varying increases are granted to widows and their dependents. For example, World War I, II, and Korea are increased from \$48 to \$54. The Spanish War group is increased from \$51.60 to \$58.

I am still hopeful that the Rules Committee will grant a rule on this bill and I have delayed the introduction of this resolution so that the committee might act first.

ADJOURNMENT OF THE HOUSE UNTIL TUESDAY NEXT

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at noon on Tuesday next.

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

There was no objection.

CALENDAR WEDNESDAY

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that the business in order on Calendar Wednesday of this week be dispensed with.

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

There was no objection.

SPEAKER AUTHORIZED TO SIGN ENROLLED BILLS

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that notwithstanding the adjournment of the House until Tuesday next, the Clerk may be authorized to receive messages from the Senate and the Speaker may be authorized to sign any enrolled bills and joint resolutions duly passed by the two Houses and found to be duly enrolled.

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

There was no objection.

CONSENT CALENDAR

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that it may be in order to call bills on the Consent Calendar on Tuesday next.

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

Mr. McCORMACK. Mr. Speaker, reserving the right to object, may I ask if on Tuesday there is a rollcall is it the intention to have that take place on Wednesday?

Mr. HALLECK. That will take place on Wednesday. I announced that earlier in the day.

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

There was no objection.

GENERAL LEAVE TO EXTEND REMARKS

Mr. HOPE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the bill just passed.

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

There was no objection.

SALE OF CERTAIN WAR-BUILT PASSENGER-CARGO VESSELS

Mr. TOLLEFSON. Mr. Speaker, I ask unanimous consent for the immediate consideration of House Joint Resolution 534, to authorize the Secretary of Commerce to sell certain war-built passenger-cargo vessels, and for other purposes.

The Clerk read the title of the bill.

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

There being no objection, the Clerk read the bill, as follows:

*Resolved, etc., That (a) the Secretary of Commerce is hereby authorized, during a period of 6 months after the enactment of this act, to sell to American President Lines, Limited, the war-built passenger-cargo vessels, the steamship *President Cleveland* and the steamship *President Wilson*, on an as-is where-is basis, at the sales price of \$6,500,000 per vessel and from such price there shall be subtracted, as depreciation, \$1,225 per day per vessel for the period beginning April 1, 1954, and ending with date of execution of the contract of sale of the respective vessel. Each such sale shall be on the basis of the payment of not less than 25 percent of the respective vessel sales price at the time of the execution of such vessel sales contract, with balance payable in approximately equal annual installments over the remainder of the 20-year economic life of the vessel with interest on the portion of the vessel sales price remaining unpaid at the rate of 3½ percent per annum. The obligation of the purchaser with respect to payment of such unpaid balance, with interest, shall be secured by a preferred mortgage on the vessel sold, which mortgage may provide that the sole recourse against the purchaser of the vessel under such mortgage, and any of the notes secured thereby, shall be limited to repossession of the vessel by the United States and the assignment of insurance claims, if the purchaser shall have complied with all provisions of the mortgage other than those relating to the payment of princi-*

pal and interest when due, and the obligation of the purchaser shall be satisfied and discharged by the surrender of the vessel, and all right, title, and interest therein to the United States. Such vessel upon surrender shall be (1) free and clear of all liens and encumbrances whatsoever, except the lien of the preferred mortgage, (2) in class, and (3) in as good order and condition, ordinary wear and tear excepted, as when acquired by the purchaser, except that any deficiencies with respect to freedom from encumbrances, condition, and class, may, to the extent covered by valid policies of insurance, be satisfied by the assignment to the United States of claims of the purchaser under such policies of insurance.

(b) Any contract of sale executed under authority of this act shall provide that in the event the United States shall, through purchase or requisition, acquire ownership of such vessels or vessel, the owner shall be paid therefor the value thereof, but in no event shall such payment exceed the actual depreciated sales price under such contract (together with the actual depreciated cost of capital improvements thereon), or the fair and reasonable scrap value of such vessel, as determined by the Maritime Administrator, whichever is the greater; that such determination shall be final; that in computing the depreciated acquisition cost of such vessel, the depreciation shall be computed on the vessels on the schedule adopted by the Internal Revenue Service for income tax purposes as applicable to each such vessel; that each such vessel shall remain documented under the laws of the United States during the remainder of the 20-year economic life of the vessel or as long as there remains due the United States any principal or interest on account of the sales price, whichever is the longer period; and that the foregoing provisions respecting the requisition or the acquisition of ownership by the United States, and documentation shall run with the title to each such vessel and be binding on all owners thereof.

The House joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SPECIAL ORDER GRANTED

Mr. PRIEST asked and was given permission to address the House for 1 hour on Tuesday next, following the legislative program and any special orders heretofore entered.

SPECIAL ORDER VACATED

Mr. PRIEST. Mr. Speaker, I ask unanimous consent that the special order I have for today be vacated.

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

There was no objection.

CERTAIN CLAIMS OF THE STATE OF CALIFORNIA

Mr. JONAS of Illinois. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 3191) conferring jurisdiction on the United States District Court for the Northern District of California to hear, determine, and render judgment upon certain claims of the State of California, with Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 2, line 13, after "States", insert ": *Provided*, That the passage of this legislation shall not be construed as an inference of liability on the part of the United States Government."

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

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

DISPOSAL OF PAID POSTAL-SAVINGS CERTIFICATES

Mr. OLIVER P. BOLTON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 7371) to provide for the disposal of paid postal-savings certificates, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 1, line 10, strike out all after "paid" down to and including "thereto" in line 12.

Page 2, line 5, strike out all after "Department" down to and including "thereto" in line 8.

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

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

Mr. OLIVER P. BOLTON. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

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

There was no objection.

Mr. OLIVER P. BOLTON. Mr. Speaker, as the author of H. R. 7371, I am pleased to urge its final enactment by the House.

As previously stated, this legislation will grant to the Postmaster General authority to destroy or otherwise dispose of postal-savings certificates, including duplicates, after 6 years from the date payment has been made, as shown by the records of the Post Office Department.

In order to give adequate notice and protection to persons who might have such claims on the date this proposal is enacted, it is provided that the bill shall take effect on the first day of the sixth calendar month following the date of enactment.

There are now approximately 250 million postal-savings certificates in the hands of the Post Office Department which could be destroyed when this bill becomes law. The preservation and safekeeping of these certificates is costly—it is time consuming, space consuming, and causes other needless additional expense to the taxpayer. This bill will further aid in reducing bookkeeping procedures with the Post Office Department.

Mr. Speaker, H. R. 7371 is one more step by the administration to give the public better postal service for less money.

Mr. REES of Kansas. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

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

There was no objection.

Mr. REES of Kansas. Mr. Speaker, the language of H. R. 7371 in its present form is the same as recommended by the Post Office Department.

This bill was reported by the Committee on Post Office and Civil Service and passed the House with a clarifying amendment. This amendment was intended to insure a judicial remedy for owners who might lose postal-savings certificates and fail to make claim for payment before the expiration of 6 years. The Senate disagreed with this clarifying amendment.

The Post Office Department is of the opinion that the program proposed would not have the full effect anticipated if this amendment were included.

This bill will authorize the destruction of some 250 million paid postal-savings certificates which, under present law, must be retained and stored by the Department. Similar provisions with respect to claims on account of certain checks or warrants which appear to have been paid are contained in the act of June 22, 1926.

MONOPOLISTIC PRACTICES IN RETAIL DISTRIBUTION

Mr. JOHNSON of Wisconsin. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

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

There was no objection.

Mr. JOHNSON of Wisconsin. Mr. Speaker, as a result of the recent investigation and study of the retail distribution of fluid milk, I am today introducing a proposed resolution. This resolution provides that the Federal Trade Commission shall make a thorough study of those practices in the retail marketing of fluid milk that are in restraint of trade and are monopolistic.

The dairy farmers who do not live in areas where a fluid-milk market is readily accessible are severely penalized in many instances by civil ordinances and regulations, and in some cases by State laws.

I am firmly of the opinion that dairy farmers who are strategically located, geographically speaking, should not be treated differently from those who happen to live at some distance from a fluid-milk market, insofar as the free flow of milk is concerned.

But that is the case when laws or regulations are set up primarily for the purpose of protecting coveted markets from the free flow of milk. In many cases the laws or regulations are set up under the guise of establishing sanitary standards. This practice should be given close attention, in whatever study is made, as a basis for the formulation of corrective measures.

The problem of eliminating monopolistic laws and regulations has been widely recognized. In this connection, I would like to quote a paragraph from the Wisconsin Farmers Union program for 1953-54. It is as follows:

We favor a thorough investigation and prosecution of monopolists in dairy distribution by the Federal Government.

Members of the Minnesota Farmers Union in their program for 1954 give cognizance to the inequities in the retail marketing of fluid milk. I quote, as follows:

Dairy products. Price supports of not less than 90 percent of parity on butter should be extended beyond the present expiration date. In addition, the so-called milkshed areas in the East should be opened up to all producers of dairy products. A free movement of milk would help alleviate the so-called surplus of butter. Because of unfair restrictions, dairymen in the Midwest are forced into heavy butter production. We favor laws to regulate dairy substitutes and so-called filled-milk products.

The action program adopted by delegates to the National Farmers Union Dairy Production Conference in Madison, Wis., January 22-23, 1954, adopted the following statement concerning the fluid-milk market. Again I quote:

We urge that milk-marketing orders be continued, and since milk distribution is now regional instead of local, that Federal orders be reexamined for their effect on the transfer of milk from one local market to another, and their effect on locations of production.

Inequities in the marketing of milk can be illustrated best by looking at the great discrepancy in milk prices between States. According to statistics obtained from the Department of Agriculture publication, *Agricultural Prices*, May 15, 1954, Wisconsin dairy farmers received for all milk as of this date the average wholesale price of \$3.05 per hundredweight. This is only 63.9 percent of national average parity. The average price of fluid milk per hundredweight in the States of Minnesota, Iowa, Missouri, North Dakota, South Dakota, Nebraska, and Kansas was only \$3.19 on May 15, 1954, according to this publication. This is only 66.9 percent of national average parity, only a slight improvement over milk prices in Wisconsin.

In contrast to these depression prices, let us look at milk prices in some other States. The average price of all milk in Florida per hundredweight is \$6.85, 143.6 percent of national average parity price; in New Hampshire \$4.35, 9.12 percent; in Rhode Island \$5.75, 120.5 percent; in Connecticut \$5.35, 112.2 percent of national parity average. For the Nation as a whole, the average price of fluid milk is \$3.76 and is somewhat below 75 percent of parity for manufacturing milk.

These price averages and parity percentages show rather clearly how the present policies of Secretary of Agriculture Benson are directed toward penalizing farmers who reside in areas away from the bigger milk markets and whose milk must be sold, at least in part, for manufacturing purposes.

The fact is that Secretary Benson has jiggled even lower the method of cal-

culating supports for manufacturing milk while apparently content with leaving up the bar against the free flow of milk from the Midwest into the lush, highly protected eastern markets.

The above parity price figures for fluid milk in Wisconsin and the North Central States illustrates Benson's juggling of the means for calculating parity price for manufacturing milk.

To lower prices for manufacturing milk Benson has changed the base period which prior to April 1, 1954, was used for calculating the figure from which the price of manufacturing milk is obtained. Prior to April 1, Benson used the base period July 1946 to December 1948—in effect since February 23, 1949. The use of this base period placed the ratio at 88.5 percent which represents the average ratio of the actual market price of milk for manufacturing to the actual price of all milk sold at wholesale to dealers and plants during the base period July 1946 to December 1948. According to the 88.5 percent ratio—if the parity price for all milk is \$5 per hundred-weight, the parity price equivalent for manufacturing milk would be \$4.43.

Now the base period has been changed so that the entire period from July 1946 to March 1954 is used for calculating the adjustment ratio. This has the effect of reducing the 88.5 percent ratio to 84.1, or, expressed in terms of dollars and cents, the price of manufacturing milk is reduced from \$4.43 to \$4.20. This drop has been brought about by increasingly low prices for manufacturing milk since July 1946. Fluid milk prices, however, have been protected.

I am gratified that the House Committee on Agriculture has taken direct action to correct this adverse ruling. The maintenance of barriers against fluid milk from Midwestern dairymen is not in the interest of consumers who are the victims of these monopolistic barriers. They must pay higher prices for milk than would be the case in a market where milk could flow freely in interstate commerce. These high milk prices also hold down consumption, which means the manufacturing milk markets which ordinarily would go to Midwestern dairymen are flooded with milk from the high retail price areas.

A 63.7 percent of the national average parity price for all milk products in Wisconsin and equally low prices in other areas means that dairy farmers need help—help in promoting the free flow of milk and help in rolling up again to a minimum of 90 percent of parity, the price supports Benson so ruthlessly slashed to less than 75 percent of parity for manufactured milk.

The recent downgrading of butter is another blow at the producers of manufactured milk. The net result of Benson's action is to greatly lower support prices on butterfat. For that butterfat formerly graded B, but under new rules now graded C, there are no support prices at all.

I sincerely hope that you support this joint resolution as it is an important step toward the alleviation of inequities in the distribution of milk and toward fair parity prices for all.

DANGERS TO OUR AIR STRENGTH

The SPEAKER. Under previous order of the House, the gentleman from California [Mr. MILLER] is recognized for 30 minutes.

Mr. MILLER of California. Mr. Speaker, the development of a sound civil-air policy is of utmost importance to our country. Recently, I have had occasion to examine it in the light of its relation to our economy. It needs re-study and perhaps revision. Our civilian air strength is also an increment of our defense establishment, as indispensable as any other segment of it.

In this specific connection, the case of the Transocean Air Lines, whose home base and major installations are in my district at Oakland International Airport, presents an important and illuminating instance.

First, we are rather generally agreed these days, I believe, that with the world situation rapidly worsening, particularly in the Far East, we should be wary of taking any step which might tend to weaken the supplementary air strength which we have carefully accumulated over the years.

Launched 8 years ago, with assets of only \$130,000, Transocean during this past fiscal year flew 143,474,303 revenue-passenger miles and 12,866,857 cargo ton-miles. Its employee rolls now number some 2,500 persons, many of them devoted to the overhaul by contract of jet engines for the military at Oakland Airport.

During the Korean war—as the Military Air Transport Service has publicly stated—the Transocean people performed a valorous and efficient service on behalf of our country. The Transocean work in the nerve-wracking Korean airlift and prior to then—its work in flying the Berlin corridor “run” where the issue of war or peace with Russia hung in the balance, as well as its efficient military cargo hauling, stand as enduring testimonials to the praiseworthy manner in which this company has served the national welfare in time of need.

Now this carrier is threatened with being put out of business.

And if it goes out of business, the economic loss to my district, and, as a matter of fact, to northern California, will be tragic—aside from the blow to our civilian supplementary air service, which is always standing by, willing and efficient, if national peril impends.

The root of the difficulty seems to be our concept of the closed-door idea of air traffic regulation, which was created and fostered during a period of air travel infancy. This must be reconsidered so that those efficient carriers, which are presently noncertificated, may live and serve the public demand.

The Transocean operation is threatened by two factors. One is the proposed legislation before the United States Senate Committee on Interstate and Foreign Commerce, sections of which—title III, section 316, and title IV—are inimical to the welfare of the uncertificated carriers. This legislation would ban the special exemptions under which irregular, nonscheduled and noncertificated air carriers now exist and require

that they be permitted to operate only after receiving certification from the CAB.

The second point at issue is the fact that Transocean has now pending, and under submission, with the Civil Aeronautics Board an application for such certification, which would permit it to fly on a scheduled basis. The examiner in the case has recommended certification on an irregular basis, which would suffice to permit the carrier to operate and serve the public interest.

But my concern, Mr. Speaker, lies in the ever-present menace of mass unemployment. In the general area from which I come we have already witnessed the decline of the shipbuilding industry, with the consequent unemployment among the various shipbuilding crafts; and just recently we have noted the shutdown of the Dodge assembly plant, which added to the unemployment toll.

I do not propose to be an alarmist, but I believe that, all other things being equal, it is our duty, wherever we can, to bolster mass purchasing power through endeavoring to support full employment.

Should Transocean Air Lines be put out of business, through adverse legislation, or through failure to win some kind of certification, there is no doubt but that this installation will no longer be able to function at Oakland International Airport.

The resultant unemployment would prove another blow to our local economy, which would have outflowing effects far beyond the restricted areas of Alameda County.

Aside from this point—important as it is—there is another which seems to me to be equally controlling when considering this matter.

The Pacific trade route is potentially one of the great air routes of the world, but I am informed that it has less service at the present time than any other major world trade route.

The trade potential in the Pacific Basin countries is unlimited. When peace comes these countries will want our durable goods and we will want their raw materials. We can carry on a healthy nonsubsidized trade in this area of the world. New and interesting travel prospects unveil themselves as conditions become settled in the Pacific Basin and plentiful and uninhibited travel is essential to the winning of this important economic prize.

The Pacific area itself, as Members of this Congress are well aware, has enjoyed a population increase which has astonished the world. Since the period of World War II the westward migration has been of floodtide proportions.

Transocean, based in my district, proposes to serve the needs of this population, as well as the needs of the rest of the Nation in the low-cost coach travel type of service which, after being introduced by Transocean on the mainland to Honolulu run, has proved so popular.

It seemed to me to be necessary at this time to express my deep concern over this situation to the Congress, to the end that we may be sure that the air carriers

which have done so much for our economy—both civilian and military—be preserved to continue to function efficiently in the public interest.

THE 178TH ANNIVERSARY OF THE DECLARATION OF INDEPENDENCE AND VETERANS' LEGISLATION

The SPEAKER. Under previous order of the House, the gentlewoman from Massachusetts [Mrs. ROGERS] is recognized for 10 minutes.

Mrs. ROGERS, of Massachusetts. Mr. Speaker, on Sunday occurs the 178th anniversary of our declaration of freedom—our Fourth of July. Throughout our country will be the usual observance of this great day; there will be picnics, parades, and much oratory to remind us of the significance of this patriotic holiday.

I hope with all my heart that those of you who are making speeches will remember the men who made our freedom possible. Here in Congress it is difficult not to feel that they have been forgotten.

During the past few weeks we have given long hours of consideration to legislation for every cause except that of the disabled veteran and the dependents of those men who gave their lives that we might remain free. We have been most generous and charitable to the plight of peoples living in foreign lands—on Wednesday we passed the Mutual Security Act, which will cost in the neighborhood of \$3,400,000,000. Today we are working upon legislation that we hope will be helpful to the farmers of our country—and nobody can predict what it will cost. We legislated for the St. Lawrence seaway; we amended the Social Security Act, and we passed the Housing Act—and still we have done nothing for our disabled veterans.

On May 26, over a month ago, after weeks of hearings and hours of careful study of 73 different measures, our Committee on Veterans' Affairs, without a dissenting vote, reported H. R. 9020 to this House. This measure proposes a modest increase in the compensation and pension awards of veterans and veterans' dependents of all of our wars. Immediately after the bill was reported, I wrote a letter to the chairman of the Committee on Rules, requesting that we might have a hearing so that we could obtain a rule for its consideration by the House. Up to this moment that letter has not been answered and further, I can get no assurance that the Committee on Rules will act upon my request. Individual members of the Rules Committee have told me that they would vote in favor of a rule, but they will not have an opportunity to do so until the chairman elects to bring up the legislation in his committee. Many Members of Congress have asked me if they would get an opportunity to act upon this proposal. I know that many of them have contacted the Rules Committee about it—without avail. Their letters have not been answered, either. The great veterans' organizations have made reasonable requests that the measure be brought to the floor of the House where it can be discussed and acted upon—but their efforts have

availed them nothing. Their letters have not been answered either.

That is the situation as this 178th anniversary of the declaration of freedom approaches. Personally, I do not want to address any gathering and tell them what we have done in the 83d Congress for the disabled veterans. I would be at a loss for words if I were asked to point out any particular piece of legislation that has been enacted that would be of great benefit to veterans.

Why is this so? Have we become so callous as to forget those who left the security of their jobs and their homes to protect us when our country was in grave peril? Is it economy that holds up this deserved legislation? The increases in compensation and pension rates proposed in H. R. 9020 are not excessive. The average is about a 10-percent increase. The cost of the measure is not excessive. This year's appropriations for the Veterans' Administration were about \$402 million less than in the fiscal year 1954. The cost of H. R. 9020 is about one-half of this amount.

Mr. Speaker, our Committee on Veterans' Affairs has not even been given the courtesy of a hearing by the Committee on Rules. We believe our extensive work and consideration of the whole subject of compensation and pension rates during this session warrants such a hearing.

I call upon the chairman of the Committee on Rules to observe this 178th Fourth of July not by word of mouth but by deed. Grant us a hearing. We are confident that we can convince your committee of the reasonableness of our proposal.

The very able gentleman from New York [Mr. RADWAN] today filed a petition calling for the discharge of the Rules Committee if they do not act within 7 legislative days. I am sure he did not want to do this but felt some action must be taken to secure a rule.

Mr. EDMONDSON. Mr. Speaker, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. I want to commend the chairman of our committee for her untiring efforts and for her fight on behalf of the disabled veterans, and on H. R. 9020, a bill which has had bipartisan and united support in the Committee on Veterans' Affairs. I am sure that all of us on the committee join our very able chairman in her plea for action by the Rules Committee for the consideration of this bill by the House.

Mrs. ROGERS of Massachusetts. The gentleman from Oklahoma, a brilliant lawyer, has always been very helpful on the committee. It is incredible to us on the committee that we should not be heard and that we should not have had a hearing. Some of our veterans' legislation expires within the next month.

Mr. EDMONDSON. I agree with the chairman in her conclusion that time is of the essence in this matter if we are going to recognize the need for increased compensation for our disabled veterans.

Mr. McCORMACK. Mr. Speaker, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield gladly.

Mr. McCORMACK. I want to congratulate the gentlewoman from Massachusetts on the fight she is making to have the bill she mentioned and other bills brought up before this session is concluded. The bill providing an additional 10 percent for disabled veterans is a bill that is deserving and is justified. It has been my pleasure to cooperate and associate myself with the gentlewoman from Massachusetts in past years when I was majority leader in bringing up legislation effecting veterans which came out of her committee. I have great respect for the gentlewoman from Massachusetts not only for her legislative ability but for her courage and I want to associate myself with her in the efforts she is making today.

Mrs. ROGERS of Massachusetts. The gentleman has always been extremely helpful in veterans' legislation and we are very grateful to him. We have had no reply to any of the numerous letters sent to the chairman of the Rules Committee. I have had hints that we might get a rule, but there has been no rule forthcoming. I assume that it has been decided that we shall adjourn very quickly. I know other Members have written to the chairman of the Rules Committee and veterans' organizations have written to him. I talked to the commander of the American Legion, Mr. Connell, only yesterday, and I know of his great desire that we do something at this session for the veterans. All of the veterans' organizations have requested help for the veterans.

Mr. STRINGFELLOW. Mr. Speaker, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield to the distinguished gentleman.

Mr. STRINGFELLOW. I should like to state that I associate myself with the gentlewoman from Massachusetts in her undying efforts in behalf of the disabled veterans, many of whom are not in a position to be gainfully employed. I believe the least we can do is to consider this legislation on its merits on the floor of Congress.

Mrs. ROGERS of Massachusetts. Many veterans in hospitals are lying on their beds of pain and cannot speak for themselves. The gentleman's opinion is extremely valuable, for he himself was terribly injured and they thought he would never walk again. I should like to say to the gentleman, Colonel STRINGFELLOW, how thrilled I was to see the moving picture of *This Is Your Life*, which was about the gentleman's life and about his heroism when he was on an extremely dangerous and secret assignment in World War II. He was the head of a mission of 30 men. All but he were killed. He was the sole survivor. And today we in the House rejoice he is serving in the Congress, and are very proud of him. He is only 31 years old and is serving with courage and distinction.

MONROE COUNTY, MICH.

The SPEAKER. Under the previous order of the House, the gentleman from Michigan [Mr. MEADER] is recognized for 5 minutes.

Mr. MEADER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD, and include extraneous matter.

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

There was no objection.

Mr. MEADER. Mr. Speaker, I have today introduced a bill designed to grant to certain residents of Monroe County, Mich., the right to obtain patents to land which they and their predecessors in title have occupied since Monroe County was originally founded, but for which the Government has never issued patents.

Over 130 years ago the original French settlers of Monroe County staked out claims along the waterfront of the Raisin River. The claims were in most cases only a few rods wide, but extended for long distances back from the river, sometimes as much as a mile and a half.

In 1819 the Government surveyed the county into townships and sections and issued patents in accordance with this survey. The Congress granted to these original French settlers, who were then in possession of the land, the right to have a patent issued on their claims upon submitting proof of ownership of the land. However, very few submitted the required proofs. Most of the settlers continued to occupy their land as originally staked out.

It was not until 1928 that this difficulty was discovered, and the Congress then enacted a law providing for the issuance of patents to the owners of this land. Abstractors' and surveyors' maps showed that there were at least 13 small pieces of land in the county for which no patent had ever been issued, but to which the Government of the United States laid no claim.

There have been various extensions of this law to permit the owners of these lost lands to procure their patent by paying \$1.25 an acre for the land. The recent act, Public Law 856, of the 80th Congress, would have expired June 30, last year. This legislation was sponsored by my predecessor, the Honorable Earl Michener, well known to my colleagues in the House of Representatives, who represented the Second District of Michigan with honor and distinction for three decades.

A year ago I introduced H. R. 5662, which was amended by the Interior Committee by reducing the extension from 5 years to 1 year, and became Public Law 270 of the 83d Congress, approved August 14, 1953.

I have introduced the current bill at the request of the Monroe County Bar Association, members of which grapple with these title defects in rendering opinions on abstracts of title.

Their request, received June 26, 1954, was accompanied by a statement of the "lost lands" problem endorsed by the Monroe County Bar Association, a copy of which is inserted at the end of my remarks.

According to Interior Department records, 320.2 acres were patented under the 1929 act, 462.6 acres under the 1940 act, and only 4.47 acres under the 1948 act. There are over 500 acres of lands in the "lost lands" area which have not yet

been applied for under these special color of title laws.

Last year, because of the objection of the Department of the Interior, I agreed to a 1-year extension of this legislation and undertook within that year to review the problem with residents of Monroe County, including those in the legal professions and those interested in abstract work, in the hope that owners of these lost lands might be induced to make application for their patents and thus bring an end to this problem.

I met with the lawyers of Monroe County and learned that efforts in the past had been made to induce owners of the lost lands to make application for patents but that these efforts had been largely unsuccessful. The owners had never had any doubt of their title since they and their ancestors have occupied the lands without adverse claim for decades, and so cannot be aroused to go to the trouble and expense of applying for a patent except when their abstract of title is examined incident to a transfer, when for the first time they discover this flaw on their title.

Furthermore, I learned that in the past these applications had been processed very slowly in the Department of the Interior and involved a great deal of redtape and delay between the filing of the application and the issuance of the patent. Accordingly, after this exploration I became convinced that a 1-year extension was of little value and that a 5-year extension would be in order.

For 25 years Congress has given the right to acquire patents to certain residents of Monroe County whose title has been adversely affected by the lack of patents. It would now be discriminatory and inequitable to deny similar relief to those who, through no fault of their own, are unaware of this latent defect in the title to their property.

Mr. Speaker, it is my hope that this legislation will be promptly adopted by the Congress.

STATEMENT OF MONROE COUNTY (MICH.) BAR ASSOCIATION

JUNE 24, 1954.

It would appear that the basic purpose of legislation in connection with unissued patents, applicable to "lost lands," is to clarify the record title, to grant title free from Government claims. In Monroe County, Mich., these lands, so far as is known, have been paid for, possessed, improved, and cultivated for upward of 100 years, a situation very different from the so-called wild, forest or desert lands where, according to the best information available, no man has set foot until recent date. Certainly, in connection with the Monroe County lands, it could never be further from the truth to argue that the Government has a bona fide right in the lands and is interested in making money on the same.

Some agitation has been experienced in connection with the legislation applicable to the foregoing, i. e., title 43, section 1068 et sequens and Public Law 856 of the 80th Congress. The attorneys who have had personal experience with the matter of lost lands have expressed unanimity of opinion that the special act is more desirable, more equitable, and more easily administered and complied with than the general "color of title" act for the following reasons:

1. A conflict of interests, actually apparent only from the abstract and not a true controversy, stymies the issuance of a patent under the general act; under the

special act, since no mention is made of the same, it is assumed the Secretary could resolve the matter as an administrative act.

2. Under the general act there is a reservation of coal and mineral rights, with right of entry to develop and prospect; under the special act no such reservation is possible. Obviously land encumbered with such reservation loses considerable value, both as to sale and use, which is a serious fault in view of the purpose of and reason for such legislation. It is recognized that section 1068 (b) seeks to remove such onerous encumbrance; however, during the early 1900's and up to 1925, many gas and oil leases were negotiated in this county most of which, as a matter of legal record title, still are outstanding. It would seem that such would nullify the intention of the Congress and spirit of the act, whereas with the special act no such problem would arise.

3. Finally, and perhaps most important, the general act provides for a payment of no less than \$1.25 per acre, indicating that there is no top limit to the purchase price. It is recognized that section 1068 (a) requires appraisal and that the Secretary shall recognize the equities of the applicant, but it is felt that such, being vague, indefinite, and uncertain leaves too much room for possible high charges. Since the title to most of the lost lands is acquired through inheritance, it is difficult to foresee what the applicant's equities would be, thus leading to an assumption that he might well be called upon to pay a full price. Under the special act the only price is \$1.25 per acre. With such a definite and stated figure the individual is immediately apprised of the cost of the patent, thus assisting him in a final determination and facilitating final sales prices, and of considerable importance to the Government in eliminating speculation or extraordinary services and costs in connection with the appraisal. It is the consensus of opinion that a definite figure could be stated in the act itself rather than leaving the same to mathematical computation based upon nebulous equations.

The undersigned are also of the opinion that the special act should be extended for at least 5 years, and preferably 20 years. Experience has proven that these patent claims come to light only through happenstance or fortuitous circumstances. For the most part the record title holders are ignorant of the patent defect. Such happenstance generally is in the form of either a probate proceeding, wherein the land is sold, or by a sale when the title holder has neither a desire to continue farming nor heirs to inherit the land. Obviously it is impossible to say when such will occur, within a year or even within 20 years. Nevertheless, because of the extreme importance of the matter to the individual and its relative unimportance to the Government, it is felt that the special act should be continued until all lost lands, estimated at about 500 acres, are accounted for in this county which would seem to occur within 5 years, and likely to happen within 20 years.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. SECRET for Friday July 2 to Wednesday, July 7, on account of official business.

Mr. MULTER for Friday, July 2, on account of official business.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the RECORD, or to revise and extend remarks, was granted to:

Mr. EVINS.

Mr. DIES.

Mr. HOWELL and to include extraneous matter.

Mr. HARRISON of Wyoming.

Mr. SIEMINSKI.

Mr. CROSSER on the subject the Development of Parliamentary Government.

Mr. O'HARA of Illinois and to include extraneous matter.

Mr. O'NEILL in four instances.

Mr. VAN ZANDT and to include extraneous matter, which is estimated by the Public Printer to cost \$425.

Mr. ENGLE (at the request of Mr. PRIEST) and to include extraneous matter.

Mr. SHEEHAN.

ENROLLED BILLS SIGNED

Mr. LECOMPTE, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills and joint resolutions of the House of the following title, which was thereupon signed by the Speaker:

H. R. 9315. An act to provide for an extension on a reciprocal basis of the period of the free entry of Philippine articles in the United States;

H. J. Res. 552. Joint resolution making temporary appropriations for the fiscal year 1955, and for other purposes; and

H. J. Res. 553. Joint resolution to amend the act of June 30, 1954 (Private Law 495, 83d Cong.).

BILLS PRESENTED TO THE PRESIDENT

Mr. LECOMPTE, from the Committee on House Administration, reported that that committee did on the following dates present to the President, for his approval, a bill and joint resolution of the House of the following titles:

On July 1, 1954:

H. R. 8149. An act to amend the hospital survey and construction provisions of the Public Health Service Act to provide assistance to the States for surveying the need for diagnostic or treatment centers, for hospitals for the chronically ill and impaired, for rehabilitation facilities, and for nursing homes, and to provide assistance in the construction of such facilities through grants to public and nonprofit agencies, and for other purposes.

On July 2, 1954:

H. J. Res. 553. Joint resolution to amend the Act of June 30, 1954 (Private Law 495, 83d Cong.).

THE LATE HUGH A. BUTLER

The SPEAKER. The Chair recognizes the gentleman from Nebraska [Mr. CURTIS].

Mr. CURTIS of Nebraska. Mr. Speaker, once more I am compelled to arise and announce the death of a great Nebraskan who served in this Congress. If ever I made a statement under emotional strain it is now. Nebraska's senior Senator, the Honorable HUGH A. BUTLER, died last night at the Bethesda Naval Medical Center at about 11:30.

When we say that we have lost a great and good man we make an understatement. Nebraska has produced only one HUGH BUTLER. He was a great citizen, a great civic leader, a great philanthropist, a great churchman, and a great statesman.

Senator BUTLER was born in Missouri Valley, Iowa, on February 28, 1878. He graduated from Doane College at Crete, Nebr., in June 1900. For the next 8 years he engaged in his profession, that of a construction engineer, for the Burlington Railroad. Since 1908 until his election to the United States Senate he engaged in the flour and grain business.

Every American boy and girl can take encouragement from the rise of HUGH BUTLER. He became an eminent businessman. He started out from meager beginnings. He was an example to all that certain fundamental truths, as hard work, intelligence, honesty, integrity, and character, pay.

Senator BUTLER was a successful man. He served our State in many important civic capacities, including offices in his church, district governor of Rotary International, and many other like capacities. He was made Republican national committeeman and in that capacity he proved that he was a real leader of men. His interest in good government and in the progress of the people caused men and women to follow him and to love him.

HUGH BUTLER was elected to the Senate of the United States in 1940 and took office on January 3, 1941. He was reelected in 1946 and again reelected in 1952.

Senator HUGH BUTLER was one of the most powerful men in the United States Congress. He was chairman of the Senate Committee on Interior and Insular Affairs and the ranking member on the Senate Committee on Finance. But it was not just because he held these particular posts that made him a man of influence. It was HUGH BUTLER, himself, and the confidence that he generated in those about him, his qualities of leadership and his good judgment, his sterling character and his love of his fellow men and his love of his country that gave him stature. HUGH BUTLER went about doing good. There are many individuals in Nebraska who obtained an education and started on their road of success because of the quiet help of HUGH BUTLER. For years he was an important member of the board of trustees of his alma mater, Doane College. It was dear to his heart. He was, perhaps, its greatest benefactor. Senator BUTLER and his brother, Frank, left as a memorial to their parents the Butler Memorial Library at Cambridge, Nebr., in my district. His whole life from beginning to end was one of helping people and doing good. This good and great man was needed by our State. He was needed by our country. Many of us have lost one of the dearest friends we have ever had. I recall 16 years ago last month, as a young man 33 years of age, I hunted up HUGH BUTLER. I did not know him then, but I told him I was interested in running for Congress. I shall always remember that pleasant smile, that wavy gray hair, and that interest in young men. We talked a little while and he helped me, and he helped me to the end. I have lost a friend more valuable than I can describe. Senator BUTLER is gone to a much deserved reward. His labors are over and he has entered that House

not made with hands eternal in the Heavens. His Christian faith caused him to depart from us unafraid.

I yield to my colleague, the gentleman from Nebraska [Mr. MILLER].

Mr. MILLER of Nebraska. Mr. Speaker, it is with saddened spirits and a heavy heart that I rise today to pay tribute to a very close friend of mine, Senator HUGH BUTLER—a great statesman, a great Senator, and, above all, a great American—who died last night.

He was a driving force and an inspiration to all who worked with him or knew him.

I was shocked early yesterday morning when I learned of the Senator's illness. Late last night, as I went to his bedside, it seemed certain the Grim Reaper would soon claim my friend.

We had worked together for many years. Many evenings were spent together discussing legislation or meeting socially.

He was a rugged individual who commanded the respect of everyone. In Congress some did not agree with him, but they respected his opinions and judgment.

Truly it may be said that the death of Senator BUTLER is a great loss to the Nation as well as to the people of the State of Nebraska whom he represented so forcefully. Indeed, in these times when freedom-loving peoples everywhere look to the United States for leadership, the loss of Senator BUTLER is especially to be lamented because peace and security, and freedom and opportunity for all men of good will were uppermost in his heart and mind.

We from Nebraska fully realized his contributions because we knew him better throughout the years of his public service and his loss will be felt more keenly there.

Nebraskans knew him as a tireless worker, a good neighbor, an excellent friend, and as a person who was ever willing to give his hand to a worthy cause.

This is evidenced by his long and excellent record in civic organizations. He served as district governor of Rotary International, and was elected to serve as a member of its board.

In Omaha, his home town, he served as a member of the board of education, the YMCA board, the Salvation Army advisory board, community chest, and chamber of commerce.

In all these fields he excelled. His services on community projects were often sought and he heeded almost every call.

He was a God-fearing man and deeply religious. He served the church quite actively, being the State moderator of the Nebraska Congregational churches during 1937 and 1938.

One of Senator BUTLER's deepest loves was for Doane College at Crete, Nebr.—his alma mater. Up until the time of his death, he was the chairman of its board of trustees.

He was a self-made man who worked his way through college. On campus, he was known as a pillar of strength and force even though he was slight of build. He was determined that he would succeed.

And success was his. It did not come easy, but that is the way he liked it. He was a rugged individual, typical of the early midwesterner. He asked nothing from anyone and believed a person should earn his keep by the sweat of his brow and the strength of his back. He often told me that the best tonic for him was work.

He carried that philosophy all through life.

Early in his career, he became an engineer with the Chicago, Burlington & Quincy Railroad, but soon he transferred his efforts to the flour milling and grain business. His qualities and leadership in this field were soon recognized, and he was elected to serve two terms as president of the Omaha Grain Exchange, later was elected and reelected president of the National Grain Dealers Association.

In 1936, Senator BUTLER became Republican National Committeeman from Nebraska and served in that capacity until 1940 when he was elected to his first of three terms to the United States Senate.

HUGH was ever conscious of the individual's rights. He believed in Abraham Lincoln's philosophy of government—a government of the people, by the people, and for the people.

He carried that philosophy with him to the United States Senate.

All who knew Senator BUTLER and observed his career, especially those who worked with him, are quite capable of appraising his accomplishments on behalf of his country. To each one, some characteristic stands foremost.

For my part, his quality of leadership in public affairs and his deep devotion to God and country stand uppermost. He was a tireless worker. The day of his attack found him working diligently scurrying from the floor of the Senate, to conference, to his office and back again.

Everyone marveled at his boundless energy. At 76, he kept a pace that would have tired a less determined person.

His stamina and fortitude were matched only by his recuperative powers which were phenomenal. Only last year, he underwent a major operation, an operation that would have demanded months of recuperation for a normal person; but he was soon up on his feet and back in his office on the job.

He was acutely aware of the finances of the United States. He was fearful of what might happen if our Government were to continue deficit spending. He strongly believed in a balanced budget and worked vigorously toward that end. I mention this at this time because it is appropriate in eulogizing the late senior Senator from Nebraska. We all know that when great men die some of their objectives, some of their recommendations, have yet to be realized. So it is in regarding Senator BUTLER's effort for improvement of the legislative establishment.

One of his recommendations which has reaped dividends is the General Accounting Office. He recognized a need for a check on Government spending. Just as he was a frugal man, he felt the Federal Government should be frugal.

Senator BUTLER had an integrity, sincerity, a steadfastness and devotion to his public trust that is a living testimonial to his accomplishments. No wonder that thousands in Nebraska and the Nation pay him homage. He knew no compromise with principle. There he saw only one or two colors—black or white. It was right or it was wrong.

He never allowed fancy sophistications to dissipate his resolution to champion the right. He loathed men who were philosophically content with evil. Their tortured efforts to justify were in vain so far as Senator BUTLER was concerned. He scorned them, and saw in them nothing but the tragic prostitution of talent for ignoble purposes.

I have often felt we fail to appreciate these fine public servants who give their life that future generations might have a sound and stable government.

When a great tree falls in our yard, the landscape seems strangely vacant. So when a noble man dies, life, for those of us who remain, seems strangely empty. We who remain must still carry on—there is no letting up in the struggle for the ideals represented by Senator BUTLER and his friends until we all finally gather in that land from which there is no return.

It is difficult to give a true measure of Senator BUTLER's character, ideals, his triumphs, and his many, many disappointments in life. He started out as a poor boy, working his way through school, and rose to great heights. His is truly a Tom Sawyer-Huck Finn story of success. He came from sturdy stock.

The flags have been lowered as thousands join in the accolade paying our respects to a statesman, scholar, and friend to thousands. At the grave of our beloved friend, let us not end in sorrow for our tragic loss, but rather, let us take up the fight and carry on with the same courage and determination as Senator BUTLER has always had.

Death makes no conquest of this conqueror, for now he lives in fame though not in life.

To all his causes, he brought a fighting heart that could only be stilled by death.

Senator BUTLER was preceded in death by his wife in 1941. His two sons also preceded him to their maker—Lawrence Hugh who died in infancy and Robert who passed away at 12.

Mr. Speaker, I have lost a dear, dear friend. My State and Nation have suffered a tremendous loss. But I honor HUGH BUTLER most when I strive to do good as God leads the way.

I extend sympathy to his host of friends and relatives.

Mr. CURTIS of Nebraska. Mr. Speaker, I yield to the distinguished majority leader [Mr. HALLECK].

Mr. HALLECK. Mr. Speaker, I join my colleagues from Nebraska in mourning the passing of the late departed Senator BUTLER.

It was my very real pleasure not so very long ago to appear in Senator BUTLER's home State as guest speaker for the annual Founders' Day program, held this year at Lincoln.

Not the least of my enjoyment on that assignment came from an opportunity to

visit with Senator BUTLER during our train ride out to Omaha.

During my stay at Omaha and at Lincoln I was impressed with the deep respect and genuine admiration shown by the folks of Nebraska for their beloved Senator.

The widespread esteem in which he was held is understandable to all who knew HUGH BUTLER.

He was a man of great versatility, having achieved notable success in business, in politics, in service to his church, and in club work. In each of these activities HUGH BUTLER demonstrated his outstanding qualities of leadership and diligent application of energy.

HUGH BUTLER was a man of sound, well-balanced judgment—a whole man, if you please, practical yet great-hearted, humble in his achievements but with a quiet self-reliance which lent confidence to those around him.

He was a Christian gentleman, a kind and loyal friend, a sturdy champion of the kind of Americanism that has made this Nation great.

He will be sorely missed by his devoted colleagues here in the Congress, by his many, many friends and neighbors of Nebraska, and by the citizenry of a grateful Nation in whose cause he served so faithfully and so well.

I am impressed by the simple yet obviously heartfelt tribute paid HUGH BUTLER by his staff assistant who said of him, "He's just one of the finest men you'd ever know."

Certainly any man would be everlastingly proud and grateful to have that said of him.

Mr. CURTIS of Nebraska. Mr. Speaker, I yield to the gentleman from Nebraska [Mr. HARRISON].

Mr. HARRISON of Nebraska. Mr. Speaker, I want to join my colleagues in expressing my bereavement over the passing of this great Senator from Nebraska, Senator HUGH BUTLER.

The passing of Senator HUGH BUTLER comes as a great shock to us who have known him so well. It comes as a great shock to the State of Nebraska and to the Nation.

Although Senator BUTLER was born in Iowa, he spent the greater portion of his life in Nebraska. His accomplishments have been many. He was educated in Nebraska at Doane College, and because of his education there he has always had a very soft spot in his great heart for this college, and has given to it most liberally throughout his life. He has always been very much interested in education. His education was along the lines of engineering, and after graduating from school he pursued his line of education by becoming connected with the Burlington Railroad in Nebraska as a construction engineer. As a construction engineer he helped to build a number of the well-known railroads that we have in Nebraska at the present time. He was a successful engineer.

Later he decided to go into business for himself and went into the grain business. He was extremely successful as a grain dealer and a grain operator.

He was always very much interested in farming and up until the last operated a good-sized farm in the western part of Nebraska and did so successfully and

with a great deal of pride and pleasure.

With the same degree of success that he has shown in other endeavors he has displayed in the United States Senate, serving 14 successful years. A great Senator.

I think it was some 5 or 6 years ago, after I had known him for some time, when he was campaigning he came to my town and called me one evening and asked me if I would come and have dinner with him. During our conversation he mentioned several times that I should get into politics. I think probably I am in the position I am in today because of the insistence of Senator HUGH BUTLER. He has always been extremely friendly during his whole life to everyone. He seemed to have an understanding that a great many people do not have. He seemed to understand the ups and downs in the lives of people and was always willing to come to their aid whenever he could. I think probably the greatest accomplishment he rendered during his entire life was that of doing good for other people.

I think the State of Nebraska and the Nation will miss him as much as they have missed any man who has been in Congress. He has been a great Senator. We in Nebraska have been proud of him and I am sure he will be missed more than we realize here at this particular time.

Mrs. Harrison and I want to join his relatives and host of friends in their bereavement in these hours when he is so much missed.

Mr. CURTIS of Nebraska. Mr. Speaker, I yield to the gentleman from Nebraska [Mr. HRUSKA].

Mr. HRUSKA. Mr. Speaker, from his early boyhood days, the interests and activities of HUGH BUTLER centered in and around Nebraska. Born in Missouri Valley, Iowa, he received his education at Doane College in Crete, in which institution he maintained a lifelong and generous interest. His training as an engineer called into practice in the construction of railroads. Later he operated a flour milling and grain business.

Some insight can be gathered as to his real nature and character by reason of the fact that the partnership formed when he initially went into business had a sound and prosperous history throughout its tenure. From 1918 until he was elected to the Senate, at which time the firm was dissolved so that he as Senator could devote his time to his official duties, it was the proud boast of that partnership that there never was a quarrel or dispute between the two partners, nor was there ever a time when court procedure was invoked either by or against them in any of the multitudinous business activities and transactions in which they engaged, and many of them were very extensive and of large scale. Certainly in that experience there was exemplified the rule that nothing beats fairness, even though temporary disadvantage apparently may be suffered. This business experience and its happy progress are a tribute both to our late senior Senator and to the partner with whom he was associated for so long.

HUGH BUTLER's interests were varied throughout his life. He was active in

his church work, in many civic groups, in trade associations connected with his business directly as well as indirectly. And he found especial satisfaction in the encouragement and fostering of higher education. This he did not only by generous financial contribution, but likewise by the tremendous power generated from the personal and moral support which he gave to his alma mater, Doane College. In spite of the many cares and official duties which he had, many were the occasions when he attended trustee and committee meetings—often at a great deal of personal sacrifice in time and in travel discomfort. The Christian spirit of HUGH BUTLER will live for a long, long time within the souls of that institution and in the hearts and minds of many young men and young women who have been the recipients of the type of wholesome education which he, in large measure, inspired and made possible.

His record in the Senate of the United States has been an outstanding one. The clarity of thought and the stability which marked his consideration of measures and decisions have been outstanding. The place accorded him in party councils, as well as in Senate deliberations, shows that the principles which governed him in all the aspects of his life's work were well applied and highly appreciated in his work as a United States Senator.

Unfailingly loyal to Nebraska and its interests at all times, he was keenly aware of the fact that he represented an entire Nation. Without, in any way, minimizing his representation of his own State there was always uppermost in his mind "one Nation, under God, indivisible, with liberty and justice for all."

By example and by deed, oftentimes unnoticed and without credit extended, he has lived a full and a useful life.

It was my good fortune to count him as one of my closest and most loyal personal friends. In common with innumerable others, there is a sense of loneliness and aloneness which pervade my feelings today as a result of his passing.

Yet, all of us can take comfort in the fruitfulness of his years, in their fullness, and in the constant striving on his part toward and in the attainment in such large degree of the best in American citizenship and the highest in the brotherhood of man.

Mr. CURTIS of Nebraska. Mr. Speaker, I yield to the distinguished minority leader [Mr. McCORMACK].

Mr. McCORMACK. Mr. Speaker, while it was not my pleasure, one denied to me, to know Senator BUTLER closely, nevertheless, during the years he served in the United States Senate and I have served in this body, we contacted each other on a number of occasions. Of course, the Members of one body keep in touch with the actions of the membership of the other body. So I feel I knew him rather well.

I had profound respect for Senator BUTLER. He was a man of deep faith, of deep convictions and sincerity of purpose. He was a man who had lived not only a good life but an active life. He was a man who contributed to life. He was a builder, not one who thought

that life owed him a living but one who felt it was his duty to make contributions toward progress and toward the betterment of our country and of our people.

I know I speak the sentiments of my colleagues on the Democratic side—I am not confining my sentiments to the Democratic side, but I know I express the sentiments of my colleagues in the House on the Democratic side when I extend to the people of Nebraska, to the Nebraska delegation in the House and to the loved ones of the late Senator BUTLER our profound sympathy in the great loss they have sustained in the passing of this distinguished gentleman and this outstanding legislator. His outstanding record during the past 14 years has been referred to. His death is all the more saddened because in the world of today we need legislators, particularly in the Congress of the United States, who are experienced, who have risen to positions of responsibility in the branch of Congress of which they are a member, and certainly Senator BUTLER's 14 years of service gave him unusual experience to make further contributions to the safety of our country, particularly in these trying days, as well as to the progress of our people.

He was a good man. I think that is about the finest characterization that anyone can give to another, that a person is a good man or a good lady. His life, as I said, has been one of fruitful contribution, and the light from the candle of his life will always shine because his good deeds will always be remembered.

I again extend to my colleagues of the Nebraska delegation, to the people of Nebraska, and particularly to the loved ones of the late Senator that he left behind, not only my own profound sympathy but the sympathy of my colleagues in this branch of the Democratic Party.

Mr. CURTIS of Nebraska. Mr. Speaker, I yield to the gentleman from Iowa [Mr. MARTIN].

Mr. MARTIN of Iowa. Mr. Speaker, I was deeply shocked to hear the information a few minutes ago of the passing of our friend, Senator BUTLER of Nebraska. Long before I came to Congress and before Senator BUTLER came to the Senate, he attained great stature in the business world in our neighbor State in the Midwest. His leadership as a businessman was truly outstanding. I knew him even better in his leadership in my church, the Congregational Church, in which he served as State moderator in 1937-38. I also knew him in the Rotary Club, where he served with distinction as district governor of Rotary International. Then I knew him well also as national Republican committeeman for the State of Nebraska from 1936 until 1940. On his coming to the Senate in 1940 I again became well acquainted with him in the affairs of state, through his work for the Committee on Interior and Insular Affairs and my own work in that field, with special reference to the problems of our national defense program; again during his service on the Committee on Finance which is so closely related to the work of the

Committee on Ways and Means on which it has been my privilege to serve during the past 8 years. I came to know him especially well through his close association with my colleague on the Committee on Ways and Means, the gentleman from Nebraska [Mr. CURTIS]. We found many points in common in our efforts to build this Nation strong in its economy and in its fiscal structure. Above all of that, I learned to look to Senator BUTLER as a great leader in religious lines, because he recognized spiritual leadership as the greatest factor underlying this Nation as did our forefathers in founding it and carrying it on and establishing it as we know it today. All of these factors have added up to a magnificent contribution by Senator BUTLER.

We honor his memory for what he did to make this Nation a greater and a stronger Nation for those who follow us. I take this opportunity to express my great admiration for him and for what he has done.

Mr. CURTIS of Nebraska. Mr. Speaker, I ask unanimous consent that all Members who desire to extend their remarks on the life and services of the late Senator BUTLER of Nebraska may have permission to do so at this point in the RECORD.

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

There was no objection.

Mr. FERNOS-ISERN. Mr. Speaker, the flags at half-mast at the Capitol indicate, most properly, that the passing of Senator HUGH BUTLER, is mourned most deeply, by the entire Nation. The State of Nebraska has again suffered a great loss. The noncontiguous areas of the Nation, in which the Senator took such great interest, also must suffer this loss very deeply. For many years benevolent effects and advancements, largely the results of his statesmanship, will be felt in those areas. Senator BUTLER personally visited all of the overseas areas of the United States, observed at firsthand their problems, and then did his best to solve or help solve these problems as he saw them.

As chairman of the Senate Committee on Interior and Insular Affairs, Senator BUTLER felt a great responsibility to the United States citizens, resident many thousands of miles away.

As to the people of Puerto Rico in particular, those I represent, I must say that they have lost a true and constant friend in the passing of the great Senator. He took an interest which seemed almost personal in obtaining for them the full self-government so necessary for the dignity of man and which they now enjoy in the Commonwealth.

In the 80th Congress, Senator BUTLER introduced and sponsored in the Senate, legislation to permit Puerto Rico, for the first time, to elect its own Governor. In the 81st Congress, Senator BUTLER was an active sponsor of what became Public Law 600 which authorized the organization of a constitutional government by the people of Puerto Rico, and in the 82d Congress, he helped obtain Senate approval of the constitution of the Commonwealth of Puerto Rico which resulted in the creation of the Commonwealth.

The whole world has focused attention on the creation of the Commonwealth of Puerto Rico as one of the most promising and inventive political creations in history. It is no wonder that Puerto Rico's heart is heavy today.

But he interested himself not only with the bigness of things. I recall how distressed he was with a tiny hospital in Charlotte Amalie, St. Thomas, V. I., and how he worked that the people of that little community might have better hospital facilities. Yes; the people of Puerto Rico have lost a dear friend as have the people of Hawaii, Alaska, the Virgin Islands, Guam, American Samoa, and the Trust Territory of the Pacific—as have the people of Nebraska—as have the people of the entire United States.

Senator BUTLER was a kind and quiet man; albeit he was a tower of strength in the United States Senate. When I arrived in Washington by the end of 1946, to fill the unexpired term of my predecessor, Congress had already adjourned; so it was not until the 80th Congress that I really had the opportunity to work with the Members of Congress and with the Senate. One of the very first friends I made here, a solid one upon whom I was to lean heavily during the ensuing years, was Senator BUTLER. He was never too busy to consult on a matter important to Puerto Rico, nor to help all he could. He never once failed the people of Puerto Rico. He never once failed me. During my absence from Washington, the great Senator was as available to members of my staff as he was to me.

I think I have never known a kinder person nor a stronger one. I feel deeply a personal loss, although I know that Senator HUGH BUTLER's monuments are many, and that his light will shine eternally in the sunlit fields of Nebraska, in the blue waters of the Caribbean, in the woody wilderness of Alaska, and the golden sands of Hawaii—and throughout the hundreds of islands in the great Pacific.

THE LATE HONORABLE HUGH BUTLER OF NEBRASKA

Mr. CURTIS of Nebraska. Mr. Speaker, I offer a resolution.

The Clerk read as follows:

House Resolution 611

Resolved, That the House has heard with profound sorrow of the death of Hon. HUGH BUTLER, a Senator of the United States from the State of Nebraska.

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased Senator.

Resolved, That a committee of seven Members be appointed on the part of the House to join the committee appointed on the part of the Senate to attend the funeral.

The resolution was agreed to.

The SPEAKER. The Chair appoints the following Members on the part of the House to attend the funeral: Messrs. CURTIS of Nebraska, CLEVENGER, JENSEN, MARTIN of Iowa, MILLER of Nebraska, HARRISON of Nebraska, and HRUSKA.

The Clerk will report the remainder of the resolution.

The Clerk read as follows:

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

The resolution was agreed to.

ADJOURNMENT

Accordingly (at 4 o'clock and 37 minutes p. m.), under its previous order, the House adjourned until Tuesday, July 6, 1954, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1684. A communication from the President of the United States, transmitting a proposed supplemental appropriation in the amount of \$60,000 and a draft of a proposed provision for the General Services Administration for the fiscal year 1955 (H. Doc. No. 459); to the Committee on Appropriations and ordered to be printed.

1685. A communication from the President of the United States, transmitting a proposed supplemental appropriation for the fiscal year 1955 in the amount of \$350,000 for the Department of Labor (H. Doc. No. 460); to the Committee on Appropriations and ordered to be printed.

1686. A communication from the President of the United States, transmitting a proposed supplemental appropriation to pay claims for damages, audited claims, and judgments rendered against the United States, as provided by various laws, in the amount of \$9,296,561, together with such amounts as may be necessary to pay indefinite interest and costs and to cover increases in rates of exchange as may be necessary to pay claims in foreign currency (H. Doc. No. 461); to the Committee on Appropriations and ordered to be printed.

1687. A letter from the Secretary of the Treasury, transmitting a copy of the Charter of the Federal Facilities Corporation created under the authority of Executive Order No. 10539 and section 10 of the Rubber Act of 1948; to the Committee on Armed Services.

1688. A letter from the Secretary of Commerce, transmitting the sixth interim report of the Weather Bureau, entitled, "Causes and characteristics of thunderstorms and other atmospheric disturbances," pursuant to Public Law 657, 80th Congress; to the Committee on Interstate and Foreign Commerce.

1689. A letter from Louis W. Prentiss, representative of the United States in the compact negotiations, transmitting copies of the report on the proposed Sabine River compact between Louisiana and Texas and also copies of the Sabine River compact entered into by the States of Louisiana and Texas, pursuant to Public Law 252, 82d Congress, approved November 1, 1951; to the Committee on Interior and Insular Affairs.

1690. A letter from the Assistant Secretary of the Interior, transmitting a letter dated October 30, 1953, to Mr. Paul L. Danford which will, when approved by the regional director, region No. 4, National Park Service, renew for a period of 1 year from January 1, 1954, concession permit No. 14-10-447-81, under which Mr. Danford is authorized to operate a cabin camp, store, gasoline station and picnic facilities, known as Staircase Resort, within Olympic National Park, Wash.; to the Committee on Interior and Insular Affairs.

1691. A letter from the Assistant Secretary of the Interior, transmitting a proposed award of a concession permit to Messrs. James and Louis Whittaker, which will, when

approved by the regional director, region No. 4, National Park Service, authorize them to conduct a professional guide service in Mount Rainier National Park, Wash., for the period May 30 to September 6, 1954; to the Committee on Interior and Insular Affairs.

1692. A letter from the Assistant Secretary of the Interior, transmitting a proposed award of a concession permit to Mr. D. Labe Myers which will, when approved by the regional director, region No. 1, National Park Service, authorize the sale of firewood at the Cades Cove public campground in Great Smoky Mountains National Park, Tenn., for the period May 1, 1954, through October 31, 1954; to the Committee on Interior and Insular Affairs.

1693. A letter from the Assistant Secretary of the Interior, transmitting a proposed award of a concession contract to Mr. Eugene E. Gillette, which will, when executed by the regional director, region No. 2, National Park Service, on behalf of the Government, authorize Mr. Gillette to operate a service station at Moose, Wyo., in Grand Teton National Park, Wyo., for a period of 5 years from November 1, 1953; to the Committee on Interior and Insular Affairs.

1694. A letter from the Assistant Secretary of the Interior, transmitting one copy each of certain bills passed by the Municipal Council of St. Thomas and St. John, pursuant to section 16 of the Organic Act of the Virgin Islands of the United States approved June 22, 1936; to the Committee on Interior and Insular Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. JOHNSON of California: Committee on Armed Services. S. 3197. An act to authorize the acceptance of conditional gifts to further the defense effort; with amendment (Rept. No. 2019). Referred to the Committee of the Whole House on the State of the Union.

Mr. MILLER of Nebraska: Committee on Interior and Insular Affairs. H. R. 4118. A bill to authorize the preparation of rolls of persons of Indian blood whose ancestors were members of certain tribes or bands in the State of Oregon, and to provide for per capita distribution of funds arising from certain judgments in favor of such tribes or bands; with amendment (Rept. No. 2023). Referred to the Committee of the Whole House on the State of the Union.

Mr. JONAS of Illinois: Committee on the Judiciary. H. R. 9785. A bill to provide a method for compensating claims for damages sustained as the result of the explosions at Texas City, Tex.; without amendment (Rept. No. 2024). Referred to the Committee of the Whole House on the State of the Union.

Mr. JUDD: Committee on Foreign Affairs. Report pursuant to House Resolution 113, pertaining to special study mission to southeast Asia and the Pacific; without amendment (Rept. No. 2025). Referred to the Committee of the Whole House on the State of the Union.

Mr. REED of New York: Committee on Ways and Means. H. R. 8155. A bill to continue until the close of June 30, 1955, the suspension of duties and import taxes on metal scrap, and for other purposes; with amendment (Rept. No. 2026). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. GRAHAM: Committee on the Judiciary. H. R. 7924. A bill for the relief of Giuseppe Clementi; with amendment (Rept. No. 2020). Referred to the Committee of the Whole House.

Mr. GRAHAM: Committee on the Judiciary. H. R. 7925. A bill for the relief of Mrs. Dina Mianulli (nee Kratzer); with amendment (Rept. No. 2021). Referred to the Committee of the Whole House.

Mr. WALTER: Committee on the Judiciary. H. R. 8334. A bill for the relief of Helmut Cermak and Hana Cermak; without amendment (Rept. No. 2022). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. JONAS of Illinois:

H. R. 9785. A bill to provide a method for compensating claims for damages sustained as the result of the explosions at Texas City, Tex.; to the Committee on the Judiciary.

By Mr. TOLLEFSON:

H. R. 9786. A bill to give effect to the International Convention for the High Seas Fisheries of the North Pacific Ocean, signed at Tokyo May 9, 1952, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. ALLEN of California:

H. R. 9787. A bill to give effect to the International Convention for the High Seas Fisheries of the North Pacific Ocean, signed at Tokyo May 9, 1952, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. HOWELL:

H. R. 9788. A bill to provide for unemployment reinsurance grants to the States, to revise, extend, and improve the unemployment insurance program, and for other purposes; to the Committee on Ways and Means.

By Mr. LOVRE:

H. R. 9789. A bill to modify the comprehensive plans for flood control in the Missouri River Basin to provide for the inclusion in such plans of adequate water supply and sewage facilities at Pollock, S. Dak., to replace the facilities located in such town which are to be abandoned as a result of the construction of the Oahe Dam and Reservoir; to the Committee on Public Works.

By Mr. MEADER:

H. R. 9790. A bill to amend the act of June 30, 1948, so as to extend for 5 additional years the authority of the Secretary of the Interior to issue patents for certain public lands in Monroe County, Mich., held under color of title; to the Committee on Interior and Insular Affairs.

By Mr. PATTERSON:

H. R. 9791. A bill to authorize the appointment of female nurses in the National Guard of the United States and in the National Guard of each State, Territory, and the District of Columbia, and for other purposes; to the Committee on Armed Services.

By Mr. PELLY:

H. R. 9792. A bill to amend section 115 of the Internal Revenue Code in respect of distributions in kind; to the Committee on Ways and Means.

By Mr. RADWAN:

H. R. 9793. A bill to amend the Internal Revenue Code to encourage the establishment of voluntary pension plans by individuals, to promote thrift, and to stimulate

expansion of employment through investment; to the Committee on Ways and Means.

By Mr. REED of Illinois:

H. R. 9794. A bill to fix the fees payable to the Patent Office, and for other purposes; to the Committee on the Judiciary.

By Mr. VAN ZANDT:

H. R. 9795. A bill to increase the rates of basic pay and certain allowances prescribed by the Career Compensation Act of 1949 for members of the uniformed services; to the Committee on Armed Services.

By Mr. WAINWRIGHT:

H. R. 9796. A bill to amend the Internal Revenue Code to encourage the establishment of voluntary pension plans by individuals, to promote thrift, and to stimulate expansion of employment through investment; to the Committee on Ways and Means.

By Mr. WARBURTON:

H. R. 9797. A bill to amend section 162 of the Internal Revenue Code of 1939; to the Committee on Ways and Means.

By Mr. YOUNG:

H. R. 9798. A bill to amend Public Law 815, 81st Congress, in order to extend for an additional year the program of assistance for school construction in federally affected areas; to the Committee on Education and Labor.

By Mr. JOHNSON of Wisconsin:

H. J. Res. 554. Joint resolution to provide for a study and investigation of certain practices in the retail distribution of fluid milk to determine whether such practices are in restraint of trade or otherwise in violation of certain other laws of the United States; to the Committee on Interstate and Foreign Commerce.

By Mr. PRIEST:

H. J. Res. 555. Joint resolution to limit the authority of the Atomic Energy Commission to contract for electric power; to the Joint Committee on Atomic Energy.

By Mr. RADWAN:

H. Res. 612. Resolution providing for the consideration of H. R. 9020 to provide increases in the monthly rates of compensation and pension payable to certain veterans and their dependents; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By Mr. BROOKS of Louisiana: Memorial relative to memorializing the Congress of the rescinding of house concurrent resolution No. 24 of the State of Louisiana Legislature held in 1950; to the Committee on the Judiciary.

By the SPEAKER: Memorial of the Legislature of the State of Louisiana, memorializing the President and the Congress of the United States relative to the rescinding of house concurrent resolution No. 24 of the State of Louisiana Legislature held in 1950; to the Committee on the Judiciary.

Also, memorial of the Legislature of the Commonwealth of Virginia, memorializing the President and the Congress of the United States relative to the Commonwealth of Virginia and the Commonwealth of Kentucky having executed a compact relating to the Breaks Interstate Park, pursuant to Public Law 275, 83d Congress; to the Committee on Interior and Insular Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. COLMER:

H. R. 9799. A bill for the relief of Mr. and Mrs. George Holden; to the Committee on the Judiciary

By Mr. DONOVAN:

H. R. 9800. A bill for the relief of George and Maria Bonto; to the Committee on the Judiciary.

By Mr. FOGARTY:

H. R. 9801. A bill for the relief of Agop Nezamian; to the Committee on the Judiciary.

By Mr. MARTIN of Massachusetts:

H. R. 9802. A bill for the relief of Elfrieda Haberl and her children, Frank Haberl and Rosemary Haberl; to the Committee on the Judiciary.

By Mr. RODINO (by request):

H. R. 9803. A bill for the relief of Ying Kie Mok; to the Committee on the Judiciary.

By Mr. SHORT:

H. R. 9804. A bill to authorize the appointment in a civilian position in the Department of Justice of Maj. Gen. Frank H. Partridge, United States Army, retired, and for other purposes; to the Committee on Armed Services.

By Mr. WAINWRIGHT:

H. R. 9805. A bill for the relief of Heinrich Wolfgang; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

1085. The SPEAKER presented a petition of the secretary, the Association of American Geographers, Washington, D. C., recommending that the necessary action be taken on pending legislation which would pay the United States quota to the Pan American Institute of Geography and History according to the quota basis established at the General Assembly of the Institute in Santiago, Chile, in 1950, which was referred to the Committee on Foreign Affairs.

EXTENSIONS OF REMARKS

The Bituminous Coal Industry: Its Position, Problems, and Areas of Possible Relief

EXTENSION OF REMARKS

OF

HON. JAMES E. VAN ZANDT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, July 2, 1954

Mr. VAN ZANDT. Mr. Speaker, on June 29 a delegation composed of Members of Congress and representatives of the bituminous coal industry visited the White House for a conference with President Eisenhower.

The congressional delegation included Senator JOHN S. COOPER, Kentucky, and Representatives RICHARD M. SIMPSON, LOUIS E. GRAHAM, LEON H. GAVIN, JOHN P. SAYLOR, and JAMES E. VAN ZANDT, all of Pennsylvania; and Representatives WILL E. NEAL, West Virginia, and WILLIAM C. WAMPLER, of Virginia.

The following statement describing the coal industry, its position, problems, and areas of possible relief was presented to the President and was the subject of discussion during the 30-minute conference.

We in Congress who represent the bituminous coalfields were very much impressed with the President's willingness to consider the problem and his declaration of intention to appoint a high-level committee to study the subject.

Following is the statement presented to President Eisenhower:

THE COAL INDUSTRY: ITS POSITION, PROBLEMS, AND AREAS OF POSSIBLE RELIEF

I. COAL IS VITAL

(a) To the economy of the United States. Coal is produced in about 28 States. The physical volume of output is huge. It employs hundreds of thousands of people directly and many more indirectly. It is a substantial customer of the railroads and furnishes the most profitable traffic hauled by them. It, and its employees, constitute a large market for the products of farms and factories, outside of the coal fields. In many States, such as Pennsylvania, West Virginia, Kentucky, Ohio, Indiana, and Illinois, coal is the base of the economy of very large areas. Without a substantial market for coal, many of these areas cannot exist except as a wilderness.

Coal supplies important needs. It makes possible our steel industry, which, in turn, makes possible our oil and gas industries, and all steel-using industries. It supplies fuel for many huge powerplants generating elec-

tricity. It furnishes chemicals which are processed into thousands of everyday necessities. It furnishes steam for many industrial and commercial establishments. It warms millions of homes. It can be converted into gas for use in homes and factories. It can be stored cheaply in huge piles at the point of use. It exists in large quantities and its reserves guarantee it a long life compared to low reserves and short lives for oil and gas. Per dollar of value, it supports more persons than any other fuel industry. In short, it is a necessity which this country cannot do without.

(b) To the defense of the United States.

Coal is essential to the production of our most important munitions of war. They require steel, which requires coal. Aircraft engines, tanks, ships, trucks, guns, shells, landing field mats, steel rail, bridges, bulldozers, jeeps—all require coal. The liquid fuels in ships, aircraft, and motor vehicles come from wells drilled with steel rigging, pipe and machinery, transported in steel pipes or tankers, refined in steel refineries, and delivered in steel trucks. The use of steel, and of coking coal, expands sharply during war, but coke ovens, blast furnaces, coal mines, coal cars, freight engines, etc., cannot be built quickly during war and then only at the expense of other uses.

Coal also provides the power for electric utilities and for vital industrial plants, and is used extensively for heating of homes, schools, buildings, and factories.

Coal must also, in time of war, take over the markets supplied by residual oil. Imported residual oil disappears when war comes and utilities, industries, commercial establishments, and other users of residual oil must change to coal. The same is true to a lesser extent with respect to heating and diesel oils, which rapidly become scarce when war comes. During the last war coal expanded its output by more than 50 percent without Government subsidy, by attacking coal lying near the surface with stripping shovels. But the big reserves of easily mined strip coal are no longer available and the time lag in expanding coal production will be much longer next time. The country simply cannot reduce capacity too much without running grave risks.

In brief, this country cannot fight a war of any duration without a developed and functioning coal industry able to take over the war load without delay.

II. THOUGH THE MOST EFFICIENT IN THE WORLD, COAL IN THE UNITED STATES IS AN ACUTELY SICK INDUSTRY

(a) Energy market is increasing sharply. The market for energy is growing rapidly. It is growing at a more rapid pace than the increase in population. The use of mechanical energy is an index to productivity. The outlook is for continued increases.

The energy market includes liquid fuels used in internal combustion motors. Coal is normally not competitive with such liquid fuels. However, excluding liquid fuels from

the energy markets, the growth of the remaining energy market is spectacular and all projections point to continued growth.

(b) Percentage supplied by coal is decreasing; production has dropped by one-third.

If coal retained its share of the energy market in which it should be competitive, the production of coal would be steadily increasing. Unfortunately coal has not held on to its percentage of the energy market. The percentage of the market supplied by coal has been steadily decreasing and at a rate much faster than the increase in the total use of energy.

Since 1948 coal production has dropped over 200 million tons, a quantity of vast size. This is about one-third of the peak production of recent years and more than one-half of the current production.

The markets lost by coal have gone to hydroelectric power, largely Government financed, petroleum and natural gas. There is an immediate threat of invasion of the energy market by a new competitor—atomic energy.

(c) Many mines are closing, with losses to owners, employees, local communities, and the public generally.

The results are everywhere apparent. Many mines are being abandoned. Unemployment and hard times have appeared in the coal-producing regions. Employees of skill and ability are being discharged. Idle men are everywhere, buying has dropped, collections are difficult, unemployment claims mount, and the relief load overwhelms Federal and local facilities. More and more miners' dwellings are vacant and are rapidly deteriorating into firewood. In short, an acute depression has reared its ugly head. The monetary and social costs are catastrophic.

The damage is not confined to the immediate coal-producing areas. Other areas of the Nation are hurt by the reduced consumption in the coal-producing regions of food, clothing, furniture, autos, gasoline, mine supplies, explosives, electricity, and other goods and services.

(d) Railroads are suffering from loss of coal traffic.

Coal has always been the most profitable traffic hauled by railroads. The declining volume of coal moving by rail has caused a sharp drop in the revenue from freight handled and in net operating income. But when coal output declines, other traffic likewise declines. Railroad men are discharged from repair shops and maintenance-of-ways forces, empty coal cars and freight cars are stored on idle tippie tracks. The basic transportation system of the country is adversely affected by anemia of revenue-paying freight.

III. AREAS OF POTENTIAL GOVERNMENT HELP

(a) Foreign:

(1) Limit imports of foreign residual oil. Imported residual oil is doing great harm to the coal industry. The damage is felt