

NATIONAL GRASSLANDS MANAGEMENT

A PRIMER

Appendix H

BANKHEAD-JONES FARM TENANT ACT¹

JULY 12, 1937 Ordered to be printed

Mr. JONES, from the committee of conference, submitted the following

CONFERENCE REPORT

[To accompany H. R. 7562]

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 7562) to encourage and promote the ownership of farm homes and to make the possession of such homes more secure, to provide for the general welfare of the United States, to provide additional credit facilities for agricultural development, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:
That this Act may be cited as "The Bankhead-Jones Farm Tenant Act".

TITLE I FARM TENANT PROVISIONS

POWER OF SECRETARY

SECTION 1. (a) The Secretary of Agriculture (hereinafter referred to as the "Secretary") is authorized to make loans in the United States and in the Territories of Alaska and Hawaii and in Puerto Rico to persons eligible to receive the benefits of this title to enable such persons to acquire farms.

(b) Only farm tenants, farm laborers, share croppers, and other individuals who obtain, or who recently obtained, the major portion of their income from farming operations shall be eligible to receive the benefits of this title. In making available the benefits of this title, the Secretary shall give preference to persons who are married, or who have dependent families, or wherever practicable, to persons who are able to make an initial down payment, or who are owners of livestock and farm implements necessary successfully to carry on farming operations. No person shall be eligible who is not a citizen of the United States.

¹ Transcribed from Congressional Record No. 1198, 75th Congress, 1st Session (1937).

(c) No loan shall be made for the acquisition of any farm unless it is of such size as the Secretary determines to be sufficient to constitute an efficient farm-management unit and diligent farm family to carry on successful farming of a type which the Secretary deems can be successfully carried on in the locality in which the farm is situated.

COUNTY COMMITTEES AND LOANS

SEC. 2 (a) The County Committee established under section 42 shall—

(1) Examine applications (filed with the county agent in the county or with such other person as the Secretary may designate) of persons desiring to finance the acquisition of farms in the county by means of a loan from the Secretary under this title.

(2) Examine and appraise farms in the county with respect to which an application for a loan is made.

(b) If the committee finds that an applicant is eligible to receive the benefits of this title, that by reason of his character, ability, and experience he is likely successfully to carry out undertakings required of him under a loan which may be made under this title, and that the farm with respect to which the application is made is of such character that there is a reasonable likelihood that the making of a loan with respect thereto will carry out the purposes of this title, it shall so certify to the Secretary. The committee shall also certify to the Secretary the amount which the committee finds is the reasonable value of the farm.

(c) No certification under this section shall be made with respect to any farm in which any member of the committee or any person related to such member within the third degree of consanguinity or affinity has any property interest, direct or indirect, or in which they or either of them have had such interest within one year prior to the date of certification.

(d) No loan shall be made to any person or with respect to any farm unless certification as required under this section has been made with respect to such person and such farm by the committee.

TERMS OF LOANS

SEC. 3 (a) Loans made under this title shall be in such amount (not in excess of the amount certified by the County Committee to be the value of the farm) as may be necessary to enable the borrower to acquire the farm and for necessary repairs and improvements thereon, and shall be secured by a first mortgage or deed of trust on the farm.

(b) The instruments under which the loan is made and security given therefor shall—

(1) Provide for the repayment of the loan within an agreed period of not more than forty years from the making of the loan.

(2) Provide for the payment of interest on the unpaid balance of the loan at the rate of 3 per centum per annum.

(3) Provide for the repayment of the unpaid balance of the loan, together with interest thereon, in installments in accordance with amortization schedules prescribed by the Secretary.

(4) Be in such form and contain such covenants as the Secretary shall prescribe to secure the payment of the unpaid balance of the loan, together with interest thereon, to protect the security, and to assure that the farm will be maintained in repair, and waste

and exhaustion of the farm prevented, and that such proper farming practices as the Secretary shall prescribe will be carried out.

(5) Provide that the borrower shall pay taxes and assessments on the farm to the proper taxing authorities, and insure and pay for insurance on farm buildings.

(6) Provide that upon the borrower's assigning, selling, or otherwise transferring the farm, or any interest therein, without the consent of the Secretary, or upon default in the performance of, or upon any failure to comply with, any covenant or condition contained in such instruments, or upon involuntary transfer or sale, the Secretary may declare the amount unpaid immediately due and payable, and that, without the consent of the Secretary, no final payment shall be accepted, or release of the Secretary's interest be made, less than five years after the making of the loan.

(c) Except as provided in paragraph (6) of subsection (b), no instrument provided for in this section shall prohibit the prepayment of any sum due under it.

(d) No provision of section 75, as amended, of the Act entitled "An Act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898 (U. S. C., 1934 ed., title 11, sec. 203; Supp. II, title 11, sec. 203), otherwise applicable in respect of any indebtedness incurred under this title by any beneficiary thereof, shall be applicable in respect of such indebtedness until such beneficiary has repaid at least 15 per centum thereof.

EQUITABLE DISTRIBUTION OF LOANS

SEC. 4. In making loans under this title, the amount which is devoted to such purpose during any fiscal year shall be distributed equitably among the several States and Territories on the basis of farm population and the prevalence of tenancy, as determined by the Secretary.

AVOIDANCE OF PRODUCTION EXPANSION

SEC. 5. In carrying out this title, the Secretary shall give due consideration to the desirability of avoiding the expansion of production for market of basic commodities where such expansion would defeat the policy of Congress as set forth in section 7 (a) (5) of the Soil Conservation and Domestic Allotment Act, as amended, and shall, so far as practicable, assist beneficiaries of the program under this title to become established upon lands now in cultivation.

APPROPRIATION

SEC. 6. To carry out the provisions of this title, there is authorized to be appropriated not to exceed \$10,000,000 for the fiscal year ending June 30, 1938, not to exceed \$25,000,000 for the fiscal year ending June 30, 1939, and not to exceed \$50,000,000 for each fiscal year thereafter. Not more than 5 per centum of the sums appropriated for any fiscal year in pursuance of this section shall be available for administrative expenses in carrying out this title during such fiscal year.

TITLE II—REHABILITATION LOANS

BORROWERS AND TERMS

SEC. 21. (a) Out of the funds made available under section 23, the Secretary shall have power to make loans to eligible individuals for the purchase of livestock, farm equipment, supplies, and for other farm needs (including minor improvements and minor repairs to real property), and for the refinancing of indebtedness, and for family subsistence.

(b) Loans made under this section shall bear interest at a rate not in excess of 3 per centum per annum, and shall have maturities not in excess of five years, and may be renewed. Such loans shall be payable in such installments as the Secretary may provide in the loan agreement. All loans made under this title shall be secured by a chattel mortgage, a lien on crops, and an assignment of proceeds from the sale of agricultural products, or by any one or more of the foregoing.

(c) Only farm owners, farm tenants, farm laborers, sharecroppers, and other individuals who obtain, or who recently obtained, the major portion of their income from farming operations, and who cannot obtain credit on reasonable terms from any federally incorporated lending institution, shall be eligible for loans under this section.

DEBT ADJUSTMENT

SEC. 22. The Secretary shall have power to assist in the voluntary adjustment of indebtedness between farm debtors and their creditors and may cooperate with and pay the whole or part of the expenses of State, Territorial, and local agencies and committees engaged in such debt adjustment. He is also authorized to continue and carry out undertakings with respect to farm debt adjustment uncompleted at the time when appropriations for the purpose of this section are first available. Services furnished by the Secretary under the section shall be without charge to the debtor or creditor.

APPROPRIATION

SEC. 23 (a) For the fiscal year ending June 30, 1938, the balances of funds available to the Secretary for loans and relief to farmers, pursuant to Executive Order Numbered 7530 of December 31, 1936, as amended by Executive Order Numbered 7557 of February 19, 1937, which are unexpended on June 30, 1937, are authorized to be appropriated to carry out the provisions of this title.

(b) The President is authorized to allot to the Secretary, out of appropriations made for relief or work relief for any fiscal year ending prior to July 1, 1939, such sums as he determines to be necessary to carry out the provisions of this title and to enable the Secretary to carry out such other forms of rehabilitation of individuals eligible under this title to receive loans as may be authorized by law and designated in the Executive order directing the allotment.

*TITLE III—RETIREMENT OF SUBMARGINAL LAND
PROGRAM*

SEC. 31. The Secretary is authorized and directed to develop a program of land conservation and land utilization, including the retirement of lands which are submarginal or not primarily suitable for cultivation, in order thereby to correct maladjustments in land use, and thus assist in controlling soil erosion, reforestation, preserving natural resources, mitigating floods, preventing impairment of dams and reservoirs, conserving surface and subsurface moisture, protecting the watersheds of navigable streams, and protecting the public lands, health, safety, and welfare.

POWERS UNDER LAND PROGRAM

SEC. 32. To effectuate the program provided for in section 31, the Secretary is authorized—

(a) To acquire by purchase, gift, or device, or by transfer from any agency of the United States or from any State, Territory, or political subdivision, submarginal land and land not primarily suitable for cultivation, and interests in and options on such land. Such property may be acquired subject to any reservations, outstanding estates, interests, easements, or other encumbrances which the Secretary determines will not interfere with the utilization of such property for the purposes of this title.

(b) To protect, improve, develop, and administer any property so acquired and to construct such structures thereon as may be necessary to adapt it to its most beneficial use.

(c) To sell, exchange, lease or otherwise dispose of, with or without a consideration, any property so acquired, under such terms and conditions as he deems will best accomplish the purposes of this title, but any sale, exchange, or grant shall be made only to public authorities and agencies and only on condition that the property is used for public purposes. The Secretary may recommend to the President other Federal, State or Territorial agencies to administer such property, together with the conditions of use and administration which will best serve the purpose of a land-conservation and land-utilization program, and the President is authorized to transfer such property to such agencies.

(d) With respect to any land, or any interest therein, acquired by, or transferred to, the Secretary for the purposes of this title, to make dedications or grants, in his discretion, for any public purpose, and to grant licenses and easements upon such terms as he deems reasonable.

(e) To cooperate with Federal, State, territorial, and other public agencies in developing plans for a program of land conservation and land utilization, to conduct surveys and investigations relating to conditions and factors affecting, and the methods of accomplishing most effectively the purposes of this title, and to disseminate information concerning these activities.

(f) To make such rules and regulations as he deems necessary to prevent trespasses and otherwise regulate the use and occupancy of property acquired by, or transferred to, the Secretary for the purposes of this title, in order to conserve and utilize it or advance the purposes of this title. Any violation of such rules and regulations shall be punished as prescribed in section 5388 of the Revised Statutes, as amended (U. S. C., 1934 ed., title 18, sec. 104).

PAYMENTS TO COUNTIES

SEC. 33. As soon as practicable after the end of each calendar year, the Secretary shall pay to the county in which any land is held by the Secretary under this title, 25 per centum of the net revenues received by the Secretary from the use of the land during such year. In case the land is situated in more than one county, the amount to be paid shall be divided equitably among the respective counties. Payments to counties under this section shall be made on the condition that they are used for school or road purposes, or both. This section shall not be construed to apply to amounts received from the sale of land.

APPROPRIATION

SEC. 34. To carry out the provisions of this title, there is authorized to be appropriated not to exceed \$10,000,000 for the fiscal year ending June 30, 1938, and not to exceed \$20,000,000 for each of the two fiscal years thereafter.

TITLE IV—GENERAL PROVISIONS

FARMERS' HOME CORPORATION

SEC. 40 (a) There is hereby created as an agency, of and within the Department of Agriculture, a body corporate with the name "Farmers' Home Corporation" (in this Act called the Corporation). The principal office of the Corporation shall be located in the District of Columbia, but there may be established agencies or branch offices elsewhere in the United States under rules and regulations prescribed by the Board of Directors.

(b) The Secretary shall have power to delegate to the Corporation such powers and duties conferred upon him under title I or title II, or both, and such powers under title IV as relate to the exercise of the powers and duties so delegated, as he deems may be necessary to the efficient carrying out of the purposes of such titles and may be executed by the Corporation, and to transfer to the corporation such funds available for such purposes as he deems necessary. In connection with and in the exercise of such powers and duties so delegated, all provisions of this Act relating to the powers and duties of, and limitations upon, the Secretary shall apply to the Corporation in the same manner as to the Secretary, and the term "Secretary" shall be construed to include "Corporation".

(c) The Corporation shall have a nominal capital stock in an amount determined and subscribed for by the Secretary. Receipts for payments for or on account of such stock shall be issued by the Corporation to the Secretary and shall be evidence of the stock ownership of the United States.

(d) The management of the Corporation shall be vested in a board of directors (in this Act called the Board) subject to the general supervision of the Secretary. The Board shall consist of three persons employed in the Department of Agriculture who shall be designated by the Secretary. Vacancies in the Board, so long as there are two members in office, shall not impair the powers of the Board to execute its functions and two of the members in office shall constitute a quorum for the transaction of business. The directors, appointed as hereinbefore provided, shall receive no additional compensation for their services as such directors but may be allowed

travel and subsistence expenses when engaged in business of the Corporation outside of the District of Columbia.

(e) The Board may select, subject to the approval of the Secretary, an administrator, who shall be the executive officer of the Corporation, with such power and authority as may be conferred upon him by the Board.

(f) The Corporation—

(1) Shall have succession in its corporate name;

(2) May adopt, alter, and use a corporate seal, which shall be judicially noticed;

(3) May sue and be sued in its corporate name in any court of competent jurisdiction, State or Federal: Provided, That the prosecution and defense of all litigation to which the Corporation may be a party shall be conducted under the supervision of the Attorney General, and the Corporation shall be represented by the United States Attorneys for the districts, respectively, in which such litigation may arise, or by such other attorney or attorneys as may, under the law, be designated by the Attorney General: And provided further, That no attachment, injunction, garnishment, or other similar process, mense or final, shall be issued against the Corporation or its property;

(4) May adopt, amend, and repeal bylaws, rules, and regulations governing the manner in which its business may be conducted and the powers vested in it may be exercised and enjoyed;

(5) Shall be entitled to the free use of the United States mails in the same manner as other executive agencies of the Government;

(6) Shall have such powers as may be necessary or appropriate for the exercise of the powers vested in the Corporation (including, but subject to the limitations of this Act, the power to make contracts, and to purchase or lease, and to hold or dispose of, such real and personal property as it deems necessary) and all such incidental powers as are customary in corporations generally. The Board shall define the authority and duties of the officers and employees of the Corporation, delegate to them such of the powers vested in the Corporation as it may determine, and require bonds of such of them as it may designate and fix the penalties and pay the premiums of such bonds.

(g) Insofar as applicable, the benefits of the Act entitled “An Act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes,” approved September 7, 1916, as amended, shall extend to employees of the Corporation.

(h) All money of the Corporation not otherwise employed may be deposited with the Treasurer of the United States or in any bank approved by the Secretary of the Treasury, subject to withdrawal by the Corporation at any time, or with the approval of the Secretary of the Treasury may be invested in obligations of the United States. Subject to the approval of the Secretary of the Treasury, the Federal Reserve banks are hereby authorized and directed to act as depositories, custodians, and fiscal agents for the Corporation in the performance of its powers.

(i) The Corporation, including its franchises, its capital, reserves, and surplus and its income and property shall, except as otherwise provided in section 50 (a), be exempt from all taxation now or hereafter, imposed by the United States or any State, Territory, District, dependency, or political subdivision.

(j) The Corporation shall at all times maintain complete and accurate books of account and shall file annually with the Secretary a complete report as to the business of the Corporation.

ADMINISTRATIVE POWERS OF SECRETARY AND CORPORATION

SEC. 41. For the purposes of this Act, the Secretary shall have power to—

(a) Appoint (without regard to the civil-service laws and regulations) and fix the compensation of such officers and employees as may be necessary. No person (except as to positions requiring technical training and experience for which no one possessing the requisite technical training and experience is available within the area) shall be appointed or transferred under this Act to any position in an office in a State or Territory the operations of which are confined to such State or Territory or a portion thereof, or in a regional office outside the District of Columbia the operations of which extend to more than one, or portions of more than one, State or Territory, unless such person has been an actual and bona-fide resident of the State or Territory, or region, as the case may be, in which such office is located, for a period of not less than one year next preceding the appointment or transfer to such position (disregarding periods of residence outside such State or Territory, or region, as the case may be, while in the Federal Government service). If the operations of the office are confined to a portion of a single State or Territory, the Secretary in making appointments or transfers to such office shall, except in the classes of cases exempted from the preceding sentence, appoint or transfer only persons who are residents of such portion of the State or Territory: Provided, That hereafter, whenever practicable, all appointments of persons to the Federal service for employment within the District of Columbia, under the provisions of this Act, whether such appointments be within the classified civil service or otherwise, shall be apportioned among the several States and the District of Columbia upon the basis of population as ascertained at the last preceding census.

(b) Accept and utilize voluntary and uncompensated services, and, with the consent of the agency concerned, utilize the officers, employees, equipment, and information of any agency of the Federal Government, or of any State, Territory, or political subdivision.

(c) Within the limits of appropriations made therefore, make necessary expenditures for personal services and rent at the seat of government and elsewhere; contract stenographic reporting services; purchase and exchange of supplies and equipment, law books, books of reference, directories, periodicals, newspapers, and press clippings; travel and subsistence expenses, including the expense of attendance at meetings and conferences; purchase, operation, and maintenance, at the seat of government and elsewhere, of motor-propelled passenger-carrying and other vehicles; printing and binding; and for such other facilities and services as he may from time to time find necessary for the proper administration of this Act.

(d) Make contracts for services and purchases of supplies without regard to the provisions of section 3709 of the Revised Statutes (U. S. C., 1934 ed., title 41, sec. 5) when the aggregate amount involved is less than \$300.

(e) Make payments prior to audit and settlement by the General Accounting Office.

(f) Acquire land and interests therein without regard to section 355 of the Revised Statutes, as amended. This subsection shall not apply with respect to the acquisition of land or interests in land under title III.

(g) Compromise claims and obligations arising under, and adjust and modify the terms of mortgages, leases, contracts, and agreements entered into pursuant to, this Act, as circumstances may require.

(h) Collect all claims and obligations arising under this Act, or under any mortgage, lease, contract, or agreement entered into pursuant to this Act, and if in his judgment necessary and advisable, to pursue the same to final collection in any court having jurisdiction: Provided, That

the prosecution and defense of all litigation under this Act shall be conducted under the supervision of the Attorney General, and the legal representation shall be by the United States Attorneys for the districts, respectively, in which such litigation may arise, or by such other attorney or attorneys as may, under the law, be designated by the Attorney General.

(i) Make such rules and regulations as he deems necessary to carry out this Act.

COUNTY COMMITTEE

SEC. 42 (a) The Secretary is authorized and directed to appoint in each county in which activities are carried on under title I a county committee composed of three farmers residing in the county.

(b) Each member of the committee shall be allowed compensation at the rate of \$3 per day while engaged in the performance of duties under this Act but such compensation shall not be allowed with respect to more than five days a month. In addition, they shall be allowed such amounts as the Secretary may prescribe for necessary traveling and subsistence expenses.

(c) The committee shall meet on the call of the county agent in the county, or on the call of such other person as the Secretary may designate. Two members of the committee shall constitute a quorum. The Secretary shall prescribe rules governing the procedure of the committees, furnish forms and equipment necessary for the performance of their duties, and authorize and provide for the compensation of such clerical assistants as he deems may be required by any committee.

(d) Committees established under this Act shall, in addition to the duties specifically imposed under this Act, perform such other duties under this Act as the Secretary may require of them.

RESETTLEMENT PROJECTS

SEC. 43. The Secretary is authorized to continue to perform such of the functions vested in him pursuant to Executive Order Numbered 7530 of December 31, 1936, as amended by Executive Order Numbered 7557 of February 19, 1937, and pursuant to Public Act Numbered 845, approved June 29, 1936 (49 Stat. 2035), as shall be necessary only for the completion and administration of those resettlement projects, rural rehabilitation projects for resettlement purposes, and land development and land utilization projects, for which lands have been allotted by the President, and the balances of funds available to the Secretary for said purposes which are unexpended on June 30, 1937, are authorized to be appropriated to carry out said purposes: Provided, That any land held by the United States under the supervision of the Secretary pursuant to said Executive orders may where suitable be utilized for the purposes of title I of this Act, and the Secretary may sell said land and make loans for the necessary improvement thereof to such individuals and upon such terms as shall be in accordance with the provisions of said title.

GENERAL PROVISIONS APPLICABLE TO SALE

SEC. 44. The sale or other disposition of any real property acquired by the Secretary pursuant to the provisions of this Act, or any interest therein, shall be subject to the reservation of the Secretary, on behalf of the United States of not less than an undivided three-fourths of the interest of the United States in all coal, oil, gas, and other minerals in or under such property.

TRANSFER OF AVAILABLE LANDS

SEC. 45. The President may at any time in his discretion transfer to the Secretary or the Corporation any right, interest, or title held by the United States, and under the supervision of the Secretary, in any land which the President shall find suitable for the purposes of this Act, and the Secretary or the Corporation, as the case may be, may use and dispose of such land in such manner, and subject to such terms and conditions, as the President determines will best carry out the objectives of this Act.

TRANSACTIONS WITH CORPORATIONS

SEC. 46. Nothing in this Act shall be construed to authorize the making of any loan, or the sale or other disposition of real property or any interest therein, to any private corporation, for farming purposes.

SURVEYS AND RESEARCH

SEC. 47. The Secretary is authorized to conduct surveys, investigations, and research relating to the conditions and factors affecting, and the methods of accomplishing most effectively, the purposes of this Act, and may publish and disseminate information pertinent to the various aspects of his activities.

VARIABLE PAYMENTS

SEC. 48. The Secretary may provide for the payment of any obligation or indebtedness to him under this Act under a system of variable payments under which a surplus above the required payment will be collected in periods of above-normal production or prices and employed to reduce payments below the required payment in periods of subnormal production or prices.

SET-OFF

SEC. 49. No set-off shall be made against any payment to be made by the Secretary to any person under the provisions of this Act, by reason of any indebtedness of such person to the United States, and no debt due to the Secretary under the provisions of this Act shall be set off against any payments owing by the United States, unless the Secretary shall find that such set-off will not adversely affect the objectives of this Act.

TAXATION

SEC. 50. (a) All property which is being utilized to carry out the purposes of title I or title II of this Act (other than property used solely for administrative purposes) shall, notwithstanding that legal title to such property remains in the Secretary or the Corporation, be subject to taxation by the State, Territory, District, dependency, and political subdivision concerned, in the same manner and to the same extent as other similar property is taxed.

(b) All property to which subsection (a) of this section is inapplicable which is held by the Secretary or the Corporation pursuant to this Act shall be exempt from all taxation now or hereafter imposed by the United States or any State, Territory, District, dependency, or political subdivision, but nothing in this subsection shall be construed as affecting the authority or duty of the Secretary under any other law to make payments in respect of any such property in lieu of taxes.

BID AT FORECLOSURE

SEC. 51. The Secretary is authorized and empowered to bid for and purchase at any foreclosure or other sale, or otherwise to acquire property pledged or mortgaged to secure any loan or other indebtedness owing under this Act; to accept title to any property so purchased or acquired; to operate or lease such property for such period as may be deemed necessary or advisable to protect the investment therein; and to sell or otherwise dispose of such property so purchased or acquired upon such terms and for such considerations as the Secretary shall determine to be reasonable, but subject to the reservation of the rights provided for in section 44.

PENALTIES

SEC. 52. (a) Whoever makes any material representation, knowing it to be false, for the purpose of influencing in any way the action of the Corporation upon any application, advance, discount, purchase, or repurchase agreement, contract of sale, lease, or loan, or any change or extension of any of the same by renewal, deferment of action or otherwise, or the acceptance, release, or substitution of security therefor, shall be punished by a fine of not more than \$5,000 or by imprisonment for not more than two years, or both.

(b) Whoever, being connected in any capacity with the Corporation, (1) embezzles, abstracts, purloins, or willfully misapplies any moneys, funds, securities or other things of value, whether belonging to the Corporation or pledged or otherwise entrusted to it; or (2) with intent to defraud the Corporation, or any other body politic or corporate, or any individual, or to deceive any officer, auditor, or examiner of the Corporation, makes any false entry in any book, report, or statement of, or to, the Corporation, or draws any order, or issues, puts forth, or assigns any note or other obligation or draft, mortgage, judgment, or decree thereof; or (3) with intent to defraud the Corporation, participates or shares in or receives directly or indirectly any money, profit, property, or benefits through any transaction, loan, commission contract, or any other act of the Corporation, shall be punished by a fine of not more than \$10,000 or by imprisonment for not more than five years, or both.

(c) Whoever willfully shall conceal, remove, dispose of, or convert to his own use or to that of another, any property mortgaged or pledged to, or held by the Corporation, as security for any obligation, shall be punished by a fine of not more than \$5,000 or by imprisonment for not more than two years, or both.

(d) The provisions of sections 112, 113, 114, 115, 116, and 117 of the Criminal Code of the United States (U. S. C., title 18, secs. 202-207, inclusive), insofar as applicable, are extended to apply to contracts or agreements of the Corporation, which for the purposes hereof shall be held to include advances, loans, discounts, purchase and repurchase agreements, contracts of sale, and leases; extensions and renewals thereof; and acceptances, releases, and substitutions of security therefor.

(e) Whoever conspires with another to accomplish any of the acts made unlawful by the preceding provisions of this section shall, on conviction thereof, be subject to the same fine or imprisonment, or both, as is applicable in the case of conviction for doing such unlawful act.

FEES AND COMMISSIONS PROHIBITED

SEC. 53. No Federal officer, attorney, or employee shall, directly or indirectly, be the beneficiary of or receive any fee, commission, gift, or other consideration for or in connection with any transaction or business under this Act other than such salary, fee, or other compensation as he may receive as such officer, attorney, or employee. No member of a county committee established under the section 42 shall knowingly make or join in making any certification prohibited by section 2 (c). Any person violating any provision of this section shall, upon conviction thereof, be punished by a fine of not more than \$1,000, or imprisonment for not more than one year, or both.

EXTENSION OF TERRITORIES

SEC. 54. The provisions of this Act shall extend to the Territories of Alaska and Hawaii and to Puerto Rico. In the case of Alaska and Puerto Rico the term "country" as used in this Act shall be deemed synonymous with the Territory, or any subdivision thereof as may be designated by the Secretary and payments under section 33 of this Act shall be made to the Governor of the Territory or to the fiscal agent of such subdivision.

SEPERABILITY

SEC. 55. If any provision of this Act, or the application thereof to any person or circumstances, is held invalid, the remainder of the Act, and the application of such provisions to other persons or circumstances, shall not be affected thereby.

That the House recede from its disagreement to the amendment to the title of the bill.

MARVIN JONES,
WALL DOXEY,
CLIFFORD R. HOPE,
Managers on the part of the House.

J. H. BANKHEAD,
J. P. POPE,
LYNN J. FRAZIER,
Managers on the part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE²

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7562) to encourage and promote the ownership of farm homes and to make the possession of such homes more secure, to provide for the general welfare of the United States, to provide additional credit facilities for agricultural development, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report.

FARM TENANT PROVISIONS

The Senate amendment authorized the Corporation created in the amendment to acquire land, and sell or lease it to persons eligible to the benefits of the act. The conference agreement with respect to the farm-tenant title follows the substance of the House bill with the following differences:

(1) Under the conference agreement, loans may be made for period not in excess of 40 years. The House bill term was 30 years.

(2) Under the conference agreement, applications for loans, which are to be passed on by the county committee, are to be filed with the county agent in the county or with such person as the Secretary designates.

(3) The conference agreement contains a provision, adapted from the Senate amendment, under which the loan instruments are to contain a term that the borrower carry out such proper farming practices as the Secretary prescribes.

(4) The conference agreement contains a provision, adapted from the Senate amendment, under which the loan instruments are to contain a term to the effect that, without the consent of the Secretary, final payment may not be accepted or the Government's interest released prior to 5 years from the making of the loan.

(5) The conference agreement contains a provision, which was implicit in both the House bill and the Senate amendment, which expressly gives the Secretary the power to declare the entire amount due under the loan agreement immediately payable on default in the performance of, or upon any failure to comply with, any term or condition of the mortgage or deed of trust.

(6) The conference agreement rewords the provision of the House bill making the provisions of the Frazier-Lenke Act unavailable to the borrower until he has paid at least 15 percent of his indebtedness.

(7) The conference agreement contains a provision adapted from the Senate amendment under which the Secretary is, so far as practicable, to exercise his powers to avoid production expansion where expansion would defeat the parity policy of section 7 of the Soil Conservation and Domestic Allotment Act, and to assist beneficiaries of the title to become established on lands and under cultivation.

(8) (Unintelligible) . . . the House bill \$50,000,000 was authorized to be appropriated for the fiscal year ending June 30, 1940, and no authorization was made for later years. The Senate amendment authorized that sum to be appropriated for the fiscal year 1940 and for each fiscal year thereafter. The conference agreement adopts the Senate provision.

² Transcribed from Congressional Record No. 1198, 75th Congress, 1st Session (1937).

(9) The conference agreement contains a provision under which administrative expenses for carrying out the farm-tenant title (personnel, overhead, etc.) are not to exceed in any fiscal year 5 percent of the amount appropriated for the fiscal year. The Senate amendment fixed a flat \$400,000 as the upper limit.

REHABILITATION LOANS

There are no express provisions in the Senate amendment authorizing the making of rehabilitation loans as such, but the Senate amendment does authorize loans of the kind which may be made under title II of the House bill. These loans under the House bill and the Senate amendment may be made to the beneficiaries of the tenant provisions. The conference agreement contains the loan and debt adjustment provisions of title II of the House bill with two minor clarifying changes. Under the House bill the purposes for which loans could be made included "other farm needs". The first change made by the conference agreement is for the purpose of making clear that the phrase "other farm needs" includes minor repairs and minor improvement to real property. The second makes it clear that loans made under the title are renewable.

SUBMARGINAL LAND

The Senate amendment contains no express provision relating to retirement of submarginal land. The conference agreement contains the provisions of the House bill without change.

GENERAL PROVISIONS

Under the Senate amendment, a corporation is established to carry out its provisions. The House bill conferred the powers on the Secretary of Agriculture and did not provide for a corporation. The conference agreement establishes a corporation in the Department of Agriculture, the directors of which are to be Department officials, who serve without additional compensation. The Secretary of Agriculture can empower the corporation to exercise the functions conferred upon him under the farm tenant and rehabilitation loan titles and in the parts of the general title which relate to such subjects. When so authorized the act applies to the Corporation just as it does to the Secretary. The Corporation can exercise no powers under the submarginal land title. The Corporation in order effectively to exercise the powers conferred upon it must have the power conferred in the Senate amendment to acquire, hold, and dispose of real and personal property. In the conference agreement, that power has been strictly limited, so that it is not a general one but is confined only to the necessities of exercising the powers given it and must be exercised subject to the limitations of the act. Thus a granted corporate power with respect to real and personal property may not be construed to authorize a general property purchase and sale program contrary to the terms of title I or II.

The remainder of the general title in the conference agreement is the same as the same title in the House bill with the following differences:

(1) The conference agreement omits the provision of the House bill under which reductions in personnel were to be determined in accordance with a geographical rule. The provision for requiring apportionments of appointments of personnel in accordance with the census has been made to apply only where it is practicable to do so.

(2) Under the House bill, land could be acquired without regard to section 355 of the Revised Statutes under which various restraints are put upon the land acquisition. The conference agreement limits that exception so that acquisition of submarginal land must be in accordance with section 355 whenever that section by its terms applies.

(3) An express provision in the conference agreement which was adapted from the Senate amendment requires that litigation be conducted under the supervision of the Attorney General by the various district attorneys.

(4) Under the House bill, property held by the Secretary was tax-exempt but property which was in the hands of the beneficiaries of the tenant and rehabilitation provisions was subject to taxation. By reason of the inclusion of a corporation in the conference agreement, it is necessary to carry over some of the provisions of the Senate amendment relating to taxation and tax exemption of the corporate property. The conference agreement provides that even though title is in the Secretary or the Corporation, real and personal property in the hands of the beneficiaries of titles I and II is subject to taxation. Property of the Corporation or the Secretary (used for administrative purposes) and property owned by them and not in the hands of such beneficiaries is tax-exempt. The Corporation's franchises, income, notes, etc., are tax-exempt. An express provision of the conference agreement preserves the power and duty of the Secretary to make such payments in lieu of taxes on property held by him as are now authorized by law.

(5) The conference agreement provides that the county committee shall meet on the call of the county agent or such person as the Secretary may designate.

(6) The conference agreement contains a provision taken from the Senate amendment under which the President is authorized to transfer to the Secretary or the corporation any land under the supervision of the Secretary which is suitable for use under the act and authorizes them to use and dispose of such land in such manner, and subject to such terms and conditions as the President determines will best carry out the objectives of the act.

(7) The conference agreement contains a prohibition on making of loans, and transferring real property to corporations for farming purposes. A comparable provision is found in the Senate amendment.

(8) Inasmuch as the House bill did not contain any provision for a corporation, the usual penalty provisions in relation to transactions by and property of Federal corporations, were not included. The conference agreement provides for a corporation, and hence includes the penalty provisions of the Senate amendment.

(9) Section 49 of the House bill contained certain provisions prohibiting officers, attorneys, and employees of the United States to be the beneficiaries of any fees, commissions, or gifts in connection with any transaction or business of the United States under the bill. The conference agreement makes it clear that this provision is to apply to officers, attorneys, and employees of the Corporation.

The House recedes on the title and short title to the bill.

MARVIN JONES,
WALL DOXEY,
CLIFFORD R. HOPE
Managers on the part of the House.

shall be \$350,000 and the remainder of the sums which otherwise would be apportioned and prorated to Alaska for said fiscal years shall be reapportioned in the same manner and on the same basis as provided in the second paragraph of section 23 (a) of the Federal Highway Act among those States whose forest highway apportionments for the fiscal years 1933 and 1939 otherwise would be less than 1 percent of the entire apportionment for forest highways."

Mr. CANNON of Missouri. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. Without objection, a motion to reconsider each of the motions will be laid on the table.

There was no objection.

FARM TENANCY BILL

Mr. JONES. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 7562, to encourage and promote the ownership of farm homes and to make the possession of such homes more secure, to provide for the general welfare of the United States, to provide additional credit facilities for agricultural development, and for other purposes, and pending that motion, Mr. Speaker, in order to save time, I ask unanimous consent that all Members may have 5 legislative days within which to extend their own remarks on the bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas [Mr. JONES]?

There was no objection.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 7562, with Mr. DRIVER in the chair.

The Clerk read the title of the bill.

The first reading of the bill was dispensed with.

THE TENANT PROBLEM

Mr. JONES. Mr. Chairman, I yield myself 12 minutes.

Mr. Chairman, in view of the time limitation and the great demand for the privilege of speaking by those who are interested in this bill, I am going to request the Members not to ask me to yield for questions at this time. I hope they will defer any questions they may wish to ask me until the measure is taken up under the 5-minute rule.

I have handled many measures for this administration. In fact, it has been my privilege to handle practically all of the farm legislation. During this period there has been no problem that presented as many difficulties as that of farm tenancy.

We had rather extensive hearings. There were many witnesses. No two of these witnesses agreed as to all of the details of the program. When the hearings had been finished, no two members of the committee were in complete accord on all phases of the subject.

THE PROBLEM OF THE LAND

The problem of the land is as old as history. Contact with the soil is as essential as sunlight and air. There can be no life either in the vegetable or the animal kingdom without the products of the land. All life gets its sustenance from the soil.

It is not surprising, then, that disagreements and disputes should arise in reference to any general land policies. In Biblical days disputes arose between Abraham and Lot in reference to access to the land, and this compelled a separation. Throughout all history disputes have arisen as to land and land policies.

To permit the private ownership of land as a basis for a home and at the same time to prevent too great an accumulation of land in the hands of a few is a problem that practically all countries have been compelled to meet face to face.

INCREASE IN TENANCY

Fifty years ago less than one farmer in four was a tenant. There has been a gradual increase through each decade until now about 42 percent of the tillers of the soil are tenants.

That it is very desirable to check this increase and reverse the trend every thinking person must admit. There are approximately 2,800,000 tenants in continental United States. Practically all of them would like to be home owners. But to accomplish this purpose is another question. It cannot be solved by the waving of a magic wand or the expressing of a wish. It cannot be solved by an appeal to the emotions or a display of sentiment. These have been indulged in for more than a generation. At the same time land ownership has grown less and less, and land tenancy more and more.

THE STARTING POINT

As a basis for beginning, two things are necessary. First, it must be made financially profitable to own a small farm home. Second, a way must be found to finance the purchase of small farm homes by owner-operators on long-time payments at low interest rates.

MAKING FARM OWNERSHIP PROFITABLE

Several steps are necessary in order to make farm ownership profitable. The prime essential is to maintain a fair price for farm products. This price is the most important single element in the whole question.

We have already made much progress along this line through the operation of the Farm Act and the farm-credit system.

I hope and expect that farm legislation of a general character will be passed just as soon as it can be properly worked out and perfected. Then there is also the question of interest rates. We have gone a long way with those in the Farm Credit Administration, but there are still some phases which have not been covered.

I agree with the remarks made today about the fine work of the Farm Credit Administration. I think Governor Myers is one of the best administrators in this Government. [Applause.] However, Governor Myers handles a business institution. He fears—and I think there is some ground for his fear—that if the bill partakes not only of business but also of some social features, although it concerns a real problem, some of those who buy the obligations of the institution may get the two phases mixed, and it may hurt the sale of obligations and injure the fine results which are being achieved by the Farm Credit Administration. Governor Myers prefers that we handle the matter in this way, and I think he has good ground for that preference. My first inclination was to follow the other route, but I came to the conclusion after study that this was the better method.

WHAT IS BEHIND THE PROBLEM?

In reality tenancy is not the problem. It is but a manifestation or a breaking out of the problem.

Neither the landlord nor the tenant has had a fair share of the national income. Behind the tenant question is the problem of price and income.

As a matter of fact, the percentage of tenancy for the Nation as a whole has not increased since 1933, but it has only been checked and has not been decreased, and it therefore remains an appalling problem. Further provision is necessary in the direction of price maintenance and in financing the purchase of family-sized farms if the problem is to be solved.

TAXES

Then, too, the question of State, county, and district taxes is extremely important. In most of the States an undue share of the taxes has been borne by the small farmers. The farm cannot get away. It is easily found. Frequently the small tract of land, both in the town and in the country, has borne a larger pro-rata share of the taxes than the larger tracts of land. Besides both the larger and the smaller tracts of land have borne an undue share of State and local taxes.

STATE COOPERATION

Much assistance can be rendered by States and subdivisions if they will cooperate in the program. It seems to me that on small tracts the taxation should be limited either by providing a small exemption or by providing a maximum total ad valorem property tax that can be levied against

small tracts. Some of the States have already taken steps in this direction. As a part of the effort to solve this situation, steps should be taken to secure State and local cooperation all along the line. Under the system now prevailing in many of the States a full property levy is made by both State, county, and district units against all lands, regardless of whether there is a crop failure or any form of income from the land. The program will be greatly handicapped in any section where this condition prevails.

In many States and localities, a portion of these taxes could well be shifted to other forms of income and property. This added inducement would go far to make any steps taken by the Federal Government in financing such a program successful. With the cooperation of the State and subdivisions, the Government could well afford to finance the purchase for worthy and ambitious tenants of a small farm home, to be paid for on long-time amortization payments at a low rate of interest. These payments could thus be made on a basis that would not cause an undue burden on the purchaser. In practically every community in America there are worthy tenants who would like to own a home and who would work hard to pay out a home if it could be purchased under such conditions as to give them an opportunity to see daylight.

A TREMENDOUS PROBLEM

The problem is tremendous and far reaching. It cannot be solved overnight. The cost would run into billions of dollars. It is necessary to start gradually and endeavor to keep on a sound basis. The problem is so difficult as to be almost discouraging at times, but this makes it all the more important that it be tackled. It is the hope that by beginning and carefully working it out progress may be made and that cooperation by the States, as well as by individuals, may be stimulated.

THREE METHODS OF APPROACH

For the time being the committee has recommended a three-wing approach to the question.

First, a provision for financing tenants in the purchase of small farm homes.

Second, rehabilitation loans for temporary aid to tenants and distressed landowners who need immediate assistance.

Third, the purchase of submarginal or other lands not primarily suited to cultivation, and the utilizing of such land for various public purposes.

Under the first provision—that is, for the financing of the purchase of small farm homes—we provide a fund of \$10,000,000 for the first year, twenty-five million the second, and fifty million the third year to be apportioned among the various States on the basis of farm population and prevalence of tenancy.

The measure provides that loans may be made not in excess of the appraised value of single unit farms to worthy tenants who will obligate themselves to repay the purchase price over a 30-year period, with interest at the rate of 3 percent per annum.

The Committee on Agriculture has provided that in each county where the program is to be put into effect, a committee of three resident farmers who are familiar with local conditions shall assist in administering the act.

It is further provided that application shall be made through such local committee and that no farm shall be selected and no tenant shall be financed except with the approval of the local committee. In this way the tenant will be consulted in the purchase of the farm, the price to be paid and the details of the transaction. It is hoped that by this select method on the part of the local committee, the program will be given its greatest opportunity to succeed.

SPECULATION

In order to avoid speculation it is provided that no purchaser shall be permitted to sell the land to other than a resident home owner who is approved by the Secretary of Agriculture until the entire obligation to the Government has been paid. In other words, the purchaser will not be able to make an unauthorized sale of his property until he has met all the terms of his obligation. This method is adopted in

order to prevent speculation in land, which has frequently been the curse both of the farmer and the home owner.

TITLE I

Title II of the measure provides for the making of rehabilitation loans to cover equipment, livestock, essential supplies, and financing.

The Resettlement Administration is abolished, effective June 30, 1937. The Secretary of Agriculture is authorized to establish the Farm Security Administration, which would administer the provisions of the pending measure.

The Resettlement Administration not only inherited the old subsistence homesteads provisions, but also was called upon to administer relief funds, which were transferred from the Relief and Public Works lump sum appropriation to the Resettlement Administration for administering this program as it pertained to the needs of the farm population.

Under the terms of that transfer, the Resettlement Administration made both loans and grants to people in the country.

We authorize the Administration to utilize any funds that may be transferred by Executive order from Relief and Public Works appropriations for such purpose.

The Resettlement Administration cared for more than 390,000 farm families through loans and grants. We have recommended the broadening of the base of these loans in order to make all those who are unable to secure credit elsewhere eligible for these loans. It is hoped that through this method many individuals may be placed in such a position as to enable them to purchase small homes through private sources.

TITLE III

Under title 3 an appropriation of \$10,000,000 is authorized to be made available for the first year and \$20,000,000 for each of the 2 succeeding years for the purchase of lands not primarily suitable for tillage. These lands may be used for any public purpose, such as parks, game preserves, recreation centers, forest reserves, or for any other public purpose.

The needs for such a program are manifest and are well known to those who are familiar with conditions which prevail, especially in certain sections of our country.

AN OLD QUESTION

The tenant problem is age old. Far back in the history of our race, in times less complex than our own, we find the farmer tilling land that did not belong to him. He did a share of the work in the agricultural village and received a part of what was produced. Such relationships between tenant and landowner are found in various ages and various types of government.

It is only natural that the idea of tenancy should reach our shores early in our own history. We know from writings of colonial days that tenancy existed at a very early date. There were many large landed estates and gentlemen farmers. Our long period of westward expansion and the opening of free land, however, delayed the development of tenancy as a problem. We were still developing, still growing. Opportunities lay always ahead. Then, with the closing of our frontiers, we settled down and began to grow as a nation.

The development of the tenancy problem has taken place largely in the last 50 years, and today we find tenancy existing in every State in the Union. It is more acute in the South, perhaps, than in any other section. This is due largely to the fact that after the War between the States there was very little money in the South, and most of the financing necessarily came from the outside. This caused interest-rate payments to flow out of that great section of the country. A money crop was necessary. The logical development was the one-crop system of cotton, because it was the single one that would produce the returns necessary to replenish the section for the outflow of money and high interest rates.

NOT LIMITED TO ONE SECTION

The rapid increase in tenancy, however, has developed into a problem in many other sections of our country. This has been due in the main to land speculation. The boom

years threw land into speculation and into mortgages. The depression years caused difficulties and foreclosures and consequent changes in ownership. Thus the number who were compelled to rent land was increased.

Any attack on the problem, therefore, must be Nation-wide in scope and not limited to any particular area. It is truly a national problem and the remedy must apply equally to all sections.

AN ESSENTIAL OF GOVERNMENT

In working to solve the tenancy problem, we are endeavoring to add strength to one of the most essential parts of every free government. We are seeking to perpetuate the home.

As long as it is possible for a man to return to his home after a day of labor in the office or in the field, and find awaiting him all the things that home means, we will have a substantial and patriotic citizenship. It is the home that is the first unit of all organized society. It is the starting point of training, the place where character building is begun. The future of our form of government depends on maintenance of the American home. That is why the tenancy measure, directed toward turning the trend back toward farm home ownership, is important.

Regardless of the merits of any other essentials of government, there can be no difference of opinion about the desirability of home ownership. To stop the trend away from home ownership and throw the tendency back in the other direction is the purpose of this measure.

The first thought of the pioneers who founded this country was to own a piece of land. The first step of practically all of them was to secure title to a small part of the land in the new America. This desire to own the land was responsible for the ring of the ax that made possible access to the land. It was responsible for the creak of the western-bound prairie wagon as the early settlers made their way to western homesteads.

THE FINEST STEP WE COULD TAKE

Unfortunately in the complex economic structure that has developed within the last few decades, much of this contact has been lost. In my judgment the Government could take no finer step than to make possible the ownership of small farm homes and to take the further step of formulating policies that would make those homes secure.

There is something in the contact with the soil that tends to build character. The Republic is anchored in its homes. The threats of those who do not at heart believe in our system of government and who wish to tear down its institutions cannot get far among a home-owning and liberty-loving people. Every man in America, whether he lives North, South, East, or West, is vitally interested in stimulating home ownership both in the country and in the city. Such a course will tend toward a stronger government and national security for all. [Applause.]

Mr. Chairman, I yield 20 minutes to the Speaker of the House.

Mr. BANKHEAD. Mr. Chairman, I am going to ask the indulgence of my colleagues for at least a portion of the time that has been so generously allotted to me by the chairman of the committee to present for your consideration and for your thoughtful meditation, not the details of the proposed legislation, but I shall undertake to draw for you a broad picture of this so-called tenant-farming situation.

As the gentleman from Texas [Mr. JONES] has so well said, I regard it as a problem of tremendous importance. I may be pardoned for making a personal reference, maybe, to explain my inherited interest in all farming problems. My direct ancestors on both sides of my house for 150 years in this country have, without exception, until my generation, been tillers of the soil; and if there is anything in the theory of inherited predilections, I imagine that may account in some measure for my deep interest in all agri-

cultural problems, aside from their grave economic manifestations.

Now, it has been said that the Congress of the United States in the last few years has been particularly solicitous of and generous to all of our farm problems, and I think this is true. I think that we men who represent largely agricultural districts are under a debt of everlasting gratitude to the Members of Congress from the great industrial centers, and particularly from the great cities of the United States, for the consistent and uniform support they have so ungrudgingly given to these great measures for agricultural relief [applause], because, Mr. Chairman, to any thoughtful man, whether he lives in a great city, whether he abides in an area of congested population, upon reflection, must know the absolute indispensability to life and to society and to progress of the products of the farm. The clothes that you wear, the shoes with which you are shod, the food which you consume to continue your life, the shelter that is over you to protect you from the vicissitudes and inclemencies of the elements all directly or remotely come from the good earth; and farms are operated by men, and it is the present condition of a large segment of the agricultural population that has particularly appealed to our consideration and has afforded the basis for this legislation—the farm-tenant class of our population.

A little later, if I have the time, I shall incorporate in the Record for your study some statistics as to the number of farm tenants in the country, according to the census of 1935, the number of operating farm tenants, and the number of their families. It is a rather staggering thing to contemplate that, today, practically one-third of our entire farm population is in the class for whose interest we are undertaking to legislate today; and one of the disturbing factors in a study of the whole problem is the increasing, the constantly increasing, number of farm tenants in some sections of our country; not particularly in the South, because our farm-tenancy situation in the last few years has been, in a way, diminishing, but in the great wheat and corn and cattle sections of the country there has been a tremendous increase, which is a challenge to us to undertake to meet and master, if we may, this acute economic problem.

But what about this man I am talking about—this tenant farmer? Oh, it has been said, and argued with some reason, that if a farmer is of any value, if he has any initiative, if he has any backing and capacity, if he has any ability, he can get along, he can borrow money, he can make his way without any governmental assistance; but those of us, Mr. Chairman, who are intimately familiar with this problem, know that that is not always true. I may call your attention to the fact that down in my section of the country, and especially in the hill sections of the South, some of these poor tenant farmers, by descent, are of the best blood of this Republic, sons of the Cavaliers and of the Huguenots, who moved into that section of the country, and decade after decade, because of disadvantages to which they were subjected, which I shall not have the time now fully to enumerate, from generation to generation they have gone from bad to worse in their efforts to sustain themselves according to the traditions and standards of their ancestors; but the very system and environment by which they have been surrounded has made it absolutely impossible.

I am going to be perfectly frank about this thing. I do not know conditions in other sections, but I wish that some of you could visit some of the tenant farms in my section of the country, both white and colored, and see the desperate and hopeless situation by which they have been submerged, I claim, not entirely in all cases because of their own incapacity, but by reason of these circumstances to which I have referred, lack of credit facilities, poor prices year after year for their products, the isolation of their families from contact with their neighbors, their inability to form cooperative associations and to assemble themselves into unions as

those in the industrial centers have done for the protection of their interests.

And there stands a desolate, hopeless, dejected man, working some other man's property, pillaging it, despoiling its rich resources by virtue of the fact that it is not his, but some other man's, and at the end of the year, when they cast up the account, this man who has worked in season and out of season during the whole crop season finds himself with no profit with which to go through the winter, with nothing with which to buy magazines, medicines, or comforts for his family. It is a rather pathetic picture, and as a man representing that section of the country I am ashamed, almost, to describe it here before my colleagues, but God's truth is the God's truth wherever we stand face to face with it. I do not know that the allegory applies all along the line, and some of you may think that it is a fanciful description, but I tell you that the condition of the farm tenant in some sections of the country does not fall far short of that great allegorical poem, *The Man With the Hoe*, because he is in large measure the forgotten man of agriculture—the man with the hoe—as described by Edwin Markham:

Bowed by the weight of centuries he leans
Upon his hoe and gazes on the ground,
The emptiness of ages in his face,
And on his back the burden of the world.
Who made him dead to rapture and despair,
A thing that grieves not and that never hopes,
Stolid and stunned a brother to the ox?
Who loosed and let down this brutal jaw?
Whose was the hand that slanted back this brow?
Whose breath blew out the light within this brain?
Is this the thing the Lord God made and gave
To have dominion over sea and land;
To trace the stars and search the heavens for power;
To feel the passion of eternity?
Is this the dream He dreamed who shaped the suns
And pillared the blue firmament with light?

Slave of the wheel of labor, what to him
Are Plato and the swing of Pleiades?
What the long reaches of the peaks of song,
The rift of dawn, the reddening of the rose?
Through this dread shape the suffering ages look;
Time's tragedy is in that aching stoop;
Through this dread shape humanity betrayed,
Plundered, profaned, and disinherited,
Cries protest to the judges of the world—

And we here in the Congress of the United States are his temporal judges this day, my friends. [Applause.] As the chairman of this great committee has so well said, "It is a challenge not only to our humanity, but to our economic judgment." What is the ultimate success of farming in this country? The purchasing power in the aggregate of the producers of the country. And when you deprive a man, as has been suggested, of the impulse and the passion to succeed, that is generated by the consciousness that he is working on his own acres, as the gentleman from Texas so well said, "You hasten tragedy, for there is something in the very thought and sentiment of ownership that seems to give some type of almost divine affatus to the efforts of a man, no matter how humble he may be." Do you own a farm, do you own a lot in the city, have you fee-simple title to your own property? Subconsciously the satisfaction is great to go out on your own acres, on your own land, put your foot down upon it, look up into the sky and say this, thank God, this little bit is mine. [Applause.] But not so with these drifters, these unhappy, these distressed men. And they are the men—there are 3,000,000 of them in the United States of America out of our total farm population—whom we are seeking in this very limited approach to undertake ultimately to salvage and save and "rebuild in them the music and the dream", to give to them as far as possible that feeling of ownership, of their own, which I have so feebly undertaken to express.

Oh, it is candidly admitted that this bill does not go very far. I heard the strictures of the gentleman from North

Dakota [Mr. LEMKE] with reference to the inadequacy of this bill. It is admittedly only capable of reaching a very negligible percentage of those who need this assistance, but it is the establishment by the Congress of the United States of a policy, as suggested by the gentleman from Texas [Mr. PARMAN] in his short statement this morning. A great many other useful things that have taken deep root in our governmental enterprises started as experiments. I very well recall when my honorable father was pioneering here in Congress for Federal aid for the improvement of our national highways. It was regarded as a dream, as unconstitutional, and never possible of accomplishment, and he was content to take an experimental appropriation of \$75,000 to see if it would work in practice as in theory. And you see the result. Take the delivery of the mail. The rural free delivery of the mail started as an experiment on a very short route. Who would take that away today from the American people? The same with the parcel post and with our present system of vocational education and farm extension. It all started in a small experimental way, and probably after all, my friends, although I would prefer to have had \$50,000,000 appropriated for this bill, though we could not get it—and there have been sound reasons, I think, on the part of the administration in view of our present fiscal condition, to try to trim down as far as possible these appropriations—probably in the long run it may be best for us to feel our way with this thing, to set up an organization, and I hope that organization is going to be a practical thing to be handled by practical men who will be on these county committees all over the country, and not encourage tenants to take up a four or five thousand dollar nicely painted house with lightning rods all over it, and other burdensome and at first unnecessary improvements.

He can go out and build a log house to start with; just the meager necessities, provided it would be his own. I think the biggest factor today in this whole problem, intensified upon the part of those people who are to be served by this legislation, is the fact that they are going to be given an opportunity to show that they can make good as practical farmers; can put off the sackcloth and ashes that they have worn for so many years with an inferiority complex and stand up and look into the face of the sun and their Creator and say, "By the generous grace of a sympathetic Government I am being given another opportunity to prove 'the mettle of my pasture.'"

As I conceive it, that is the objective of this legislation; and we will work it out, I think, if we can get a start here—not too fast. I do not want to go precipitately, because of all the measures that have ever been proposed in the Congress of the United States this is one thing that I do not want to see fail by a bad start. So, Mr. Chairman, in this rather fragmentary fashion I have asked the indulgence of the Committee to submit for their consideration the spirit and, if I may use the word, the sacrament of this legislation. The thing that has animated my ambition about it, my desire to help in it, has been very feebly expressed, but I feel that it is possible for this great Government of ours, without assuming in the long run too great burdens, to take up out of the dust these men, to nurture them to freedom by friendly assistance and Government instruction and leadership, to make them again independent, self-supporting, and extremely useful citizens for agriculture, and for all of the best interests of our Republic. I do hope that this bill will pass without any substantial modification. If there are any differences of judgment between this body and others on the details of this legislation, it may well be ironed out in conference.

I thank you very much. [Applause.]

Mr. Chairman, I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Without objection, it is so ordered.
There was no objection.

MR. BANKHEAD. I append hereto two tables of statistics. The first shows the total of white and colored farm population and total tenants by regional group, as follows:

Division and State	All farm population	All tenants (white)	All tenants (colored)	Total tenants
United States.....	31,290,907	10,591,591	2,555,633	13,220,424
Geographic divisions:				
New England (Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut).....	711,456	56,571	191	56,782
Middle Atlantic (New York, New Jersey, Pennsylvania).....	1,963,933	320,128	1,961	332,089
East North Central (Ohio, Indiana, Illinois, Michigan, Wisconsin).....	4,769,078	1,470,207	6,900	1,477,110
West North Central (Minnesota, Iowa, Missouri, North Dakota, South Dakota, Nebraska, Kansas).....	5,108,226	2,153,258	24,899	2,183,167
South Atlantic (Delaware, Maryland, Virginia, West Virginia, North Carolina, South Carolina, Georgia, Florida, District of Columbia).....	6,203,502	1,727,028	1,047,703	2,775,691
East South Central (Kentucky, Tennessee, Alabama, Mississippi).....	5,535,291	1,572,216	1,063,244	2,735,460
West South Central (Arkansas, Louisiana, Oklahoma, Texas).....	5,387,844	2,299,365	774,460	3,074,315
Mountain (Montana, Idaho, Wyoming, Colorado, New Mexico, Arizona, Utah, Nevada).....	1,188,018	310,633	6,032	316,697
Pacific (Washington, Oregon, California).....	1,193,445	238,913	30,219	269,153

The second table shows by group total number of farmers, total white and colored tenants, and the total of all tenants.

Division and State	All farm operators	All tenants (white)	All tenants (colored)	Total tenant operators
United States.....	6,812,350	2,222,184	642,971	2,865,155
Geographic divisions:				
New England.....	158,241	12,164	46	12,210
Middle Atlantic.....	397,684	63,920	351	64,271
East North Central.....	1,083,667	317,231	1,523	318,754
West North Central.....	1,179,856	497,251	5,513	502,764
South Atlantic.....	1,447,133	346,991	193,951	530,942
East South Central.....	1,137,219	363,656	252,967	622,633
West South Central.....	1,137,571	495,517	181,363	676,900
Mountain.....	271,392	70,979	1,106	72,085
Pacific.....	299,567	58,463	5,131	63,596

MR. HOPE. Mr. Chairman, I yield 15 minutes to the gentleman from New York [MR. WADSWORTH].

MR. WADSWORTH. Mr. Chairman, I know I speak the sentiment of every Member who has been in this Chamber during the last 20 minutes when I say the address just delivered by the Speaker of the House has been an inspiration to us all. [Applause.] He and the chairman of the committee, the gentleman from Texas [MR. JONES], in presenting this bill, have lent a dignity to this debate and a tone which the importance of the measure amply warrants.

My excuse for inflicting myself upon you for 15 minutes is due to the fact probably that I have been bound by a tradition very much like the tradition described by the Speaker a few moments ago. No member of my family during the last 150 years has been engaged in any business but farming. I refer to that group of the family that lives in a certain area in western New York. It has always been a fascinating problem to me. I have never been able to tear myself away from it. Indeed, I have not tried. I join with the prayer of certain Members that the Congress adjourn quickly, that I may go home.

We are starting on a tremendous experiment. It has been with great reluctance that I have been brought to the conclusion that we should start on such an experiment. My inclinations have always been against the Government of the United States taking any part in business or in financing what might be termed private commercial undertakings, be it upon a farm or in a factory.

But this question of farm tenancy and its underlying problems have become of such immense importance in the life of the Nation, important from its social and political aspects, as well as economic, that reluctantly, as I admit, I have come to the conclusion that the Federal Government should undertake this cure. [Applause.] At the same time I am not unmindful of the fact that governments, like individuals, may make fearful mistakes in the management or financing of business. While I am willing to see—indeed while I am more than willing to see this experiment start, and I rejoice that it is in a small way, nevertheless I can visualize some mistakes which may be made which may bring it to failure in the future. When I endeavor to point out those mistakes I beg of you to believe that I do not boast of knowing everything there is to know about farming. Indeed, I have never met a man who knows everything there is to know about farming. But there are certain fundamental things which every good farmer, at least, knows; certain fundamental principles the violation of which over any considerable period of time will bring any farming operation to ruin, no matter in what part of the country it is undertaken.

Farm troubles in this country which, of course, have been made much more acute as the result of drought, have been growing upon us for 20 years or more. Some of them have an economic origin, the loss, for example, of our foreign markets, in which we were accustomed to rid ourselves of surpluses of certain crops; accidents, acts of God as they are sometimes denominated: Drought, floods, and in recent years, very, very extensive droughts; and then, if you will not regard it as impertinent, bad farming. We might just as well admit that in certain directions and in certain important areas one of the contributing elements to farm distress has been unsound farming. I do not mean to seem to scold, but I cannot blind myself to facts. My concern with respect to this bill is that the Government, if it is to finance the purchase of farms and lend 100 percent of the value of the farms to the purchasers, shall see to it, if possible, without undue regimentation, that sound farming be practiced; otherwise, Mr. Chairman, from 25 to 50 percent of the effort will go to waste. Bear in mind that tradition of which I spoke and of which the Speaker spoke—in fact, I got it from my father and he in turn got it from his father—that the best thing for the land is the foot of the owner, an old-fashioned farming adage. It implies that the owner is exercising constant care and thought as he tramps across his acres, that he loves those acres, and is intent so to manage his farm that the fertility of the soil shall not be impaired. Impair the fertility of the soil and the capital investment is impaired, for the real capital of a farm is its fertility.

It so happens that I live in a strictly farming region in which very, very few requests for aid under this bill will arise. I live in a region fortunate above the average region. In it very, very little demand for agricultural relief has arisen in the last 20 years. I can say to you without the violation of any confidence or the exposure of any secret that within the 5 years that I have had the honor of serving in the House of Representatives I have had only two letters from farmers in my county, Livingston, in the Genesee Valley of western New York, requesting farm-relief legislation. This does not mean that they have not had their troubles; this does not mean that the depression did not hit them exceedingly hard in certain directions, but it does mean to me—and I would have this borne in upon you—it does mean to me that the tradition of sound farming has been practiced in that particular area so long as not only to assure a preservation of the fertility of the soil but also to assure a preservation of the spirit of independence of the owners. This region is not alone; there are many other regions equally fortunate. I am thoroughly and intimately acquainted with a system of farming which has been in operation for 120 years. It is practiced not only by owners but by tenants; and whenever I think of this bill and the possibilities of the future in connection with it, my thoughts revert to this thing with which I am familiar: It is utterly

against the rule, a self-enforced rule, I may say, for the good farmer in the region where I live to sell any rough fodder off the farm; it must be fed to livestock. Through the feeding of livestock the fertility is maintained.

I am in possession of records which show that these particular acres—and there are many, many farms under all kinds of ownership—these acres are producing as many bushels of wheat, of oats, of corn, and other crops as they did 110 years ago. This is the result of sound farming.

Uncle Sam now proposes to finance the purchase of farms and to put carefully selected men upon them. As you all know, I am constitutionally opposed to undue regimentation of the individual by the State, but if the State is to go into this financing of commercial undertakings and is to risk 100 percent of the value of the undertaking, it may become indispensable for the State to see to it that the property the purchase of which it has financed is not injured by unsound practices. Unsound farming extended over 3 or 4 successive years can just about destroy the present productiveness of a farm. Unsound farming extended over 3 or 4 years may require 5, 6, or 7 years of unremitting effort for the restoration of the capital; in other words, the fertility of the soil.

This is not an easy thing that we are attempting; we shall not solve it today. I am waiting to hear with great interest the discussion of the amendments to be offered by the gentleman from Iowa [Mr. BIERMANN], one of which I believe impinges upon this question I have just touched upon. This is an enormously difficult thing. I am not afraid to have the Congress tackle it, but we would better not tackle it with a hysterical enthusiasm, an excessive confidence that will lead us to make all kinds of promises to all kinds of people that agricultural Utopia is at hand.

I greet the presentation of this bill in a sympathetic spirit. There are one or two things in it which I think should be changed. In general I acknowledge that this problem has become so great and so significant with respect to the future of this country that the time has come when Uncle Sam should make it his business to do what he can to help. [Applause.]

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

Mr. DOXEY. Mr. Chairman, in the brief time at my disposal I cannot enter into an exhaustive discussion of this measure, but I cannot repress the impulse to comment upon the atmosphere of good feeling that is manifest in the general debate on this bill. Our distinguished chairman of the Committee on Agriculture, appreciating that we had but a limited time in which to discuss this bill, took but a few minutes. He was followed by our beloved Speaker, whose wholesome remarks were received by you with marked attention. Our distinguished Speaker made not only a logical, sound, and effective presentation of the farm-tenancy problem but he brought you a wealth of information which must convince even those who are strangers to the problem that it is most serious.

We appreciate, I know, the three very brilliant speeches that have been made, including the speech of my distinguished friend from New York [Mr. WADSWORTH], on the other side of the aisle, who talked in such a convincing and sincere manner. I say we do appreciate hearing these gentlemen at this time for their speeches show not only their interest in this problem but also their firm grasp of this farm-tenant situation in which so many of us are vitally interested.

Mr. Chairman, realizing that the time for general debate on this bill is limited and that quite a number of Members desire to speak on the bill, I propose to be brief in what I wish to say here today regarding the bill that we are now considering, H. R. 7562, known as the farm-tenant bill.

This bill is substantially the same as H. R. 6240, which was reported by our Committee on Agriculture to this House some several months ago.

The reason we are now considering H. R. 7562 instead of H. R. 6240 is that in our efforts to get a rule to bring H. R.

6240 before the House for a vote we had to compromise with regard to the amount of the appropriation.

Under this bill, H. R. 7562, authorizations of appropriations under title I of the bill (tenant provisions) are limited to \$10,000,000 for the fiscal year 1938, \$25,000,000 for the fiscal year 1939, and \$50,000,000 for the fiscal year 1940.

Under title II (rehabilitation provisions) the \$75,000,000 authorization has been eliminated, but the power of the President to allot relief funds for the purpose remains. I wish we could have secured funds to help the farmer pay at a low rate of interest the mortgage that rests on his farm, but we had to take what we could get.

Under title III (acquisition of submarginal lands) the appropriations authorized are \$10,000,000 for the fiscal year 1938 and \$20,000,000 for the 2 fiscal years thereafter.

Our original bill (H. R. 6240) carried an appropriation under title I of \$50,000,000 for each of the fiscal years ending prior to July 1, 1942. Title II of H. R. 6240 carried for rehabilitation loans an authorization for an appropriation for the fiscal years ending June 30, 1938, and June 30, 1939, a sum not exceeding \$75,000,000 for each of such fiscal years. Under this title II of H. R. 6240 we tried to take care of the farmer whose farm is mortgaged and give him the right to secure money at a low rate of interest to pay off his present indebtedness but under the new bill we had to eliminate the authorization for this appropriation. Title III of H. R. 6240 (retirement of submarginal land) carried an authorization to be appropriated the sum of \$10,000,000 for the fiscal year ending June 30, 1938, and \$20,000,000 for each of the three fiscal years thereafter.

It will not be my purpose here to discuss the reasons for the authorizations for reduced appropriations. We did the best we could and surmounted our many obstacles as best we could. It has been a hard job to get any bill at all.

On Thursday, April 29, 1937, I made a speech on the floor of this House wherein I discussed in detail H. R. 6240. That was after the Rules Committee denied the House Committee on Agriculture a rule for the consideration of H. R. 6240.

At that time I endeavored to explain H. R. 6240, section by section and title by title, and implored the Rules Committee of the House to give us a rule so we could take this legislation up in this House.

I am indeed gratified that we have been able to work out a compromise and obtain a rule for the consideration of this modified farm-tenant bill at this time, which is cited as the Farm Security Act of 1937.

This has required time, tact, effort, and the spirit of giving and taking on the part of those who have had this farm-tenant problem under consideration for quite some time.

At the outset I want us to bear in mind that the position the House Committee on Agriculture takes, as evidenced by this farm-tenant bill and the provisions contained therein, differs materially from the position the Senate Agriculture Committee takes, as evidenced by the provisions of the Senate farm-tenant bill, S. 106.

Of course, I do not know in what respects the membership of this House will amend this farm-tenant bill that the House Committee on Agriculture has worked so hard and long on.

We have brought it on the floor of this House wide open for amendments and after general debate, it will, of course, be read under the 5-minute rule, and I know various and sundry amendments will be proposed.

Of course, no one knows what the final vote will be or in what form this House will pass this bill. However, I trust that we will pass this House farm-tenant bill in substantially the same form as it is now being presented to this House by our House Committee on Agriculture. If we do amend this bill here, I hope that whatever amendments this House adopts will be helpful instead of hurtful in our efforts to tackle this farm-tenant problem.

If the Senate passes a farm-tenant bill, it will, in my judgment, be quite different to this farm-tenant bill that we are now considering in the House.

Of course the conference committee will have to be selected and the whole matter as presented by the position of both the House and the Senate on this question will have to be considered and threshed out in conference.

If the proposed legislation reaches that stage I am likely to be selected as one of the House conferees, and I feel now that the conferees will be faced with some rather serious and fundamental questions involving this particular legislation.

No one knows just what will be finally agreed to, and if and when we finally work out our differences at this session of Congress, no one knows what the Farm Security Act of 1937 will really contain.

I am sure all of us hope that we can get some real constructive legislation enacted at this session of Congress that will enable this administration to tackle this serious and complicated farm-tenant problem in a way that will lead to lasting and worth-while results.

We know it is a vital question and one that certainly presents a most serious problem to the present and future generations of this country.

To my mind, it is certainly a problem so serious and far reaching as to require handling by the Federal Government. However, we must ever be mindful that the Federal control and supervision of this problem should be of a logical, practical, and reasonable nature.

As I have formerly said on the floor of this House in discussing this question, this farm-tenant problem is one that should be cautiously and thoughtfully undertaken.

Personally I feel that the House provisions as set forth in this bill, H. R. 7562, are much better than the provisions of the Senate bill, S. 106. However, I am aware of the fact that the President's Special Farm Tenancy Committee, as well as some of the heads of this administration, prefer the provisions and philosophy of the Senate bill to those provided by our House farm-tenant bill.

To my mind, this does not amount to more than a trifle, and the policy of the administration in handling this matter that will be shaped if and when we finally agree and pass a farm-tenant bill is, to my mind, one of great importance.

If the idea prevails as set forth in the Senate bill, the Government will be absolutely in the land-purchasing business.

Under the Senate bill the Government buys the land in fee simple and in turn sells the land to the prospective home seeker. The Government retains title, and the tenant does not and cannot receive absolute title to the property until after a long period of years.

The Senate bill, to my mind, presents some serious and grave problems in regard to taxation as to local, county, and State requirements. This land should be subject to taxation.

I will not attempt here to analyze the Senate bill. We will cross that bridge when we get to it, as no farm-tenant legislation has been considered on the floor of the Senate thus far this session.

As my time is passing rapidly, I shall be glad to yield to any of my colleagues for any questions they may desire to propound relating to this bill that is now before the House, because I know the Members are interested in this bill, and, although it is not what a lot of us like, it is the best we can do under the circumstances and is a step in the right direction. It is the policy we have agreed upon. I do not hesitate to yield to any Member to answer what questions I can with reference to how this act is supposed to be administered. I shall be glad to answer any questions I can with reference to the set-up under this act, the benefits of which will be brought to every district of the United States where farm tenancy exists and where it is prevalent according to the need and as far as the funds will go that we provide.

Mr. WADSWORTH. Will the gentleman yield?

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

Mr. WADSWORTH. May I call the gentleman's attention to the language on page 4, line 15, paragraph 4, which reads as follows:

Be in such form and contain such covenants as the Secretary shall prescribe to secure the payment of the unpaid balance of the loan, together with interest thereon, to protect the security, and to assure that the farm will be maintained in repair, and waste and exhaustion of the farm prevented.

Mr. DOXEY. Yes.

Mr. WADSWORTH. It is upon that point I endeavored to address myself a few moments ago. I would like to have the gentleman state to us, if he will, how far it is contemplated the Secretary of Agriculture will obligate the man who has purchased the farm with Government money to refrain from unsound farm practices and, if he does not so refrain, what will be his fate?

Mr. DOXEY. I have an opinion, and it may be speculation on my part, because I cannot answer in detail those questions which will be entirely up to the administrative agency to determine. The matter will be regulated somewhat in this way: There will be the various county committees and these county committees will select, from among the multitude that possibly will apply for the loan to buy a farm, those who appear to be best qualified to receive the benefits of this act. The county committees will select applicants by taking into account their experience, character, standing, and also whether or not they have dependents, are married, have made a partial success of farming, have enough farming implements and livestock to carry on their farming operations and so forth, all leading to a final test of whether or not in their specific cases they have been successful as farm tenants.

This bill applies only to people who are now farm tenants, including laborers, sharecroppers, and those who get the biggest portion of their income from farming operations. It does not say that a man who has possibly owned a farm in the past and who has engaged in sound farming operations, but on account of the depression or some other condition that we know has been prevalent throughout the agricultural sections of our country is now in the class of a farm tenant, cannot be selected. When the individual is selected by the county committee and the farm that he is supposed to buy or be placed in charge of is selected, the contract is made. I may say that what would be a real, practical, sensible, sizable farm in the Middle West would not be the same in the deep South or in the county from which my distinguished friend from New York comes. We know this bill can only scratch the surface, but it will enable people to enjoy the benefits from this particular bill if they will indulge in sound farming practices. When the man is selected and passed upon by the county committee, and approved by the Secretary of Agriculture, or those acting under him, and the farm is agreed upon, I imagine there will be an understanding as well as a contract between that person and the source from which he receives his benefits. This will be his home, as has been so beautifully and touchingly described by not only the Speaker of the House but by the chairman of our Committee on Agriculture, as well as the gentleman from New York.

With reference to that specific paragraph and what will constitute waste and what will not constitute waste, that is left in large measure to the sound, discretionary judgment of the man who fills the position of owner and, of course, to an extent it will be regulated by the Secretary of Agriculture. There is no Member of this Congress or no member of the Committee on Agriculture who can definitely and specifically outline the program in advance. That will have to be worked out by the Secretary of Agriculture and those assisting him in the administration of this bill.

Mr. MAHON of Texas. Will the gentleman yield?

Mr. DOXEY. I gladly yield to the gentleman from Texas.

Mr. MAHON of Texas. Does not my distinguished friend feel that since we want to start off in a small way and conservatively, we should follow the example of other Government lending agencies, or most of them, and require that the tenant make some little down payment of say 5 percent and put a ceiling to these loans, as we do in connection with most other Government loans, providing that not more

than six or seven thousand dollars shall be lent to any one tenant?

Mr. DOXEY. Of course, I listened very attentively to the gentleman's speech this morning and I wish I had time to add something to what he said. The Committee on Agriculture has discussed every phase of this bill. We did not just begin during the present session of this Congress to study and work on this tenant problem. We started hearings on the farm tenancy problem back in 1935. We have worked assiduously on the measure and, as stated by the chairman of the Agriculture Committee, there is a great diversity of opinion. This bill provides for a county committee, which will take into consideration some of the things I have enumerated and I imagine if they find an applicant who is able to make a down payment, that will be quite a factor in that individual's being selected, you may say, from the eligible list. [Applause.]

[Here the gavel fell.]

Mr. DOXEY. Mr. Chairman, I have heard our distinguished Speaker refer to some tables. I do not know what the tables are to which he refers and I do not know whether he is going to put them in the RECORD. However, I have a break-down of the statistics on the tenancy question with reference to States. If our distinguished Speaker does not include them in his remarks, I should like to revise my remarks and include therein these tables, showing not only the number of farmers in each State and the number of tenants, but the number of home owners, the number of farmers who actually operate farms today but do not own them, and the number of farm owners who do not operate their farms. I think all this information will be helpful to the membership of the House.

The CHAIRMAN. The Chair may state to the gentleman from Mississippi that it would be necessary for him to obtain the consent of the House for the inclusion in his remarks of the tables to which he refers.

Mr. DOXEY. I just ask to revise and extends my remarks and set out these tables.

The CHAIRMAN. The gentleman may extend his own remarks, but the gentleman will have to obtain the consent of the House to include the statistics to which he refers.

The consent of the House having been obtained, the tables referred to are as follows:

Percent of tenancy in the United States, 1935¹

State	Total number of farmers	Total number of tenants	Percentage of farmers who are tenants
Total, United States.....	6,812,350	2,865,155	42.1
Maine.....	41,907	2,983	6.9
New Hampshire.....	17,695	1,284	7.3
Vermont.....	27,061	2,943	10.9
Ohio.....	255,146	73,770	28.9
Indiana.....	200,835	63,509	31.6
Illinois.....	231,312	102,856	44.5
Michigan.....	196,517	37,334	19.0
Wisconsin.....	199,877	41,285	20.7
Minnesota.....	203,302	68,412	33.7
Iowa.....	221,936	110,151	49.6
Missouri.....	278,454	108,023	38.8
North Dakota.....	84,606	33,122	39.1
South Dakota.....	83,393	40,477	48.6
Nebraska.....	133,616	65,808	49.3
Kansas.....	174,589	76,771	44.0
Delaware.....	10,381	3,610	34.8
Maryland.....	44,412	12,090	27.2
District of Columbia.....	80	21	26.3
Virginia.....	197,632	58,386	29.5
West Virginia.....	104,747	27,021	25.8
North Carolina.....	300,967	142,158	47.2
South Carolina.....	165,504	102,926	62.2
Georgia.....	250,544	164,331	65.6
Massachusetts.....	35,094	2,164	6.2
Rhode Island.....	4,327	597	13.8
Connecticut.....	32,157	2,339	7.3
New York.....	177,025	25,102	14.2
New Jersey.....	29,375	5,242	17.8
Pennsylvania.....	191,284	33,927	17.7
Florida.....	72,857	20,399	28.0
Kentucky.....	278,298	103,215	37.1
Tennessee.....	273,783	126,607	46.2
Alabama.....	273,455	176,247	64.5

¹ From census publications.

Percent of tenancy in the United States, 1935—Continued

State	Total number of farmers	Total number of tenants	Percentage of farmers who are tenants
Mississippi.....	311,653	217,564	69.8
Arkansas.....	253,013	151,759	60.0
Louisiana.....	170,216	108,377	63.7
Oklahoma.....	213,325	130,661	61.2
Texas.....	501,017	286,103	57.1
Montana.....	50,564	13,985	27.7
Idaho.....	45,113	12,861	28.5
Wyoming.....	17,487	4,083	23.3
Colorado.....	63,644	24,840	39.0
New Mexico.....	41,369	7,857	19.0
Arizona.....	18,824	3,344	17.8
Utah.....	30,695	4,582	14.9
Nevada.....	3,696	533	14.4
Washington.....	84,381	16,835	20.0
Oregon.....	64,826	14,065	21.7
California.....	150,360	32,696	21.7

Percentage of the value of farm real estate owned and not owned by the operator, 1930¹

State	Total, percent	Percent of equity	
		Not owned	Owued
Total, United States.....	100	53.0	42.0
Maine.....	100	22.3	77.7
New Hampshire.....	100	29.6	70.4
Vermont.....	100	38.8	61.2
Massachusetts.....	100	37.3	62.7
Rhode Island.....	100	38.8	61.2
Connecticut.....	100	35.7	64.3
New York.....	100	40.2	59.8
New Jersey.....	100	43.2	56.8
Pennsylvania.....	100	38.5	61.5
Ohio.....	100	50.2	49.8
Indiana.....	100	58.9	41.1
Illinois.....	100	70.7	29.3
Michigan.....	100	44.9	55.1
Wisconsin.....	100	49.6	50.4
Minnesota.....	100	58.8	41.2
Iowa.....	100	70.8	29.2
Missouri.....	100	56.6	43.4
North Dakota.....	100	66.1	33.9
South Dakota.....	100	71.7	28.3
Nebraska.....	100	67.0	33.0
Kansas.....	100	65.4	34.6
Delaware.....	100	52.1	47.9
Maryland.....	100	49.0	51.0
Virginia.....	100	36.2	63.8
West Virginia.....	100	28.1	71.9
North Carolina.....	100	52.0	48.0
South Carolina.....	100	60.9	39.1
Georgia.....	100	04.9	95.1
Florida.....	100	44.9	55.1
Kentucky.....	100	41.0	59.0
Tennessee.....	100	47.8	52.2
Alabama.....	100	62.1	37.9
Mississippi.....	100	67.8	32.2
Arkansas.....	100	64.4	35.6
Louisiana.....	100	63.6	36.4
Oklahoma.....	100	69.5	30.5
Texas.....	100	66.2	33.8
Montana.....	100	62.2	37.8
Idaho.....	100	56.5	43.5
Wyoming.....	100	59.6	40.4
Colorado.....	100	65.3	34.7
New Mexico.....	100	60.2	39.8
Arizona.....	100	65.0	35.0
Utah.....	100	41.8	58.2
Nevada.....	100	54.8	45.2
Washington.....	100	50.5	49.5
Oregon.....	100	49.7	50.2
California.....	100	53.9	46.1

¹ From census publications.

Mr. HOPE. Mr. Chairman, I yield such time as he may desire to the gentleman from Pennsylvania [Mr. RICH].

Mr. RICH. Mr. Chairman, we are now discussing the Farm Security Act of 1937. Naturally I am as interested in the security of the American farmer as any individual Member of the House, and have been very much concerned about the problems of the farmer. In my opinion he is the hardest working and most industrious individual in this country, spending many hours working on his farm to secure a livelihood. And this applies not only to the farmer on the farm but to the wife of the farmer who spends more working hours than any other of the women of this country in assisting the farmer in running the farm.

These farmers are as fine a class of people as there are living in this country today. But, I question very much the benefits of some of the things which have been put into effect as law by this administration, especially for the farmers of my district. For instance, these reciprocal-trade agreements, whereby farm produce is imported into this country in greater and greater quantities today than ever before. I know that is the case with dairy and farm products, and if that is aid and assistance to the farmer then I do not understand the economics which this administration is trying to effect. We must keep the American markets for the American farmer.

In this bill, section 41a, provision is made that the Secretary of Agriculture shall have power to appoint those who are to administer the act without regard to civil-service rules and regulations. **This I am opposed to.** I think we should have the merit system in Government rather than the old log-rolling political methods which those in control of the House have so frequently objected to but which they still support.

Why, it was only last week here in the House we Republicans tried to get a vote on the C. C. C. bill and practically every Member on the Democratic side refused to grant civil service to the employees of the C. C. C. camps. Yet you say you are in favor of civil service. It is just too bad that a vote could not be had on the civil-service provision of that bill so you fellows could have been recorded. Let your constituents know where you are by a vote. Do not be afraid to be recorded. When they asked for a rising vote only five Democrats stood up, and we were unable to get a yea-and-nay vote.

It is appropriate here to add a few remarks on the state of the Nation, showing that by repealing a lot of laws which have been enacted we will benefit the farmer more than by enacting this present bill.

We want to get down to sound solid facts rather than a lot of political joyrides in legislation that will carry the farmer farther away from security rather than nearer to it. This Nation is right on a seething volcano, and if it erupts the farmers and citizens of this country will have no security under our Constitution.

THE STATE OF THE NATION

We have reached the lowest point in the depression both financially and morally from which we can survive as a republic. It is impossible longer to conceal the facts about or disguise the failures of the New Deal. The halo which was skillfully built around the personality of Mr. Roosevelt has just about disappeared. Today he stands revealed as a very human being, a blunderer who obstinately clings to the ill-conceived plans of his New Deal advisers.

That great changes are about to come in this country can be forecast from the great wave of crime which has lately come upon us and the absolute indifference of a large part of the population to law and order. We have seen those of our workmen who refused to be exploited and herded into labor organizations forced into idleness. We have seen law and order give way before the assaults of armed and organized mobs in many cities. The impotence of State and Federal authorities in the situation has been manifest throughout. In their zeal for the success of friendly cooperators in the ranks of organized labor the New Deal agencies have, at times, themselves become the principal violators of the practices they so loudly condemn in others.

The American workingman looks over the present situation and in the privacy of his home comes to the conclusion that he will be the ultimate victim of the economic breakdown which appears to be upon us; he faces the facts and finds that there has been but little of substantial value accomplished for him and his family.

Mr. Chairman, the workingman of America now knows that we are more than \$36,000,000,000 in debt. He knows that the social security he has been promised is based on pauperism. He knows that the frontiers that will be extended for him are the frontiers of regimentation and collectivism,

Mr. Chairman, while there are still many in the country who will not willingly give up their hereditary notions of the private right to work public wrongs, these present no greater dangers to the Republic than the politicians whose ascent to power has been followed time after time by raids upon the public till on their own accounts. The huge army of public employees—Federal, State, and local—has forced many of the States for the first time in history to set up economic trade barriers between each other. We are about to drive out of business many of the great industrial leaders whose services to the people and to the Nation are cheaply paid for by allowing them the acquisition of moderate private fortunes.

The demands of the Government for more and more taxes and a greater share in the production by constant applications of the tax burden have forced many of these industrialists into retirement or to seek other sources for the investment of their capital.

So the situation can be summarized. The people of the Nation no longer prostitute their hearts and hopes at the footstool of Mr. Roosevelt. Events, not politicians, have changed the national outlook. Five years ago the issue was the national depression. Last summer it was the return to prosperity. Today the issue is, Shall the Republic survive?

Mr. Chairman, the people of the Nation will no longer quietly acquiesce in the demands of the President that he be allowed full control over the purse strings of the Nation and the economic life of the masses. This Congress has a responsibility to the people and to the nations of the world. Will Congress assume this responsibility?

This Congress must act. This Congress must do something to end the uncertainty which clouds the citizen's right to work without interference from either the hand of a Federal bureaucrat or the sanction of a labor organizer. Mr. Chairman, this is the state of the Nation today. May God save the United States.

In that way and that way only can we give security to the farmers and to all our citizens. [Applause.]

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

Mr. HOPE. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, I do not believe it is necessary for me to take much time to point out the desirability of legislation which will relieve the farm tenancy situation in this country. I only regret it is such a big problem and has so many ramifications it is impossible for us to solve it all by legislation.

There are those this afternoon who have expressed their regret that we are not attacking this problem in a more extensive way, and I share that regret; that is, I wish we might do more than I feel we shall be doing through the passing of this measure. However, I think also there is something to be said on behalf of a careful and cautious approach. Whatever we may want to do, we know we cannot through the expenditure or the lending of Federal funds make every farm tenant a landowner in this country. This is an impossibility. We have 2,800,000 farm tenants. If we were to spend only \$5,000 in putting each one of them on a farm, it would mean the expenditure of \$14,000,000,000. However, I think we can, through this proposed legislation, meager and inadequate as it may be, demonstrate within the period of a few years whether or not this is the proper method of approach, or one effective angle of approach, to the problem. Therefore, I favor the measure we have before us this afternoon.

As I stated in the beginning, it is generally recognized that this is a grave national problem. It is not a problem of recent origin, however, because beginning back in 1880, when we had our first census figures on farm tenancy, there has been a steady increase in farm tenancy until the last 5-year period, from 1930 to 1935, when the proportion of tenancy underwent a slight decrease.

However, as I have just stated, the problem is not a new one at all, nor is its gravity new, because during the two decades from 1880 until 1900 we had a greater increase in farm tenancy, both in numbers and percentage, than we have had during the 35 years since that time. During that

20-year period we had an increase in the number of farm tenants in this country of 1,000,000, and a percentage increase of approximately 10 percent. This was at a time when our public lands were still open to settlement, and during a period when 300,000,000 acres of new land were brought into the farm acreage of this country. From 1900 to 1935 we had an increase in the number of tenants amounting to 864,000 and an increase in percentage of 6.8 percent. In other words, the percentage increased from 35.3 to 42.1 percent.

From 1900 to 1930 there was a constant increase in the percentage of tenancy, the greatest increase, however, occurring between 1925 and 1930. From 1930 to 1935 the percentage of tenancy decreased from 42.4 per cent to 42.1 percent; yet during that time there was an actual increase of about 200,000 in the number of farm tenants in this country. However, during the same period of time there was an increase of over 300,000 in the number of owner-operators, which accounts for the fact that the percentage has gone down slightly.

This problem is so great and complex that we cannot possibly go into the causes of it in the brief time we shall have this afternoon. The problem varies in different parts of the country. In some sections it is not serious. It is a greater problem in the South than in other parts of the country, yet in the Middle West, particularly in the States of Iowa, Illinois, South Dakota, Nebraska, and Kansas, it is a serious problem, because in all these States the percentage of farm tenancy approaches 50 percent. It is 49.6 percent in Iowa, 49.3 per cent in Nebraska, 44.5 percent in Illinois, 48.6 percent in South Dakota, and 44 percent in Kansas. Therefore farm tenancy is a grave problem in those States and somewhat of a problem in at least half the States of the Nation.

The problem varies even in different counties within States. In the State of Mississippi, which has the highest percentage of farm tenancy, there is a large variation between the percentages of farm tenancy in different counties. As I recall the figures, in one county the percentage is only 11.4 percent, far below the national average, while in another county it is about 96.8 percent. In the State of Oklahoma there are wide variations, from a low of 30.6 percent to a high of 78.6 percent, and such variations exist in all the States where farm tenancy is extensive.

There are other approaches to the solution of this problem than the one we are attempting to set up today. The President's Commission on Farm Tenancy made a number of recommendations, of which Government financing of tenants is only one. They put their finger on what I think is one of the great causes of farm tenancy, speculation in farm land. If you go to the States in the northeastern part of the country, in New England and the North Atlantic States, where the percentage of farm tenancy is smallest, you will find that in these States for many years farm-land values have been stable. If you go out into Iowa, Kansas, Nebraska, the Dakotas, and other States in that area, you will find that during the same period of time there have been quite violent fluctuations in the prices of farm land.

You will find, I think, that even today a great deal of the farm land in the Middle West is priced higher than will pay interest upon the investment. Of course, one of the reasons for the great fluctuations in the price of farm lands is the fluctuation in the price of agricultural products. If these prices could be stabilized, this would have a great effect upon reducing this particular cause of farm tenancy, but I have not the time now to go into any further discussion of that phase of the question.

One thing that should be remembered in connection with any discussion of the question of farm tenancy in the South is that there are two classes of tenants there, one the class which the Bureau of the Census classifies as a tenant, and the other a class which is classified as a sharecropper, a group which, in effect, is more nearly composed of farm laborers than anything else, because, while they take a share of the crop that they make, yet they ordinarily have nothing to say about the management of their operations or the crop they

will grow, but simply occupy the status of working for someone else, getting their compensation out of the crop rather than in cash.

[Here the gavel fell.]

Mr. HOPE. Mr. Chairman, I yield myself 3 additional minutes.

Mr. Chairman, I think we have to approach the solution of the problem of the sharecropper, perhaps, from a different angle than we do that of the tenant who has had some experience in management, who has his own property in the way of farming implements and livestock, and who has gone a little further up the rung of the agricultural ladder.

The authors of the book *The Collapse of Cotton Tenancy*, one of whom is Dr. W. W. Alexander, Administrator of the Resettlement Administration, conclude that it is practically impossible for tenants in the South to accumulate property or to become independent. The reasons which are given in support of this conclusion are: First, the agriculture that the tenant knows fits only the old system; second, the banks cannot finance the tenant because they are geared to the needs of the plantations; third, the cost of merchant credit leaves little or nothing for capital accumulation; fourth, the crop-lien credit system has destroyed his independence in marketing his crop. Not only do the reasons given above seem to make the problem in the South more difficult than that of the Nation as a whole but, in addition, as mentioned above, the sharecropper particularly does not at this time have either the education, experience, or background to enable him to graduate into the ranks of landowners. Many students of the problem believe that it will never be possible to make independent landowners out of this group and that whatever attempts are made for the relief of this situation should be directed, at least for the time being, to improving their status as sharecroppers and tenants.

The bill which we have before us today is based upon the idea that while we cannot help all of those who are deserving of assistance in becoming farm owners, we ought to do what we can to help the most deserving, those who are more nearly ready to undertake the obligations and the burdens of farm ownership.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield for a question just at that point?

Mr. HOPE. For a very brief question; yes.

Mr. WHITTINGTON. Since the Government, manifestly, is unable to help all, would it not prevent discrimination if there were some qualifications so as to enable the aid to be extended to the most deserving and thereby give all the same opportunity to qualify?

Mr. HOPE. I think that is true, and this bill does provide some qualifications which will enable the local committees to choose the most deserving.

Mr. WHITTINGTON. May I be more specific by saying that the qualifications should be that a man is able to furnish at least a part of the purchase price or is better qualified by experience to operate a farm?

Mr. HOPE. Of course, that is an element that the local committee should carefully consider. I think the success or failure of this approach to the problem is going to depend very largely upon the local committees. If we have local committees the members of which are conscientious and will give their time and their effort to a job at which they are going to be very poorly paid, and who will exercise proper judgment and discretion in the selection of the tenants, the plan has a much better chance of being successful. Local committees can also be of great assistance in the selection of desirable farms and in seeing they are secured at fair prices.

In conclusion let me say that I think it is particularly important that we recognize this bill as an attempt to solve the many-sided tenant problem from only one angle. There are many other things which need to be done not only by the Federal, State, and local governments, but by individual and community efforts as well. [Applause.]

[Here the gavel fell.]

Mr. HOPE. Mr. Chairman, I yield 10 minutes to the gentleman from Kansas [Mr. REES].

Mr. REES of Kansas. Mr. Chairman, first, I want to express my appreciation to the Members who have spoken preceding me on the presentation of this important question, which we have up for consideration this afternoon. This is, after all, a gigantic problem and the measure we are considering now, of course, admittedly is an experiment at best.

We are considering the matter of expending some \$10,000,000 which, when divided among the various divisions of the United States, gets pretty small, being approximately \$3,000 for each county in the United States, if you please. So it naturally resolves itself into an experiment which, after all, is well worth trying. When we appreciate the fact that the condition with reference to farm tenancy is continually growing worse, we realize it is high time for us as individuals and as Members of Congress to take hold of this problem and try to help bring about its solution to some extent at least.

The general intention of the bill before us today is to reduce to some extent the number of farm owners who are becoming tenants in this country. Our attention has just been called to the fact that some 50 years ago 24 percent of our farmers were tenant farmers, but that now half of them are tenant farmers. In Mississippi we are told that 60 percent are tenants, in South Carolina 62 percent, in Alabama 64 percent, and Georgia 65 percent. Between 35,000 and 40,000 farmers are becoming tenant farmers every year. So we have approximately some 2,865,000 tenant farmers and 3,800,000 farm owners.

I want, however, to call your attention this afternoon to a measure pending before Congress that I deem is of considerable importance to the country at large, and especially to those who are interested in agricultural pursuits. It is with reference to H. R. 6763, which passed this House on June 7, and is now pending before the Senate.

This bill provides for the extension for 1 additional year of the 3½-percent interest rate on Federal land-bank loans and for a 4-percent rate for the following year on land-bank loans and land-bank commissioner loans. The present extension expires on July 1 this year. Unless this extension is granted, the farmers holding Federal land-bank loans will go back to the payment of the old rate of interest as it existed 2 years ago. In other words, in just 3 days the present extension expires, and the farmers who owe these loans will be charged with an additional interest rate of from 1 percent to 2 percent.

The thing that causes me to call your particular attention to this bill is the text of the President's letter, dated June 7, directed to the chairman of the Committee on Agriculture of the House and to certain Members of the Senate, wherein he opposes the reduction in interest rates on Farm Credit Administration loans. He states in the letter that he is "disturbed by the provisions of this bill" and believes the Members of Congress should be advised of the situation which will be created by the passage of that measure. He says, among other things, that any reduction below the rates of interest that were formerly provided by the Federal land bank would create a gift to the farmer from the Federal Treasury, and he also states that the borrowers from the Federal land bank, under this bill, "are given an annual grant or gift by legalizing an abnormally low rate of interest."

He further states that the reduction in the interest rates to the farmers by the Federal land bank and the Land Bank Commissioner, as provided by the terms of this bill, will cost the United States Government more than \$40,000,000 per year, and that the passage of this bill was not contemplated in the preparation of the Budget for the fiscal year of 1938. He says he is definitely seeking the balancing of the Budget, and that the Budget must not be thrown out of balance through extra appropriations or obligations.

First, I should like to give due credit to the administration for having given this problem the consideration to which he believes it is entitled. I am also in favor of balancing the Budget, just as soon as it possibly can be done,

and do not want that bill to create a further deficit in the United States Treasury.

I propose first to show that I do not believe there should or will be a deficit that will require the need of an appropriation from the Treasury, by reason of the extension of the present interest rates by the Federal land bank, or the Federal Land Bank Commissioner, for a period of 1 more year. I do not believe this measure is going to cause a raid on the United States Treasury by the farmers of this country, in any sense of the word. However, let me suggest that even if the passage of this bill should result in the creation of a small subsidy on the part of the Treasury—that the administration is inconsistent in opposing it.

I realize we should not grant subsidies to one group of persons just because we have granted them to other groups of persons or concerns—but we should take into account at least, that subsidies have been granted by the hundreds of millions of dollars to municipalities and private corporations, as well as individuals, during the past few years.

In the discussion of this bill, I do not want to go into a discussion of those expenditures, except to call your attention to the fact that during the 6 months Congress has been in session, it has exceeded its estimated appropriations by millions of dollars. This seems not to have disturbed the administration or its leaders. The House has already appropriated about \$600,000,000 for the Navy, and \$425,000,000 for the Army. You will recall that amendments have been made to the various appropriation bills, increasing the liberal recommendations of the Appropriations Committee of the House, in many instances, amounting in all to many millions of dollars.

I do not want to take too much of your time at this point. You will, however, recall that, without much opposition, during this session this House has agreed to spend a vast amount of funds from the Federal Treasury that were not originally contemplated by the committee having the measures in charge. For instance, only a few days ago this House agreed to spend \$7,000,000 for a tract of timberland in California that is to be added to a national park. I am informed that this tract is 15 miles away from the park. This House agreed to spend without the matching of State funds, \$5,000,000 to complete or extend the building of a national highway in North Carolina and two or three Southern States. There are so many instances where we have exceeded the committee recommendations.

I mention these items to show that, generally speaking, the administration does not seem to be so much "disturbed" about the expenditure of a large amount of funds from the Federal Treasury, even in many instances beyond the amounts suggested by our committees.

During the past 4 years, according to statistics furnished by the Department of Agriculture, 27 out of every 1,000 farm owners in this country lost their farms for the reason that they were not able to pay their interest and their taxes. And I believe that you will agree with me that with comparatively few exceptions this failure came about by circumstances over which they had no control. Thousands of farmers in the last 4 years have lost their homes. They have either become tenant farmers or have in many cases gone on the relief rolls.

We have here a serious situation. I cite these figures to you to show that the farmer's condition is far from being solved and that he is going to need some further assistance, for a while at least, if he is expected to live on his own farm.

Now, I should like to call your attention to the fact that there are 639,800 land-bank and land-bank-commissioner borrowers in the United States which, I am informed, includes about 37 percent of the farm loans in this country. About 77 percent of these borrowers had paid their interest at the end of the year 1936. According to Federal land-bank figures, there were 95,300 farmers who were unable to take care of their interest items and the taxes which became due at the end of last year. This by reason of crop failures and adverse conditions. These farmers could not meet their obligations. These farms involve an investment of approxi-

mately \$428,800 worth of land. This number would have been greater had it not been for the reduction of interest heretofore granted by this Congress.

We are dealing with a stupendous problem this afternoon. It seems to me that if we are going to save the farms for the farmers, that the least thing we can do is to maintain the present rate of interest on Federal land-bank and commissioner loans for another year, and the reason I call your attention to it now is because the bill is in the hands of a committee in the Senate, and, with the administration apparently opposed to it, I believe the situation can be most important.

One of the things we have been discussing during this session of Congress is trying to keep people from the relief rolls. We have talked about the farmers who are on relief rolls, and yet we find between 35,000 and 40,000 farmers, on an average, are losing their farms each year. If you want to keep men off the relief rolls—if at this particular time you want to help the farmer to help himself—let us see that the present rate of interest is maintained, and let us assist materially some 685,000 farmers who will be benefited thereby and without, in my opinion, any expense to the Federal Government.

A good deal has been said about the low rate of interest granted to farmers by the Federal agencies during the present emergency. I grant you that it is a comparatively low rate, but not as compared with the rates granted to railroad companies and corporations which have been assisted by the use of Government funds. Furthermore, when these loans were first made the interest rate was $4\frac{1}{2}$ and 5 percent. The interest rate that is now being paid for the use of this money is approximately 3 percent. And let us not forget that the farmer, when he makes his loan, buys stock for an amount equivalent to 5 percent of the amount of his loan; and since we have some \$2,000,000,000 in farm loans, we have approximately \$100,000,000 of the farmers' money paid to the Federal land banks that helps to guarantee the payment of these obligations. Also, when the farmer made his loan, he paid the secretary of the local organization a fee on a percentage basis on his loan for services in securing the loan for him.

Furthermore, if you will examine the statement of the Federal land bank for the year 1936, and the first quarter of 1937, it will show a net profit of some \$22,000,000, with sufficient reserves that have been set up to protect the bank against losses of shrinkage on account of judgments, foreclosures, and real estate owned, and so forth.

It is my contention that with the \$22,000,000 of profits already shown by the Federal land bank, and the profits that should accrue during the next year, by the careful management on the part of those in charge of Federal farm mortgage organizations that there will be more than enough profit to offset the slight reduction in interest rates, and at the same time maintain a sound financial situation so far as the land bank is concerned.

If the farmers of this country can raise a good crop this year and have a fair price for it—the delinquencies in the payment of interest and taxes will be at a minimum in a year from now. If you want to help the farmer to help himself, here is a chance where you can assist a great number of representative persons who are engaged in the business of agriculture in this country. They are not asking for alms in any sense of the word. All they are asking for is an even break. Let's help provide it to them if we can.

Mr. DOXEY. Mr. Chairman, I now yield to the gentleman from Tennessee [Mr. MITCHELL].

Mr. MITCHELL of Tennessee. Mr. Chairman, as a result of legislation enacted during the past 4 years by the Democratic Party, increased income has come to the farmers of America and with it, a revival in all business. Restored purchasing power has resulted in improved business conditions in the cities. The wheels of factories, mills, mines, and railroads are again turning, and all this gained in the face of unusual natural disaster—the droughts and floods of recent years. But the consequences of these unusual

natural conditions have not been as severe as the man-made disaster from 1929 to 1933, when bankruptcy and ruin overtook the American farmer and his earnings were swept from under him. Because of the legislation passed by the Roosevelt administration, national recovery has been realized and the progress made by agriculture has been of tremendous assistance to the entire Nation in recovery from the depths of depression. The Agricultural Adjustment Act was the keystone in the arch of the Nation's recovery. At present, we have the Soil Conservation program, supplemented by marketing agreements, surplus crop removal, commodity loans, flood- and drought-relief measures.

We have laid the foundation for an economically sound national farm policy. The Committee on Agriculture, of which I am honored to be a member, is now working with the farmers and the farm organizations on a permanent legislative program to safeguard food supplies and farm income. We hope to draft a bill that will make possible legislation to store up reserves of farm crops from surplus years for use in lean years. To preserve and build up the fertility of the soil, to stabilize the supply and prices of farm products, and to increase the farmer's income. This proposed legislation we hope to soon have ready for consideration by the House.

Today we deal with the farm-tenant bill. We provide for loans to be made available to sharecroppers, laborers, and tenants. Fifty years ago one out of every four farmers was a tenant. Today two out of every five are tenants. Statistics tells us that for the past 10 years there has been an annual yearly increase of tenants of about 40,000 farmers. This must not continue in the future. Sound legislation must be provided by which unfortunate people may be able to secure land or credit with which to make a crop and purchase a home. By so doing, a large measure of poverty, social unrest, and economic insecurity will be eliminated. The farm-tenant bill, now under consideration, proposes to remedy this condition and provide money for distressed farm tenants. It will prevent the tendency of landowners to become tenants, and tenants to become laborers, and laborers to become objects of charity. The bill authorizes loans to be made at an interest rate of 3 percent per annum for a period of 30 years, with which to buy farm lands. The appropriation made available in the bill is \$10,000,000 for the fiscal year ending June 30, 1938, and \$25,000,000 for the year 1939, and not to exceed \$50,000,000 for the year 1940.

Only farm owners, farm tenants, farm laborers, and sharecroppers are eligible for this loan. To my mind it is a most meritorious bill. I have been greatly interested in helping to secure legislation of this kind before our committee. We have held extensive hearings, which are now in the hands of the Members of the House. My regret and disappointment is only because of the small appropriation carried in the bill, which has been made necessary because of the economy drive. I hope by next year it will be possible to increase the appropriation and to amend the bill from year to year that more money will be made available for those in need of this assistance and to prevent the further losing of farm homes and lands by their owners.

There is provided in the measure a local county committee of three members to be appointed by the Secretary of Agriculture to supervise the loans provided for in the bill. This will guarantee proper appraisal on the part of the borrowers and a fair basis upon which the Government can carry out the provisions of this act.

The future of America is inseparably bound with our farms and farmers. The farmer employs more laborers than all the railroads, mills, mines, and factories combined. He has more invested in capital than do all other lines of business. The successful management of this great investment and basic industry affects the future welfare of our country. It is a national problem and should be treated as such. The successful management of the farm is essential to the existence of all other business. The farmer feeds and clothes the world. He produces new wealth from the soil he

cultivates each year. He is the foundation of all national prosperity. If he does not have buying power, the wheels of industry stop. What would happen if the farmers in the United States should go on a sit-down strike as we witness today in many of our factories? Who would feed and clothe the city dweller and the factory worker? The answer is, He would go naked and hungry, seeking relief, with none to be had; yet the farmer works longer hours and more days per week than any mill or factory.

Not only does the farmer do this, but all the members of his family have their long hours, from early morn until late in the night, they each go about their daily task. If the drought, or the flood, overtakes him, he must continue his efforts. The tax gatherer and the banker levy their tribute just the same, whether the season is good or bad, whether the prices of farm products are high or low. No delays or stay of judgment is tolerated by the interest collector, nor can the payment of taxes be deferred. The one basic industry that must carry on is agriculture. America must be fed. Happy homes are the only guaranty that liberty and freedom possess. Without them anarchy and communism overtake us.

On the Union Railway Station building here in Washington are inscribed these prophetic words: "The farm, the best home for the family, the main source of national wealth, the foundation of society." How true are these words. Farming is the most satisfying life of our people. Here contentment and happiness are most often found. It is where the young men and young women are to receive their first and best training for future citizenship. The security of our Nation and of our people is wrapped up in the farm life. Liberty and freedom had their birth in the open spaces and in the country life. The love of home and the farm is the basis for the love and devotion we feel for our State and Nation. It is around the fireside and in the family circle that patriotism has its beginning. The city environment cannot, and does not produce the serenity of soul, and the clarity of vision, and the steadfastness of purpose, as does the farm and country life. This fact was well-known by our forefathers when they settled America. It was their purpose that every man should own his home and farm. Westward they went and settled the fertile acres between the Atlantic and the Pacific. They fought for more acres to have more farm homes. Today, amidst all the friction and strife that obtains in the industrial and manufacturing centers and cities in our country, the farm home stands as a beacon light to calm and still the waves of discord and discontent.

If the farmer can have equal opportunity with industry and receive parity prices for his crops, and if he can receive his share of Government credit and protection, that is all he asks. He does not seek a dole. He seeks only equality in commodity prices, in interest rates, and in taxes. No farm home in this country should be required to pay a tax where the farm is valued at \$2,500 or less. The people of America should be encouraged to become home owners. Too many in the cities and towns all ready. Many of them could, and would become self-sustaining on the farm. Their families would be better off in health, in happiness, and in all the things worth while in life, if they would experience the dignity of honest toil on the farm. The city life weakens, rather than makes strong. It is mechanical and machine like. Every day like the preceding one. No diversity of employment, no change of surroundings, no independence of action or freedom of initiative, no broadening of the vision, no communion with nature, no inspiration from the hills.

The 30,000,000 farmers in America should continue to organize for their own protection and security, the same as has industry. They are entitled to a fair and stable income, the same as the laborer in the mill or the factory. They are entitled to the same convenience to satisfy home needs, as others—cheaper electricity, cheaper farm machinery, cheaper fertilizer, and cheaper interest rates.

They are entitled to a foreign policy that will encourage peace with other nations and a greater market abroad for their farm products.

They are entitled to a soil conservation program. Lands unsuited for cultivation or land that is unprofitable should be taken out of active cultivation.

Better opportunities for the farmer to own his land and his home must be afforded him. This, the bill under consideration seeks to do. Greater security for tenants and sharecroppers and greater incentive to laborers to become home owners is provided for in this measure. The bill is a step in the right direction.

Much better and more far-reaching is the measure than the resettlement and homestead programs. They have been, and will continue to be, an expensive experiment. To my mind, the so-called homesteads will result, and have already done so, in great waste of the taxpayers' money and a still greater disappointment in the future to the homesteaders themselves. Too much waste and extravagance, too many inexperienced, so-called experts and blueprint farmers and builders have been put in control and permitted to experiment with the taxpayers' money. It will be a disappointment throughout the years and will not succeed unless and until men are put in charge to superintend these projects who are actual farmers by experience and who have made a success on their own farms, and who, above all, must know the value of a dollar, and who himself is a taxpayer. No so-called "brain truster" or theorist can successfully carry on a development of this kind, as they have tried to do in the past, with any other result than a waste of the people's money.

The farmer may and does profit by advice and expert assistance, but at last he must be an individualist and work out his own salvation and be the author of his own destiny, if he is to succeed. Individual effort and personal planning has builded a great civilization in America in the past 150 years. It will likewise be responsible for our development in the future. Every farmer and businessman must be the captain of his own soul and pilot his own ship, if he is to succeed. The Government can stand by and aid the farmer and business, as it should do, but at last the farmer and businessman must be responsible for results. This alone encourages him to carry on. Thrift, economy, fair dealing, and the good-neighbor policy will make him sovereign. It will lead to success. Service and honest toil bring their own reward in the great stretch of years ahead, when the shadows fall in the evening across the western slopes.

It is not easy to bring about, by legislation, protection against the drought, flood, frost, or plague, but cooperation and teamwork upon the part of the farmers themselves will largely make this possible. The Congress can substantially aid by proper legislation and the pending bill, in its provisions, will afford great assistance to many deserving borrowers and new home owners.

A higher standard of living will be gradually experienced by the less fortunate by legislation of this kind. I regret that the appropriation provided in the bill is not sufficient to do what we would like to for all the tenant farmers and the home owners in America, but it is a step in the right direction. It is a milestone in the march of progress. Much has been done to aid agriculture in the past few years, and much more remains to be done in the future. The home owners and the farmers are the last great hope in America. I confidently believe, if we are to be saved from communism, socialism, and the Reds, it will be because of the stabilizing influence of the farmers in the United States. They will be the defenders and preservers of our liberty and our institutions in the future as in the past. It is to them that industry owes its life and existence. Business could not exist, nor the professional man live, except the farmer who feeds and clothes him, and provides a market for his merchandise, and pays to it and to him his bills from the earnings of the good earth. Let the Congress continue to concern itself with the farmers' problems. The present administration has been most helpful and, while the farmer has a friend in court, let him demand and receive equal rights and equal opportunities with the manufacturer, and all other industry. The industrialist has been subsidized and protected throughout the years. Let us give the American

farmer a legislative program that will afford him economic security and equality of opportunity.

As was so well said by President Roosevelt in his recent message to Congress:

When fully half the total farm population of the United States no longer can feel secure, when millions of our people have lost their roots in the soil, action to provide security is imperative and will be generally approved.

This is certainly true. The Federal Government cannot alone accomplish the end desired. We must have the co-operative effort of local and State institutions. We must make possible farm ownership to tenants who have ability and experience, but who cannot become owners without assistance. Loans must be made by the Federal Government to those who are about to lose their farms and who need credit extensions. The passage of this bill will aid the tenants, sharecroppers, and farm laborers to become home owners. This is certainly to be desired by all of us.

We must endeavor in every possible way to increase the income of the farmers of America. They must be protected in what they sell because of the price they are required to pay when they buy. We must also endeavor to have land values become more stable. Too much fluctuation in the price of real estate has existed in the past. We must make it possible for our farmers to receive their share of the national income. This is a national problem. The public welfare demands it. We must provide the normal requirements of the people for food and sufficient reserves must be maintained to protect the people against the hazards of weather, drought, flood, pests, and disease, and also against the dangers of international crises. We must continue with added interest our soil erosion and soil conservation program to protect our land resources. We must also provide for the retirement of submarginal lands of the country from cultivation as provided for in this bill. Soil fertility of the farmlands must, at all times, be maintained and increased. A proper and effective national adjustment of production in line with the demands of consumption is essential. The Government must assist in aiding the farmer to control the movement of his crops to market after they have been produced in order that the prices he is to receive will be stabilized at such levels as to always insure parity income to farmers and fair prices to the producers.

National prosperity and security exist only when the buying power of the farmer is made secure and certain. The consuming public is entitled to have the normal granary and the food reservoir sufficient to meet its demands.

AGRICULTURE MUST NOT BE THE FORGOTTEN INDUSTRY IN AMERICA

The farmer needs to organize for his own protection, as has industry. His production of farm goods must be adjusted to adequate home needs and to foreign demand. Foreign policies to encourage peace with other countries and an increased market abroad for our farm products is demanded. We must afford better opportunities for the man with the hoe to own his land and increased security for tenants and owner-operator. Industrial policies to insure abundance to the wage earners and farmers alike, is needed. Within the past few years and during the Roosevelt administration, more beneficial legislation has been passed than under any previous administration in the history of our country. Let us continue this policy of making more secure the farmers, who feed and clothe us.

Let the farmer continue his fight for equality of opportunity. He deserves to win. He has had many long, lean years. He is the owner of the greatest industry in America. His success means your success. Let us pass the pending bill. I am proud I was born and raised on a farm. I am proud of this heritage. My father was a farmer. My people have all been farmers before me. I have always engaged in farming myself. I am honored to represent the people of the Fourth District of Tennessee and farming is the principle business of my people. It is a great agricultural district and contributes much in food supplies, livestock, and general farm resources. Let us undertake, for the first time in the history of the Nation, this constructive and helpful piece of legislation. We are making worth-

while history for the future in the passage of this measure. [Applause.]

Mr. HOPE. Mr. Chairman, I yield 5 minutes to the gentleman from Minnesota [Mr. ANDRESEN].

Mr. ANDRESEN of Minnesota. Mr. Chairman, the distinguished chairman of our Committee on Agriculture, Mr. JONES, stated a very certain fact when he said that he had considerable difficulty in the committee in arriving at some conclusion on the farm-tenant bill now before this Committee. The hearings which are available covering H. R. 8 are not the hearings on the bill now before the Committee, because the policies outlined in our committee in H. R. 8 are totally different from the principles involved in the bill now under consideration. H. R. 8 provided that the Government should go into the land business and buy farms and distribute those farms to individuals selected by the Secretary of Agriculture, through the county committees, while the bill before us today provides that the Secretary of Agriculture shall make loans to farmers who desire to purchase farms and who receive the approval of county committees and the Secretary of Agriculture. The farmers in this instance will immediately get title to the land they purchase, while under H. R. 8, which was not reported by the committee, they would not have received title until they had operated the land from 20 to 40 years.

I do not believe the bill now under consideration—and I feel sure it will pass the House—will remain in its present form when it gets to the United States Senate. I am satisfied that the bill will be amended and that the old Bankhead bill will be substituted. In other words, they will put in the farm-tenancy legislation, the original bill, which was rejected by the Committee on Agriculture after 11 weeks of debate in the committee.

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

Mr. ANDRESEN of Minnesota. I yield.

Mr. KELLER. Will the gentleman tell us the difference in the two bills specifically?

Mr. ANDRESEN of Minnesota. I have just stated that the bill which was before the committee, which was rejected by the Committee on Agriculture, sets the Government up in the land business, so that the Government would go out and buy land and select future owners to occupy it, and that they would be from 20 to 40 years in paying for it, while in this instance the tenant may exercise his own judgment, may go out and pick out a farm, go to the county committee and make application for a loan, and if it is approved by the county committee and the committee thinks the farm is all right and the value is all right, then he can get a loan up to the entire purchase price of the farm if the value fixed by the county committee is the same as the purchase price.

Mr. HOOK. In other words, the committee decided to write its own legislation?

Mr. ANDRESEN of Minnesota. The gentleman is correct. We tried for 11 weeks to write this bill. The chairman of the committee tried his best to get a majority of the members to write the kind of a bill he wanted, but after all these weeks of debate, the committee finally wrote the bill which the committee decided it wanted. That is the bill that is before us.

This bill has been termed "an experiment." That is not exactly correct, because the Resettlement Administration under the Department of Agriculture, has been conducting a similar experiment for the last 2½ or 3 years. They have purchased thousands of farms throughout the United States in all sections. They have selected tenants or individuals to occupy those farms. Many of you know something about the experience of the Resettlement Administration and the unsatisfactory results. I know of an instance in my own congressional district where they completed a resettlement homestead project 2 years ago, and to this date the 52 tenants, or purchasers, do not know how much they are going to pay for those homes which they have purchased from the Government.

[Here the gavel fell.]

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

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. ANDRESEN of Minnesota. In just a moment I will yield.

I have tried for the last 9 months to have the Resettlement Administrator tell me how much each of his subsistence homesteaders will have to pay for his home. They all want to know. Still he fails or refuses or is unable to give the information. As a consequence, a great many of those homesteaders have become disgusted and have moved off of the premises, because they do not know whether they have title or ever will get title, or how much they will have to pay for it in the end.

Possibly some of the things that the Resettlement Administration did are subject to criticism. In this particular project in my own congressional district, which I have in mind, the tenants were led to believe that they would pay around \$2,500 for each homestead. The construction was so poor and there were so many idealistic things that the Resettlement Administration thought homesteaders should have, such as a new \$10,000 community house and a great many other things that raised the cost, that now when we divide the total number of homesteads by the total cost of the project, instead of the individual paying \$2,500, the cost has mounted up to over \$5,200 for each homestead. So throughout the United States where these individuals who were to be helped, thought they were going to pay a medium price for the new homes, they will find that the cost will run up to five, seven, ten, or twelve, or, in some instances, \$15,000 for a little home and a few acres of land.

The same group which has handled the Resettlement Administration will undoubtedly handle the administration of this act. I hope it will succeed. I am for the bill because it is the best bill we could get out of the committee. The tenant problem is a serious problem, not so much in our section of the country as in some of the other States.

When I heard the distinguished Speaker of the House today picture the condition of the tenants down in his section of the country, I realized the truth of many of the facts that he pointed out. I have visited a good many tenants and sharecroppers down in that section, and I say to you honestly that we in Minnesota and the northern parts of the central West would not let our hogs live in the houses that the tenants and sharecroppers live in in that part of the country. It is a shame; it is a reflection on someone; whether it is the United States Government, the individual, or the landowner, I do not know, but whoever has the responsibility in connection with the present status of this large class of people in the Southern States should assume the responsibility and not blame us in other parts of the country, for we are trying to fulfill our duty by giving them the proper kind of help to make them contented American citizens.

Mr. CASE of South Dakota. Mr. Chairman, will the gentleman yield?

Mr. ANDRESEN of Minnesota. I yield.

Mr. CASE of South Dakota. The gentleman spoke about delay in payment. I am wondering whether this bill, providing, as it does in subparagraph 5 of title IV, power for the Secretary to make payments prior to audit and settlement by the General Accounting Office, will correct it and whether it is a good correction.

Mr. ANDRESEN of Minnesota. No; I do not say it will correct it, and I do not think that we will get away from governmental red tape and delay in connection with this proposition.

[Here the gavel fell.]

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

Mr. ANDRESEN of Minnesota. Mr. Chairman, I think that this program will fail, although I hope that it will not. The reason I say that it will fail is because of governmental red tape. Let us take the case of a tenant sharecropper who wants to buy a farm. He goes over and looks at John Doe's farm. They agree on a price and he tells John that he will

buy the farm if he can get a loan from this new set-up of the Government. They sign a contract. Then the sharecropper has to go to the county committee and place his problem before the committee and make his application. They will look at the farm, and if they feel that the purchase price is all right and that the man is all right, they will recommend him for a loan. They recommend him to the Secretary of Agriculture. The Secretary of Agriculture will get it after 3 or 4 months. Then he will have to have his legal experts look up the title, and this takes anywhere from 6 months to 2 years. The sharecropper gets the action or approval in anywhere from several months to 2½ years. By that time the man who was going to sell the farm has lost his sale, but in the meantime he has had all of his land tied up. I think it will be difficult to get any individual who has land to sell to enter into an agreement to sell his farm contingent upon the purchaser getting a loan from the Secretary of Agriculture under this bill. It will take too long. We cannot do much about it except try to put through a piece of legislation that we believe will be helpful to some of the tenant farmers and others who desire to own farms in this country. [Applause.] [Here the gavel fell.]

Mr. HOPE. Mr. Chairman, I yield such time as he may desire to the gentleman from Michigan [Mr. HOFFMAN].

(Mr. HOFFMAN asked and was given permission to revise and extend his own remarks.)

Mr. HOFFMAN. Mr. Chairman, the generosity of the House in unanimously granting this time is deeply appreciated.

The kindness and the friendliness shown by the gentleman from Illinois [Mr. SABATH], in promptly, when his attention was called to the fact, withdrawing the erroneous statement which he inadvertently made and which intimated that I was advocating unnecessary violence, is acknowledged. His action was characteristic and explains, if explanation was needed, the reason for the esteem in which he, as dean of the House, is held by its membership. Again I thank you, gentlemen.

He, who by word or deed when strife is abroad in the land, has sought to stir up class hatred, dissension, or strife, serves not the cause of patriotism. If his act be thoughtless, he deserves the reproof of his associates. If his act be deliberate, he deserves their censor, and that in no uncertain terms.

Time was sought to correct an error made by the gentleman from Texas [Mr. MAVERICK], not because of any feeling of personal hurt or chagrin, but for the reason that today throughout the country there are two schools of thought held by two groups of people who are swiftly and steadily traveling toward a destination which, when reached, if the objectives now sought are not changed, can but lead to bloody civil strife. These are not the words of an alarmist. The fact is known to all.

For that reason there should be no misinterpretation of the signs along these pathways, there should be no misunderstanding of the purposes of those who advocate their use, no regret after our choice has been made. Let us look, therefore, at the facts as they exist. On June 22, CONGRESSIONAL RECORD, page 6162, the gentleman from Texas [Mr. MAVERICK], speaking in the House, among other things said:

Mr. Speaker, referring to the behavior of judges, the gentleman from Michigan [Mr. HOFFMAN] turned to me and said that I had gone into the State of Michigan and had made a speech for the C. I. O., stating that I hoped the C. I. O. would be organized in the South. That is not wholly correct. I want labor organized in the South and everywhere, and the citizens can choose what organization they please. I am frank to say that I hope the C. I. O. is organized in mass industries.

The statement by me, as referred to by the gentleman from Texas, will not be found in the printed RECORD, as under permission given me to revise my remarks, it was stricken. In fairness to the gentleman from Texas, I have obtained from the stenographer a transcript of what was said on the floor. It was this:

Mr. HOFFMAN. I will try hard to abide by the ruling of the Chair. The point of order is raised by the gentleman from Texas who went into Michigan and told people up there he was going

to help the C. I. O. organize the South as well as the North to free the slaves of Ford. [Laughter.]

My basis for that statement was taken from the remarks and a speech which he caused to be inserted in the Appendix of the RECORD, from pages 1517 to 1519, and which I ask you gentlemen, if you are interested, to read as it is a notable contribution to present-day knowledge. The address was delivered on June 5 before the United Automobile Workers of America, at Baby Creek Park, Detroit, Mich.

The gentleman stated to his audience, among other things:

Oh, my friends, I want you to know in the first place that down my way labor is not very well organized; labor is not very well organized anywhere in the South. But let us get organized North, South, East, and West, and let us do it for the purpose of preserving American liberty and the American standard of living.

You know, my friends, I thought it a little significant and that it really meant something, because the very first tune you played was John Brown's Body Lies A 'Moldering in the Grave. That is the same tune they played and the same song they sang when the slaves were freed in the South.

Yes, fellow Americans, that's what we are going to do for the people of the Ford plant. [Applause.] Or, better, in modern parlance, we will cooperate with them in organizing so that they may protect their own rights.

On the subsequent page, he said:

* * * I know and appreciate John L. Lewis. I think he is the greatest labor organizer in America, because he has intelligence and character and because he is honest. [Applause.] * * * The point is the United Automobile Workers is a fine organization; it is the strongest one in the field; and Lewis is the strongest man in the field; and Homer Martin, your leader, is absolutely O. K. [Applause.]

The accuracy of the author, historian, and statesman from Texas and the nature of his reasoning may perhaps be understood by two quotations from the RECORD.

The eminence of the gentleman from Texas who confers with the President, who, according to the papers, announces the President's will upon his return from the island, makes me hesitate that I should question either his accuracy or his philosophy.

In passing, let me note, that on page 1589 of the Appendix of the RECORD, in the speech delivered by the gentleman, I find this statement:

After the war began there were more and more blunders. Armies went out of their way to meet and destroy each other, and their tactics were brave and courageous, but foolhardy to the extreme.

May I most humbly venture to say to the Speaker and to the Members of the House that there is a somewhat startling statement. Armies went out of their way to meet and destroy each other. The gentleman from Texas added greatly to the historical knowledge of our day by that statement.

Again I find on page 1586 of the Appendix of the RECORD, news for you of the South who so justly glory in the bravery of your soldiers. The gentleman from Texas, referring to the heroism of General Pickett and his men, said:

But I was shown the field where General Pickett charged, and I could see in my imagination the Confederates as their cavalry sabers flashed in the sun, bravely advancing in futile attack.

Again, if memory serves correctly, Pickett's men went forward across the shell-torn fields, advanced up the hill, surmounted the fence, but they were on foot, and it was here, as leaders of this charge, that brave Armistead and Garnett died within the Federal lines and at the muzzles of Cushing's guns. Cushing gave up his life at the same time. But perhaps I am unduly critical in suggesting to the gentleman the facts should not be disregarded and truth ignored, even where the object is the attainment of some worthy end.

The record of John L. Lewis is written so that all men may read it, all men may choose whether they will follow his leadership. It would be presumptuous for me to suggest to the gentleman from Texas that he should follow any man as a leader.

It would not be improper, however, to call his attention to the fact that after a telegram was received at Herrin, Ill., in 1922, 25 unarmed, defenseless men, who had surrendered to Lewis' mine workers, were either beaten, shot, or hanged until

all were dead. It should not be forgotten that, while Lewis has collected millions of dollars in dues from workingmen, he has left behind a trail of loss of wages, reduction of production, violence, bloodshed, and death unequalled by that of any other labor leader.

It might be noted in passing that a Department of Labor report shows that during the first 4 months of the year, 10,851,706 days' work were lost, and this by labor while Lewis was carrying on his campaign.

From 1922 through 1926, a period of 4 years, 17,050,000 workdays were lost because of strikes. From 1927 through 1931, another period of 4 years, 5,665,000 days' work were lost because of strikes.

It will be noted that, while Lewis was in the saddle organizing and directing labor, almost twice as many days' work were lost through strikes in a period of 4 months as were lost in the 4 years from 1927 through 1931.

It is the gentleman's right—it may be his pleasure—to turn in on a highway like that and follow it to the end of the road. For myself I seek another destination over a traveled way, perhaps not so easy, not so broad, and at times perhaps more lonesome, but which, along its traveled way, has signboards of equality, justice, law, order, and which in the end has liberty for the individual, prosperity and perpetuity for the Nation.

June 22, in the House, the gentleman said:

I am getting a little bit tired of constantly hearing this ranting and roaring of the gentleman from Michigan [Mr. HOFFMAN]. It is getting very boresome—

May I most humbly apologize to the gentleman from Texas and assure him that I will endeavor to avoid any contest, for I have not the slightest idea of ever at any time, in view of the excellence of his performance in the House, making the slightest effort to compete with him in ranting or roaring.

May I concede to him all the laurels which go to the winner of such a competition. If not presumptuous, may I suggest that he might have retired to the cloak room for a few moments and saved himself a bit of weariness.

The gentleman then continued—

But, speaking of his getting together an army and marching into a State, if we go back into history and study one of the famous judicial trials of the South, when Mr. John Brown came into the State of Virginia with arms and ammunition he was tried for treason. Suppose Mr. John Lewis would announce, like a Congressman, that he was getting up an army to invade a State, what would happen?

But a Congressman can get up and say that he can invade a State with arms and ammunition, and have his son get ammunition, like John Brown's son did, and that is all right. That is fine; that is wonderful. But if John L. Lewis said that, he would be tried for treason, as John Brown was. He would be called a traitor on this floor; but we permit one of our own Members to do it. What is sauce for the goose is sauce for the gander; and a Congressman has no more right to violate the law of the land than John Lewis or anybody else.

Most assuredly a Congressman has no right to violate the law of the land. He should, and I have always tried to be, extremely careful to obey not only the laws of the Federal Government, of the State, but the ordinances of all communities.

Never but once have I even taken advantage of the privilege of a Congressman to park where others could not, except as I park my car in a space reserved for the purpose alongside buildings. In view of the gentleman's statement about getting together an army and marching into a State, let us consider briefly what was said and the circumstances which brought about that statement. When the facts are clear, it is to be doubted whether any true, patriotic American will disagree with what was said or the purpose intended.

Sunday, June 13, I drove into the city of Monroe, in my own State. Some time before, less than a hundred workers out of a total of over a thousand had called a strike in the Newton Steel plant, and a small group of pickets, which had kept the public highway blockaded and the men from their work, were, by officers duly appointed and deputized, driven from the picket line. In reply to this action, the

C. I. O. had announced that it would invade Monroe. It had threatened to hold a demonstration in that city.

On this Sunday I saw honest, respectable businessmen and workers armed with clubs, knives, pistols, shotguns, tommy guns, standing guard to repel an invasion. That same day, according to the newspapers, some 8,000 men from other parts of the State and outside the State—for Monroe is less than a half hour's drive from Toledo—met in the park just outside the city limits threatening advances on the people of Monroe.

I came on my way, and Monday's papers quoted Bittner, one of the C. I. O. organizers from Chicago who handled that crowd, as saying, "If we wanted violence, we'd go to Monroe today and take it", then added, "but what would we have if we took it? Who ever heard of Monroe until a few days ago? It is a fly spot on the United States." He threatened the C. I. O. would be back, and he said—I quote: "By God, they will pay for what they did at Monroe, and pay well."

Having seen the strained, drawn faces of the men at Monroe; having heard their expressions of anxiety, of fear; having sensed their determination to protect their city and their people; having in mind the invasion of the plant by hundreds of armed workers from outside the State, knowing Murphy stood back of and encouraged lawlessness and violation at Flint, Mich., I sympathized with these men of Monroe.

My heart went out to them in time of stress in their helplessness against the army which the C. I. O. could bring against them. So I wired the mayor of that city and I also at the same time wired my secretary in my home town "to have reliable citizens who are willing to go to Monroe to aid in defending the city from invasion promised by C. I. O. Organizer Bittner leave name, address, telephone number, list of arms, tents, and cots at office." For that action I have no apologies to make. The offer to the mayor of Monroe was made in good faith. It stands.

The fact which the gentleman from Texas and the C. I. O. organizers fail to grasp is that the farmers of America, the small businessmen of our country, the people, women, as well as men, in the smaller communities, will shed their blood, will give their lives, before they will be dominated, driven from their working places, from their towns and cities, by the C. I. O. or any other Communist-controlled group.

Another mistake which the gentleman and the C. I. O. workers make is the assumption that, like the innocent medicine man of old, they are immune from the fatalities which overtake others.

It is the privilege as well as the right of the gentleman from Texas (Mr. MAVERICK) to go up and down the countryside assisting the C. I. O. and its affiliates in organizing to fight and march under the banner of Madam Perkins in her effort to force businessmen to acknowledge the supremacy of Lewis. It may be his pleasure to address crowds which boo the mention of the Supreme Court, as was done at Detroit. They will make no impression; he will get little sympathy in his preaching of the doctrine that American citizens should permit their towns, their cities, their industrial plants, to be taken over by those whom he enlists under the banner of the C. I. O. and the Communists.

It may have given the gentleman pleasure to say, as he did at Detroit, "and Homer Martin, your leader, is absolutely O. K."

But I call attention to the fact that it was Homer Martin, acting under the leadership of Lewis, who stilled the wheels of industry; who closed the factories; who destroyed automobiles in the making; who prevented the orderly execution of the lawful processes of the Court; who sent workers by the thousand from their jobs; who deprived women and children of the means of livelihood; who brought anarchy to Detroit.

It was members of an organization which acknowledges the leadership of Homer Martin, who turned off the power in the Saginaw Valley, depriving hundreds of thousands of citizens of the necessities of life and who undoubtedly would have kept the people of that valley plunged in dark-

ness, had not the sheriffs of three counties notified Michigan's Governor that the citizens would take the law into their own hands, if power was not restored.

We have come to the parting of the ways. For the moment the broad and the easy road, politically, may be the one pointed out by the gentleman from Texas. Along that road under the banner of a fighting leader with almost unlimited funds at his command, with an organization the like of which has never been seen in this country, march hundreds of thousands of grim, determined men who have been led to believe, who are told frequently, that they are the slaves of industry, of men who would deprive them of their just rights.

Small wonder then that they are earnest, that their actions are vigorous, that they are willing to sacrifice. But hundreds of thousands of men have suffered and have died because of erroneous belief, because of false leadership. Lewis is hailed as the greatest labor leader of the century, and it is true that he has gathered millions under his banner, but he has gathered them by the holding out of false hopes, promises impossible of performance, and by intimidation and violence.

And where has he led them and what has he accomplished? Examine thoroughly, painstakingly, the history of the recent strike in General Motors. Compute for yourself from reliable sources the increase in wages and against it set the total pay-check loss of the workers, and to that loss add the amount which Lewis' organizations collected for initiation and dues. Then balance your books and note the result. Ascertain the working conditions and the hours which prevailed before Lewis entered the field, examine subsequent conditions, and determine what, if anything, has been gained. Apply the same methods to the other industries which have felt his blighting touch, and you will have a fair and true picture of what has happened.

That the C. I. O. does not always represent the workers has been convincingly and spectacularly demonstrated at Youngstown and also at Johnstown, where, when the workers were assured of protection, they went back to their tasks, the mills were opened, and the pay checks are ready.

But that is not the whole story. Lewis raises a man of straw, a false issue, and makes the declaration that his fight is between the workers and the employers. All know that this is not true. His fight is not only against the employer, but into that battle he has thrown his workers against the unorganized and the organized workers who do not belong to his organization. From the beginning he has constantly attempted to drive every toiler into his organization to sign on the dotted line. About this there is no dispute, so that under whatever banner the fight may be waged, under whatever slogan the battle carried on, the truth is that the C. I. O. is fighting not only the employers but all other industrial workers.

Even this does not complete the story, for aside from the workers in the industries where Lewis' efforts are concentrated, the New York Times in an editorial of yesterday tells us:

* * * that all the workers in all the coal mines in the country, in all the iron, copper, gold, silver, lead, and zinc mines, in all the quarries, oil wells and gas wells, in all the iron and steel mills, in all the automobile factories and repair shops, car and railroad shops, agricultural implement factories, ship and boat works, and in all the metal-working industries together, constitute, according to the census of 1930, less than 10 percent of the total number of gainfully occupied persons.

And upon the remaining 90 percent Lewis would throw the larger part of the immeasurable cost of his industrial warfare. While the gentleman from Texas marches shoulder to shoulder with Lewis he should not forget that with Lewis and with him march Homer Martin, Frankenstein, the Reuther boys, Browder, and a host of Communists who sneer at the Supreme Court, scoff at law and order, and boast of the aid of State and Federal officials in their enterprise.

The issue cannot be confused. Letters pouring in from all parts of the country, from the uneducated and the educated, from the man who dictates his letter to the man or woman

who writes on tablet paper or a post card, from the editorial writers of the great national dailies to the most obscure weeklies, bring the word, the thought, that the right to work is not only a right guaranteed by law but it is a right demanded by necessity.

I cannot more accurately, clearly, and concisely state the issue than to quote Governor Davey, of Ohio, who said: "The right to work is sacred; the right to strike is equally valid."

He lays down the doctrine that those workers who wish to remain on strike "certainly are entitled to do so, and to continue any and all lawful protests", and that in equal fairness, he said, "those who want to work should enjoy that privilege without being molested."

Speaking of government, he said: "It must not abdicate its sovereign powers to any who challenge its existence."

Here is a declaration of principle which breeds justice for all, and which, if announced by either the President of the United States or the Governor of Michigan in December of 1936 when these sit-down strikes began in the General Motors plants, would have avoided controversy, violence, and bloodshed. It is the application of this principle as followed by Governor Davey, as followed by Governor Townsend, of Indiana; Governor Horner, of Illinois; Governor Cross, of Connecticut; Governor Hurley, of Massachusetts, Democrats all, which must be adhered to if peace is to return.

Another thing which must come before we will have lasting peace in industry is the repeal or the drastic amendment of the Wagner Act. That piece of legislation, no matter what its purpose may have been, has proven to be the entering wedge which has driven apart organized and unorganized labor, employer and employee.

The unfairness of that act, as enforced by the National Labor Relations Board, the arbitrariness of it as applied by the decisions of that Board, the encouragement which it gives to ambitious, self-seeking racketeers, have demonstrated beyond all question that it adds to, rather than diminishes, strife. Could those who passed it have foreseen the interpretation which would be given it, and the purpose for which it would be enforced, and the disaster which has followed in its wake, it is more than probable that it never would have reached the statute books.

We have the National Labor Relations Board telling us that it is the duty and the obligation of employers to sign a contract with the C. I. O. and its affiliates in various interests. We have the President of the United States making the bald declaration that employers should sign with the C. I. O. in the steel strike now on. But listen to the argument, to the promises which were made when the bill was before the Senate. The Senate committee in reporting it favorably, among other things, said:

[S. Rept. No. 573, 74th Cong. 1st sess., p. 12]

The committee wishes to dispel any possible false impression that this bill is designed to compel the making of agreements or to permit governmental supervision of their terms. It must be stressed that the duty to bargain collectively does not carry with it the duty to reach an agreement, because the essence of collective bargaining is that either party shall be free to decide whether proposals made to it are satisfactory.

Senator WAGNER himself wrote on November 2, 1935, that there was nothing in the law to compel an employer to sign. He held further and said Congress had no authority to impose such a requirement. Getting Saturday's papers, we find the reputed author of the bill particularly criticizing the mill operators because they will not sign a contract which he formerly said the law did not require them to sign, which Congress had no authority to demand that they sign, and which the committee said was not designed to compel the making of a contract or permit governmental supervision of its terms.

Aside from the use of Pennsylvania's armed forces by the Governor to drive men from their work, perhaps the most outrageous demand ever put forth was that Governor Davey said was made upon him by Madam Perkins, who, he says, asked him to call in Tom Girdler, of Republic Steel Corporation, and Frank Purnell, of Youngstown Sheet & Tube Co., and "keep them there until they sign an agreement" with their steel workers.

The Governor characterized Secretary Perkins' suggestion as the "exercise of the most autocratic and dictatorial powers ever attempted" and "in private life it would be kidnaping." Let us pause here, use a little common sense, and consider. Just assume for the moment that the Governor had the authority and could and would call in Girdler and Purnell, and suppose he called in Lewis and his chief lieutenant, and he announced his intention of holding them until they agreed. Just what agreement could he force them to make?

I am now waiving all questions of law, all questions of right. Here they sit around the council table. Lewis says you must sign. Girdler and Purnell say we will not sign. The Governor says sign; they sign; sign what? An agreement to bargain collectively. Well and good. Now, what is the bargain? Lewis has so many thousand men. He says he will work under certain conditions and for so much per hour. Girdler and Purnell say, we cannot pay it; we will not pay it. Shall the Government say, you shall pay it, regardless of whether the industry can stand the charge? Regardless of the fact that the demand may break the industry and drive it into bankruptcy? Assume Girdler and Purnell say that they cannot meet the union demand for a dollar and can pay but 50 cents per hour. Lewis says, "We will not accept it." Shall the Government say, "You must work for 50 cents an hour?"

These are extreme illustrations. Nevertheless, the constantly increasing demands of labor for a larger share of the gross sales price, the ever-present desire of the manufacturer to reap a profit, are in continuous conflict and if Government, as pointed out by Donald Richberg, assumes control, labor may in the end find itself begging for the right to sell its services to the highest bidder, rather than in a Government-controlled market.

Labor cannot be employed without industry, and industry cannot make a profit without labor, and if the two are left alone without Government compulsion to bargain collectively, and meet in a spirit of reasonableness, they will in the future, as they have in the past, find a common ground where labor will have employment at a steady wage, and industry will be able to make a profit which will enable it to exist.

Denunciation—criticism without the suggestion of a remedy—is futile. January 14, on the floor of the House, I pointed out that "by failure to act, the Governor of Michigan and the President are permitting, if not sanctioning, mob rule." From that day to the date when Governor Davey, of Ohio, announced his policy of protecting the man who wants to work, guaranteeing his right to a job; lawlessness has continued to increase, and the battle front has been rapidly widening.

The gentleman from Texas said he was getting a little bit tired of constantly hearing this ranting and roaring. May I call his attention to page 6213 of the CONGRESSIONAL RECORD under date of June 23, where the Democratic whip in the Senate said:

There is not a State in our Union which just now is not threatened with what may be called a form of riotous confusion. * * * Shall we overlook at this time and forget that it was in like manner that Italy yielded, bring in a condition which has finally resulted in a tyranny and a form of despotism we shrink to mention? * * * Here within ourselves we are nearer to insurrection and apparently, sir, confronting an army of revolt in the largest numbers, whether from the employers or the employees becomes secondary.

Turn to page 6284 of the RECORD of June 24 and note there the statement on present conditions by a distinguished Democrat whose loyalty is unquestioned, whose vision is clear:

We have got no government in Washington, and we have got no government in some of the States, because government has surrendered to mob rule.

It was with the thought of doing something to remedy the situation that, on April 15, I offered H. R. 6456. This bill provided, among other things, for the registration of labor organizations, for the enforcement by such organizations of discipline upon their members; prohibited sit-down

strikes; made labor organizations responsible for the acts of their officers and their members.

That bill has remained with the committee ever since, while conditions have steadily grown worse.

It was on June 21 that I offered H. R. 7598, making it a felony to transport in interstate or foreign commerce persons who are engaged in going from one State to another to close factories.

Each of these bills, if enacted into law, would go a long way toward aiding in the solution of some of our industrial troubles and there is nothing in either that would be unfair to labor, or that would in any way prevent the growth of unions. In fact, if the same result followed which followed the enactment of the British labor law—and there is no reason to believe that it would not—the enactment of these two measures would strengthen labor unions, aid in driving out racketeers and create new confidence between employer and union organizations.

These two bills were followed, on the 22d day of June, by a resolution respectfully calling upon the President to declare that no citizen of the United States should be deprived of the opportunity to engage in his usual and customary task, and further requesting that where the civil or military authorities of a State or of a subdivision failed, for a period of 2 days, to give protection to any person desiring to work, that right should be secured to him by the action of the armed forces of the United States.

That such a resolution was necessary to dispel the idea that lawlessness was approved by the national administration is a matter of common knowledge. Such a declaration would undoubtedly, in almost all instances, protect, without bloodshed, the right of men to work.

That this is evident is shown by the circumstances following the declaration of courageous Governor Davey, of Ohio. There, immediately upon being assured of protection, the men returned to their work, demonstrating, as I have said before, that they do not wish to strike; that they are driven into strikes by the lawless violence of a small minority.

May I not appeal to the Democratic Members of this House to consider the situation as it exists today? And when I say Democratic Members I mean Democratic Members; I do not mean New Dealers.

Many of you sat here in the last session. You heard that most eloquent Member of the House from Alabama, Mr. Huddleston, make his remarkable plea for what he believed to be right and just, and you remember how, because he dared to oppose these fanatics who were advising the President, he went down to defeat after years of courageous, patriotic service here.

Now, make no mistake and do not deceive yourselves. You gentlemen who have the courage to express your convictions are marked for political slaughter. Jim Farley and the vote-buying boys will get you if you do not watch out.

You may have thought in the past that you were a part of the national administration. Nothing is further from the truth. You have been the tools, the errand boys, for the national administration. Of all the laws which have been enacted since the President was elected, probably not a hundredth part of the thought expressed is your thought.

The gentleman from Texas told how Pickett's men made their glorious charge on the hill at Gettysburg, and, in truth and in fact, history records no instance of greater patriotism, greater courage, greater loyalty to a leader, more self-sacrificing devotion.

But in another way you gentlemen of the South have, during the past 4 years, shown a loyalty to your leader equal to that of Pickett's men. You have submerged your individual opinions. You have followed blindly, unhesitatingly, and unwaveringly the commands, the suggestions, of the President.

You have watched with doubt and apprehension many of the moves which he has made. In your minds you have questioned not only the legality but the soundness of the policies which he advocated.

Nevertheless, you yielded obedience; you made the fight; you upheld his hands.

You have been sitting here watching, waiting, hoping, and I know many of you praying, that he would cease in those efforts which at last you realize will overthrow the Government which you love.

Today you know, you understand, as you have never understood before, the road which he is following, the destination toward which he is traveling.

With amazement and almost unbelief, you saw his attack against the Supreme Court unfold. You received his reorganization bill and you sensed its purpose. You were given the hour and wage law and you realized its import.

You saw going in and out of the White House John L. Lewis, who publicly demanded that the President of the United States pay a political debt.

You have observed the President of the United States sitting silent and, by his silence, giving approval to the acts of Lewis and his organizers in wrecking industry throughout the land, in depriving men of their right to work.

You have heard the statement of a great Democratic Governor of the great State of Ohio that the President's Secretary of Labor called upon him to kidnap the heads of industry and hold them until they yielded.

And, whatever may be the controversy between the great Governor of that State and Mme. Perkins, you know that the President has not interfered when industries have been kidnaped and held to ransom.

Oh, I appeal to you Democrats of the South and true Democrats of the North, to act before it is too late.

Do not believe that the loyalty and self-sacrificing service which you have given to the President will save you. You will follow in the wake of that long, long list of patriotic Democrats who have been kicked out of the party organization.

Have you forgotten what happened to the Democrats of Minnesota in the last campaign? Have you forgotten other loyal Democratic candidates who were sacrificed by the President where his organization thought it politically expedient?

Already the signs point to a new Democratic leadership in the Senate and House.

Sucked dry like an orange, having no more to yield, you will be carelessly but deliberately tossed aside into the political gutter.

Jonah's shipmates tossed him overboard with no more disregard of consequences than will the Administration heave you gentlemen out to sink or swim—only you will find that, instead of a rescuing whale, Jim Farley and his political machine will be on your neck.

Why not from this day on make the fight, not only for the principles of true democracy, but for your own political salvation? After all, in 1938, the voters will be the ones who pass upon your fate and they will have in mind the President's assault upon the Supreme Court, upon our form of government, his approval of the sit-down strikes and of lawlessness.

The people of the United States will not quietly submit to the wrecking of their Constitution; to the assault upon the integrity of the Supreme Court; to the destruction of their form of government.

Let the President, John L. Lewis, and the C. I. O. continue on the course which they have marked out, and you will have civil strife throughout the Union.

The President has gone from an open and willful disregard of all of his campaign promises to a repudiation of his oath of office and his obligations to uphold the law, and this he has done in order to obtain his objective, which now stands disclosed as the domination of all industry and commerce and the centralization of all functions of government in the executive department.

Writers like Lawrence, Sullivan, Thompson, and Walter Lippmann, and a host of editorial writers from the great dailies of the cities to the country weeklies, have long been pointing out the end to which his course will lead, and long have they been saying that they did not believe the President was aware of the inevitable results of his actions.

This attitude was charitable, but it was inaccurate and implied that the President was a man of small intellectual

attainment, that he was deceived and misled by those who advised him.

Nothing but a lack of the knowledge of the abiding principles of justice, of equality, of a square deal for every man, or a failure to apply that knowledge, can account for the failure of the President to declare for law and order when these strikes first came about.

I ask you to read the article of Lippmann in Saturday's issue of the dailies and note how he, always a friend and an admirer of the President, has at last arrived at the conclusion that the President is seeking to establish a dictatorship.

All this welter of violence and of bloodshed which confronts us, which, beyond question, will come to us, can be avoided, if you men who believe in the principles of the great Democratic Party here and now insist upon the application of those principles to the present situation.

The time has come to repudiate men like Governors Earle, of Pennsylvania; Murphy, of Michigan; and to follow men like Governors Townsend, of Indiana; Cross, of Connecticut; Horner, of Illinois; and last and most unflinching of all, Governor Davey, of Ohio.

Get back of him, declare for law and order, pass the resolution which I introduced and see this threatened trouble fade like mist before the morning sun.

Mr. DOXEY. Mr. Chairman, I yield 10 minutes to the gentleman from Iowa [Mr. BIERMANN].

Mr. BIERMANN. Mr. Chairman, in considering this bill it is well to bear clearly in mind the purpose of the legislation and not to lose sight of that. The purpose of this legislation is to make owner-operators out of people who have heretofore not been owner-operators, or who, having been owner-operators, have failed in that capacity.

I expect to offer the following amendments which are calculated to promote the purpose of this bill:

Page 5, after line 3, insert:

(7) Be in such form, and contain such provisions, conditions, and limitations as may be necessary to assure that the borrower will conform to such farming practices and methods as the Secretary may prescribe in order that, during the first 5 years the loan is in effect, the borrower's farming operations may be sufficiently profitable to enable him to carry out successfully the responsibilities of ownership and his undertakings under the loan agreement.

Page 4, line 6, after "not", insert "less than 20 nor."

Page 4, strike out lines 24 and 25, and on page 5 strike out lines 1 to 3, inclusive, and insert:

"(6) Provide that the borrower shall not voluntarily assign, sell, or otherwise transfer the farm, or any interest therein, without the consent of the Secretary, and provide that upon involuntary transfer or sale the Secretary may declare the amount unpaid immediately due and payable.

"(8) Provide that upon satisfaction of the borrower's obligation, but not less than 20 years after the making of the loan, he shall be entitled to the farm free of any estate or property interest retained by the Secretary to secure the satisfaction of the obligation."

Page 5, line 5, before the period, insert a comma and the following: "except that the final payment of any sum due shall not be accepted if the effect of such acceptance would be to make ineffective the 20-year limitation provided in paragraph (8) of subsection (b) of this section."

The first of these amendments provides that for the first 5 years after the arrangement has been made with the beneficiary of the act he shall be given the advice of the Department and also a certain amount of supervision by the Department in order that he may not only conduct his farm in a farmerlike manner but that he shall conduct it in a businesslike manner.

I heard or read a statement many years ago which I have had occasion to see proved again and again: That if a man were in the position of an employee until 40 years of age and then were to become an employer that the chances are against his making a success. It does not foreclose his success, but it makes the chances of success against him. The beneficiaries of this act will be of two classes: Tenants who never owned a farm, or former owners who for one cause or another lost their farms. I submit to the committee that the chances are against these people paying a 100-percent loan unless they have the most careful supervision and advice. This amendment provides that during the first

5 years of this relationship they shall have the benefit of sound advice and wise supervision.

My second amendment provides that the beneficiary of the act cannot alienate this farm; that is, he cannot sell it during the first 20 years of this relationship.

He cannot pay off his obligation completely for at least 20 years.

Mr. ROBSON of Kentucky. Will the gentleman yield?
Mr. BIERMANN. I yield to the gentleman from Kentucky.

Mr. ROBSON of Kentucky. As I understand the gentleman's amendment, he cannot pay it off in less than 20 years?

Mr. BIERMANN. Yes.

Mr. ROBSON of Kentucky. Why is that?

Mr. BIERMANN. I am going to go into that.

Mr. FITZPATRICK. Will the gentleman yield?

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

Mr. FITZPATRICK. Would that be mandatory? Would he have to carry out the advice of the Department? In other words, would it be mandatory?

Mr. BIERMANN. I think that is something the Secretary ought to work out, but I believe to a large extent it ought to be mandatory.

We are not entering into a strictly business relationship. We are entering into a sort of paternal relationship. Of course, it is not sound business policy to lend 100 percent of the value of property. It is not businesslike to lend money at 3 percent, because that will not pay the cost. If we enter into such a relationship, I contend it is proper for the lending agency to exercise some supervision over the borrower.

Mr. FITZPATRICK. Does the gentleman's amendment make it mandatory?

Mr. BIERMANN. I think it does. Yes.

Mr. VOORHIS. Will the gentleman yield?

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

Mr. VOORHIS. Has the gentleman considered the possibility in connection with this advice and counsel, which I feel is most important, of allowing the tenant certain credits against the indebtedness if that advice is followed?

Mr. BIERMANN. No; I have not considered that.

Mr. WADSWORTH. That would be lending more than 100 percent of the value.

Mr. MITCHELL of Tennessee. Will the gentleman yield?

Mr. BIERMANN. I yield to the gentleman from Tennessee.

Mr. MITCHELL of Tennessee. My colleague is a member of the committee and I know he is anxious to serve the farmers. I do not understand the gentleman has in mind he would actually keep the man from alienating or selling this farm for a period of 20 years?

Mr. BIERMANN. Yes; exactly.

Mr. MITCHELL of Tennessee. Would not that discourage the idea of taking advantage of a Government loan?

Mr. BIERMANN. No; I do not think so.

Mr. MITCHELL of Tennessee. I think it would.

Mr. BIERMANN. Mr. Chairman, I would prefer not to yield any more, as my remaining time is short.

It has been pointed out here again and again this afternoon that this legislation is going to reach only a small fraction of the potential beneficiaries, at least for a few years. We can hand pick them. I would like to hand pick the kind of people who seriously want to make these farms their long-time homes, and not to enter into speculation. There are two things that have been of great damage to the farming business of the United States; at least, these are two of the biggest items. One is the ups and downs in the prices of the products of the farms. The other, which has been nearly, if not quite, as damaging, has been the ups and downs of the price of the land itself. If we leave this bill as it is, a man may buy a farm today for \$50 an acre and if in 6 months he can get \$60 or \$75 an acre for the farm, under the bill as it is presently written he may sell

the farm and, of course, he will. Instead of getting a long-time owner operator of the farm who looks upon this farm as his home and as his dwelling we have a speculator.

We want to recall if we pass this bill and make it law we are going to get the Government into the business of financing the purchase of farms. The Government, in effect, becomes another land buyer and each added buyer tends to raise land prices. That is a bad thing. My amendment will, as far as the beneficiaries of the act are concerned, take the land the Government finances out of the speculative class for 20 years at least. It will make this a bill for the benefit of permanent home owners, and that should be the main purpose of the bill.

Mr. LUCAS. Will the gentleman yield?

Mr. BIERMANN. I yield to the gentleman from Illinois.

Mr. LUCAS. If we take this man out of the speculative class, we would permit his neighbors to speculate on their farms and deprive him of any profit they might make on theirs?

Mr. BIERMANN. Under this bill we are considering just one type of farm and I would rather confine my discussion to that one type.

Mr. LUCAS. Would not the gentleman consider a wind-fall tax, whereby we would take the profits on all farms rather than take the profits on a single farm?

Mr. BIERMANN. Yes. I would be in favor of any kind of practical legislation that would prevent or lessen speculation in farm land.

May I say further that the amendments I propose are precisely in line with the findings of the Farm Tenancy Committee which the President of the United States appointed to investigate this problem, not only in this country but in foreign countries. They have written a report in which they suggest what we should do in regard to this problem of farm tenancy, and among the things they proposed are these two ideas which I have embodied in the two amendments.

Mr. THOM. Will the gentleman yield?

Mr. BIERMANN. I yield to the gentleman from Ohio.

Mr. THOM. I am in sympathy with the general object sought to be attained by the gentleman from Iowa, but let us suppose this instance: Here is a family who locates on a farm and the husband suddenly becomes an invalid and cannot continue the operation of the farm.

Mr. BIERMANN. The bill covers a situation of that kind in another section. My amendment would not preclude that. If a man becomes an invalid or if he dies or if some unforeseen thing happens, there is a remedy provided.

Mr. THOM. You would have to have some discretion in the Farm Board.

Mr. BIERMANN. The following is a simple illustration of what may happen in thousands of cases if the credit and mortgage program as now proposed in H. R. 7562 is put into effect and the purchasers are allowed to pay their debts to the Government and sell the land at any time they desire. Let us assume that the reasonable appraised value of the farm is \$3,000, and that the Secretary secures the loan by a first mortgage on the property which is to be amortized within 30 years, at 3-percent interest. Under such circumstances the annual payment would be \$153, a part of which would be used to reduce the amount of the loan. Within 3 years the tenant purchaser would have repaid the Government approximately \$195 on the principal of the \$3,000 loan.

Suppose now that land values have risen and a local real-estate operator knows that he can sell this particular farm for \$4,000. Obviously, he can make a profit if he can buy the farm for \$3,500. Since the tenant purchaser agreed to pay the Government \$3,000 for the farm, and has actually paid only \$195 on the principal, it is obvious that he also has a chance to make a profit by selling for \$3,500. If he accepts the offer made by the real-estate dealer, he can pay the Government the balance of \$2,805 and have left \$695 in cash, of which \$500 is clear profit.

Both the speculator and the farmer have made a \$500 profit each on the double transaction. But what has happened to the Government's program of aiding the tenant farmer in becoming an owner? Obviously, it has failed. The tenant purchaser whom the Government started toward home ownership no longer has a farm. The man who now owns the farm may be another speculator or an absentee owner. He may, of course, be an operating farmer, but even so, he has paid \$4,000 for a farm at speculative levels which, according to normal appraised value, is worth only \$3,000.

Unless there is some kind of restriction in the mortgage or loan contract, which will prevent such a situation from occurring, a Government program of this type will aid in bringing about an increase in land values. Its greatest adverse effect will be at times when speculation is rife, and hence the program will be a direct impetus to speculative booms.

[Here the gavel fell.]

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

Mr. COFFEE of Nebraska. Mr. Chairman, title I of this bill provides authority for the Secretary of Agriculture to loan \$10,000,000 for the first year, \$25,000,000 the second year, and \$50,000,000 the third year to farm tenants, farm laborers, and sharecroppers to purchase farms. While this is a large amount of money, it will be only a drop in the bucket in comparison to the amount that would be required to make farm owners out of all the farm tenants in this country. At present there are 2,860,000 tenants. There are 40,000 people being added to this class annually. Assuming that the average cost of a self-sustaining farm would be \$5,000—and it runs much more than this in the North—only 2,000 tenants in the United States could be financed the first year, 5,000 the second year, and 10,000 the third year, with \$50,000,000 appropriated. In other words, the \$50,000,000 would only take care of about one-fourth of those dropping into the tenant class every year, and it would provide a farm for only one of every 236 tenants and sharecroppers in the United States. The \$10,000,000 will provide loans to purchase only 1 farm for every 1,430 tenants and sharecroppers.

With 2,907 counties in the United States having 300 or more farms each and regarded by the Agriculture Department as agricultural counties, it is evident that it would require approximately \$15,000,000 to finance only one tenant in each of these agricultural counties in the United States. It is clearly evident that only a very small percentage of the tenants can be benefited under this legislation and that the vast majority, who might be led to believe that a generous Federal Government will loan them money to purchase a farm, will be disappointed. If you are going to treat them all alike, it would require over \$14,000,000,000 to finance the purchase of farms for all the tenants and sharecroppers in the United States. Obviously this cannot be done.

Under the bill as it stands, the Secretary is authorized to loan 100 percent of the purchase price. Such an unsound loaning policy by the Federal Government, in my judgment, cannot be justified.

The serious question involved is, Should the Federal Government embark on an unsound program that will in future years bring demands on Congress to appropriate billions of dollars for this purpose, or should we approach this problem with a more practical loaning policy that would in itself limit the number who might apply for the benefits of this act?

I propose to offer an amendment at the appropriate time to section 3 (a) of title I, to provide that these loans shall not be in excess of 90 percent of the value of the farm. I do not contend that this will make all the loans sound, but it will be a great improvement over the present provision authorizing 100-percent loans. It is a mistake to encourage tenants to assume the burden of ownership before they are financially able to do so. A great many farmers are in a far more fa-

verable position as tenants than they would be as farm owners.

By requiring the tenant who is to be financed to make a down payment of 10 percent, the Government will be saved millions of dollars in possible future losses and the future success of this program will be greatly enhanced. It will encourage thrift to make loans available only to those tenants who are better able to purchase and assume the burden of financial responsibility of operating their own farms. And furthermore, by requiring the 10 percent payment, the prospects are greater for the purchaser to eventually pay off the indebtedness due the Federal Government.

This bill will not solve the farm-tenant problem which is a result, rather than cause, of an economic maladjustment. If we could make farming profitable, the farm-tenant problem would solve itself.

I have 32 counties in my district, which is entirely of an agricultural nature. The State of Nebraska depends solely upon agriculture as it has no natural resources other than fertile soil and water. Of the farmers in my district, 49.3 percent are tenants. I do not believe there is a better class of a more worthy class of farm tenants in the United States than you will find in Nebraska. They are not expecting, neither are they asking, the Federal Government to finance the full purchase price of a farm for them. They realize that some limitation must be placed on Federal expenditures and that they will be called upon as taxpayers to repay their share of the 36 billion dollars of bonds the Federal Government now owes, not to mention any further increases that may be incurred. They realize the Federal Government cannot maintain its stability in continuing indefinitely to spend more than its revenues. They are more interested in legislation that will maintain fair prices on agricultural commodities.

Nebraska last year suffered a loss of \$288,000,000 due to the drought. This is more than one-half of the total loss sustained by all of the States in the recently flooded area of the Ohio River. In 1934 we suffered a drought equally as severe, and the 2 years were the worst droughts in over 40 years. In spite of all this, Nebraska as a State has maintained its credit and is one of the few States in the Union that has no bonded indebtedness. It has no State income tax nor State sales tax. Nebraska balances its budget. When we do not have the money we do not spend it. I commend Nebraska's record to you in charting the future financial policy of the Federal Government.

Because of the great distress in the drought area, rehabilitation loans, as provided for in title II of this bill, have been of great assistance in rehabilitating many worthy tenants. In many cases a loan of a few hundred dollars has made it possible for these rehabilitation clients to become self-sustaining on rented farms at less expense to the Federal Government than would have resulted had they been left on the relief rolls and to work on W. P. A. projects.

Under title III funds are authorized for the purchase by the Government of submarginal land. This would be a continuation of the present program and in many States additional purchases are necessary to block together the purchases already made. The objective is to retire this submarginal land from unprofitable crop production and to turn it back to grass and into grazing and forest areas. In purchasing this land the Government will have something to show for the money spent. It will help to relieve crop surpluses, especially in wheat, since in good years this submarginal land helps to swell the price-depressing surplus. Twenty-five percent of the net revenue received by the Secretary from the use of the land will be paid to the respective counties for school and road purposes. This is quite essential inasmuch as a great deal of the taxable property in some counties has been or will be purchased by the Government under this program.

I am supporting titles II, III, and IV of this bill, and I urge that title I be amended to limit the loans to 90 percent of the value of the farm in order that we may approach the farm-tenant problem on a sounder basis. [Applause.]

Mr. HOPE. Mr. Chairman, I yield 10 minutes to the gentleman from New York [Mr. CULKIN].

Mr. CULKIN. Mr. Chairman, although I am speaking on a related subject, I ask unanimous consent to proceed for 10 minutes out of order.

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

There was no objection.

THE FORGOTTEN MAN—THE AMERICAN DAIRYMAN

Mr. CULKIN. Mr. Chairman, the gentleman from New York [Mr. SNELL] last week made reference to the sad plight of the dairymen in the North and Northeast. This picture he painted was not too pessimistic. The American dairyman, he it said, is making a more important contribution to the health and welfare of the American people than any other type of farmer. He is making an essential contribution to the physical growth and development of American childhood and youth. It is important to remember in these days when we are spending hundreds of millions of dollars on soil conservation that his is the only type of farming that conserves soil fertility. Nor is his any seasonal job. He works from dawn to dark 365 days of the year. The assessments on his property require him to pay \$90,000,000 annually in taxes. The dairymen of the North and East have spent \$250,000,000 in perfecting their herds and in insuring the sanitary production and marketing of milk. He educates his worth-while child and from this group is recruited the American leadership in professions, science, art, and politics. Despite all this record of service to the Nation, he is today threatened with social and economic extinction. If present conditions continue he and his will be scattered to the four winds, and the professionals, exploiters, and economic parasites will be "in the saddle."

THE FORGOTTEN DAIRYMAN

The condition of the corn, cotton, and wheat farmers has, so far as the Government can do it, been aided and promoted. But on the head of the dairyman has fallen in these troublesome times all the evils of an arrogant and stupid bureaucracy. The original A. A. A. included dairy products as one of the basic commodities. Under the urge of the late Rex Tugwell, now gone to sweeter camping grounds, Secretary Wallace's initial object was to hamper the dairyman by destroying the solidarity gained through cooperative organizations. This procedure failed, but it left the dairyman exhausted and with no governmental remedies applied to his desperate condition.

No sooner was the program out of the way than the dairyman was placed on the altar of foreign trade by the present scheme of trade agreements. In these agreements he was sold over the Lakes and across the seas by the foreign trade policy of the administration. Year by year this foreign encroachment on the market of the dairyman, both from this continent and Europe, has been increasing in volume. Last year the shipment of dairy products to the United States from sources where sanitary production is entirely unknown, amounted to \$16,102,954. The foregoing facts are now history, and I merely review them so that the House may have a picture of these recent years.

UNDERPAID AND EXPLOITED

The economic vise in which the dairyman finds himself is due to the fact that he has been unable to obtain a living price for his product. This has not been due to overproduction, although at times the production of dairy products just about balances the national demand. The fact is that this marketing of dairy products is in the grip of an unrestrained savage monopoly which reaches into practically every part of continental America. This monopoly is composed of the National Dairy Products Corporation, which corporation, acting in collaboration with the Borden Co. and the Plymouth Cheese Board, of Plymouth, Wis., fix with inflexible certainty the amount that the dairy producer shall get for his product. These outfits hold the dairyman in the hollow of their hand, and, while these great

corporations are paying high dividends on their very much watered stock and millions to their officers and lobbyists in salaries, they give the dairyman starvation prices for his products. I again make bold to say that the dairyman, under the manipulations of these professionals, will soon cease to be an economic and social factor in America.

A CRIMINAL CONSPIRACY

The first phase of this criminal monopoly to which I wish to call your attention is the price-fixing performance which for many years has been going on at Plymouth, Wis., principally through the Plymouth Cheese Exchange. I call the attention of the House to the report of the Federal Trade Commission made April 30, 1928, and printed as Public Document No. 95. It appears that this Plymouth Exchange meets weekly and is made up entirely of dealers and processors. The dominating influences on the board are the National Dairy Products Corporation, the Borden Co., and the "packer kings", Swift & Co., and Armour & Co. The satellites of these outfits meet before the alleged market day and agree on a price of cheese for the following week. The next day a meeting of the board is held and the fiction of bids with no deliveries is gone through with. The price of cheese is thus fixed for the following week by these criminal monopolists and the 140,000 dairy farmers who are delivering milk to cheese factories throughout the United States receive a price for their milk at the cheese factory based on the weekly price of cheese fixed as I have stated.

There are 160,000 farmers delivering milk to evaporated milk plants in the United States, and the price they receive is fixed on a formula in which the price of cheese at Plymouth, Wis., is a large factor.

In the Chicago milkshed at least 20,000 dairy farmers are delivering milk for fluid purposes in the city of Chicago, and they are paid for their milk on a formula which takes into consideration the price of cheese at Plymouth, Wis., fixed by the "packer kings" and their associates. In the Nation generally there are 2,500,000 additional dairymen whose economic life is threatened by this brazen procedure.

The price of milk products is interdependent. When the price of either butter, cheese, or fluid milk is beaten down, it affects the whole price structure in every part of the country. It affects the well-being and security of every dairyman in the Nation. And so I charge today that there exists at Plymouth, Wis., a criminal conspiracy against the well-being of a great mass of our people, which is, in fact, holding this great army of dairy producers in a state of almost complete serfdom. The Federal Trade Commission has made repeated findings on this question, and yet the executive branch of our Government and those officials in charge of enforcing the Antitrust Act do not function. They permit this economic homicide to go on without hindrance.

THE ROBBER BARONS

I refer the Members of the House to the report of the Federal Trade Commission, made in September 1936, where it reiterates former findings, and states that the price of twins cheese, which is also the basis of determining the price of fluid milk to dairymen, was fixed by the sales offers made on the Plymouth, Wis., Cheese Exchange by a subsidiary of Swift & Co., a subsidiary of the National Dairy Products Corporation, a subsidiary of the Borden Co., and a subsidiary of the Armour Co. If the Federal Trade Commission does not have jurisdiction over this question, the query naturally arises as to whether or not they called it to the attention of the Attorney General's office. Three times this Commission has gone to the well on this and made findings, and yet on March 2, this year, the Commission sent out a new press release, which only promised further investigation. I make bold to call upon the Federal Trade Commission to pursue this inquiry to its logical conclusion and to call into play the full power of law enforcement against the "packer kings" and the other robber barons, who are, in fact, destroying one of the most essential and worth-while farm groups.

THE DUTY OF THE ATTORNEY GENERAL

I likewise call upon the Attorney General, whose record in the field of criminal-law enforcement is greatly commended and admired by me, to turn loose the G-men of his

Antitrust Division against these greedy monopolists who are robbing the American dairyman blind. I suggest to the Federal Trade Commission and the Attorney General that they stand not upon the order of their going, but go at once and land some of these criminal parasites behind the bars of Leavenworth prison, or some other convenient Federal domicile.

My remarks on this question would be inconclusive if I did not enumerate more in detail the outfits which are destroying the dairyman. Let me briefly call the roll on some of these participants in this criminal conspiracy.

First, there are the so-called "packer kings", Swift and Armour, and others of their ilk. They toil not, neither do they spin, but even during the lean years of the depression they showed profits well up into the hundred millions. Just now they are engaged in a frontal attack on the butter market by exploiting the manufacture and sale of synthetic oleomargarine in place of life-giving butter. You have all had their propaganda on your desks and know whereof I speak.

THE MONOPOLY CALLED THE NATIONAL DAIRY PRODUCTS CORPORATION

Perhaps the most colossal outfit in this field is the National Dairy Products Corporation, which was born in 1923, and is now in control of, and has acquired by purchase, 238 organizations which have to do with the marketing of dairy products. They reach into every nook and corner of the land, and for good measure, so they may give the American dairyman foreign competition, they have plants in eight foreign countries. The report of the Federal Trade Commission, filed with the Speaker of the House on September 30, 1936, shows that during 1935 48 officers and executives of the National Dairy Products Corporation received in excess of \$15,000 each, and that the total salaries of this group amounted to \$1,129,000. The average salary of these men came to more than \$25,000 annually. The president of this company received an annual salary of \$108,000; J. L. Kraft, an officer, received \$75,000 annually, and L. A. Von Bomel, of the Sheffield Farms, a subsidiary of the National Dairy Products Corporation, received an annual salary of \$60,000. These were the salaries which appeared on paper, but doubtless the amount they received in bonuses and from other sources amounted to as much more. It is safe to say that they disburse annually for lobbyists and entertainment in various State capitals and for political lawyers as high as \$5,000,000. All through the years and through the depression they paid liberal dividends on their preferred and common stock, this at a time when the dairyman was going over the hill to the poorhouse. This quasi criminal outfit has a stranglehold on the milksheds of the country.

I charge that the National Dairy Products Corporation is in direct collusion with Borden, the "packer kings", and other distributors in fixing the price paid to the producer.

THE FUNCTION OF THE FEDERAL TRADE COMMISSION

I have been carefully through the findings of the Federal Trade Commission in the various milksheds as to the activities of this outfit. May I say that I have always had a high regard for the Federal Trade Commission as a fact-finding body? I have been inclined to class them with the United States engineers in their loyalty and devotion to the public service. But I confess a feeling of disappointment in reading their report. In some respects it is haphazard, and its conclusions are often mere surface findings. It does not live up to the high traditions of the Federal Trade Commission. Reading between the lines it is apparent to me that monopoly exists in most of the milksheds of the country, and the National Dairy Products Corporation and the Borden are in command.

It appears, too, from the correspondence set forth in the report that these outfits have divided up the various milksheds like captive provinces and have thus regulated the price the dairyman gets for his product. This question is, of course, infinitely more important than any partisan consideration, but the story is rife, and will not down, that Field Marshal Farley has placed his hand on the staff of the Commission. We all know the firm of Davies, Busick & Richardson, lawyers, are the attorneys for the National Dairy Products Corporation. Joseph B. Davies, of this firm, is

now Ambassador to Russia and Donald Richberg, who was the last potentate of the defunct N. R. A., is likewise a member of this firm. Mr. Richberg is said to be the Presidential choice for the Supreme Court vacancy and is now said to occupy the position of chief adviser and "brain trust" extraordinary to the distinguished occupant of the White House. I am curious to know how much the National Dairy Products Corporation pays this firm of lawyers and for what.

The fact is the National Dairy Products Corporation has gone into 300 communities and by oppressive methods, which were characteristic of the lush days of the Standard Oil Co., broke down the price structure to the dairymen and so holds him eternally in a vise. This inference of mine would be made by any jury, and the statement that the National Dairy Products Corporation only use such a percentage of national production, as appears from this report, would seem to come from the lips of the political lawyers who represent this outfit.

THE BORDEN GROUP

Hand and hand with the National Dairy Products Corporation goes the Borden Co., which now controls 200 companies in every branch of the dairy industry. There are 19 States, as well as Canada, England, and Sweden, in which this company is active. I call attention again to the foreign affiliates of this company. They are used, of course, to stimulate foreign imports and to break down the price structure to the dairyman. The surface salaries of this outfit amount to more than a million dollars a year. The president, Arthur W. Milburn, receives \$95,000 a year. This company is especially concentrated in the metropolitan areas, where the spread between what the producer gets and the farmer gets is little short of murderous. The correspondence printed by the Federal Trade Commission established conclusively that this company is acting in violation of the antitrust act continually. The methods of this company are notoriously corrupt and oppressive. They maintain lavish suites at the various capitals and you can always have the Borden lobbyist pointed out to you. He usually sticks up like a sore thumb. Last year the Borden profits were the best in its history.

The foregoing is true of the National Dairy Products Corporation. Last year their income was higher than ever before. Their net profit, after charges and dividends on preferred stock had been deducted, amounted to \$13,000,282.33.

I have great confidence in the integrity and high ability of Messrs. Davis and Ayers, of the Federal Trade Commission. They were former Members of the House. I was delighted when the President appointed them to the Federal Trade Commission, for I knew they would carry the banner for real law enforcement in the interests of the people. I have not lost my confidence in these men. But I am calling to the attention of the country and the Commission the foregoing facts and hope that investigations of milksheds where the National Dairy Products Corporation is concerned will no longer be perfunctory or casual. In doing that I speak for the dairymen of my district and of the country. Not long since the president of the Dairyman's League in New York State, Mr. Fred A. Sexauer, called the attention of the dairymen of New York State to the fact that dealers expect, through coercion, threats and propaganda to force farmers to protect dealers' interests. Mr. Sexauer knew whereof he spoke. There is a new milk law in New York State, born of agitation and distrust, and obviously it is the intention of these monopolistic outfits like the National Dairy Products Corporation and Borden to endeavor to take the law in their own hands. I particularly invite that situation to the attention of the Federal Trade Commission and ask that they go into action on it.

A CHALLENGE TO ORGANIZED SOCIETY

In conclusion let me state the conditions I have described are a challenge to organized government. They concern public health and a vast number of dairymen who have their backs to the wall by reason of this monopolistic performance. The legal machinery is adequate for disciplining these exploiters and the time is now ripe when they

must be shown that organized government and the law dominates this Nation. The Congress and the country will watch with interest and concern the performance of the Attorney General and the Federal Trade Commission in this situation. [Applause.]

FARM-TENANCY BILL

Mr. DOXEY. Mr. Chairman, I yield 5 minutes to the gentleman from Oregon [Mr. PIERCE].

Mr. PIERCE. Mr. Chairman, my congratulations to our colleague from New York [Mr. CULKIN.] He has put his finger on the difficulty and explained why we have farm tenancy.

We have heard eloquent speeches from the Chairman of this Committee, from the Speaker of this House, and from the always eloquent gentleman from New York [Mr. WADSWORTH]. The real reason for farm tenancy was correctly stated by Mr. CULKIN.

I hope you are all familiar with Charles Beard's history which he calls the Rise of American Civilization. In opening his chapter on agriculture, he says:

In every age and in every clime where civilization has passed its most primitive form, there has always appeared a small group of men devoted to finance, commerce, and industry, and this group of men has always borne down with terrific oppression upon the group that derives its sustenance from agriculture.

When our Speaker this afternoon so eloquently told us of the conditions in Alabama and described the condition of those people who are the descendants of the Huguenots and the Cavaliers, the best blood of America, I could not help but wonder why they had lost their heritage. It is a well known fact that following the Revolutionary War the finest strip of land on earth was from the Alleghenies west to the Mississippi River and from the Lakes to the Gulf, afterward increased by the Louisiana Purchase and extended later by the acquisition of Texas and the great Northwest. Why did the descendants of these Cavaliers and Huguenots lose their lands? For the very reason that Beard so graphically described—on account of the group devoted to finance, commerce, and industry who, today, have borne down upon the group that lives on the farm as described so eloquently by the gentleman from New York.

Farm tenancy is a symptom, it is not the disease. A few weeks ago I had an acute pain in my side. The physician looked me over. He did not give me medicine to kill that pain, he put me on a table, cut me open, found out the cause, removed it, and this is what we should do with respect to farm tenancy. What has caused it? The very thing that our colleague from New York has so graphically described.

It surely is not necessary to call the attention of the Committee of the Whole House to the fact that this bill under consideration is no cure for the farm problem. It will not even scratch the surface. This farm bill is a mere gesture. The farm problem is a serious one which has been more than a century and a half in the making. Soon it must be met and solved by some substantial and far-reaching action quite unlike our emergency legislation. The American farmer must really be put on a parity with industry or he will sink to peasantry. By "parity", I mean income for labor and investment and resultant products equivalent to that which is the reward in industry and commerce. Farm tenantry is not even one of the major problems confronting the men and women who are producing the food and fiber upon which America is living, and upon which industry thrives. Millions upon millions of acres of land were given by the Government, practically without cost, to the ancestors of many of the present tenants. Conditions that made tenants of them, instead of landowners, are still here. These conditions are not corrected by this bill, nor can they be changed by any similar bill. Tenancy conditions are very different in sections of our country. In my section, good farmers prefer to rent lands because they make more money and have full use of earnings, avoiding taxes and interest. It is now hard to find a good farm for rent. In some sections tenancy seems to be a form of peonage. The same legislation cannot be

curative in all situations. The Committee on Agriculture of the House spent over 12 weeks, sitting almost every day, considering practically nothing but farm tenancy. It was the longest discussion of one phase of the farm situation that has occurred in that committee since I have been a member of it.

THE FIRST TENANT BILL

While I do not consider the problem a major one, nevertheless, since farm tenancy increases year by year, it is a matter of concern and should be studied. It will continue, in spite of all the bills of this class we may pass. Major problems facing agriculture should first be correctly solved. There are two theories advanced for corrective legislation on the farm-tenant problem, and each was forcefully presented by its proponents who appeared before the Committee on Agriculture. The one pressed hardest was the plan by which the Government would buy tracts of land in tenant sections and resell farms to selected tenants. The original idea was to invest \$100,000,000 a year for 10 years, or a total of \$1,000,000,000 to be provided by the Government for the solution of this minor problem. This parallels the Russian system, making the Government a superlandlord. It would have been a great help to those who have found themselves in possession of enormous holdings of land of little value. I doubt if it would have helped the small farmer. This plan contemplated the supervision of the tenants from the fountain of all wisdom on agriculture, namely, Washington, D. C. Had regulations been adopted similar to those used in Resettlement, the tenant would have been obliged to secure approval from the National Capital for every improvement planned and for each building that he wished to construct. These plans were based on the assumption that Government would supply, as leaders or preceptors, men of perfect judgment and wide practical knowledge. My observation leads me to suggest that men and women engaged in advising others should first qualify themselves by successfully operating under similar conditions.

One idea discussed at great length, incorporated in some of the prints of the bill, was that the tenant should not be allowed to sell the land once he entered the "service" and made payments thereon, until many years had passed. Those who proposed this kind of treatment acted upon the theory that tenantry had been brought about by the carelessness of the tenants; that they had not kept their land, had wasted it and what it had produced. The facts are that tenantry has grown, and will continue to grow, from causes that cannot be corrected by the tenant.

THE PRESENT TENANT BILL

A substitute bill was offered providing for a Government loan fund for those who wanted to buy land and become landlords. This bill, now pending before this House, is a compromise bill and provides that \$10,000,000 for the first year may be loaned under certain conditions to tenants selected by the Department of Agriculture which is given the unrestricted right to acquire the lands for the experiment. The second year \$25,000,000 to be devoted to such expenditures, and the third year fifty millions. There are about 3,200 counties in the United States; it is safe to say that portions of this money will be desired by nearly 3,000 counties. This would provide one farm of \$3,000 in value for some one lucky tenant who wants to become a landowner in each of the 3,000 counties, provided the money is equitably distributed. It is like trying to dip up the ocean with a bucket; it will not make even an impression. It will be difficult to administer such an act impartially and to the satisfaction of the poor farmers. Next year there will be \$25,000,000 to spend, that will be two and one-half farms in each county, and the third year it will be five farms to a county at a valuation of \$3,000. The facts of the case are, that in most of the Pacific Northwest and much of the North, not very much of a farm can be purchased for \$3,000. Still I believe that it is best to pass the bill and stop the clamor for this type of legislation.

OBJECTIONS TO THE BILLS

I am free to admit that I opposed the first bills for the Government's purchasing tracts of land, and then trying to

fit the tenants into the picture. I think that was the height of folly, especially for the West. I have no accusations to make and no time to state the fears expressed to me, but how easy it would be for certain people or companies owning tracts of land to make the proper showing to certain officials, and to secure from them the sale of their lands to the Government. How easily the worn-out, valueless, heavily eroded land could be sold to the Government for real money and then unloaded on a poor tenant compelled to assume the burden for repaying his "paternal" Government. The poor fellow might be bilked by the very Government that was pretending to help him. There might have been very great danger of fraud or charges and suspicion contaminating every movement of such a plan for solving the tenant problem. I am glad that system was not adopted.

I dreaded such results more than I feared the situation pictured by our colleague from Iowa, and others, that the farm tenant, after buying a place with Government help, would sell the land when he could make a few dollars. We ought not to prevent the tenant, who has struggled through years without any margin of profit, from realizing a little profit of his own. I, for one, would not blame him when he can have \$1,000 in the clear, or whatever he may think sufficient, if he should sell his farm to another. I see no harm in allowing the farmer to be a free agent.

FARM PRICES MUST BE STABILIZED

The real difficulty of the whole agricultural situation will not be even remotely affected by the passage and enforcement of this bill. Among the farmers' serious problems I would list first the uncertainty of price for his products. When he plants a field of corn or an acre of wheat the farmer has to take all chances on weather conditions that may ruin the crop at any time from planting to harvest; and then, when the product is ready for the markets, he is obliged to sell it in competition with the same product from all the leading countries of the world. Especially is this true of wheat. Somebody has said the farmer is a gambler; indeed, I know of no one who takes bigger chances than the wheat farmer, with smaller opportunity to make a winning. I can see no solution for the future except some sort of fixed and guaranteed price. I do not know that the country is ready for it; I do not know that it could be enforced even if we enacted it into law; but certainly from ocean to ocean and in every meeting of groups where farmers' problems are discussed, the question of a reasonable price for leading agricultural products should be under discussion. The 12 weeks spent on the farm-tenant bill, I think, could have been better devoted to consideration of the problem of prices on leading farm products than so many hours spent attempting to get the Government into the real-estate business by purchasing large tracts for the purpose of settling tenants thereon.

SPECULATION IS THE MAJOR FARM PROBLEM

The ever-normal granary is not an idle dream; it is a suggestion worthy of the most careful study. There should be held in this country, at all times, sufficient products, like wheat, to carry us over any reasonable period of crop failure. Wheat, corn, rice, and other products of this nature lend themselves easily to storage and can be carried over from year to year for a reasonable length of time. The plan would aid materially in wiping out the agricultural depressions and levelling down the high spots. When the farmers of the Pacific Northwest harvested their crop in the fall of 1936, all creditors immediately commenced to push hard for their money. Wheat at that time was about 60 cents a bushel at local stations. Many of the farmers, perhaps most of them, were obliged to sell. Wheat later in the fall and early winter went up above the dollar mark at the local stations. That rise of 40 to 50 cents did many of the producers no good—it was money made by the speculators, the warehouse men, who had been able to buy of the distressed farmer and hold for the higher prices. For several weeks, now, in the leading markets of the United States, the price has ranged around \$1.10 to \$1.30 a bushel, bringing to the farmer something like 85 cents to a dollar. Should the full crop mature, as we now have in prospect, again there will be a depression in prices, unless some unforeseen event occurs.

Many of the farmers will be obliged to market their crop at 75 or 80 cents a bushel, which will leave very small margin of profit, if any. That leads me to the conclusion that there must be some legislation wiping out the speculation in grains. During the years of the World War I was a large producer of wheat in Oregon. We had a set, firm market in Chicago at that time, for the gamblers were not buying or selling. They were not allowed to operate under the law. I took chances when I planted my wheat on the quantity of the crop, but I knew the price I was going to get for it when it was ready for the market. Those were the 3 most happy years of my life in the farming industry. The Government had fixed the price at cost with a reasonable margin of profit. Ever since I have wondered why if such laws can be passed and enforced in times of war they will not serve in times of peace? Speculation in farm products is the first and major farm problem.

TAXES THE SECOND PROBLEM

Another problem, and one that seems to grow worse with the years, is that of taxes, which are just the same whether the farmer has a good year or a bad one, whether prices are high or low. The farmer's possessions out in plain sight are tangible and the assessor has no difficulty in finding them. He can see livestock and land and all the machinery that the farmer has. The assessor fixes the value, and the farmer pays on a higher percentage of value than any other taxpayer. All government activities grow more expensive year by year. The merchant must ask a little more for his goods that the farmer has to buy because he, too, pays more taxes. Farmers' mowers, reapers, or binders cost more because that merchant has to pay the extra charges. In other words, the extra high taxes in city, county, State and Nation are passed on to the man who cannot pass them on—the farmer. He goes ahead and does not and cannot question the price of anything, neither that which he buys nor what he sells. An investigation of the trusts which make farm machinery has been too long delayed. Why does Government permit these prices to soar?

Recently I made a study of the cost of electricity to consumers, comparing Portland and Tacoma. I ascertained that the city of Portland pays about \$5,000,000 a year more than it would pay if it had a publicly owned plant operated like that in Tacoma. Those \$5,000,000 are paid by the citizens and businessmen of Portland. The merchants of Portland collect them from their customers, some of whom are the farmers, who pay much of that \$5,000,000 in increased costs of what they buy, and lowered prices of what they sell.

Several years ago, when Governor of the State, I started a campaign to remove all State taxes from real estate by substituting income and other taxes; I met with many difficulties. I am delighted to note that now, some 15 years later, the goal toward which I struggled in the years gone by has been reached and Oregon levies no taxes upon real property for the maintenance of State government. Real property should pay a reasonable tax, but much of the expense of city and county governments should come from sources other than real estate.

INTEREST RATES ANOTHER PROBLEM

Another ever-present problem on a farm is interest. I have spoken so often in the last 5 years on the floor of this House on the subject of interest rates, that probably there is nothing new to be added. I do desire again to emphasize my belief that interest, unconscionably high interest, is largely the cause of our difficulties today. Our capitalistic system, which has developed such a useful, valuable, pleasant civilization, is based on interest higher than the increase of wealth. It is such a cancerous, deep-seated growth that the only way the present capitalistic civilization can survive is occasional periods of depression in which large amounts of capitalization are wiped out by repudiation and compositions. Business starts up again and goes on until interest has once more brought its evil results, and another depression follows. In other words, the depression cycle seems to be a part of the economic system, for when obligations draw interest beyond the increase of wealth it is only a question

of time until those obligations become so oppressive and the annual contribution for interest each year is so large that it cannot be paid. The farmer, being the ultimate consumer and in a business requiring borrowed money, is in a position to bear the brunt. He takes the heavy load resulting from these interest charges above and beyond the increase of wealth. No interest beyond the increase of wealth should be charged or collected on long-time obligations. The one who contributes only his money and demands 100-percent security and takes none of the risks of the business should justly receive only the amount that would approximate the increase of wealth which is usually calculated at about 2 percent a year.

I deeply regret the refusal of this administration to assist in holding the reduction of interest in the Federal land bank to 3½ percent for another year. I realize the fact that the Federal land bank has several millions in outstanding bonds which are drawing 4 percent and more interest, and most of these bonds are not yet callable. The farmers of today ought not to pay for the governmental mistakes of yesterday.

I cannot see now, and never could see, any justification in requiring the borrower to invest 5 percent of the amount of his loan in stock in the loaning association. The same exaction is made from the producer who is obliged to borrow through the Crop Production Association. I never have been able to obtain figures from the Farm Credit Administration as to what portion of that 5 percent exacted from borrowers is lost through bad loans, but my observation is that the loss of this stock is 100 percent to many borrowers. This is not the fault of the farmer but of the method. The result is that many who borrow money on land from the Federal Government at 4 percent pay more than 5 percent for that money. Those who object to the reduced interest rate never mention the 5-percent forced investment.

I know the Farm Credit Administration constantly issues newspaper releases showing the large amounts of money loaned farmers through various governmental agencies. I have no way of comparing these figures with the amounts lent by all agencies prior to 1929. I daresay, if figures could be secured, it would be found that the amount lent through the Production Credit Corporation and the Farm Credit Administration is only a small percentage of the amounts loaned to farmers by banks, insurance companies, and private individuals prior to the catastrophe of 1929. The Government, through its lending agencies, has made rules so stringent, and the demand for securities so severe, that many who would like to secure farm loans have been unable to do so. Many a farmer who would like to negotiate a loan through the Crop Production Association is unable to get it because he cannot meet the severe conditions exacted by the Government. I believe the Government should use every force and power available to keep farm interest rates down, and there are plenty of powers available if they were used. So I name that as another real farm problem which is not even seriously considered at this time, and through this bill.

TRANSPORTATION COSTS A PROBLEM

Transportation is another ever-present problem to the average farmer. The wheat regions of the West are subject to an excessively high toll from transportation lines which move the wheat from local warehouses to mills and water terminals. When the World War was on, freight rates were on an average of about 50 percent less than they are today. Formerly, before the war, I could ship a bushel of wheat from my ranch to tidewater for 9 cents. Those rates have been advanced at different times until today it costs over 15 cents a bushel.

The Interstate Commerce Commission is supposed equitably to adjust transportation rates. They seem to be convinced that their chief duty is to recognize a rate schedule sufficiently high to earn money to pay interest and dividends upon inflated valuations. It has been estimated that if the water could be squeezed out of the stock and bonds of the transportation lines, freight rates could be reduced by one-third.

REAL FARM LEGISLATION NEEDED

I have set forth briefly what seem to me to be the real farm problems. I have done this to explain why I think the pending bill will be of very little value. Those few who receive the preferential benefits will have to struggle along under the same handicaps now making farming difficult and hazardous.

I sincerely hope some farm legislation of real value and widespread benefit can be offered this body. When this bill passes and becomes a law, I hope that the result will be beneficial. I would be sorry indeed to learn that this is offered and pressed for passage to still the demand for real farm legislation. This act cannot justly be called the "Farm Security Act of 1937." That is a misnomer. The act covers only a very small portion of a broad field. Farm security legislation has not yet come before this session. [Applause.]

Mr. HOPE. Mr. Chairman, I yield such time as he may desire to the gentleman from Pennsylvania [Mr. KINZER].

Mr. KINZER. Mr. Chairman, I do not believe much argument is needed to impress the membership not only with the desirability but the necessity for making some approach to the problem here presented.

I am in entire agreement with the gentleman from Nebraska [Mr. COFFEE] when he expressed his judgment with respect to the provision of the bill providing for the lending of Government money up to the full value of the land purchased by the tenant farmer, who is the man sought to be benefited. I have always thought that when you lent the full price, it was not a loan any more, but a sale, and if we are to follow the suggestion laid down by the Speaker, as well as the gentleman from New York [Mr. WADSWORTH], we must realize there is an element of thrift, as well as one of ability, to be considered by the local committee, and I do not think it is wise for us to incorporate in the bill a provision to lend up to the full value, although the local committee may approve a loan for less than the value. If the desirable tenants have a will to accomplish something and to purchase a farm, they should have some part of the fund which is intended to be used, and, following the example of Denmark, 90 percent would be the limit of the loan.

As I have said, I am in entire accord with the suggestion of the gentleman from Nebraska [Mr. COFFEE], and I think an amendment limiting such a loan to 90 percent of the purchase price is a good one.

I believe it is absolutely necessary for the Government to make a start and to grant some assistance, although with the amount of \$10,000,000, when divided and spread over the entire Nation, will be very small for the first year. However, a beginning can be made, and, while this amount may not buy many farms throughout the country, it will be a start and provide an experiment which will be helpful in approaching a wise solution of the farm-tenant problem. [Applause.]

Mr. DOXEY. Mr. Chairman, I yield 5 minutes to the gentleman from North Carolina [Mr. COOLEY].

Mr. COOLEY. Mr. Chairman, on September 21, 1936, the President addressed a letter to Senator BANKHEAD, of Alabama, suggesting preparation of plans to meet the farm-tenant problem, and in the letter stated:

Thoughtful people everywhere have been gravely concerned with the steady increase in farm tenancy from 1880 to 1935. Since the earliest days of their history it has been an ideal of the American people that every American should have an ownership interest in land or in some other means of production.

Despite this fundamental objective, we have seen farm tenancy increase relative to farm ownership decade by decade. An enduring agricultural civilization must be built on the firm foundation of home and farm ownership.

Any long-time improvement of the welfare of the Nation and of farm people involves improvement of the tenancy situation.

The tenancy problem in the United States cannot be solved overnight. But through Government financing of land purchased by tenants, other countries, notably Ireland and Denmark, have substantially increased farmer ownership of farm land.

I think we need some such approach. It should give tenants who have demonstrated their ability to manage land an opportunity to buy farms on long-time terms at moderate interest rates.

On October 10, 1936, the President, in a speech delivered in Omaha, Nebr., said:

It is a further part of our long-time farm policy to attack the evil of farm tenancy. In this we have already made a good beginning with lower interest rates and better prices. We are preparing legislation, in cooperation with farm leaders, to submit to the Congress in January to help solve this problem. We cannot, as a Nation, be content until we have reached the ultimate objective of every farm family owning its own land.

After the election, on January 6, 1937, the President delivered before a joint session of the two Houses of Congress his annual message, in which he stated:

There are far-reaching problems still with us for which democracy must find solutions if it is to consider itself successful.

And further said:

For example, many millions of Americans still live in habitations which not only fail to provide the physical benefits of modern civilization but breed disease and impair the health of future generations. The menace exists not only in the slum areas of the very large cities, but in many smaller cities as well. It exists on tens of thousands of farms, in varying degrees, in every part of the country.

Another example is the prevalence of an un-American type of tenant farming. I do not suggest that every farm family has the capacity to earn a satisfactory living on its own farm. But many thousands of tenant farmers—indeed most of them—with some financial assistance and with some advice and training, can be made self-supporting on land which can eventually belong to them. The Nation would be wise to offer them that chance instead of permitting them to go along as they do now, year after year, with neither future security as tenants nor hope of ownership of their homes nor expectation of bettering the lot of their children.

The figures in the 1935 census of agriculture show that there are approximately 2,865,000 tenant farmers in the United States. These are farmers who rent all of the land they operate. They represent more than 42 percent of all the farmers in the country. In addition to these 2,865,000 tenants, we have about 689,000 part owners. These part owners are farmers who own part of the land they operate and rent part of it. They represent 10 percent of all our farmers. Hence, we are faced with the fact that 52 percent—more than half—of all the farmers in the United States rent all or part of the land they farm. An additional 1 percent of our farmers are hired managers. Consequently, only 47 percent of the 6,812,000 farmers, enumerated by the census of 1935, own all of their land.

Realizing the magnitude of the problem, the President appointed a special committee headed by the Secretary of Agriculture and composed of farm leaders, experts, and other distinguished citizens, and directed the committee to make a careful study of the problem to the end that certain recommendations for action might be made. Upon completing its investigation and study the committee filed its report and recommended the enactment of legislation at the present session of Congress. Early in this session H. R. 8 was introduced by the distinguished chairman of the House Committee on Agriculture and was referred to and received the attention of that committee. Extensive hearings were held and many officials, experts, farm leaders, interested citizens, and groups of citizens were heard, and the committee had the benefit of the findings of the committee appointed by the President. Several members of the committee appeared and gave us the benefit of their opinion as to the kind of measure which should be enacted.

In the Seventy-fourth Congress the House Committee on Agriculture held hearings on two bills, H. R. 7018 and S. 2367, but no action was taken at that time. The bill now under consideration is the outgrowth of these long and extensive hearings. I am sure, therefore, that the members of the Committee on Agriculture who have sat through these extensive hearings and protracted executive sessions are impressed with the profound importance of the basic and fundamental problem involved and of the absolute necessity for its ultimate solution.

This bill seeks to deal with a grave social and vitally important economic problem which is national in its scope. I am not afraid that the membership of this House will underrate the importance of the problem with which we are now dealing. I am not afraid that we will forget those in

the rural areas of our country who are not able to scratch out even a bare existence on small and infertile farms and in areas which have been devastated by floods and drought and erosion; those on the hillsides and on the ragged edge of swamp lands far from the stream of commerce and the eyes of the world. I am not afraid that amid the conflicts and bewilderments of the world in which we live that the Democratic Party and its leadership will forget the destitution and poverty of those who are helpless to help themselves in the rural sections of this great country, but, on the other hand, I believe that it will reach out the strong arm of this Government to lift them from their submerged insecurity and dire destitution and take them from submarginal lands and aid them in reaching the goal of every true American farmer—that of obtaining and owning a farm home upon which he and his family may earn a livelihood and enjoy some of the blessings of modern life. This administration possesses the power and the capacity for sensible decision and quick action. While we may not hope for an immediate solution of the problem with which we are now dealing, at least, we must take this step to bring help and hope to those who have in the past been forgotten.

While the amount herein authorized to be appropriated is wholly inadequate, it will at least eliminate in some degree the poverty and economic insecurity of a vital part of our population.

I am sure that no one would suggest that this is a solution of the problem which today faces these destitute rural people, yet at the same time it is an important part of a well-rounded program for agriculture. It will do much through the years to retard the growth of tenancy and to relieve a situation which has been accentuated by an economic collapse. I realize that even a gift of fertile farm land will not in itself mean security. We must in addition stabilize farm income and protect our farmers from wild speculations and extreme fluctuations in commodity prices and land values if we are to find an adequate answer to this pressing problem. The evils of farm tenancy are a national disgrace and land speculation and price fluctuation are the greatest foes of farm ownership. We have in the past few years had at least some degree of stability in commodity prices and land values and now in a modest way we are seeking to lessen the evils of farm tenancy and to improve our system of land tenure.

As a remedy for the present ills this bill is, of course, wholly inadequate and insufficient. For this reason I preferred certain provisions which were stricken from the original bill but as most legislation is the result of compromise I shall gladly support the measure as reported by the committee in the hope that some progress may be made and some security may be brought to those who will receive the benefits of the provisions of this measure. Even though we may not help many, we will at least give a ray of hope to those who are now helpless.

In order to impress upon you the importance of the problem, may I call attention to the fact that 2,865,155 farms were operated by tenants in 1935, and to the fact that between 1925 and 1935 tenancy has increased 40,255 annually, and during the years of 1930-35 increase has been at the rate of 40,158 annually? To further impress upon you the magnitude of the problem, if we assume that \$4,000 per tenant farmer is to be invested, it would require, at the rate of increase during the past 5 years, an appropriation of \$160,632,000 per year merely to take care of the increased number of tenants, to say nothing of the 2,865,155 other tenants in the country. Even if we could stop the increase and appropriate the sum of \$50,000,000 annually to reduce the number of tenant farmers already in existence, spending \$4,000 on each tenant farmer, it would require 230 years to eliminate tenancy in the United States. It is, therefore, plain to see that this is a problem of stupendous proportion and is one which will not be solved in this generation, yet all fair-minded men will agree that we should do something to help those who are most worthy in this great group of our citizens. We should adopt a long-time program, a practical

program, which will make the tenants' climb to ownership easier and their security more certain.

Many of these tenants have once known and enjoyed the pride of ownership but, due to no fault of their own, were forced to fall back into tenancy. If our system is improved and agriculture is made profitable, these men and women will again take their proper places in American life. We must, therefore, improve and perfect the system under which they are to labor and give them another chance to prove their real worth. We must expand our foreign trade and develop our domestic markets, and give to those who labor in the field a degree of security yet unknown. This must be done if we are to check the growth of tenancy and save those who are now fighting to hold onto their farm homes. Many of our landlords are now only tenants, mortgagors in possession, working for those who hold encumbrances upon their farms. The plight of the American farmer is a challenge to our statesmanship. When our great President pointed out that one-third of our population is ill-clothed, ill-fed, and ill-housed, surely he had in mind that large group of our citizens who are poverty-stricken upon the farms of our Nation. In May 1935 approximately 1,000,000 rural families were on relief. If we assume that there are 5 in the average family, we have the spectacle of 5,000,000 people from the farms of America forced to accept public charity.

Even if we go back to 1929 there were about 398,000 farm families in this country which had a total gross income of less than \$250 for a year. This included the products which they sold, traded, and consumed, their meat and bread, fruit and vegetables, and all that they had to eat. If we assume that the average size of the family was 5 people, we had 1,990,000 people, each one of whom had a gross income for the year of \$50, or less than 8 cents a day. Of course, many of these farm families are twice as large as the figure used and, therefore, the income of many individuals would be less.

Census figures show 916,000 farm families with a total gross income of less than \$400. Assuming that they are families of 5 people, this means \$80 annually for each person in the family, or \$40 annually for members of families of 10, and this is not unusual in many sections of the South.

Even in 1929 about 47 percent of all our farmers had an annual gross income, including the value of products grown and consumed on the farm, of less than \$1,000. These figures include both landlords and tenants. Is this the true picture of real American life? Is it the American standard of living? But, you say, this bill will not bring about the stabilization of an adequate farm income or remedy the ills of which I complain. No, but it is an important step which must be taken without delay.

I realize that there are some who will say that this is a continuation of the Resettlement Administration. I know that some will say that the Resettlement Administration has spent huge sums of money, much of which has been wasted. While I hold no brief for the Resettlement Administration, its extravagance and its waste, I am unwilling to condemn its high objectives merely because those who first embarked upon the program were ill-advised and are guilty of faults and failures and follies upon which I am not willing to place my stamp of approval. The Resettlement Administration undertook many foolish, unsound, and extravagant projects, but even so I am unwilling to repudiate it or the man who issued the Executive order which brought it into existence. I am willing, therefore, and anxious to vote for this bill which authorizes the completion of the Resettlement projects which have been undertaken, to the end that that which has been invested may not be totally lost.

I know that there are those present who would like to see this bill defeated so that they could go to the country next spring with the cry that this Congress had repudiated the emergency program set up by the President for the rehabilitation of agriculture and the resettlement of some of our poverty-stricken farm people. I cannot, in the brief space of time allotted, discuss that which has been done by the

rural-rehabilitation section of the Resettlement Administration in bringing relief to poverty-stricken farmers, nor can I discuss the fine service which its Land Utilization Division has rendered in reclaiming submarginal land and correcting maladjustments in land use and in making farming more profitable. Even though the Resettlement Administration has made many mistakes, let us not burn down the house to get rid of the rats, but rather let us profit by the mistakes which have been made and go forward with a broadside attack upon the problem of rural slum clearance.

The bill which we are now considering, H. R. 7562, is a bill to encourage and promote the ownership of farm homes and to make the possession of such homes more secure, to provide for the general welfare of the United States, to provide additional credit facilities for agricultural development, and for other purposes. The bill authorizes the Secretary of Agriculture to establish in the Department of Agriculture a Farm Security Administration to assist him in the exercise of the powers and duties conferred by this act. The act authorizes an appropriation of not to exceed \$10,000,000 for the first fiscal year ending June 30, 1938, not to exceed \$25,000,000 for the fiscal year ending June 30, 1939, not to exceed \$50,000,000 for the fiscal year ending June 30, 1940, to be administered by the Secretary through the Farm Security Administration in making loans to farm tenants, farm laborers, sharecroppers, and other individuals who obtain or who recently obtained the major portion of their income from farming operations for the purpose of purchasing efficient farm management units sufficient to enable a diligent farm family to carry on successful farming which the Secretary deems can be successfully carried on in the locality in which the farm is situated.

Realizing the wisdom of decentralizing the functions of Federal agencies, the bill provides further for the establishment of county committees which shall be charged with the duty and responsibility of receiving applications of persons desiring to finance the acquisition of farms by means of a loan from the Secretary under the provisions of this bill and with the duty and responsibility of examining and appraising the farm or farms which are to be purchased, and in general to pass upon the eligibility of the applicant, the character of the farm to be purchased, and the amount which the committee finds is a reasonable value of the property to be bought.

The Secretary is authorized to loan the full, fair, and reasonable value of the farm for an agreed period of not more than 30 years at a loan rate of 3 percent per annum and to make certain other provisions for the protection of the security which will require insurance, maintenance, and repair and prevent waste and exhaustion of the farm property and its fertility. The amount so appropriated shall be distributed equitably among the several States and Territories on the basis of farm population and the prevalence of tenancy.

REHABILITATION LOANS

Under title II of the bill the Secretary is authorized to make loans to eligible individuals for the purchase of livestock, farming equipment, supplies, and other farm needs, and for the refinancing of indebtedness and family subsistence. These loans are to be made at the rate of 3 percent per annum and shall have maturities not in excess of 5 years and shall be secured by a chattel mortgage, crop liens, and the assignment of proceeds from the sale of agricultural products.

No definite amount is authorized to be appropriated for this purpose other than unexpended balances available to the Secretary for loans and relief to farmers and such other sums as the President is authorized to allot to the Secretary out of appropriations for relief or work relief.

The Secretary is further authorized to assist in the voluntary adjustment of indebtedness between farm debtors and their creditors. Under the farm debt adjustment program which has been undertaken by this administration the farmers of the Nation have been saved millions of dollars.

RETIREMENT OF SUBMARGINAL LAND

Title III authorizes and directs the Secretary to develop a program of land conservation and land utilization including the retirement of lands which are submarginal or not primarily suitable for cultivation and charges him with the responsibility of improving, developing, and administering the property so acquired and authorizes him to sell, exchange, lease, or otherwise dispose of any such property upon such terms and conditions as he deems will best accomplish the purpose of the title.

Title III further directs the Secretary to pay to the county in which the land is held by the Secretary under this title, 25 percent of the net revenues received by the Secretary from the land during such year. This is a payment in lieu of taxes. The payment so made shall be made upon the condition that it is used for school or road purposes.

For the purposes mentioned in title III there is authorized to be appropriated not to exceed \$10,000,000 for the fiscal year ending June 30, 1938, and not to exceed \$20,000,000 for each two fiscal years thereafter.

GENERAL PROVISIONS

Title IV provides for the establishment of the Farm Security Administration, the appointment of personnel, and general provisions with reference to the administration of the act, including local committees to be composed of three farmers residing in the county.

Title IV further authorizes the Secretary to continue the activities of the Resettlement Administration to the extent that may be necessary only for the completion and the administration of those resettlement projects, rural-rehabilitation projects for resettlement purposes and land development, and land utilization projects for which funds have been allotted by the President.

I desire to remind our Republican brethren of the fact that the Republican platform adopted in 1936 has this to say with reference to agriculture and with reference to the farm problem now under consideration:

The farm problem is an economic and social, not a partisan, problem, and we propose to treat it accordingly.

Again I quote from the Republican platform:

We propose—

A national land-use program, including the acquisition of abandoned and nonproductive farm land by voluntary sale or lease, subject to approval of the legislative and executive branches of the States concerned, and the devotion of such land to appropriate public use, such as watershed protection and flood prevention, reforestation, recreation and conservation of wildlife.

To provide for ample farm credit at rates as low as those enjoyed by other industries, including commodity and livestock loans, and preference in land loans to the farmer acquiring or refinancing a farm as a home.

In this connection I desire also to call attention to the Democratic platform of 1936 in which we find this language:

We recognize the gravity of the evils of farm tenancy, and we pledge the full cooperation of the Government in the refinancing of farm indebtedness at the lowest possible rates of interest and over a long term of years.

Our hills and valleys and fertile lands are laden with gifts quite beyond the comprehension of man. While it is true we have extended our geographical frontiers until now the stream of commerce flows into even the remotest sections of our great and common country, yet we are now face to face with a problem of further extending the social and economic frontiers of modern American life. Here is a problem and here is a field of human endeavor wherein the tingling thrill and all the tremor and throb of eager and earnest emotions can be used to the greatest and grandest advantage. While it is true that America stands out today as the greatest force in world progress, when we think of the problem of farm tenancy we must be conscious of a great lack of full and complete accomplishment. In passing this bill we are embracing a fundamental problem of first magnitude and stupendous proportions, yet it is a problem which Americans will and must some day solve.

Mr. DOXEY. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. LUCAS].

Mr. LUCAS. Mr. Chairman, regardless of how much money might be appropriated by the Federal Government for the purpose of curing the evil of farm tenancy, I undertake to say that under present economic conditions that such would be an impossible task. Until there is a stability of price of the basic commodities and until the farmer's dollar has a purchasing power on a parity with all other industry, we are attempting to do something which may aggravate rather than clarify the issue, as I see it. Nevertheless I am for this farm tenancy bill as it stands at the present time, and I sincerely hope that the membership of this House will stand firm and pass this bill as reported by the Committee on Agriculture. I trust that under no circumstances will we submit to the terms and conditions of a bill which is proposed at the other end of the Capitol. Our committee studied the provisions of H. R. 8 for many weeks, which is in substance what is reported out by the Senate at the present time. Extensive hearings were held upon that bill, the result being that a majority of the committee favored the principles endorsed in the legislation before you. There are many problems in the Senate bill which are difficult of administration and should not be embodied in any bill which is designed in the first instance as an experiment to meet a national condition. I call attention to what seems to me glaring defects and not in keeping with the spirit of American institutions.

First. The restriction of alienation is unknown in America. It is common in European countries where dictators and monarchies prevail. I undertake to say that any time a man has the money to pay for his farm he ought to be able to get a deed for that farm and not wait for a period of 20 or 40 years, as originally proposed. The gentleman from Iowa [Mr. BIERMANN] seeks to enforce this restriction and bases his argument on the fact that speculation in land will be restrained. If you want to keep the question of speculation out of the picture, why penalize the owner of one of these Government-loaned farms and permit the man next door who owns land to make a profit when there is a speculative boom in the country?

Pass the windfall tax which affects all land alike, as was suggested by the President's committee, reporting to the House Committee on Agriculture when we held our hearings.

Second. If you pass the Senate bill the Government will control the lease of every farm in every community in America. In other words, the remaining tenants in that community are going to compel the landlords to go along with Uncle Sam, who will be the greatest landlord in America in time to come. Every lease in the county will be centered around the leases which are being promulgated by the Government. If a landlord cannot compete with Uncle Sam he will be forced as a matter of self preservation to sell his land, and the Government will be the ultimate purchaser.

Third. On the question of taxes, the Senate bill provides among other things the following:

"Real property, other than real property to which subsection (a) applies, acquired, held, or leased by the corporation under this title shall be exempt from taxation by any State, Territory, or political subdivision."

Mr. NELSON. From what bill is the gentleman reading?

Mr. LUCAS. I am reading from the Senate bill that has been reported out. In other words, if the Government acquires a farm it is exempt from taxation so long as the title remains in the Federal Government. Think of such a provision being incorporated in a bill. Think of the bitterness and the rancor that will be engendered in every community as a result of this unfair discrimination. If that bill comes here upon a conference report, and our conferees permit the Senate Members to have their way, gentlemen who vote for it may have their political future somewhat jeopardized, especially if the United States Government is permitted to have its lands exempted, and the farmer down

the road is compelled to pay the regular tax assessed by the assessor in that community.

Fourth. Death of the purchaser: Here we find plenty of problems from the standpoint of law, when one of these tenants dies, if the Senate bill becomes the law of the land. One of the best lawyers who came before our committee said he could not tell where the Federal jurisdiction started and where the State jurisdiction ended, or where the State jurisdiction began and the Federal jurisdiction ended. In that statement I concur. Whether the contract for a deed would be personal property or would be considered under the doctrine of equitable conversion is not clear.

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

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

Mr. LUCAS. Another matter of importance in the Senate bill involves the question of double jeopardy. In other words, if the tenant be charged with arson for burning the barn on Government property, he not only can be prosecuted in a Federal court but he can also be prosecuted in the State court. If he is acquitted in the Federal court, they can bring him to the county where the barn is located and prosecute him again for the same offense, just like they used to do in the prohibition days.

In conclusion, Mr. Chairman, I boldly assert that any tenant in this country who is frugal, industrious, and thrifty, the type of tenant that the Government seeks to keep in the farm-tenancy program, will never go in partnership with Uncle Sam if he thoroughly understands the bill that has been reported out of the United States Senate today, providing it should be enacted into law. I undertake to say that if I had the opportunity of explaining that bill to the type of tenant worth while he never would sign a contract with Uncle Sam.

It is only the man whom we call the cove in the mountain, or the irresponsible tenant who never was worth anything to himself or to his community or to anyone else, who will take hold of a contract of that kind and attempt to carry on in behalf of himself and the Government.

Mr. Chairman, the buying of land by the Government and the resale thereof to tenants is the beginning of a dangerous philosophy of Government ownership of land. It is estimated that within 40 years the Government would have under their control or jurisdiction a million tenants. The next step will be to take them all in as they do under the powers of a dictatorship. I trust the time may never come when such may happen, but if the Senate bill should be agreed to, I can see the beginning of the end of independent and free ownership of lands in this Republic.

Mr. LANZETTA. Mr. Chairman, in connection with the bill, H. R. 7562, I ask unanimous consent to include a letter from the Secretary of the Interior to the chairman of the Committee on Agriculture [Mr. JONES] together with some tables showing purchases made by Puerto Rico from the United States.

The CHAIRMAN. Without objection it is so ordered.

There was no objection.

The matter referred to is as follows:

THE SECRETARY OF THE INTERIOR,
Washington, D. C.

Hon. MARVIN JONES,

Chairman, Committee on Agriculture,
House of Representatives.

MY DEAR MR. JONES: My attention has been called to the fact that H. R. 7562, a bill for the Farm Security Act of 1937, introduced in the House on June 17, 1937, as a substitute for H. R. 6240, was reported out on June 18, 1937, and referred to the Committee of the Whole House; and that this bill, in its present form, does not extend to Puerto Rico, although it does extend to Hawaii and Alaska, and although the Senate bill, S. 106, the companion bill to the original bill, H. R. 8, for which 6240 was substituted, as reported to the Senate and now pending there, does extend to Puerto Rico.

Puerto Rico with a population now estimated at 1,800,000 is, in population, by far the greatest of the organized Territories whose people are citizens of the United States. It is greatest in amount of purchases from the mainland as well as in population. It

purchased \$86,352,000 worth of goods from the mainland in 1936, largely farm products. Its purchases were greater than those of any other area in the Western Hemisphere except Canada, and were greater than those of any country in the world, outside of Canada, except Great Britain, France, Germany, and Japan. Since 1931 Puerto Rico has risen from the tenth among world customers of the mainland United States to sixth place, increasing her purchases during that period from \$60,637,000 in 1931 to \$86,352,000 in 1936. She buys from the mainland nearly everything she consumes.

Puerto Rico is almost wholly agricultural, and because of her dense population it is peculiarly necessary that her land be utilized as fully and advantageously as possible. With a total acreage of about 2,240,000 acres, it is estimated that only about 1,220,000 acres are now under cultivation, which gives only about seven-tenths of an acre per person for the total 1,800,000 people in the island. Perhaps 500,000 acres more can be made available. After the disastrous hurricanes of 1928 and 1932 many small farmers, particularly coffee farmers on the hillsides, abandoned their lands and drifted to San Juan and the others of the larger cities of the island, accentuating slum conditions there and adding to the social problems. Their former lands rapidly go back to jungle or are exposed to erosion. It is imperatively necessary that aid be extended to such small farmers, to reinstate them on the land, to save the lands, and to ameliorate social conditions in the island's cities. The loans and credits contemplated by titles I and II of H. R. 7562 could well be utilized and would be of great help for these purposes. There are also some submarginal lands which should be utilized and developed under a program such as that contemplated in title III of this bill. Tropical products, such as vanilla beans, quinine, bamboo, and other tropical plants, as well as coffee, can be grown on these lands, products of a kind well designed to check erosion on the hillsides, and not to compete with mainland agricultural products.

Because of its dense population every social and governmental problem is accentuated in Puerto Rico. Here is a farm community with the density of a city suburban population. If Iowa were as densely populated as Puerto Rico it would have some 28,000,000 people. Texas would have around 130,000,000. This places a definite responsibility on the administration for the welfare of these American citizen farmers. Puerto Rico has not received more than its fair share of Government benefits during the period of the depression, in spite of the needs arising from this heavy population. Rather, it has received less, on a per-capita basis, indeed, less than one-half the average share of the States and Territories, as appears from the brief tabular statement hereto appended. Detailed figures are before your committee in the hearings on the sugar bill. (Hearings on H. R. 5326, present session, before special subcommittee, Mar. 15-22, 1937, serial B, pp 88-93 and 116.)

As was said in Secretary Ickes' letter to you of May 7, 1937: "Since the great fundamental principle of American democracy is the equal treatment of all citizens, there is no need to dwell upon the moral or practical necessity of avoiding economic discriminations against the citizens of the United States who may be residing in insular parts of our country."

It is earnestly requested, therefore, that a committee amendment to this bill, H. R. 7562, be accepted that will extend its provisions to Puerto Rico. That purpose could be accomplished by the following changes in the present bill:

In section 1 (a), in line 1 on page 2, strike out the word "and", the first word of the line, and insert a comma in lieu thereof, and insert in the same line after the word "Hawaii" the words "and Puerto Rico."

In section 50, in line 14 on page 17, strike out the word "and", following "Alaska" and insert a comma in lieu thereof, and strike out the period at the end of the line after the word "Hawaii" and insert "and Puerto Rico."

Sincerely yours,

(Signed) CHARLES WEST,
Acting Secretary of the Interior.

Puerto Rico:

Imports from United States mainland, 1936-- \$86,352,000.00
Sixth best customer; exceeds any other in
Western Hemisphere except Canada; ex-
ceeded only by Great Britain, Canada, Japan,
France, and Germany.

Buys 92 percent of all its purchases from U. S.
mainland.

Population about 1,800,000; area only about
2,200,000.

Benefits, all sources last 3 years, per capita....	26.51
Plus, from retained customs duties and taxes, per capita.....	6.46
Total benefits.....	32.97
Average benefits per capita all States and Ter- ritories, same years.....	68.41
Average benefits all other territories, same years.....	55.72

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

Mr. GEHRMANN. Mr. Chairman, I really had not expected to get any time on this bill, but I am very, very much

interested in the problem. All my life I have operated a farm, and I am still operating it—at least, my family is operating it during my absence. That is the only way I had to make a living until I came to Congress, and now I spend the money I make here on the farm to pay for losses incurred. I am very much interested in this attempt to make a start at farm ownership. In Wisconsin a few years ago we had about 12 percent renters, and now it has crept up to nearly 40 percent. Certainly it was not through the fault of the majority of the farmers in that State. A majority of the farmers are either German or Scandinavian extraction, the type that certainly did not squander their money or who are shiftless farmers. They are the conservative, hard-working, up-to-date farmers, who have tried their best to make a living and who, through no fault of their own, have drifted into a condition where they are losing their farms by the thousands yearly that were operated for three or four generations by their people.

While this bill does not go nearly far enough, and the committee admits it does not go far enough, it is a step in the right direction.

We already have the Resettlement Administration with an office and personnel in every county looking after rehabilitation loans or grants. These local people in my State are for the most part very well acquainted with all the farmers that are in distress. They could pick out those worthy of consideration when applications are received, and drop those not worthy, without creating the expense of investigating each applicant. I believe that the Secretary of Agriculture should use the Resettlement county set-up.

The gentleman from New York [Mr. CULKIN] certainly hit the nail on the head when he said that the price-fixing monopolies have driven the farmers of the country, especially the dairy farmers, to their present plight. I know that this is true in other lines as well. The packers control the price of the animals they buy as well as the price of their finished products. The gentleman from New York stated that in the case of the dairy industry the price of cheese for the whole United States is fixed at Plymouth, Wis. This is true. It has gone to such an extent, the monopoly is so great, that in 1931 the Department of Agriculture, with the consent of the Governor, appointed a special committee consisting of three producers chosen by the farmers and the cheese producers, three men selected by the processors, the packers, and the large cheese buyers, and the State appointed the seventh member to represent the State as a whole. I happened to be the unfortunate victim that had to act as umpire between the producer that wanted all he could get and the buyer that wanted it as cheaply as possible. We met at Plymouth every Friday, that being the day on which the price of cheese is fixed—every Friday at 2 o'clock in the afternoon there is a sham auction, and the highest bidder sets the price of cheese for the United States. But there is very seldom more than one bid for a certain type of cheese. A few of the big buyers get together around a table for lunch and agree on who is going to bid on the cheese that is to be auctioned off to the highest bidder at 2 o'clock. There never was any competition unless they happened to have a batch of cheese they wanted to unload on some little fellow who was foolish enough to overbid them; but they have taught the little fellows a few lessons, so that very seldom anybody dares to bid.

The State of Wisconsin tried to break up that ring with the fair-price committee mentioned, but it was impossible. The committee studied the situation for 9 months. We found it was a problem for the Federal Government, not the States. In spite of the fact that Wisconsin at that time produced 74 percent of the cheese in the United States, we found we could not solve it, for they said they would simply move their offices over into another State if we tried to interfere with them or molest them at all. So I say that the gentleman from New York has put his finger on the pulse of the evil: The monopolies fix the price both to the producer and the consumer. I blame the farmers, of course, for not organizing, so as to control their own commodity, their investment, and their labor.

No other industry in the world today allows the price of the product, their money, their investment, their brains, their toil, to be fixed by others. Agriculture is the only industry that seems willing to produce, and then take whatever price somebody will offer for their goods. The farmers, because of lack of foresight to organize and control their own production, allow a monopoly such as the National Dairy Co., which is a holding company and controls every major dairy distributing agency in the United States, to fix the prices of their products.

The United States Attorney and the Federal Trades Commission should have taken steps long ago to dissolve this gigantic dairy trust that holds a strangle hold on the price of dairy products.

But the farmers should become better organized so that they may some day say, "It costs me so much to produce these products, and unless you pay me that price, you cannot have it." Yes, producer and consumer must eliminate these unnecessary middle men for the benefit of all concerned. [Applause.] Here the gavel fell.]

Mr. HOPE. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. LORD].

Mr. LORD. Mr. Chairman, some of the provisions of the pending bill may be good, but there are many with which I do not agree. I believe, with the gentleman from Nebraska [Mr. COFFEE], and the gentleman from Pennsylvania [Mr. KINZER], that the purchaser of a farm should have some financial interest in it and should provide some portion of the purchase money.

To my mind, we need more to purchase small tracts of 5 or 10 acres for the tenants. Many of them cannot operate a large farm but could a small one.

What I am most interested in and what I want to talk about in the brief time allotted to me is submarginal land that in volume of thousands and thousands of acres are being taken from the tax rolls of this country. Most of this land in my district is timber land. Twenty-five percent of the profit derived from these lands is returned to the counties where located, for highways and for schools, but there will be no income. The net result will be that the withdrawal of this land from the tax rolls will add just that much more to the burden of the farmers in the districts throughout my State, New York, and what applies in New York applies to all States. The State of New York buys land for reforestation at a cost of \$4 an acre. It is assessed for what it costs and pays the local rate of school and highway taxes; and I believe this bill should carry a similar provision, for just as soon as you take land out of taxation, take it off of the tax rolls, it adds a great deal more to the tax burden the remaining land must bear.

It is my intention to offer an amendment to correct this situation, and I hope it may have the support of this House. Some of this land the Government is buying costs as much as \$20 an acre. In some instances where there are wood-working factories, acid factories, and so forth, they are dismantling the factories, and tearing down dwellings, and this all goes off the tax rolls. It is planned to keep this land for years, I suppose, and let the timber continue to grow, but during all this time it will be out of taxation. It seems to me this creates an unfair situation, and I ask your support of the amendment I shall offer at the proper time.

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

Mr. DOXEY. Mr. Chairman, I yield 3 minutes to the gentleman from Georgia [Mr. TARVER].

Mr. HOPE. Mr. Chairman, I yield 3 minutes to the gentleman from Georgia [Mr. TARVER].

Mr. TARVER. Mr. Chairman, my only purpose in using this brief allotment of time is to endeavor to call to the attention of the House three amendments which I intend to offer when this bill is reached for consideration under the 5-minute rule, and which I intend to ask unanimous consent to have printed in the RECORD in connection with my remarks. It is manifestly impossible to discuss any of these amendments in the brief time I have at my disposal.

Two of my amendments, construed together, have for their objective the removal of a condition provided in this bill

which I think you will agree with me ought to be corrected: This bill as it is drawn and as I construe it would subject the equity of the borrower who might secure money for the purpose of purchasing a farm to levy and sale under civil process for the payment of debts. The amendments to which I have made reference undertake to provide that for a period of 5 years the equity or interest which the borrower may have in the land purchased shall not be subject to levy and sale under civil process without the consent of the Secretary of Agriculture. There are other objectives sought to be achieved by the amendments, but that is the principal one.

I think you will agree with me where a man has become overburdened with debt, perhaps, and is given a new chance by reason of the extension of the benefits provided by this legislation, and enters upon a farm purchased for him by the Government of the United States and manages to make some payments thereon, as a result of which he acquires an equity in the farm, we should not permit him to be sold out within a year or two after his equitable interest may have been acquired under processes in favor of creditors whose debts may have been existing at the time when the farm was purchased for him by the Government. We ought to give him at least 5 years in which to straighten out his affairs and we should provide that during the 5 years any interest or equity he may acquire in the land shall not be subject to levy or sale under civil process.

I understand it is insisted by some members of the committee that that matter would be taken care of by the homestead laws of the various States. That unfortunately is not true so far as my own State is concerned and I am satisfied it is not true with regard to many of the States of the Union. In my State a debtor may waive his homestead rights by written instrument executed for that purpose, except as to \$300 worth of household and kitchen furniture, wearing apparel, and provisions; therefore, under the terms of this bill and under the laws of my State a sharecropper or tenant, perhaps heavily involved, who might be given the opportunity provided by this bill and allowed to purchase a farm, could be sold out as far as his interest or equity in the farm is concerned at any time after it may have been acquired to satisfy the claim of any creditor holding an obligation of that kind which he may have reduced to judgment. It would be true, of course, that if the instrument taken by the Government were a trust deed, the amount of the Government's debt would first have to be tendered or paid by the creditor, but the farm could nevertheless be sold out from under a borrower who might be in good faith meeting all of his obligations to the Government.

The amendment also prohibits the assignment of the interest of the sharecropper or tenant not for a period of 20 years, but for a period of 5 years after his acquisition of the property, except by consent of the Secretary of Agriculture. It does not go as far as the amendment which has been proposed by the gentleman from Iowa [Mr. BIERMANN]. It does, however, afford to the sharecropper or tenant who may have been accorded the opportunity to buy a farm at least 5 years' protection from land sharks or speculators who possibly might inveigle him into parting with the interest which he may have acquired.

Mr. Chairman, I invite the membership of the House to read the language of the amendments which I have not discussed in detail, as they will appear in today's RECORD. I sincerely trust that after you have done so and have given to the subject matter the consideration which I feel it deserves you may feel justified in supporting them.

The amendments which I have referred to are, as follows:

Line 16, page 3, after the word "committee", insert "or any person related to such member within the fourth degree of consanguinity or affinity."

Page 4, line 1, after the words "shall be secured by", strike out the remainder of line 1 and line 2 and insert "instruments vesting the legal title to the farm in the Secretary of Agriculture for the use and benefit of the United States as its interests may appear, and the acquisition of title to such farm or of rights and interest therein by the borrower shall be strictly in accordance with the terms of the instruments executed in connection with such loan."

Page 5, line 3, after the word "payable", strike out the period and insert a colon and the following proviso:

"Provided, That the borrower shall not for a period of 5 years after the loan is granted, nor at any time until 25 percent of the loan has been repaid, have an assignable interest in the farm, unless the Secretary agrees that such an interest shall vest in him, nor shall he have any equitable or other interest subject to levy and sale under process in favor of creditors under the laws of any State for such period of 5 years."

No Member of this House is more deeply interested in this proposed legislation than I am, or will work more consistently for its passage, whether my amendments are adopted or not. I shall simply offer them because I feel that they will improve the bill. My first amendment relates to the provision in section 2 (c) that no county committee shall certify for purchase and sale to a tenant any farm in which any member of the committee has any property interest. My amendment broadens this so as to exclude from consideration farms owned by close relatives of the committeemen, and without it a committeeman might have the Government take over for sale to a tenant or sharecropper a farm owned by the committeeman's wife, brother, father, or other near relative. The propriety of so amplifying this restriction is clearly apparent. No committeeman should be allowed to profiteer for himself or family in carrying out his duties under this program.

The two amendments—one in line 1, page 4, and the other in line 3, page 5—are necessary if any restriction is to be imposed upon the alienation of the sharecropper's or tenant's equity in the farm bought for him, either by his voluntary act or by sale under civil process. Under the bill as drawn, the title to the land is to vest in the borrower, who may secure his loan by executing a mortgage "or" deed of trust. If he executes only a mortgage, there can be no question of the right of judgment creditors to sell his equity for the satisfaction of their debts. If he executes a deed of trust, under the laws of my State, such creditors could have levy made upon the land after first paying or tendering the amount due the Government. With either instrument it does not appear possible for the Government to prevent voluntary sale by the borrower of his equity, and the only restriction sought to be applied to such procedure is the right of the Secretary in such an event to declare the balance of the loan immediately due and payable. This would not interfere with a transaction in which the purchaser of the borrower's equity might be able and willing to pay the balance due the Government, and thus secure complete title. The temptation of a borrower who had been hard pressed all of his life if he found himself in possession of a farm which had increased in value since the Government's loan was made to him, or in which by his own payments he had acquired a substantial equity, to sell out, take a few hundred dollars profit, and rejoin the tenant class, might be overwhelming in many instances. Since the purpose of this bill is to seek to bring about the eradication of tenancy, and have the men who work the farms own the farms, it certainly seems to me that provision ought to be made for at least 5 years against alienation of the borrower's equity, either voluntarily or involuntarily. This I do not understand that we can do unless the title is placed in the Government when the Government furnishes the money to buy the farm. If that is done, then the Government may fix by contract with the borrower such restrictions as to the character of interest which may vest in him, and when it may grow to be of a type subject to alienation, as it feels are proper. The amendment on page 5 will therefore not be offered unless the amendment on page 4, providing for the acquisition of title by the Government, is agreed to. If that amendment is agreed to, there can be no doubt as to the validity of the restrictions sought to be imposed by the amendment on page 5.

It will be noted that the amendment on page 5 does not preclude alienation, either voluntary or involuntary, if the consent of the Secretary can be secured. That will insure proper consideration of cases where under unusual circumstances it might be proper to permit such alienation.

I have long been interested in the problem of the tenant farmer. I have heretofore been heard many times in his

behalf on this floor, in connection with farm legislation of various types. In my judgment, he usually gets the hot end of the poker in legislation proposed for farm relief. I do not think this bill will solve his problem. It is, however, a bona-fide, conscientious effort to start toward solving it, and so far as I am concerned, I shall support such a step, although it may go only a little way. The solution of that problem is essential to the welfare of our entire country.

Statistics have been placed in the record showing the growth of farm tenancy and share cropping to a point where 52 percent of the farmers of the United States are farming lands which in whole or in part are owned by others. This condition cannot continue and the agricultural population of the country remain, as it has always been, the backbone of American citizenship. Nowhere is the problem of greater importance than in my own State and in my own congressional district.

The importance of tenancy in the Seventh Congressional District in Georgia varies considerably from county to county, but it is relatively important throughout the area. Only about one-third of the farmers are tenants in Dade County while almost three-fourths of them are tenants in Bartow and Polk Counties.

The following table indicates the importance of tenancy in the Seventh Congressional District in Georgia. It shows the number of owners and tenants and the percentage of tenancy by counties for 1935.

Counties	All farm-ers	Owners	Tenants	Percent-age of tenancy
Bartow.....	2,373	710	1,655	69.7
Catoosa.....	1,182	571	610	51.6
Chattooga.....	1,450	512	930	64.1
Cobb.....	3,292	1,388	1,902	57.8
Dade.....	555	355	199	35.8
Douglas.....	1,423	539	884	62.1
Floyd.....	2,835	1,032	1,795	63.3
Gordon.....	2,632	996	1,633	61.3
Haralson.....	1,982	331	1,148	57.9
Murray.....	1,581	664	916	57.9
Paulding.....	2,088	860	1,227	58.8
Polk.....	1,933	590	1,338	69.2
Walker.....	2,616	1,402	1,203	46.0
Whitfield.....	2,031	984	1,044	51.4
Total.....	27,973	11,374	16,544	59.1

The following table shows the percentage of tenancy in the entire State of Georgia:

Year	Percentage of tenancy	Year	Percentage of tenancy
1880.....	44.9	1920.....	66.6
1890.....	53.5	1930.....	68.2
1900.....	59.9	1935.....	65.6
1910.....	65.6		

The increase in my State from 44.9 percent in 1880 to 65.6 percent in 1935 of farm tenancy should alarm every citizen who is really interested in agricultural welfare. It is with a grateful heart that I support the efforts now being made by this administration to at least make a start toward the solution of this problem.

Mr. HOPE. Mr. Chairman, I yield 10 minutes to the gentleman from Kentucky [Mr. ROBSION].

Mr. ROBSION of Kentucky. Mr. Chairman and colleagues, we have under consideration H. R. 7562, which purports to encourage and promote the ownership of farm homes, and for other purposes. I have enjoyed and feel that I have been greatly benefited by the speeches I have heard on this bill. Splendid speeches have been made by Mr. JONES, chairman of the Agriculture Committee; Mr. HOPE, the ranking Republican member; Mr. BANKHEAD, the Speaker of the House; Mr. WADSWORTH, of New York; Mr. LEMPKE, and others. All of these speeches have been free of partisan appeal and have been very informing.

The policy declared for in this bill—to make farm owners out of tenant farmers—is most appealing. Inasmuch as I was brought up as the son of a tenant farmer, it will be seen

at once how deeply interested and how sympathetic is my attitude toward this legislation.

The declared purpose is to aid the unfortunate and the meek and lowly. There are many wonderful men and women who, because the breaks were against them, have been forced to drag their lives out in poverty as tenant farmers. To my way of thinking, there is nothing that can add so much to create and maintain a fine, patriotic citizenship as for the citizens to own their own farms and homes.

According to the census reports, the total number of farms in the United States is 6,812,350. The average size of the farms is 154 acres, and the average value is a little less than \$5,000. There are 2,865,000 tenant farmers. It can be seen at once that almost half of the farms of the United States are being operated by tenant farmers or sharecroppers. The total farm population is approximately 32,000,000. Nearly 16,000,000 of these are made up of the tenant farmers and their families. It can be seen at once the bigness of the tenant-farm problem.

The platform of the Republican Party last year expressly declared in favor of farm-tenancy legislation, and the Democrats made similar promises. I am supporting this measure because of the principle involved and the policy declared.

LESS THAN A GESTURE

The thing that worries me, however, is the meager sum authorized to be appropriated. This bill carries no appropriation at all—it merely authorizes Congress in the future to appropriate \$10,000,000 for the fiscal year beginning July 1, 1937, \$25,000,000 for the fiscal year beginning July 1, 1938, and \$50,000,000 for the fiscal year beginning July 1, 1939. It authorizes the appropriation in all for the next 3 years of only \$85,000,000.

On first thought this appears to be a considerable sum, but if you should divide \$85,000,000 among 16,000,000 people it would allow to each one of them less than \$5.50, not taking anything out for overhead and the administration of the fund; or if you should divide it among a little less than 3,000,000 farm-tenant families it would give to each family less than \$30 over a period of 3 years, or an average of less than \$10 per year. It can be seen at once, so far as taking care of this big problem is concerned, this measure is less than a gesture.

There are approximately 3,300 counties in the United States. If we should divide the \$10,000,000 authorized to be appropriated for the fiscal year beginning July 1, 1937, and ending June 30, 1938, it would give in the neighborhood of \$3,000 of farm tenancy relief to each county in the United States. Of course, this bill sets up a new set of officeholders here in Washington and a committee consisting of three members in each county in the United States. It will add several thousand officeholders to the already overburdened taxpayers of the country, and if this group of officeholders handle these funds as other funds have been handled for the last few years, there will not be much left of the \$10,000,000 for the coming fiscal year with which to loan tenant farmers to buy farms.

It is assumed that on an average each farm will cost not less than \$3,000. If it costs as much as \$3,000, there could not be one farm bought on an average for one tenant farmer in each county, and therefore not more than one tenant farmer in each county, during the coming fiscal year, would have a chance to get one of these farms financed by the Government. That would mean one tenant farmer out of approximately 1,500 would have a chance to borrow part of this money and buy and equip a farm with it the first year, and the second year there would be on an average less than three farmers in each county that would have a chance to buy and equip a farm, and the third year there would not be over five farmers on an average to each county that would be able to borrow of this fund and buy and equip a farm; and for the 3 years there would be less than nine farmers on an average in each county in the United States that would be able to borrow of this fund to buy and equip a farm; or, in other words, if none of this money was eaten up by an

army of officeholders in the 3 years, these funds authorized in this bill would furnish \$3,000 to approximately 20,000 farm tenants and sharecroppers of the United States to buy and equip farms.

We must bear in mind, however, there are now 2,865,000 of such tenant farmers and sharecroppers. In other words, in this year, under this bill, if all the money was turned over for the purpose of loaning to tenant farmers and sharecroppers not less than \$3,000 each, it would only aid 1 out of every 143 tenant farmers and sharecroppers of the United States.

The Democrats promised the tenant farmers and sharecroppers that they were going to do something substantial for them. This bill, like other promises made by this administration during their campaign, proves that their platforms and campaign promises are made to run on.

Now let us see how this matter works out. Let us assume in Clay County, Ky., several hundred farm tenants make application for a loan under this bill. They must first find some fellow who is willing to sell his farm and get a title bond or some other written obligation from the owner of the land expressing the price to be paid. There will be a committee appointed by the authorities here in Washington for that county and every other county. The tenant farmers take their title bonds and turn them over to this county committee, and then this county committee goes out and examines these various tracts of land, and from all this number they could not select more than one for the coming fiscal year, and if they then approve one of the applications, this is sent to the Secretary of Agriculture at Washington, and he investigates the recommendation of the committee, and if he approves it, he will order an abstract of the title.

This whole procedure generally requires from 6 months to 2 years. It can be seen at once that perhaps not one tenant farmer, and it can be said without fear of successful contradiction, there will not be 200 tenant farmers in the United States in the next fiscal year that will have completed the transaction and be in possession of farms under this bill.

Yes; this bill is less than a gesture. It will be a great disappointment to the tenant farmers and sharecroppers of the Nation. I am supporting it because this is the only bill the administration has permitted to come up. I want my constituents and the country to know that I favor the policy of help to the worthy tenant farmers and sharecroppers who desire to improve their condition.

The Department of Agriculture will administer this bill. They have administered the resettlement law. They spent \$35,000,000 to resettle 3,500 families. This averaged \$10,000 per family. If the overhead in administering this measure is as high as in administering that, practically all of these funds will be swallowed up by overhead expenses.

To those who are sincerely interested in this problem this measure is a very grievous disappointment.

HIGH TAXES MAKING TENANT FARMERS

We have pointed out how few farm owners this legislation in its present form will make. The H. O. L. C. has been in operation for a comparatively short time. The Government has already foreclosed on 99,937 homes through loans made by that Corporation. More than 26 farms out of every thousand in this country changed hands in 1936 through foreclosures, bankruptcy, and delinquent tax sales. In other words, the owners of 178,483 farms, involving nearly 25,000,000 acres and with a value of more than \$860,000,000, changed hands in the year of 1936 on account of foreclosures, tax, and bankruptcy sales. It can be seen at once how inadequate the measure before us is. Under this bill we could not make more than 3,300 farm owners in the coming fiscal year, when, as a matter of fact, there will likely be sold through foreclosures, bankruptcy, and tax sales, more than 175,000 farms. It seems to me that we are saving at the spigot and losing at the bung hole.

I have before me a number of the weekly county newspapers of counties in my district. Page after page is filled with tax-sale advertisements of farms and homes for State,

county, city, and school taxes, several hundred in each county. And one of the editors comments on the fact that not a single owner was present to bid in his or her farm or home.

Of course, many of these are widows. People are becoming discouraged on account of the constant increase in taxes. The press announces that the State of Kentucky for State purposes will collect \$10,000,000 more this year than it ever collected in any other one year in its history. The Federal Government, the States, the counties, the cities, and the towns and other taxing districts continue to increase their taxes.

I pointed out the other day in a speech that approximately one-third of the income of the American people on the average was taken in taxes. I would not have any unit of the Government to neglect those things that are essential and necessary for the welfare of the people, but all units of the Government should avoid squandering and wasting the peoples' tax money.

Mr. ANDRESEN of Minnesota. Will the gentleman yield?

Mr. ROBSION of Kentucky. Not just now. We now have about 100,000 foreclosures of Government loans by the H. O. L. C., and I understand that before another year there will be, perhaps, 160,000 farm foreclosures by the Federal land banks and other credit agencies of the Government. We are making many times as many tenant farmers and tenant home owners as we can possibly make of farm and home owners under this bill. I now yield to the gentleman from Minnesota.

Mr. ANDRESEN of Minnesota. The argument the gentleman just made would indicate that in many instances tenants are better off than the men owning farms. I think the gentleman is right.

Mr. ROBSION of Kentucky. The tax burden is being increased. Taxes are increasing more and more, and perhaps the farm owners and home owners are becoming discouraged in their efforts to hold their farms and their homes. Let us help to make farm owners out of tenant farmers, but at the same time let us help those who have farms to hold their farms and keep them from becoming tenant farmers. [Applause.]

Mr. DOXEY. Mr. Chairman, I yield 3 minutes to the gentleman from Iowa [Mr. WEARIN].

Mr. WEARIN. Mr. Chairman, at the time the Committee on Agriculture was discussing the subject of tenancy I submitted a statement that was included in the hearings. Later, I addressed the House at some length concerning pending legislation in that field. I have also discussed the question under various circumstances in many parts of the country. I make this statement in explanation of my interest in the matter for a long time past.

There is no question that the country is expecting this Congress to pass tenancy legislation of some sort. As I have stated before, I prefer to call it land purchase and resale legislation rather than tenancy legislation. I believe the psychological effect of the term is better.

Tomorrow at the appropriate time when the bill is being read under the 5-minute rule I expect to offer an amendment myself, which will involve a principle I feel is fundamental, and which has been demonstrated as being such in other countries where they have attempted to deal with this problem. My amendment will incorporate in the pending bill a provision whereby the Secretary of Agriculture shall receive the land now owned by the Federal land banks and shall resell such property to tenant purchasers on a long-term-contract basis. The amendment will not be long, nor will it be complicated. It can be printed on one typewritten page. It has been before this House for a long time, because I have written the various Members upon at least two different occasions on the subject, and have discussed it before the House upon at least one occasion. The principle thereof is incorporated in my bill H. R. 5239.

I simply take this opportunity of calling the attention of the membership to the fact that at the appropriate time the amendment will be placed before the House and I will attempt to discuss it as extensively as time will permit under the 5-minute rule.

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

Mr. WEARIN. Yes.

Mr. ANDRESEN of Minnesota. Is the gentleman aware of the fact that the Federal land bank has in the past year sold two or three thousand farms to tenants in this country and has financed them?

Mr. WEARIN. I am fully aware of the fact the Federal land bank has sold a large number of farms to land purchasers who were financially able to buy them and to make down payments. However, I want to aid the tenants who are unable to qualify to that extent financially. They are the people who constitute the tenancy problem that we are trying to solve. [Applause.]

The amendment I propose to offer is as follows:

AMENDMENT TO TITLE IV, SECTION 41 (B)

(7) Acquire all real property in the United States that the Federal land banks now own outright without any redemption rights outstanding in former owners, which the said Federal land banks are hereby authorized and directed to transfer and convey to the Secretary of the Treasury, for which the said Federal land banks shall accept from the Secretary of the Treasury in exchange therefor Federal land bank stock of equal value. In the same manner the Secretary of Agriculture shall acquire within 6 months real property against which the Federal land banks at the time of the adoption of this act hold sheriff's certificates or judgments. For the purposes of such exchanges, the value of such real property shall be the "carrying value" as it appears on the books of the said Federal land banks on the last day of the month next preceding the adoption of this act; and the Federal land bank stock shall be valued at par. The Secretary of Agriculture shall acquire forthwith all real property so acquired by the Secretary of the Treasury: *Provided*, That the conveyance of such real property may be made under any procedure adopted by the Governor of the Farm Credit Administration, the Secretary of the Treasury, and the Secretary of Agriculture direct from the Federal land banks to the said Secretary of Agriculture without any intermediate transfer through the Secretary of the Treasury. The provisions of section 355 of the Revised Statutes as amended relating to restrictions on the acquisition of land by the United States shall not apply to such transfers and conveyances. The Secretary of Agriculture shall administer and dispose of such real property as hereinafter prescribed in this act.

Mr. DOXEY. Mr. Chairman, I yield the balance of my time to the distinguished gentleman from Alabama [Mr. SPARKMAN].

Mr. HOPE. Mr. Chairman, I yield the remainder of the time on this side to the gentleman from Alabama.

Mr. SPARKMAN. Mr. Chairman, for the first time since becoming a Member of this House I have asked for time to speak. I have done so now because the measure under consideration strikes so near to the heart of the district and section which I have the honor to represent and because it is of such importance to our entire Nation. I believe that no other legislation has had such a widespread demand. During the recent past the press everywhere has been pointing out the need for it. Editors and preachers, students and teachers, farm leaders, industrialists, businessmen—leaders in every walk and profession—sensing the great need have argued for it. The Nation-wide demand for farm-tenant legislation makes it imperative that this Congress enact it.

This great cry for farm-tenant legislation is not unnatural, artificial, or arbitrary. It is the natural outgrowth of land-tenure conditions that are approaching, if not already at, the danger point. I think it requires no argument to back up a statement that home ownership by farmers is highly desirable. Only in that way can we obtain stability of our social order. Widespread farm tenancy is always a threat—it is a cancer that slowly but surely eats into the vitals of a democracy and undermines its very life. It has reached that cancerous stage in the United States.

The farm census of 1935 showed that of the 2,865,000 tenant farmers of this Nation 34.2 percent of them were single year tenants. This means that in the State of Mississippi, which has the highest percentage of farm tenancy—70 percent—every year 24 percent of the people in the farm community move on to other farms. In my own State of Alabama with a 64.5 percent farm tenancy, 22 percent of the farmers change farms every year. And it means that in my own county of Madison—one of the greatest agricultural counties in the Southeast—where 72 percent of the

farms are run by tenants, one out of every four families in any farm community, assuming the average to hold, moves every year from farm to farm. The result is inevitable—run-down houses, ramshackle barns, broken-down fences, abused soil—erosion and waste of the worst kind. In this way our Nation is being despoiled of one of its greatest natural resources.

But as bad as are the erosion of the soil and the waste of the improvements, that is not the worst part of it. The worst feature lies in the lack of community consciousness and civic mindedness in the tenant himself. How can he feel any pride in his community—in its schools, its churches, its movements for community betterment? He cannot, nor can the community, hope for any permanence in any worthwhile program or stability in its institutions with one-fourth of its people moving every year and a great part of the others moving every 2 or 3 years.

From the farm census of 1935 we learned that there were 3,899,000 farm owners as compared with 2,865,000 farm tenants in the United States as a whole, or that a little more than 42 percent of our farmers were tenants, and that in the South, where tenancy ran highest, it reached 54 percent average, with the peak in Mississippi at 74 percent. In my own State, with an average of 64.5 percent, 13 counties have 75 percent or more of tenants. The percentage for Alabama, county by county, is shown by the following table:

	Number farms	Number tenants	Percent tenancy
Autauga.....	2,761	1,833	68.0
Baldwin.....	2,676	664	25.0
Barbour.....	3,691	2,785	75.0
Bibb.....	1,955	1,075	55.0
Blount.....	4,897	2,536	52.0
Bullock.....	3,100	2,574	83.0
Butler.....	3,857	2,540	64.0
Calhoun.....	3,289	2,054	62.0
Chambers.....	4,131	3,016	73.0
Cherokee.....	3,442	2,254	65.0
Chilton.....	3,978	2,237	56.0
Choctaw.....	3,104	1,825	59.0
Clarke.....	3,953	2,036	52.0
Clay.....	3,313	1,767	53.0
Cleburne.....	2,192	1,178	54.0
Coffee.....	4,273	3,170	74.0
Colbert.....	2,726	1,798	66.0
Conecuh.....	3,795	2,125	56.0
Coosa.....	1,998	1,127	56.0
Covington.....	4,218	2,623	62.0
Cranshaw.....	3,484	2,388	69.0
Cullman.....	7,376	3,737	51.0
Dale.....	2,946	1,844	63.0
Dallas.....	7,025	6,056	85.0
De Kalb.....	6,684	3,523	53.0
Elmore.....	4,549	2,925	64.0
Escambia.....	2,913	1,380	47.0
Etowah.....	4,182	2,455	59.0
Fayette.....	3,189	1,676	53.0
Franklin.....	3,741	2,179	58.0
Geneva.....	3,732	2,640	71.0
Greene.....	3,917	3,334	85.0
Hale.....	4,666	3,606	77.0
Henry.....	2,823	2,084	74.0
Houston.....	4,595	3,191	69.0
Jackson.....	5,517	3,250	59.0
Jefferson.....	6,491	3,349	52.0
Lamar.....	3,210	1,862	58.0
Lauderdale.....	5,170	3,150	61.0
Lawrence.....	4,855	3,408	70.0
Lee.....	3,301	2,440	74.0
Limestone.....	6,266	4,521	72.0
Lowndes.....	4,326	3,654	85.0
Macon.....	3,942	3,117	79.0
Madison.....	7,034	5,035	72.0
Marengo.....	6,412	4,986	78.0
Marion.....	4,345	2,438	56.0
Marshall.....	6,316	3,725	59.0
Mobile.....	1,905	450	24.0
Montgomery.....	4,182	2,744	66.0
Morgan.....	4,464	3,443	77.0
Perry.....	4,912	2,996	61.0
Pike.....	4,394	3,373	77.0
Pickens.....	4,490	3,137	70.0
Pike.....	3,699	2,890	78.0
Randolph.....	4,138	2,258	55.0
Russell.....	3,168	2,402	76.0
St. Clair.....	3,612	2,141	59.0
Shelby.....	2,728	1,487	55.0
Sumter.....	4,697	3,796	81.0
Talladega.....	4,255	2,921	69.0
Tallahassee.....	3,794	2,515	66.0
Tuscaloosa.....	5,297	3,102	59.0
Walker.....	4,700	2,035	43.0
Washington.....	1,580	549	35.0
Wilcox.....	4,554	3,644	80.0
Winston.....	2,554	1,166	46.0
Total.....	273,455	176,247	64.5

Mr. Chairman, I am proud of the district which I represent—the rich Tennessee Valley in north Alabama. It is composed of seven counties along the Tennessee River as it crosses Alabama—seven great agricultural counties with fertile soil and high production. But farm tenancy is a problem there as the following table shows:

County	Number farms	Number tenants	Percent tenancy
Colbert.....	2,726	1,798	66.0
Jackson.....	5,517	3,250	59.0
Lauderdale.....	5,170	3,180	61.0
Lawrence.....	4,855	3,408	70.0
Limestone.....	6,266	4,521	72.0
Madison.....	7,034	5,085	72.0
Morgan.....	4,912	2,996	61.0
Total.....	36,480	24,238	66.4

I submit, ladies and gentlemen, that such statistics indicate an alarming condition in our social order calling for remedial legislation. And it becomes even more alarming when we consider its growth. In 1880—the earliest date at which we have available information—the tenancy percentage was only 25.6. Today it is 42.1. How it has steadily increased is shown as follows:

Year	Percent tenancy
1880.....	25.6
1890.....	27.9
1900.....	35.3
1910.....	37.0
1920.....	38.1
1925.....	38.7
1930.....	42.4
1935.....	42.1

The problem as to the South cannot be explained away by the presence of the Negro, for from 1920 to 1935, while the number of Negro farm tenants in the Southern States decreased by 102,000, the white farm tenants during the same period increased by 148,000.

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

Mr. SPARKMAN. Yes.

Mr. MAHON of Texas. I may say on that point that less than 2 percent of the people in my district are Negroes and 61 percent of the farmers are tenants, which clearly shows this is not a Negro problem.

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

We are all more or less familiar with the land-tenure problem that vexed Ireland for so long a time. We recall how in 1867 it led to an open revolt which, although a failure, forced England to the enactment in 1870 of a land law for Irish farm tenants. At that time 97 percent of the Irish farmers were tenants and only 3 percent were owners. Since the enactment of that farm-tenant measure for Ireland there has been a steady shifting of those figures until today the figures are exactly reversed, with 97 percent land owners and 3 percent tenants.

Many people feel and some of them have said that the present measure outlines a program entirely too modest—that it would be better to postpone its consideration until a more adequate program could be initiated. I for one should have preferred a larger authorization and a wider program. But I am convinced that we must make a start. This measure is a start in the right direction. Farm tenancy is a problem that cannot be worked out in a year or a few years, nor can it be cured or covered by a single law enacted by this Congress. It will call for a program involving experiments, changes, amendments, patience, and years of work. Again turning to Ireland, the one law of 1870 did not work out the problem. As I recall, a new law was passed a few years later—1881—and others followed in 1885, 1888, 1891, 1896, 1903, 1909, and 1935—a long, changing, growing program, but one that has proved effective. I believe that we can expect a similar development in this country. I believe that it is time to start.

Personally, I wish to congratulate the Agriculture Committee of this House for reporting this bill out—for giving us something to start on. It is not all that I should wish.

I should like to see under title I a proving period—a time for testing and selecting the new owners—supervising them to be sure that they might be capable of becoming an owner; also I should like to see a method of assuring protection from land speculators and from the vicissitudes of land booms and depressions. But as I study this bill, aside from the part dealing with submarginal lands, I believe it will do three things that are badly needed:

First. It will check that ever upward swinging curve of farm-tenancy increase.

Second. It will encourage and enable new farm ownership, instilling into such new owners a feeling of pride, a new feeling of ownership in the soil, in the community, in the social order, in the Government.

Third. It will rehabilitate and give security to the tenant, at the same time giving protection to the landlord and to that priceless natural resource—the soil itself. Many a landlord, himself hard pressed to maintain his farm, in an effort to get enough cash from the crops to support himself and his tenants, sees his soil being stripped, powerless to put into effect a program of rotation and soil building crops without turning away his tenants with no means of support. They have both become the victims of an economic condition from which they cannot escape by themselves. Rehabilitation will give relief to the landlord as well as to the tenant whom he is now carrying.

The program is not entirely untried and uncharted. The Resettlement Administration, during the last 2 years, has bought and placed tenants on nearly a thousand farms—experimenting with this same thing and testing the size and value of the economical farm unit. These experiments have been carried on in 10 Southern States. The table speaks for itself:

State	Number of farms	Average acreage per farm	Average price per farm	Average price per acre
Alabama	87	131.6	\$2,499	\$21.86
Arkansas	117	61.0	1,985	32.51
Georgia	115	104.8	2,067	19.72
Louisiana	94	62.3	2,311	37.10
Mississippi	143	61.9	2,038	39.01
North Carolina	103	76.7	2,882	37.58
Oklahoma	55	84.6	4,869	57.55
South Carolina	60	111.0	3,144	28.31
Tennessee	73	69.4	2,236	32.20
Texas	121	94.7	4,408	41.23
Total	984	81.4	2,723	33.46

A break-down of these experiments in the 18 counties of my own State where these farms were bought shows the following:

County	Number of farms	Average acreage per farm	Average price per farm	Average price per acre
Autauga	1	120.0	\$3,000.00	\$25.00
Blount	3	85.3	1,509.54	17.69
Butler	7	136.4	2,628.57	19.26
Calhoun	3	68.3	2,706.62	39.63
Chambers	2	58.0	915.98	15.79
Chilton	2	137.2	2,812.74	20.50
Coffee	5	100.0	3,306.00	33.06
Covington	6	120.0	2,125.20	17.71
Crenshaw	3	86.7	2,650.00	30.58
Cullman	6	62.6	2,065.25	33.00
Dale	5	89.3	3,572.00	40.00
Dallas	10	86.3	1,378.42	15.97
Lowndes	15	173.3	1,667.47	9.62
Madison	7	76.6	4,284.93	55.96
Morgan	1	60.9	2,175.00	36.25
Pickers	2	57.6	1,725.00	30.00
Tuscaloosa	14	127.1	2,757.33	21.69
Walker	3	116.0	2,914.12	25.12

Now, Mr. Chairman, speaking very briefly concerning the rehabilitation feature, I have seen this program as carried on by the Resettlement Administration at work and can testify as to its effectiveness. I have seen it actually bring new life and new hope to men whom the depression years had left floundering, helpless, and hopeless. I have seen them absolutely down and out, and I have then seen them

become again self-respecting, self-supporting citizens of their communities. A carefully planned rehabilitation program can be most effective. In Alabama, as well as elsewhere, the Resettlement Administration has done a great work in this field, and here and now I wish to compliment that agency for it. The following table speaks eloquently and convincingly:

Rural rehabilitation—Alabama

	1935	1936	1937
Case load	13,250	13,461	12,633
Average loan	\$225.00	\$198.00	\$225
Average cash farm income	\$311.00	\$226.27	\$363
Net worth	\$3.03	\$67.97	\$362
Clients having:			
Mules or mares	13.0	14.8	81.37
Steers	87.0	85.2	18.63
Milk cows	47.5	63.1	79.1
Hogs	61.1	77.5	53.3
Brood sows	19.2	22.5	42.1
Hens	79.1	90.9	195.6
Total net worth	\$40,174.77	\$3,013,557.77	\$4,344,000

¹ Estimated.

Total increase net worth from 1935 to 1937, \$4,303,825.23

I cannot add to the arguments presented by the above figures, but I do wish to call your attention to the increase in net worth of each family from \$3.03 to \$362 in a period of 2 years, and also to the almost complete reversal of percentage of those using mules and those using steers from 1935 to 1937. In 1935 only 13 percent owned mules with which to make their crops, the other 87 percent using steers. In 1937 we find over 81 percent using mules and less than 19 percent using steers. The number of milk cows increased from less than one to every two families to nearly four to every five families. The number having hogs increased more than a third; the number having brood sows more than doubled, while nearly every family now keeps poultry.

Someone might be interested to know that of the loans in Alabama during 1936 totaling \$2,501,955.71, the amount of \$1,046,887 has been collected, representing a percentage of 65.82 collected.

Under this program the United States Government has been doing a real rehabilitation work among the farmers. In a way it has been relief, but the cheapest relief that the Government could give. Far better than mere relief, however, has been the rebuilding of human character, initiative, and community interest.

In conclusion I wish to quote from an editorial by Mr. J. L. Meeks, appearing May 27, 1937, in the Tri-Cities Daily of Sheffield, Ala., one of the papers of which he is editor and publisher, as follows:

The rising percentage over a period of years of farm tenancy surely tells us that this is no sudden problem. It has been growing in intensity until today it has become a sore spot on the body politic. We should have started seeking a solution 30 years ago. We did not. Certainly we must do so now * * *. Almost any kind of an initial program will be better than nothing * * *.

A sound, well-administered program to break up the downward trend in farm-home ownership must become one of the principal proposals of the Federal Government in the near future or within a few more years, the present downward spiral continuing, we will become a nation of princes and paupers and a nation of aristocrats and peasants. And none of us want that to happen, what with European experiences fresh in our mind or now before it.

The present measure is a start. I view it as only the beginning. I am happy to speak and vote for it, feeling that as time and experience show its good points and its defects we shall work out and develop an adequate farm-tenant program. [Applause.]

[Here the gavel fell.]

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

The Clerk read as follows:

Be it enacted, etc., That this act may be cited as the "Farm Security Act of 1937."

Mr. DOXEY. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the Chair, Mr. DRIVER, 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. 7562) to encourage and promote the ownership of farm homes and to make possession of such homes more secure, to provide for the general welfare of the United States, to provide additional credit facilities for agricultural development, and for other purposes, had come to no resolution thereon.

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES—MEXICAN CLAIMS COMMISSION

The SPEAKER laid before the House the following message from the President of the United States which was read, and, with the accompanying papers, referred to the Committee on Foreign Affairs:

To the Congress of the United States:

I transmit herewith a report by the Secretary of State recommending the enactment of legislation for the purposes described therein.

The recommendations of the Secretary of State have my approval, and I request the enactment of legislation for the purposes indicated, in order that the difficulty that has arisen in relation to the jurisdiction of the Special Mexican Claims Committee may be overcome.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, June 28, 1937.

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES—INTERNATIONAL LABOR ORGANIZATION

The SPEAKER laid before the House the following further message from the President of the United States which was read and, with the accompanying papers, referred to the Committee on Foreign Affairs:

To the Congress of the United States of America:

The Congress, by a joint resolution approved June 19, 1934, authorized me to accept membership for the Government of the United States in the International Labor Organization. Pursuant to that authorization I accepted such membership on behalf of the Government of the United States.

Representatives of this Government and of American employers and American labor attended the Twentieth Session of the International Labor Conference, held at Geneva June 4 to 24, 1936.

That Conference adopted three draft conventions and two recommendations, to wit:

The Draft Convention (no. 50) concerning the regulation of certain special systems of recruiting workers.

The Recommendation (no. 46) concerning the progressive elimination of recruiting,

The Draft Convention (no. 51) concerning the reduction of hours of work on public works,

The Draft Convention (no. 52) concerning annual holidays with pay,

The Recommendation (no. 47) concerning annual holidays with pay.

In becoming a member of the organization and subscribing to its constitution this Government accepted the following undertaking in regard to such draft conventions and recommendations:

Each of the members undertakes that it will, within the period of 1 year at most from the closing of the session of the conference, or if it is impossible owing to exceptional circumstances to do so within the period of 1 year, then at the earliest practicable moment and in no case later than 18 months from the closing of the session of the conference bring the recommendation or draft convention before the authority or authorities within whose competence the matter lies, for the enactment of legislation or other action. (Art. 19 (405), par. 5, Constitution of the International Labor Organization.)

In the case of a federal state, the power of which to enter into conventions on labor matters is subject to limitations, it shall be in the discretion of that government to treat a draft convention to which such limitations apply as a recommendation only, and the provisions of this article with respect to recommendations shall apply in such case. (Art. 19 (405), par. 9, Constitution of the International Labor Organization.)

In accordance with the foregoing undertaking, the above-named three draft conventions and two recommendations are herewith submitted to the Congress with the accompanying report of the Secretary of State and its enclosures, to which the attention of the Congress is invited.

I wish particularly to call to the attention of the Congress the draft convention (no. 51) concerning the reduction of hours of work on public works, and recommend that action be taken by the Congress on this draft convention at its earliest convenience.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, June 28, 1937.

CONFERENCE REPORT ON THE RELIEF BILL

Mr. WOODRUM. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tonight to file a conference report on the relief bill.

Mr. TABER. Mr. Speaker, reserving the right to object, is it the intention of the gentleman to bring up the conference report the first thing in the morning?

Mr. WOODRUM. Yes.

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

There was no objection.

THE LATE HONORABLE JOHN W. FISHBURNE

Mr. SMITH of Virginia. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

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

There was no objection.

Mr. SMITH of Virginia. Mr. Speaker, it becomes my sad privilege and duty to announce the death of a former Member of this House from Virginia. The Honorable John W. Fishburne, of Charlottesville, Va., departed this life on the 25th instant. He was a Member of the Seventy-second Congress and served here with distinction. He is well known to many Members of the Seventy-fifth Congress who served with him in the Seventy-second Congress. He was beloved by them, and I know they will all join with me in mourning his departure.

EXTENSION OF REMARKS

Mr. SPARKMAN. Mr. Speaker, I ask unanimous consent to include in an extension of my remarks certain tables referred to therein, and also a very short excerpt from an editorial relating to the pending bill.

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

There was no objection.

Mr. MAHON of Texas. Mr. Speaker, I ask unanimous consent to extend the remarks which I made today in discussing the rule on the pending bill and to insert in connection therewith certain amendments which I expect to offer to the bill when it is considered under the 5-minute rule.

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

There was no objection.

CONTROL AND ERADICATION OF INSECT PESTS

Mr. MARTIN of Colorado. Mr. Speaker, I ask unanimous consent to proceed for 2 minutes in order that I may acquaint the House with an insect-pest emergency existing in the West.

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

There was no objection.

GRASSHOPPER PLAGUE IN THE WEST

Mr. MARTIN of Colorado. Mr. Speaker, on April 6, 1937, the President approved a joint resolution authorizing the

sum of \$2,000,000 to be made available annually for the purpose of control and eradication of insect pests. On April 27, 1937, the President approved a joint resolution, being House Joint Resolution 319, appropriating \$1,000,000 for this purpose. This appropriation has been completely exhausted, and now I am advised by agricultural extension agents that the grasshopper situation is getting out of control in the West.

The Senate has added an amendment to the work-relief bill, which included the eradication of insect pests and minor miscellaneous work projects, but that money will be available for labor only and not for poison mix.

To meet this situation, there being no money whatever available now, the \$1,000,000 having been expended, as a last resource today I introduced a resolution appropriating another \$1,000,000 for this very necessary work, and I sincerely hope that favorable action may immediately be had on the resolution.

In support of the resolution which I have just introduced, I may cite the fact, as stated in the Appropriations Committee report on H. J. Res. 319, that the authorization carried in the resolution of April 6, 1937, was based upon the Budget estimate theretofore submitted to Congress by the President, with his approval, and that the sum of \$2,000,000 recommended was solely for the control and eradication of grasshoppers. The joint resolution as passed included Mormon crickets and chinch bugs, but the point I make is that the Budget estimate was for grasshoppers only and it was estimated that \$2,000,000 would be required. One million dollars was appropriated. I regret very much indeed that recent developments have borne out the Budget estimate. The exhaustion of the \$1,000,000 in 60 days speaks for itself.

The Bureau of Entomology advises me that Arkansas, Oklahoma, Montana, Colorado, South Dakota, and Wyoming are badly infested and that North Dakota, Nebraska, and Kansas and other States are in line for invasion.

The agricultural-extension agent in Colorado wires me that 4,000 square miles in that State are badly infested and in a telegram dated June 26 he said they would take wing in about 10 days. He says, and I quote—

The situation is getting out of control because of inadequate supplies and is very discouraging to farmers who have fought so vigorously and effectively to date.

He fairly begs for additional mixture and the Bureau of Entomology says there is no money to furnish it. A farmer who is running a mixing station in the infested area graphically describes the situation as follows—

The "oppers are so thick that honestly the whole face of the earth seems to be moving when they are on the move.

And this means that they are only crawling at an estimated rate of 2½ miles per day. When they take wing there is no telling where they will go, so interest in the campaign of extermination is by no means limited to the present infested area, of which there is more than 4,000 square miles in southeastern Colorado, as against 700 square miles in any prior invasion.

The committee report accompanying House Joint Resolution 319 stated that "the campaign contemplates the States affected, the survey indicating possibility of parts of 24 States being involved." This robs the situation of the aspect of a merely local threat.

Mr. Speaker, I have contacted in the last 2 or 3 days every agency of relief with the result that apparently there is no relief except the appropriation of the additional \$1,000,000 recommended by the Director of the Budget, an amount which, expended at this time, may save several times that amount in crop losses, not only in the infested areas but in adjacent sections which will shortly be invaded unless these pests are exterminated on the ground. I strongly urge immediate and favorable consideration of my resolution, not on my account, but on account of the distressed farmers and communities which have lost so much through drought the past 4 or 5 years.

EXTENSION OF REMARKS

Mr. DIMOND. Mr. Speaker, I ask unanimous consent to extend the remarks I made today with respect to H. R. 5860.

The SPEAKER. Is there objection?

There was no objection.

Mr. HOPE. Mr. Speaker, I ask unanimous consent to extend the remarks I made this afternoon on the farm-tenancy bill and to include certain statistical tables.

The SPEAKER. Is there objection?

There was no objection.

Mr. WEARIN. Mr. Speaker, I ask unanimous consent to extend my remarks and to include therein an amendment I expect to offer tomorrow.

The SPEAKER. Is there objection?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. BUCKLER of Minnesota, on account of illness.

HOUR OF MEETING TOMORROW

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 11 o'clock a. m. tomorrow.

The SPEAKER. Is there objection?

Mr. TABER. Mr. Speaker, I reserve the right to object. Is it contemplated that we go on with this bill at that time or take up a conference report?

Mr. RAYBURN. It had been the thought to take up the conference report, and that is the reason for asking that we meet at that hour.

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

There was no objection.

EXTENSION OF REMARKS

Mr. DOXEY. Mr. Speaker, during the course of the general debate on the bill this afternoon in Committee of the Whole, our beloved and distinguished Speaker in the course of his remarks referred to some statistics which he expected to place in the RECORD as a portion of his remarks. During my discussion of the same bill I referred to some statistics. I did not have time to go into the details, but stated that if they were the same statistics to which the Speaker referred I would not ask to have mine made a part of my remarks. The statistics I have in mind are a break-down of the tenancy problem with reference to various States, showing the number of farmers in each State, the number of tenants and owners, and so forth, which are different from those which the Speaker intends to include within his remarks. Therefore I ask unanimous consent to include in my remarks certain statistics. I understand the Speaker had in mind statistics in reference to regional matters.

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

There was no objection.

SENATE BILLS AND JOINT RESOLUTION REFERRED

Bills and a joint resolution of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred, as follows:

S. 2661. An act granting the consent of Congress to a compact entered into by the States of Maine and New Hampshire for the creation of the Maine-New Hampshire Interstate Bridge Authority; to the Committee on Interstate and Foreign Commerce.

S. 2662. An act authorizing the Maine-New Hampshire Interstate Bridge Authority to construct, maintain, and operate a toll bridge across the Piscataqua River at or near Portsmouth, State of New Hampshire; to the Committee on Interstate and Foreign Commerce.

S. 2681. An act to authorize the construction of the Colorado-Big Thompson project as a Federal reclamation project; to the Committee on Irrigation and Reclamation.

S. J. Res. 164. Joint resolution to amend the joint resolution establishing the George Rogers Clark Sesquicentennial Commission, approved May 23, 1928, as amended; to the Committee on the Library.

ADJOURNMENT

Mr. DOXEY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 52 minutes p. m.), in accordance with the order heretofore adopted, the House adjourned until tomorrow, Tuesday, June 29, 1937, at 11 o'clock a. m.

COMMITTEE HEARINGS

COMMITTEE ON MERCHANT MARINE AND FISHERIES

The Committee on Merchant Marine and Fisheries will hold a public hearing in room 219, House Office Building, Washington, D. C., Tuesday, June 29, 1937, at 10 a. m., on H. R. 6039 and H. R. 7309, known as the "Fishery Credit Act" bills.

COMMITTEE ON MILITARY AFFAIRS

The Committee on Military Affairs will meet at 10:30 a. m., Tuesday, June 29, 1937, for the consideration of H. R. 7494, to amend the act entitled "An act to amend the act entitled 'An act authorizing the conservation, production, and exploitation of helium gas, a mineral resource pertaining to the national defense and to the development of commercial aeronautics, and for other purposes.'"

COMMITTEE ON NAVAL AFFAIRS

Open hearing will be held before the full Committee on Naval Affairs at 10:30 a. m. on Tuesday, June 29, 1937, to consider H. R. 7216, assignment of officers for duty under the Department of Commerce. Important.

COMMITTEE ON THE DISPOSITION OF EXECUTIVE PAPERS

The Committee on the Disposition of Executive Papers will hold a public hearing in room 246, known as the Civil Service Committee room, in the House Office Building, at 10:30 a. m., Thursday, July 1, 1937, on H. R. 7504, to provide for the disposition of certain records of the United States Government.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

The Committee on Merchant Marine and Fisheries will hold a public hearing in room 219, House Office Building, Wednesday, July 7, 1937, at 10 a. m., on H. R. 7158, to exempt yachts, tugs, towboats, and unrigged vessels from certain provisions of the act of June 25, 1936, as amended.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

There will be a meeting of the Committee on Interstate and Foreign Commerce at 10 a. m., Wednesday, July 7, 1937, on H. R. 5182 and H. R. 6917—textile bills.

COMMITTEE ON IRRIGATION AND RECLAMATION

There will be a meeting of the Committee on Irrigation and Reclamation in room 128, House Office Building, at 10 a. m., Wednesday, June 30, 1937, for the consideration of S. 2681, to authorize the construction of the Grand Lake-Big Thompson Transmountain water-diversion project as a Federal reclamation project, and H. R. 7680, to authorize appropriations for the construction of the Arch Hurley Conservancy District in New Mexico.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

682. A letter from the Assistant Administrator, Federal Emergency Administration of Public Works, transmitting draft of a proposed bill for the relief of Virgil D. Alden; to the Committee on Claims.

683. A letter from the Acting Secretary of Commerce, transmitting draft of a proposed bill with reference to the exchange of two lighthouses in the Territory of Hawaii; to the Committee on Merchant Marine and Fisheries.

684. A communication from the President of the United States, transmitting draft of a proposed provision pertaining to an existing appropriation of the National Capital Park and Planning Commission for the fiscal year 1937 (H. Doc. No. 274); to the Committee on Appropriations.

685. A communication from the President of the United States, transmitting deficiency estimates of appropriations for the fiscal year 1932 and prior years in the sum of \$756.61, and a supplemental estimate of appropriation for the fiscal years 1936-38 in the sum of \$85,000, amounting in all to \$85,756.61, and two drafts of proposed provisions pertaining to existing appropriations, for the Department of Justice (H. Doc. No. 273); to the Committee on Appropriations and ordered to be printed.

686. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated June 17, 1937, submitting a report, together with accompanying papers and illustrations, on a preliminary examination and survey of Bayous La Loutre, Saint Malo, and Yscloskey, La., authorized by the River and Harbor Act approved August 30, 1935 (H. Doc. No. 275); to the Committee on Rivers and Harbors and ordered to be printed, with illustrations.

687. A communication from the President of the United States, transmitting an estimate of appropriation for the Civilian Conservation Corps for the fiscal year 1938, amounting to \$350,000,000 (H. Doc. No. 276); to the Committee on Appropriations and ordered to be printed.

688. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the railroad retirement account, Railroad Retirement Board, amounting to \$99,880,000 (H. Doc. No. 277); to the Committee on Appropriations and ordered to be printed.

689. A letter from the Acting Secretary of the Interior, transmitting a copy of legislation passed by the Municipal Council of St. Thomas and St. John, and approved by the Governor of the Virgin Islands; to the Committee on Insular Affairs.

690. A letter from the Acting Secretary of the Treasury, transmitting a draft of a proposed bill to amend the Adjusted Compensation Payment Act, 1936, as amended; to the Committee on Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. HILL of Washington: Committee on the Public Lands. H. R. 3866. A bill to add certain lands to the Columbia National Forest in the State of Washington; with amendment (Rept. No. 1113). Referred to the Committee of the Whole House on the state of the Union.

Mr. DEROUEN: Committee on the Public Lands. H. R. 5593. A bill to provide for the addition or additions of certain lands to the Fort Donelson National Military Park in the State of Tennessee, and for other purposes; without amendment (Rept. No. 1114). Referred to the Committee of the Whole House on the state of the Union.

Mr. VOORHIS: Committee on the Public Lands. H. R. 5685. A bill to facilitate the control of soil erosion and flood damage originating upon lands within the exterior boundaries of the Angeles National Forest in the State of California; with amendment (Rept. No. 1115). Referred to the Committee of the Whole House on the state of the Union.

Mr. DEROUEN: Committee on the Public Lands. H. R. 7086. A bill to direct the Secretary of the Interior to notify the State of Virginia that the United States assumes police jurisdiction over the lands embraced within the Shenandoah National Park, and for other purposes; with amendment (Rept. No. 1116). Referred to the Committee of the Whole House on the state of the Union.

Mr. DEROUEN: Committee on the Public Lands. H. R. 7487. A bill to establish the San Juan National Monument, P. R., and for other purposes; without amendment (Rept.

by said the Omaha-Council Bluffs Missouri River Bridge Board of Trustees until all terms of the proposed acquisition and purchase of any such bridge shall have been approved by the Highway Departments of the States of Iowa and Nebraska. The construction of no competing bridge shall hereafter be authorized, the operation of which will adversely affect such outstanding bonds, unless provision is otherwise made for the payment thereof: *Provided further*, That the rates of toll to be charged for transit over bridges operated by said board shall at all times be subject to regulation by the Secretary of War under the authority contained in the act of March 23, 1906.

"Sec. 4. That either the State of Nebraska and the State of Iowa, separately or jointly, or the cities of Omaha and Council Bluffs, separately or jointly, or the counties of Douglas, Nebr., and Pottawattamie, Iowa, separately or jointly, may at any time acquire and take over all right, title, and interest in all of the bridges, including approaches, and including any interest in real property necessary therefor, then owned and operated by said board. It shall not be necessary to condemn or expropriate such property, but the said the Omaha-Council Bluffs Missouri River Bridge Board of Trustees, its legal representatives and assigns, shall deliver same by proper instrument of conveyance; and no damages or compensation whatsoever shall be allowed for any such right, title, and interest, but such conveyance shall be made and taken subject to the bonds, debentures, or other instruments of indebtedness of said board then outstanding, including accrued interest thereon. Such instrument of conveyance shall be executed and delivered within a period of 30 days after a written notice of such intention to take over such property.

"Sec. 5. That in addition to the powers granted by said act of 1930, as extended, said the Omaha-Council Bluffs Missouri River Bridge Board of Trustees, its legal representatives and assigns, are hereby granted power and authority to acquire, condemn, occupy, and possess and use real estate and other property acquired for or devoted to a public use for park or other purposes by the State of Nebraska or the State of Iowa, or any governmental or political subdivision thereof, or any person or corporation which real estate or other property may be required for the location, construction, operation, and maintenance of such bridge and its approaches and highways leading thereto, upon making just compensation therefor, to be ascertained and paid according to the laws of such State, and the proceedings therefor shall be the same as in condemnation or expropriation of property for public purposes in such State.

"Sec. 6. Said bridge may be constructed with the aid of any Federal funds appropriated and apportioned to the States of Iowa and Nebraska, or either of them, for expenditure under the Federal Highway Act, as amended and supplemented, and the limitations of such act, as amended and supplemented, relating to the construction of toll bridges with Federal funds, and the use of tolls controlled for transit over bridges so constructed and operated shall not be applicable to the tolls authorized to be charged under the provision of this act.

"Sec. 7. The right to alter, amend, or repeal this act is hereby expressly reserved."

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill was laid on the table.

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

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

There was no objection.

Mr. WEARIN. Mr. Speaker and Members of the House, it was of the utmost importance that the House of Representatives consider the bill now before Congress extending the right of franchise for the building of a free bridge between Council Bluffs, Iowa, and Omaha, Nebr. It has been a great pleasure to cooperate with Senator EDWARD R. BURKE, of Nebraska, and Congressman McLAUGHLIN, as well as the two mayors of the cities interested, the Governor of Nebraska, the chairman of the present bridge board, Mr. Henry Kieser, and all interested parties in bringing this matter to a successful conclusion. It was my pleasure to introduce and obtain passage of an extension of the same franchise at one of the earlier sessions of Congress of which I was a Member.

It is very fine indeed that all groups in the two cities of Council Bluffs and Omaha have united in an agreement under which they can proceed toward the construction of a bridge, and I believe that the erection of such a structure is nearer to a realization today than it has been for many years.

As has already been explained, the necessity for haste with reference to the pending bill is due to the fact that unless it

passes this House, in addition to the approval that has already been given to the bill in the Senate, we will be unable to utilize certain Federal funds now available in the State of Nebraska. The fact that the legislation will have practically completed its passage through Congress upon its approval here today will indicate definitely to the authorities now in charge of the funds that the franchise is to be extended. The cooperation of the Speaker of the House [Mr. BANKHEAD] and the Members with reference to this particular matter is, I am sure, greatly appreciated by the citizens of Council Bluffs and southwest Iowa, whom I represent.

EXTENSION OF REMARKS

Mr. BEITER. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Record.

The SPEAKER. Is there objection?

There was no objection.

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

The SPEAKER. Is there objection?

There was no objection.

Mr. LAMBERTSON. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record, and to include therein the statement of Mr. Donald Richberg before the Joint Labor Committee on Wages and Hours.

The SPEAKER. Is there objection?

There was no objection.

Mr. HILDEBRANDT. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Record.

The SPEAKER. Is there objection?

There was no objection.

FARM-TENANCY BILL

Mr. JONES. 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. 7562) to encourage and promote the ownership of farm homes and to make the possession of such homes more secure, to provide for the general welfare of the United States, to provide additional credit facilities for agricultural development, 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. 7562, with Mr. DRIVER in the chair.

The Clerk read the title of the bill.

Mr. BOILEAU. Mr. Chairman, I understand that the first section of the bill has been read.

The CHAIRMAN. The first paragraph of the bill has been read.

Mr. BOILEAU. Is it proper to offer an amendment at this time?

The CHAIRMAN. An amendment is in order at this time if it is germane.

Mr. BOILEAU. Mr. Chairman, I offer the following amendment, which I send to the desk.

The CHAIRMAN. The Clerk will report the amendment. The Clerk proceeded to report the amendment.

Mr. BOILEAU (interrupting the reading). Mr. Chairman, I ask unanimous consent that the further reading of the amendment be dispensed with—it is rather long—and that it be printed in the Record at this point.

Mr. JONES. Mr. Chairman, I reserve all points of order on the amendment, and ask the gentleman to explain the amendment before making the point of order.

The CHAIRMAN. The gentleman asks unanimous consent that the further reading of the amendment be dispensed with and that it be printed in the Record at this point? Is there objection?

There was no objection.

The CHAIRMAN. The gentleman from Texas reserves all points of order against the amendment.

The amendment referred to is as follows:

Substitute amendment offered by Mr. BOILEAU: Page 1, line 3, strike out all of section 1 and insert in lieu thereof the following:

"That this act may be cited as the 'Farmers' Security Act of 1937.'

"TITLE I—FARM TENANT PROVISIONS

"SECTION 1. (a) There is hereby established a corporation to be known as the Farmers' Security Corporation (hereinafter in this act referred to as the Corporation), which is hereby declared to be an agency and instrumentality of the United States. The principal office of the Corporation shall be located in the District of Columbia. The management of the Corporation shall be vested in a board of directors composed of five members, not less than two of whom, at the time of their appointment, are farm tenants or sharecroppers. The directors shall be appointed by the President, by and with the advice and consent of the Senate. Each director shall receive a salary at the rate of \$7,500, together with actual necessary traveling and subsistence expenses when engaged in the business of the Corporation outside of the District of Columbia, and shall hold office for a term of 5 years, except that (1) any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term, and (2) the term of office of the members first taking office after the date of the enactment of this act shall expire as designated by the President at the time of appointment, one at the end of 1 year, one at the end of 2 years, one at the end of 3 years, one at the end of 4 years, and one at the end of 5 years after the date of the enactment of this act. In submitting the names of such nominees to the Senate for confirmation, the President shall certify that, in his opinion, each of such persons has demonstrated that he will exert every effort to improve the status of those who qualify for loans or grants under the provisions of this act and is in sympathy with the efforts of farm tenants, farm laborers, and sharecroppers to become farm owners. Before the President submits the names of nominees for membership on the board of directors of the Corporation, he shall give a reasonable opportunity to the national representatives of the various organizations composed primarily of farm tenants or sharecroppers to recommend persons for such positions. The Corporation shall annually make a full report of its activities to the President of the Senate and the Speaker of the House of Representatives, who shall cause the same to be printed for the information of the Congress.

"(b) The board of directors shall have power (1) to select from its members a chairman and a vice chairman; (2) to determine and prescribe the manner in which the obligations and expenses of the Corporation shall be incurred, allowed, and paid; and (3) to adopt such bylaws and to promulgate such rules and regulations, not inconsistent with the provisions of this act, as may be necessary or convenient for the proper conduct of the affairs of the Corporation or to carry out the purposes of this act.

"(c) The capital of the Corporation shall be in the sum of \$500,000,000, subscribed by the United States of America, payment for which shall be subject to call, in whole or in part, by the board of directors of the Corporation. The Corporation shall issue to the Secretary of the Treasury receipts for payments for such stock subscriptions and such receipts shall evidence the stock ownership of the United States. There is authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, a sum not in excess of \$500,000,000 for the purpose of subscription to the capital stock of the Corporation. In addition, there is authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, for each year succeeding the first fiscal year for which an appropriation is made under the preceding sentence, such sums as may be necessary to carry out the purposes of this act, and the sums appropriated in pursuance of this authorization shall be available to the Corporation for the purposes of this act.

"(d) The Corporation, including its property, franchise, capital, reserves, surplus, and other funds, and its loans and income, shall be exempt from all taxation now or hereafter imposed by the United States, by any Territory, dependency, or possession thereof, or by any State, county, municipal, or other local taxing authority, except as hereinafter provided. Mortgages, notes, and other lien and credit instruments executed to, or held by, the Corporation and any obligation issued or executed by it shall be deemed and held to be instrumentalities of the United States. The Corporation, when designated for that purpose by the Secretary of the Treasury, shall be a depository of public money, except receipts from customs, under such regulations as may be prescribed by said Secretary; and may also be employed as a financial agent of the Government; and shall perform all such reasonable duties, as depository of public money and financial agent of the Government, as may be required of it. The Corporation may also function as an agent of the United States with respect to lands in the public domain to the extent and in the manner prescribed by the Secretary of the Interior, or by the Commissioner of the General Land Office with the approval of the Secretary of the Interior. The Corporation, with the consent of any board, commission, independent establishment, or executive department of the Government, may avail itself of the use of information, services, facilities, officers, agents, and employees thereof in carrying out the provisions of this act.

"(e) The Corporation shall have power to employ, to fix the compensation, and to prescribe the powers and duties of such officers, examiners, attorneys, other experts, and employees and agents as may be necessary to carry out the powers and duties conferred upon the Corporation by this act, to require bonds of them and

fix the penalties thereof. The Corporation shall be entitled to the free use of the United States mails for its official business in the same manner as the executive departments of the Government.

"(f) All books, records, and accounts of the Corporation and of all county committees shall be open for inspection, under such regulations as the Corporation may prescribe, by any officer of the Corporation or any member of a county committee, or by any person who has applied for or received assistance under this act.

"(g) The Comptroller General of the United States is hereby authorized and directed to audit at least once each governmental fiscal year, and at such other times as he may prescribe, the books, records, and accounts of the Corporation. Such audit shall be for the sole purpose of making a report to the President of the United States and the Congress, together with such recommendations thereon as the Comptroller General deems advisable.

"Sec. 2. The Corporation shall have the power, and it shall be its duty, to establish, and to assist in the establishment of, farms and farm homes, for the purpose of encouraging the ownership of farm homes and improving the situation of farm tenants, sharecroppers, and farm laborers.

"ACQUISITION AND IMPROVEMENT OF PROPERTY

"Sec. 3. The Corporation shall have power, in order to carry out the purposes of section 2, to—

"(a) Acquire by purchase, gift, devise, condemnation, or by transfer from any agency of the United States or from any State, Territory, or political subdivision, real property, and options to purchase real property, suitable for use for farming and for farm homes. Real property may be acquired subject to any reservations, outstanding estates, interests, easements, or other encumbrances which the Corporation determines will not interfere with the utilization of such property for the purposes of this title.

"(b) Construct and maintain necessary buildings and improvements on property acquired under this section. No building shall be constructed under this subsection unless the county committee has certified to the Corporation the necessity therefor and has approved the type of building and the amount proposed to be expended for the construction thereof.

"(c) Improve, develop, maintain, and insure property acquired under this section.

"COUNTY COMMITTEES AND LAND PURCHASE

"Sec. 4. The county committee established under section 32 shall—

"(a) Receive applications of persons desiring to sell real property in the county to the Corporation for the purposes of this title.

"(b) Make inquiries in the county as to real property which may be suitable and available in such county for purchase for the purposes of this title.

"(c) Examine and appraise real property in the county when required by the Corporation or with respect to which application to sell is made.

"If the committee determines that any such real property in the county is of such character that there is a reasonable likelihood that its purchase and lease would carry out the purposes of this title, it shall so certify to the Corporation and it shall certify the amount which the committee finds is a reasonable purchase price, taking into consideration land values in the county. No real property shall be purchased by the Corporation unless certified by the county committee in which such real property is situated, nor shall the Corporation pay for any such real property an amount in excess of its value as so certified by the county committee. No certification shall be made with respect to land in which any member of the committee has any property interest, direct or indirect.

"ELIGIBLE BENEFICIARIES

"Sec. 5. (a) Only farm tenants, farm laborers, sharecroppers, and other individuals who obtain, or who recently obtained, the major portion of their income from farming operations shall be eligible individually or cooperatively to receive the benefits of this title; but no such person shall be eligible if his income is sufficient to maintain his family, pay operating expenses and taxes on and maintain property owned by him, and discharge the interest and principal payments on any indebtedness secured by such property. In making available the benefits of this title, the Corporation shall give preference to persons who are married or who have dependent families, and who are most in need.

"(b) The recommendations of prospective lessees by the county committee provided for in section 32 shall be considered in selecting lessees of land within that county, and no lease of land shall be made in a county to any person until the county committee has had an opportunity to report its opinion with respect to the ability of such person to carry out undertakings which may be required of him under this title. The county committee established under section 32 shall make inquiries in the county as to prospective lessees who are eligible to receive the benefits of this title and shall receive applications of prospective lessees. If the committee finds that any person is so eligible and that such person by reason of his character, ability, and experience is likely successfully to carry out undertakings required of him under a lease which may be made under this title, it shall so certify to the Corporation. No lease of any land in the county shall be made under this title to any person unless such person has been so certified by the county committee.

LEASES TO TENANTS

"SEC. 6. (a) The Corporation shall lease farms acquired by it under this title to persons or cooperatives eligible for its benefits.

"(b) Farms leased shall be of such size as the county committee with the approval of the Corporation determines to be sufficient to constitute an efficient farm-management unit and to enable one or more diligent farm families, either individually or cooperatively, to carry on farming of a type which the county committee deems can be successfully carried on in the locality in which the farm is situated, which gives reasonable indication of providing minimum standards of health and decency for such family or families as established by the Bureau of Home Economics of the Department of Agriculture or other Government agencies.

"(c) Each lease shall be for a term not in excess of 5 years, and the Corporation may renew any such lease for a term not in excess of 5 years.

"(d) The lease shall provide for payments which the Corporation determines to be fair and reasonable, and such payments shall not be in excess of the prevailing rentals in the locality in which the farm is situated as certified by the county committee. No lease shall prohibit the prepayment of any sum due under it.

"(e) The lease shall provide that the lessee will conform to such requirements as the Corporation shall prescribe in order that the property may be maintained in repair, and waste and exhaustion of the farm prevented.

"(f) The lease shall provide for its termination upon default of any obligation thereunder or upon assignment, without the consent of the Corporation, by the lessee of this interest.

"(g) The Corporation shall have power to prescribe such additional terms (not inconsistent with this title) in the lease as it deems necessary to carry out the provisions of this title.

"(h) Amounts paid under subsection (d), diminished by such amounts as the Corporation determines are necessary to reimburse it for insurance paid on the farm and for amounts paid under section 13 with respect to the farm, shall be applied to the purchase price of the farm if the Corporation enters into a contract for the purchase of the farm by the lessee.

"LESSEE PARTICIPATION

"SEC. 7. (a) Wherever practicable, in the administration of this title, the prospective lessee shall be consulted respecting the farm which is to be made available to him and respecting the construction, remodeling, extension, or repair of any building on the farm.

"(b) No building shall be constructed, remodeled, extended, or repaired by the Corporation on any farm during the period during which a lease is in effect unless with the consent of the lessee.

"PURCHASE BY LESSEE

"SEC. 8. (a) The Corporation is authorized, at any time not later than the termination of the lease, to enter into a contract with the lessee under which the lessee agrees to purchase the farm and pay the price agreed upon (minus amounts applied to such price in pursuance of section 6 (h)). The term of each such contract shall be 40 years from the time of the making of the contract. The term of any such contract may be extended in the case of a purchaser who has not paid the entire amount due by reason of the provisions for reduced payments of subsection (b) if the purchaser is not in default on any other provision of the contract. The extension in such case shall be for such period as the Corporation determines will be necessary to enable the purchaser to pay the amount due, together with interest thereon at the rate of 1½ percent per annum, in annual installments equal to the average annual payment made by him during the last 10 years of the term of the 40-year contract.

"(b) The contract shall provide for payment of the unpaid balance of the price agreed upon, together with interest thereon at the rate of 1½ percent per annum in annual installments in accordance with uniform amortization schedules prescribed by the Corporation. The contract shall provide that if, on any installment date, one-fourth of the cash value of the farm products produced on the farm for sale during the period since the due date of the previous installment is less than the installment due, the purchaser shall be permitted to pay on account on such installment an amount equal to but not less than one-fourth of the cash value of such farm products. The contract shall also provide that if, on any installment date, one-fourth of the cash value of the farm products, produced on the farm for sale during the period since the due date of the previous installment, is more than the installment due, the purchaser shall be permitted to pay in addition to such installment an amount not more than the amount by which one-fourth of the cash value of such farm products exceeds such installment, except that, in addition, an amount equal to the whole or part of accumulated deficiencies in payment by reason of payments permitted under the preceding sentence may be accepted.

"(c) The contract shall be in such form and contain such covenants as the Corporation shall prescribe to secure the payment of the unpaid balance of the price agreed upon, together with interest thereon, to protect the security, and to assure that the farm will be maintained in repair, and waste and exhaustion of the farm prevented.

"(d) The contract shall provide that the purchaser shall pay taxes and assessments on the farm to the proper taxing authorities, and insure and pay for insurance on the farm buildings.

"(e) No contract shall be assigned except with the consent of the Corporation.

"(f) Upon satisfaction of the purchaser's obligation under the contract, he shall be entitled to the farm free of any estate or

property interest retained by the Corporation to secure the satisfaction of the obligation.

"(g) For the purposes of this section, in computing the amount paid on the agreed purchase price (1) there shall be included amounts paid (pursuant to sec. 6 (d)) under a lease, diminished by such amounts as the Corporation finds are necessary to reimburse it for any insurance paid on the farm and for amounts paid under section 13 with respect to the farm, but (2) there shall be excluded such portions of amounts paid under a contract to purchase as the Corporation determines are properly allocable to interest paid under the contract.

"REPURCHASE BY CORPORATION

"SEC. 9. At any time during which a contract, under section 8, is in effect, the Corporation, with the consent of the purchaser and upon recommendation of the county committee, shall purchase the interest of the purchaser in the farm at a price which shall not exceed an amount equal to the current appraised value of the farm diminished by the amount unpaid under the contract.

"RELIEF LABOR COSTS

"SEC. 10. In any case in which improvements on any property acquired under this title have been made by relief labor, the price at which such property is sold to a purchaser shall include only so much of the cost of such labor as is not in excess of the amount which the county committee determines would be the cost of similar labor other than relief labor.

"DEATH OF PURCHASER

"SEC. 11. If the purchaser under a contract made under section 8 dies, the law of the State or Territory in which the farm is situated shall govern in determining the person who shall exercise the rights and be subject to the liabilities under the contract and such person shall be entitled to exercise the same rights and shall be subject to the same liabilities as the purchaser. The Corporation, at the request and with the consent of the person so determined, is authorized to terminate the contract and purchase the interest of such person at a price which shall not exceed an amount equal to the current appraised value of the farm diminished by the amount unpaid under the contract. The contract shall contain such provisions as the Corporation shall prescribe to carry out this section.

"STATE JURISDICTION

"SEC. 12. The acquisition by the Corporation of any real property to carry out the provisions of this title shall not deprive any State, Territory, or political subdivision of its civil and criminal jurisdiction in and over such property, or over persons resident thereon, or impair the civil or political rights, under the law of the State, Territory, or political subdivision, of such persons.

"TAXATION

"SEC. 13. Except in the case of property with respect to which a contract under section 8 is in effect, the property acquired, held, or leased by the Corporation under this title shall be exempt from taxation by any State, Territory, or political subdivision, but the Corporation shall pay, in respect of such property (except property used solely for administrative purposes), to the State, Territory, or political subdivision concerned, an amount which the Corporation determines to be fair and reasonable but not more than the property taxes (including special and other assessments) which would be payable to such State, Territory, or political subdivision if such property were owned by a private individual. The payment of such amount shall be made on the day upon which such taxes would otherwise be due and payable.

"EQUITABLE DIVISION OF FUNDS

"SEC. 14. In the expenditure of funds for the purchase of land under this title, the amount which is devoted to such purpose during any fiscal year shall be expended equitably among the several States and Territories on the basis of the prevalence of farm tenancy and farm population, as determined by the Corporation, on the basis of the latest available United States census.

"TITLE II—REHABILITATION LOANS

"BORROWERS AND TERMS

"SECTION 21. (a) The Corporation shall have power to make loans to eligible individuals or cooperatives only upon the recommendation of the county committee for the purchase of livestock, farm equipment, supplies, seed, feed, fertilizer, and for other farm needs, and for the refinancing of indebtedness, and for family subsistence.

"(b) Loans made under this section shall bear interest at a rate not in excess of 1½ percent per annum, and shall have maturities not in excess of 5 years. Such loans shall be payable in such installments as the Corporation may provide in the loan agreement. All loans made under this title shall be secured by a chattel mortgage, a lien on crops, and an assignment of proceeds from the sale of agricultural products, or by any one or more of the foregoing.

"(c) Only farm owners, farm tenants, sharecroppers, farm laborers, and other individuals who obtain, or who recently obtained, the major portion of their income from farming operations; shall be eligible, individually or cooperatively, for loans under this section.

"PURCHASE OF PERSONAL PROPERTY AND SALES TO TENANTS

"SEC. 22. The Corporation shall have power to purchase, out of funds appropriated pursuant to the provisions of this title, livestock, farm equipment and supplies, seed, feed, fertilizer, and

other farm personal property, for sale to any individual or cooperative leasing, any farm from the Corporation pursuant to the provisions of section 6 of this act. Every contract for the sale of such property shall provide for the payment thereof within such time (not to exceed 5 years) and in such installments as the Corporation may prescribe. Any unpaid balance of the agreed purchase price shall bear interest at such rate, not in excess of 1½ percent per annum, as may be agreed upon, and shall be secured by a chattel mortgage, a lien on crops, and an assignment of proceeds from the sale of agricultural products, or by any one or more of the foregoing.

"Sec. 28. (a) For the fiscal year ending June 30, 1938, the balances of funds available to the Secretary of Agriculture for resettlement which are unexpended on June 30, 1937, are authorized to be appropriated and are hereby transferred to the Corporation to carry out the provisions of this act.

"(b) In addition to other sums made available by this act, or otherwise, the President is authorized to allot to the Corporation out of appropriations hereafter made for relief or work relief for any fiscal year, such sums as he determines to be necessary to carry out the provisions of sections 21 and 22 and to enable the Corporation to carry out such other forms of rehabilitation of individuals eligible under this title to receive loans as may be authorized by law and designated in the Executive order directing the allotment.

"TITLE III—GENERAL PROVISIONS

"SECTION 31. The Corporation shall have succession in its corporate name until dissolved by act of Congress, and shall have power—

"(a) To sue and be sued in its corporate name in any court of competent jurisdiction, Federal or State.

"(b) To lease such real estate as may be necessary for the transaction of its business.

"(c) To make necessary expenditures for personal services and rent at the seat of government and elsewhere; contract stenographic reporting services; purchase and exchange of supplies and equipment, law books, books of reference, directories, periodicals, newspapers, and press clippings; travel and subsistence expenses, including the expense of attendance at meetings and conferences; purchase, operation, and maintenance, at the seat of government and elsewhere, of motor-propelled passenger-carrying and other vehicles; printing and binding; and for such other facilities and services as he may from time to time find necessary for the proper administration of this act.

"(d) To adopt and use a corporate seal which shall be judicially noticed.

"(e) Make contracts for services and purchases of supplies without regard to the provisions of section 3709 of the Revised Statutes (U. S. C., 1934 ed., title 41, sec. 5) when the aggregate amount involved is less than \$300.

"(f) Make payments prior to audit and settlement by the General Accounting Office.

"(g) Acquire land and interests therein without regard to section 355 of the Revised Statutes, as amended (relating to restrictions on the acquisition of land by the United States).

"(h) Compromise claims and obligations arising under, and adjust and modify the terms of contracts and agreements entered into pursuant to this act, as circumstances may require.

"(i) Pursue to final collection, in any court, State or Federal, all claims arising under this act, or under any contract or agreement entered into pursuant to this act.

"(j) To establish and maintain such branch and local offices as it may deem necessary.

"(k) To exercise all such incidental powers as may be necessary or appropriate to the carrying out of its powers and duties.

"(l) To exercise and perform such other powers and duties as may be conferred or imposed upon it by or pursuant to any act of Congress.

"(m) Make such rules and regulations as it deems necessary to carry out this act.

"Sec. 32. (a) The President, by proclamation, shall fix a date, not more than 30 days after the passage of this act, and shall designate the places within each county or parish of the United States for a meeting of the working farmers, farm tenants, and sharecroppers of such county or parish. A majority of all the working farmers, farm tenants, and sharecroppers within the county or parish shall constitute a quorum at such meeting. If no quorum is present at any meeting the same may be adjourned to a later date not to exceed 30 days from the date originally set, and for like periods thereafter until such time as a quorum is present. The President shall appoint an organizer for each such county or parish meeting whose duty it shall be to act as temporary chairman thereof.

"(b) Each working farmer, farm tenant, and sharecropper personally present at any such county or parish meeting shall be entitled to one vote in any election, and upon any other question which may properly come before such meeting.

"(c) As used in this section a 'working farmer' is defined as a farmer who by his own labor works the land on which he lives and shall not include corporations, banks, insurance companies, or absentee owners or their representatives, except that nothing herein contained shall exclude any bona-fide farm tenant or sharecropper from exercising the right to attend and participate in every respect at such meeting.

"(d) Each county or parish meeting shall elect by secret ballot a president, vice president, secretary and treasurer, and two additional committeemen, all of whom shall constitute the 'county committee' for such county or parish: *Provided*, That a majority of members of the committee shall at all times be farm tenants or sharecroppers,

working farms within the county or parish. All members of said committee shall be elected for a period of 1 year, and it shall be the duty of such committee from year to year to call annual meetings of working farmers, farm tenants, and sharecroppers residing within the county or parish for the purpose of electing members of the committee and for the transaction of such other business as shall properly come before the meeting, except that at all meetings subsequent to the first meeting a quorum shall consist of 30 percent of those who are eligible to participate in said meeting.

"(c) Any person who is leasing any real property or who is under contract to purchase property from the Corporation under the provisions of title I of this act, shall so long as he remains in that status be, for the purpose of determining his qualifications as a member of the county committee, considered a farm tenant or sharecropper.

"(f) No person shall be disqualified from attending and participating in a county or parish meeting, or from membership in the committee by reason of race, religion, nationality, political affiliation, or union membership.

"(g) Any vacancies occurring prior to 60 days before the next annual meeting shall be filled by appointment of qualified persons by the remaining members of the committee.

"(h) No person who is otherwise eligible shall be deprived of the benefits of this act by reason of his being a member of any county committee.

"(i) Immediately after the first meeting, the organizer appointed by the President and the members of the committee shall certify the names of said county committee to the Corporation, and thereafter the said committee shall be recognized by the Corporation for all intents and purposes under this act as the duly elected county committee of the county or parish. At all annual meetings after the first county or parish meeting, such certification shall be made by the county committee.

"(j) Each member of the county committee shall be allowed compensation at the rate of \$3 per day while engaged in the performance of duties under this act, but no compensation shall be allowed with respect to more than 10 days in a month. In addition there shall be allowed such amounts as the Corporation may prescribe as necessary traveling and subsistence expenses.

"(k) The committee shall meet at least once in each month and three members shall constitute a quorum. The Corporation shall prescribe rules governing all procedure of the committee, furnish forms and equipment necessary for the performance of their duties and authorize and provide for the compensation of such clerical assistance as it deems may be required by the committee. Committee established under this act shall, in addition to the duties specifically imposed under this act, perform such other duties under this act as the Corporation may require of them.

"GENERAL PROVISIONS APPLICABLE TO SALE

"Sec. 33. The sale of any property acquired by the Corporation pursuant to the provisions of this act, or any interest therein, shall be subject to the following provisions:

"(a) The conveyance in the case of real property shall be by quitclaim deed.

"(b) Except as otherwise provided in title I or title II of this act, the purchaser shall be required to pay the entire purchase price at the time title is transferred to him.

"(c) In the case of real property, the Corporation shall reserve on its behalf not less than an undivided half-interest in all coal, oil, gas, and other minerals in or under such property.

"SURVEYS AND RESEARCH

"Sec. 34. The Corporation is authorized to conduct surveys, investigations, and research relating to the conditions and factors affecting, and the methods of accomplishing most effectively, the purposes of this act, and may publish and disseminate information pertinent to the various aspects of its activities.

"TECHNICAL ASSISTANCE

"Sec. 35. The Corporation is authorized to furnish, without cost, to persons who are indebted to the Corporation under this act technical assistance relating to farm management and practices.

"VARIABLE PAYMENTS

"Sec. 36. The Corporation may provide for the payment of any obligation or indebtedness to it under title II in farm products or from the receipts from the sale thereof, on a share or absolute basis, and may provide for variable payments under which a surplus above the required payment will be collected in periods of above-normal production and employed to reduce payments below the required payments in periods of subnormal production. Section 321 of the Legislative Appropriation Act, fiscal year 1933 (U. S. C., 1934 edition, title 40, sec. 303b) (prohibiting rentals in kind and improvement of rented property), shall not apply with respect to any lease made under this act.

"BID AT FORECLOSURE

"Sec. 37. The Corporation is authorized and empowered to bid for and purchase at any foreclosure or other sale, or otherwise to acquire property pledged to secure any loan or other indebtedness owing under this act; to accept title to any property so purchased or acquired in the name of the Corporation; to operate or lease such property for such period as may be deemed necessary or advisable to protect the investment therein; and sell or otherwise dispose of such property so purchased or acquired subject to the conditions enumerated in section 33, upon such terms and for such considerations as the Corporation shall determine to be reasonable.

"STATE COOPERATION"

"Sec. 38. The Corporation shall not acquire or dispose of real or personal property or make any loans or in any other manner perform any of its functions within any State or Territory that has not by proper legislation provided—

"(a) That all contracts between landlords and farm tenants or sharecroppers shall be in writing.

"(b) That farm tenants and sharecroppers shall have the right to remove or be compensated for all improvements to the leased property upon the termination of the lease.

"(c) That farm tenants and sharecroppers shall have the right to quit the leased premises upon reasonable notice to the landlord.

"(d) Such further guarantees as the Corporation may determine are necessary to insure the security and civil rights of farm tenants, sharecroppers, and farm laborers.

"Sec. 39. The Corporation, the county committees, and all other persons administering this act shall at all times maintain a balance between ethnic groups, within each county or parish, receiving benefits hereunder so that benefits to the members of any such group shall approximate in value as nearly as may be a proportion of the total benefits extended in such county or parish determined by the relation between the members of such group in such county or parish eligible to benefits hereunder and all persons therein so eligible.

"OFFENSES ON PROPERTY"

"Sec. 40. Nothing in this act shall be construed to prevent the application, in respect of property acquired or held by the Corporation under this act, of sections 35, 46, 47, 48, 49, 51, 52, and 56 (relating to certain offenses in respect of property of the United States) of the Criminal Code, as amended (U. S. C., 1934 ed., title 18, secs. 82, 99, 103, 101, 103, 105, 166, and 110), or of the act entitled "An act to define trespass on coal land of the United States and to provide a penalty therefor", approved July 3, 1920 (U. S. C., 1934 ed., title 18, sec. 103a).

"FEES AND COMMISSIONS PROHIBITED"

"Sec. 41. No officer, attorney, or employee of the United States shall, directly or indirectly, be the beneficiary of or receive any fee, commission, gift, or other consideration for or in connection with any transaction or business of the United States under this act other than such salary, fee, or other compensation as he may receive from the United States. Any person violating the provisions of this section shall, upon conviction thereof, be punished by a fine of not more than \$1,000 or imprisonment for not more than 1 year, or both.

"EXTENSION TO TERRITORIES"

"Sec. 42. The provisions of this act shall extend to the Territories of Alaska and Hawaii.

"SEPARABILITY"

"Sec. 43. If any provision of this act, or the application thereof to any person or circumstance, is held invalid, the remainder of the act and the application of such provisions to other persons or circumstances shall not be affected thereby."

Mr. BOILEAU. Mr. Chairman, I ask unanimous consent to proceed for an additional 5 minutes.

The CHAIRMAN. The gentleman from Wisconsin asks unanimous consent to proceed for 10 minutes. Is there objection?

There was no objection.

Mr. BOILEAU. Mr. Chairman, I have offered as a substitute the provisions of a bill which I introduced some time ago on this same subject. The bill is known as H. R. 6836. It deals with the same subject matter dealt with in the bill now before the Committee. Sometime ago it will be recalled the President's special committee on farm tenancy submitted a report to this House. I believe the bill I have introduced more clearly follows out the recommendations of the President's special committee than does any bill that was introduced in this session of Congress. The bill differs in some respect, but the substance is the same as the recommendations of the President's committee. In making that statement I want to make it clear that no member of the President's special committee had anything to do with the drafting of this bill. I was assisted by many men and women in this country who are vitally interested in farm tenancy and the sharecropper problem. Men and women who have been devoting their lives to this problem have assisted me in drafting this bill. The bill first provides for the creation of a corporation, the capital stock of which shall be subscribed by the Treasury of the United States, in the amount of \$500,000,000. That sounds like a lot of money, and more than is carried in this bill before the Committee, but I call attention to the fact that the \$500,000,000 will care not only for the purchase of land, to put tenants on, but will also provide for rehabilitation so that it will not be necessary to allocate money out of the relief fund for this purpose, and

my bill does not contain provisions requiring the President to do so.

The \$500,000,000 will be turned over to this corporation the first fiscal year with authorization for subsequent fiscal years in such amount as the Congress shall from year to year authorize for that purpose. The bill goes upon the theory that the Federal Government through this corporation should purchase suitable farm lands, and after having purchased those farm lands, sell the land back to sharecroppers and farm tenants on reasonable terms over a long amortization period, with interest at the rate of 1½ percent. I emphasize the fact that the \$500,000,000 authorized this first fiscal year is in no sense of the word a gift to the sharecroppers or to farm tenants, but is merely a loan with interest rates at 1½ percent. The money is loaned for the purpose of rehabilitating this vast number of people in this country who are now working on farms, living on farms, but who are not farm owners, and have no ownership rights in the land they till. The bill provides for the creation of a board which shall be the executive board of this corporation, consisting of five members, and two at least of the five members shall at the time of their appointment be sharecroppers or farm tenants, not the majority, but only two of them. Many men and women have developed in these farm-tenant organizations real ability and they can be of help to serve on this board. All names must be certified by the President to the Senate, and there must be a recommendation that these men have been in the past very sympathetic to the needs of farm tenants and sharecroppers in this country.

Then in each county there is an election. Each county in the entire United States holds an election, at which all working farmers, whether he be the owner of his farm, a sharecropper, or a tenant, shall have one vote. That county convention shall elect a county committee of five members—a president, a secretary-treasurer, a vice president, and two additional members. Three of those five must actually be farm tenants or sharecroppers, and they are elected by the working farmers of that particular county. Those men have no authority to loan the money, but before the corporation can buy any land in a community for its purposes it must first have the approval of the county committee. That will prevent this corporation from buying lands that are valueless, buying farms upon which these sharecroppers or farmers cannot rehabilitate themselves. In addition to that the county committee will have authority to recommend to the corporation the names of those people who are suitable, those people who would make good farmers, who would probably be able to carry this load and finally become farm owners. If the county committee submits a name to a corporation, that does not mean that the corporation must of necessity loan money to those farmers, but they cannot loan it to any farmer, any tenant, or sharecropper who has not been first approved by this local committee that is democratically elected. That would insure not control by the county committees of sharecroppers or tenants but it would insure sympathetic administration of the act. It will also provide insurance against waste, because the people in the various localities who are vitally interested in the success of the bill will have a great deal of responsibility to guide the destinies of the program and to assist the corporation.

Now, the first step is a lease. The corporation will lease this land to the tenant or sharecropper for a period not to exceed 5 years, with the provision that an extension of an additional 5 years can be granted if the corporation sees fit. That is a lease. It is a trying-out period. If the sharecropper or tenant shows during that period of time that he is competent, that there is likelihood of his carrying out his obligations, then he can become a purchaser, provided the corporation sees fit to sell the land to him. The county committee has no jurisdiction there. That insures the operation of the program from a Federal standpoint. They can sell the land to a farmer on a 40-year contract, bearing 1½-percent interest. They amortize the loan over this 40-year period, including principal payments and interest, and a definite amount is fixed that the purchaser shall pay

to the corporation. His contract provides for a definite payment in amounts of money, with the provision, however, that in no year shall the farmer be obliged to pay more than 25 percent of the cash value of the crop produced for sale upon his farm. So that if there should be, on account of a drought or pestilence or for some other reason, a very small crop, in no one year will the purchaser be obliged to pay more than 25 percent of the crop produced for sale upon that farm.

You may say, "Well, how do you know you are going to finally pay off this indebtedness?" The bill provides that, if with these variable payments of not to exceed 25 percent, at the end of 40 years the purchaser has not paid all of the money he is obliged to pay under his contract, an additional period of time will be given, during which period he shall pay the average amount that he paid to this corporation during the preceding 10 years. So that it may extend this period of 40 years for a few years more.

This bill will give security to the farmers who are put upon these lands for at least 45 or 50 years. During that period of time they can acquire ownership. During that period of time they cannot be dispossessed if they comply with the terms of their contract. During that time they will have an opportunity to rehabilitate themselves and their families.

I submit to you that with the growing tenancy problem in this country, with the increase of tenancy year after year, such as we have seen in the last 25 or 50 years, there is need for tackling this problem, not in a peanut way, not in a drop-in-the-bucket way, but in the same proportion as the problem exists in this country.

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

Mr. JONES. Mr. Chairman, in the interest of saving time I am not going to press the point of order. I will withdraw the point of order, although I think it is very doubtful. The gentleman from Missouri [Mr. NELSON] desires recognition.

The CHAIRMAN. The gentleman from Texas withdraws the point of order reserved.

Mr. NELSON. Mr. Chairman, I rise in opposition to the amendment. No one who knows my colleague from Wisconsin [Mr. BOILEAU], who has just offered this amendment, doubts his sincerity or his real heart interest in this cause. The question, as I see it, is not what we want but what we can reasonably hope to get.

The bill now being considered, and which represents months of study on the part of our committee, is not a perfect measure. It is, though, much better than was the original. It is no "cure-all." Frankly, it represents but an experiment, an experiment which all hope may prove successful but about which many entertain justifiable doubts. In the beginning it can, at best, benefit but few. But it is worth a trial.

In the first place, tenancy is not a disease but only evidence of the disorder which we are now attacking, in the hope that, after due time, we shall discover a cure. The trouble, to discontinue the figure of speech, is that farming has not been profitable. In agriculture, as in any other business—and farming is a business—prosperity is properly measured by the purchasing power of the profit. If there is no profit, there can be no permanent purchasing power. Make the farmer secure. Give him the cost of production and a little more for what he has to sell, year after year, and the farm-tenancy problem will largely be a thing of the past.

As a member of the subcommittee which gave long study to this bill, I fully appreciate the difficulties encountered in framing a measure that will apply with equal fairness and desirability to all sections of the country. However, as this measure, carrying an appropriation representing only a fractional part of the \$500,000,000 suggested by my colleague from Wisconsin [Mr. BOILEAU], can justly be looked upon only as an experiment, the committee felt proper that all sections of our country should be included in the trial. So in section 4 equitable distribution of loans is provided, the requirement being that the amounts available be distributed among the States and Territories on the basis of farm

population and prevalence of tenancy. This is fair to all the States.

As I have said, conditions differ, as do terms. In Missouri, for instance, I do not recall that in any talk between farmers, of whom I am one, I have ever heard another referred to as a "tenant." We speak of "renters", never of "tenants" or "sharecroppers."

From some of the discussions heard on this bill, one might gain the impression that the tenant, or, let us say, renter, is a man of less than ordinary ability, incapable of succeeding without a great deal of guidance and direction. This may be true of some, but it in no sense applies to the rank and file of renters in Missouri. Some of the best farmers I have ever known have been renters. In this class are many who a few years ago were prosperous farm owners, but who because of economic conditions, especially during the latter part of the Hoover administration, and through no fault of their own, lost their farms. Afforded an opportunity to again acquire these same farms or others, they will demonstrate their fitness to farm and ability to succeed under ordinary conditions. Men of this type deserve the utmost consideration in any farm-tenancy bill. It is not enough to put a man on a farm. It is more to keep him there. Generally speaking, one experienced farmer who knows and loves the land is worth a dozen inexperienced men who might be taken out of the big cities and placed on farms.

I do not agree with the suggestion that where a tenant of the right type is selected it will be necessary to provide greater safeguards than are contained in paragraph 4 of section 3 of the bill, "to assure that the farm will be maintained in repair and waste and exhaustion of the farm prevented." If the right farmer is selected by the county committee of three farmers, as provided in the bill, and after this selection has been approved by the final authorities there is little doubt but that he will succeed without having to follow a book of instructions or heeding expert advice from Washington or elsewhere. The big job is to select the right man with whom to begin. I have every confidence that this can be done. Speaking for the 15 counties of the Second Missouri Congressional District, which I have the honor to represent, I know that in each county there is at least one farmer—of course, there are many—who will make a go of a farm to be secured under the loan provision of this bill.

A word about the county committee to pass upon the farm and the tenant. This committee is to be made up of practical farmers, who will know the man and the land. For their services, members will receive \$3 per day but for not more than 5 days in any 1 month.

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

Mr. NELSON. I yield.

Mr. MILLS. How will these three men on the county boards be appointed?

Mr. NELSON. My understanding is that they will be appointed by the Secretary of Agriculture.

[Here the gavel fell.]

Mr. NELSON. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

Mr. WITHROW. Reserving the right to object, Mr. Chairman, I think, in fairness to the amendment, that the gentleman should direct his remarks in opposition to it. I think the amendment is very important. Thus far, during the first 5 minutes, the gentleman's only opposition to the amendment is on the ground that it is not what we want but what we can get. I think, in all fairness to this amendment, the gentleman should direct his remarks to it. I think it is of sufficient importance to warrant that objection.

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

There was no objection.

Mr. NELSON. My thought is: Is it possible to go as far as my colleague, for whom I have very great respect, wishes us to go? If not, then we must make a choice between his plan and the plan which comes to us from the committee.

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

Mr. NELSON. I yield.

Mr. BOILEAU. The gentleman said that under the committee's plan one tenant farmer in each county would be taken care of. Does not the gentleman think that, if we are going to take care of this problem, we should try to care for at least 50 in each county, as my bill provides?

Mr. NELSON. I would be very glad if it were possible to take care of more farmers.

Mr. BOILEAU. I know the gentleman feels that way; on the other hand, it seems to me that we should go ahead and solve this problem now.

Mr. NELSON. I look upon this as in the nature of an experiment.

Mr. BOILEAU. I do not doubt that.

Mr. NELSON. Insofar as possible, the so-called expert—and sometimes I feel that I should like to see this much-abused word stricken from the dictionary—is not given the place of greatest prominence in this measure, but more thought has been given to experience and to the practical. I would add that the excessive use of the word "expert" is unjust to the comparatively few who are really entitled to be so designated.

As to title 1 of the bill, dealing with the farm-tenant problem, I agree that changes would have been desirable, but as it is, there is much to commend. For instance, variable payments are provided for, so that in "fat" years, years of good crops, extra payment may be made to take care of "lean" years, years of poor yields, which might follow. This provision, if generally adopted in the matter of farm loans, would prevent many foreclosures. Unlike the original bill, this one merely makes provision for loans directly to farmers. It does not put the Government deeper into the land-buying business. There can be no "Tugwelltowns" or any such set-ups.

Another thing that I like about this bill, and it was at my suggestion that it was so drafted, is that there are no authorizations for vast and ever-increasing sums which, like Tennyson's babbling brook, would go on forever. Continuing appropriations, which begin at gimlet size and grow to auger appropriations, are largely responsible for Government waste and extravagance. If the experiment under the present plan, which limits authorizations to 3 years, is successful, a future Congress will, of course, make provision for continuing the program. If the plan proves a failure, many millions of dollars may be saved because no further continuing authorizations have been written in. This is good business and common sense.

Getting back to the importance of selecting the right farmer, and in the beginning there will be less than an average of one for each of the 3,000 counties in the United States, my thought is that he should be given a deed to the land as soon as he is able to make proper payment and when he has demonstrated his ability to succeed. To my way of thinking, it is unfair to the purchaser to require him to live for many years on the land before he can actually own it and really call it his home. To postpone delivery of the deed for 20 or 30 years would mean merely that the tenant had exchanged landlords, substituting Uncle Sam for the one who had previously owned the acres.

Just here, I digress in the brief time remaining to refer to title 2 of the bill, dealing with rehabilitation loans, and which provision is, in some respects, most important. Loans under this section are to bear interest not in excess of 3 percent and may run for 5 years. The object is to provide credit for farm owners and others, so that they may be able to carry on and not lose their homes. I am especially pleased with the debt-adjustment feature of this section, as carried in section 22, where machinery is set up for voluntary adjustment of indebtedness between farm debtors and their creditors. Title 3 deals entirely with the retirement of submarginal lands. To carry out provisions as shown in section 34, an appropriation of not to exceed \$10,000,000 is authorized for the first fiscal year and not to exceed \$20,000,000 for each of the two fiscal years thereafter.

America needs home owners. If this bill does not have this as its objective, there is no reason why it should be approved. Yesterday our beloved Speaker, in one of the most impressive addresses ever heard in the House, quoted, in matchless manner, lines from *The Man with the Hoe*, by Edwin Markham. This bill, I hope, once it has been approved by both Houses of Congress and signed by the President, the greatest home saver in the history of America, will in time mean that the man with a "hoe" will become the man with a "home." [Applause.]

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

One of the most perplexing national problems which challenges our interest and our best thought in an effort to bring about a proper solution is the farm-tenant situation. Too often in the past has the mistaken idea been advanced that farm tenancy is a local or regional problem. It is as national in its scope as is our rural life. We cannot expect an economy of abundance in a land wherein approximately one-half of our people devoted to the field of agriculture are tenants.

The land is our greatest natural resource. From its various elements we contrive shelter, food, and raiment. Practically every necessity and every luxury of life come from the land or the proper utilization of the land. It follows, therefore, the system of landholding and land use is of vital interest. Farm operators are designated as owners or landlords and tenants. For census purposes ownership is classed as "full" or "part", a full owner being one who owns all the lands he operates, while a part owner owns a part and rents a part. Other operators are classed as managers or tenants. The 1935 farm census reveals the number of farm operators was 6,812,350; of this number 3,210,224 were full owners, 688,867 part owners, 48,104 managers, and 2,865,155 were tenants. The percentage of tenants was 42.1, which is a slight decrease from the percentage in 1930. This marks the first decline in the proportion of all farms operated by tenants.

In 1880, 25.6 percent of farm operators were tenants. This percentage grew to 42.4 percent in 1930. While it is true the highest percentage of farm tenancy is in the Cotton Belt and the Corn Belt, yet the growth and spread of farm tenancy has reached every farm section in America. The 1935 farm census reveals the fact that farm tenancy actually decreased in the 16 States known as the South from 55.5 percent in 1930 to 53.5 percent in 1935. Outside of the South, farm tenancy increased in the other 32 States from 28.5 percent in 1930 to 30.6 percent in 1935.

There are a number of reasons why farm tenancy has increased during the past 50 years. These reasons are social and economic and their effect is not only social and economic but also political and spiritual.

The following are some of the causes of the growth of farm tenancy: (1) The gregarious instinct of mankind; (2) the better social and educational advantages offered by urban life; (3) the loss of income and purchasing power of the farmer; (4) the growth of industry; and (5) the advantage of varied employment in cities.

Man by nature and instinct is gregarious. He seldom likes solitude. He wants and seeks association with his peers. This natural instinct has led to a movement from the farm to the city. As landowners have moved from their farms they have left their farms to tenants for cultivation. Thus we have a beginning and an example of absentee landlords. In modern days we also have another form of absentee landowning in the large farms owned and operated by corporations. Then, too, certain lending agencies have acquired extensive landholdings by reason of mortgage foreclosures and possession of the mortgaged lands.

Educational opportunities in our urban centers were better than those afforded by rural schools. Longer school terms, modern and well-equipped buildings, a better trained and paid teaching corps—all had their appeal for the training of childhood. The theater, the movie, the literary guilds, parks, and recreational facilities offered entertainment and an outlet for social activities which held an alluring promise of happiness to the adult and youth alike.

The American farmer is not getting his share of the national income. There is a direct connection in the continued loss of the farmer's income and the rise in farm tenancy. In 1870, 53 percent of the gainfully employed in the Nation were in the field of agriculture and received 26.5 percent of the national income. In 1880 the percentage of farm tenancy was 25.6. In 1932 the percentage of farm income to the national income had fallen to an all-time low of 7.2, while in 1930 the percentage of farm tenancy had risen to 42.4.

The loss of farm income has been tragic in its consequences. The cash income of many tenant farmers is below \$100 per year. This economic fact explains why so many farmers and farm tenants have deserted the field for the factory. To these people wages of \$7.50 to \$12.50 per week offered an irresistible appeal. This fact is illuminating in ascertaining why wages in the South are lower than in other sections of the country.

The growth of industry in the United States since the War between the States has been phenomenal. Naturally there has been a continual increase in the proportion of the income of industry as related to the national income. Attractive wages, community life, social advantages and opportunity for advancement caused a migration from the farm to the city in ever-increasing numbers until the recent debacle in business and industry changed the trend of the tide for the first time in more than 50 years.

The endless variety of our business and industrial life offered an infinite variety of employment to our people. Sons and daughters of the wealthier farmers after completing their educational training were immediately employed by business and industrial concerns of the urban centers and contributed their talents of energy and capacity for service to business and industry. Thus farm life was impoverished of vision and leadership as well as of its best labor.

After studying the causes of farm tenancy let us briefly review some of the effects of the system.

ECONOMIC

Some of the economic evils attendant upon farm tenancy are (1) loss of purchasing power by reason of reduction of cash income; (2) the decrease in land values, with a consequent loss to the individual farmers and loss of revenue to local and State governments; (3) a loss or drainage of soil fertility caused by improper farm methods and devoting the land to crops with immediate cash market values.

We have already discussed the loss of farm income as a cause of increase in farm tenancy. The loss of income means a decrease of purchasing power. This decrease of purchasing power of more than 31,000,000 people has a serious effect upon every walk of life and every phase of business and industry. It means fewer and fewer luxuries and a scantier supply of necessities for this vast portion of our population. Bank deposits shrink, market values fall, and fewer wheels of industry turn in direct response to the decrease of income and purchasing power of the farmer.

Farm lands and buildings in the United States decreased in value between April 1930 and January 1, 1935, by approximately one-third, or from \$47,879,638,358 to \$32,858,844,012. Proportionately the decline in the average value of lands and buildings per farm was from \$8,200 to \$5,217 for owners, and from \$6,148 to \$3,823 for tenants. These facts prove conclusively that operating farms by tenants decreases the value of the land.

Even more startling in its full consequences is the loss of revenue by ad-valorem taxation, with the increase of farm tenancy and the decrease of value of buildings and land. In a short period of 5 years we see a loss in taxable property of approximately \$15,000,000,000. We are unable to comprehend what this means in terms of loss of revenue for local and State support for schools, roads, and other necessary governmental functions in our complex social system.

Small wonder, too, that public-health work has been curtailed and that many States are finding it difficult to

raise revenues to carry their share of the social-security program.

The system of tenancy prevailing has drained our soil of its fertility. It is significant that in the South and Midwest, where the percentage of tenancy is highest, most of the land is devoted to crops of cotton, tobacco, corn, and wheat. All these crops are annuals and have a cash market value at all times. They are also soil-depleting crops. Lands devoted to these crops continuously require fertilization in order to supply necessary plant-food elements. The tenant operates a farm under an annual renting system and therefore is unable to build up the soil by a well-regulated diversified farm program. His economic status will not permit; then, too, he would not reap any benefit because he does not fit in a long-range program for soil building and conservation. Work of this character indulged in by him would inure to the benefit of the landowner or to some tenant who would follow him.

The land is the capital of the owner. Constant depletion of soil fertility by use of a one-crop system and soil erosion means a constant depletion of the capital stock of the owner, and when continued leads from independence to a mortgage and from a mortgage to bankruptcy and the loss of his land. The owner then must join the ever-increasing tribe of the landless farmer—and economic paralysis grows apace.

SOCIAL LIFE

The farm tenant being essentially nomadic is unable to beautify and adorn his temporary home. It is not his. He is unable to contribute in a material manner to the support of schools and churches. He is, in fact, a man without a home and under the influences of a grinding, wasting system he becomes an economic fatalist. What is of striking import to me is that he loses his individuality. To me this means a loss of identity. Individuality distinguishes one from the mass. It carries the spark of virility and courage which, set aflame by vision, develops leadership and progress.

We have witnessed the designs of radical leaders in attempting to inflame the tenants. Their economic condition stifles social and mental development and makes fertile soil for communism and socialism. They are too easily led by shallow philosophies of government and religion.

A SOLUTION OF THE PROBLEM

Many of our tenant farmers are excellent citizens who desire to become home owners but do not have the financial means to acquire and develop land. These men are of excellent character. With proper assistance they could become home owners and self-sustaining units in society. With their status fixed we could then concentrate upon building the sharecropper and poorer tenant up to the level where he would be eligible for assistance. In this way we can restore the land to the people and leaven the loaf of rural life.

I introduced the first farm tenant bill in the House in March 1935. It was identical with and a companion bill with the original Bankhead farm-tenant bill. This bill sought to establish a fund to provide financial assistance for tenant farmers of good character and who were good credit risks to enable them to buy and operate a farm, thereby changing their status from tenants to landholders. The bill now introduced differs somewhat from the bill which I introduced but in my judgment is an excellent bill and will carry out the purposes sought to be attained by legislation of this type.

In the solution of this problem it is absolutely necessary for some agency to finance the farmers—first, in the purchase of land; second, in building and operating expenses until a return is made on the investment; and, third, adequate time and low interest rates to refund the obligations.

We ask for the wholehearted cooperation of every American citizen in bringing to this great group of deserving people an opportunity to improve their condition. In so doing those of us who have pioneered and have carried it forward feel that our efforts will not have been in vain if we can see a bold and stalwart farming class erected as a

barrier to the advancement of communism and atheism. Communism cannot grow in a land of social security and economic justice. A home, a well-filled granary, and a contented people are a part and parcel of a democracy. This great landholding group will become the core of a social and economic order which will not be subject to rapid changes which sweep old and established principles in the discard. It will hold fast to the truth and provide the anchor to which we must adhere in preserving the individuality of the citizen, restoring family life, creating confidence and new faith in a democracy and the opportunity for a better future.

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

Mr. Chairman, I have a high regard for my distinguished colleague, and I want to pay him a tribute by saying he is helpful in connection with many matters in the committee. He is always an earnest and hard worker. But if the Members of the House will stop and think for a moment, they will realize how impractical it is at this time to talk about making an appropriation of \$500,000,000 for the current fiscal year for this particular purpose.

I am going to urge that the House vote down the amendment for that reason. May I say further there have been one or two requests for extension of time to speak. There are a great many amendments to be offered, some by members of the committee and some by those who are not members of the committee, and I would like to have each Member given the opportunity to explain his particular amendment. I hope the Members will not ask for an extension of the speaking periods for that reason. Extensive speaking now will necessitate later in the afternoon cutting down time, and the opportunity will not then be given for legitimate amendments to be offered in regular order. This is a measure of great importance in which many Members are interested; in fact, I suspect practically all Members are interested in it. I ask for a vote on the amendment offered by the gentleman from Wisconsin.

Mr. WITHROW. Mr. Chairman, I move to strike out the last three words.

Mr. JONES. Mr. Chairman, I ask unanimous consent that all debate on this particular amendment conclude in 5 minutes.

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

There was no objection.

Mr. WITHROW. Mr. Chairman, I offer this pro-forma amendment for the purpose of calling to the attention of the House the fact that whenever it is proposed that we do in a constructive and an adequate way something which will really help the farmer, the leaders of the House, those in control of the machinery of the House, immediately become inoculated with economy poisoning.

In this amendment we are asking that \$500,000,000 of Government credit be extended to deserving debtor farmers, who every one of us admits are in need and ought to be helped. There are any number of precedents which have been established by the Congress since we have been in this emergency that justify the adoption of the amendment now under consideration which would afford some measure of constructive relief. Take the R. F. C., for example, which was an experiment in every sense of the word. In 1931 we never batted an eye before making \$2,000,000,000 of credit available to industry. What happened? The credit was extended to the small banks and the large industries of this country, with the result that when there was a loss it was because the large industries fell down. General Dawes and his bank in Chicago pilfered the Treasury to the extent of more than \$50,000,000. However, in spite of the racketeering on the part of Mr. Dawes and his bank and other exploiting of the R. F. C., they have shown a profit, because every cent of the money lent to the small banks and small industrialists has been repaid. As a matter of fact, when an extension of the R. F. C. was asked at

this session of Congress, it was shown the R. F. C. had made a profit of \$141,000,000.

We are merely asking that you extend credit to people who need it, who will pay the money back, and who are not racketeers. Not one argument has been made against this amendment. One gentleman had his time extended, but he avoided presenting an argument against the amendment. He argued around the amendment and lauded the bill. The chairman of the committee did not argue against the amendment. He cannot attack the amendment in any way, shape, or form. The gentleman says it is not possible to accept the amendment at this time, but he does not give any substantial reason.

Some of my people are tenant farmers and need help. I think they should get help. Here we have a bill which is so inadequate it is a joke, and every one of you know it is entirely inadequate. You talk about helping one farmer in each county. You cannot buy a farm in any one of my counties for \$3,500 unless it is a sand patch. You know you are not helping the people when you pass this type of legislation. We are asking you to give us something adequate. Why do you not do it? You do not do it because you say it cannot be done now. Just exactly why can it not be done now? I should like to have someone tell us. [Applause.]

[Here the gavel fell.]

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

The question was taken; and on a division (demanded by Mr. BOILEAU) there were—ayes 17, noes 50.

So the amendment was rejected.

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

Mr. Chairman, it has been customary during the last few years for the House to give consideration, at least once in each session, to some legislation presumed to be of assistance to agriculture. The net result, however, is usually a testimonial meeting. On these occasions, it seems to be the proper thing for each Member representing an agricultural district to arise in his place, declare allegiance to, promise assistance to, and express sympathy for that forgotten one-third of our population commonly designated as the farmer. I oftentimes wonder if the good farmer and his wife do not become disgusted with these promises and excuses.

This bill is to be known as the Farm Security Act of 1937. The title is promising enough, but the bill itself in no way lives up to its name. Let us just take the bill apart in a general way and see what it is all about. The proposed law is divided into three titles or parts.

TITLE I—FARM TENANCY

Title I is presumed to be a provision for financing tenants in the purchase of farm homes.

Title II is presumed to provide rehabilitation loans for temporary aid to tenants and distressed landowners.

Title III is presumed to provide for the purchase of sub-marginal or other lands not suited to cultivation, and the utilizing of such land for various purposes.

The farm-tenancy provision of the bill is the one most talked about in the debate and the one intended to appeal most to the farmer. In short, the Secretary of Agriculture is authorized to make loans in the United States and in the Territories of Alaska and Hawaii to persons eligible under the act to enable them to acquire farms. Only farm tenants, farm laborers, sharecroppers, and other individuals who obtain or who recently obtained the major portion of their income from farming operations are eligible. Subject to certain limitations, the Secretary of Agriculture is the judge of the eligibility.

The Secretary of Agriculture is authorized to appoint in each county in which activities are carried on a county committee composed of three farmers residing in the county. Each committeeman shall be allowed \$3 per day while engaged in the performance of his duties, not to exceed 5 days a month. In addition, he shall be allowed "such amounts as the Secretary of Agriculture may prescribe for necessary

traveling and subsistence expenses." The Secretary shall also prescribe rules governing the procedure of the committee, furnish forms and equipment necessary for the performance of their duties, and provide for the compensation of "such clerical assistance as he deems may be required by the committee."

Now, any farm tenant desiring to get help under this act must make application to this county committee. The committee will examine and appraise the farm the tenant desires to purchase, and, if in the judgment of the committee, the tenant meets the requirements of the act, it shall so certify to the Secretary, including the recommendation of the committee as to the amount to be loaned to purchase the farm, and no loan shall be made by the Secretary unless approved by this committee.

Loans made under this act shall be in such amount "as may be necessary to enable the borrower to acquire the farm"—that means 100 percent of the purchase price—and shall be secured by first mortgage given by the purchaser to the Secretary of Agriculture.

The mortgage shall provide for the repayment of the loan in full within 30 years, with interest at the rate of 3 percent per annum, and the payments shall be made "in installments in accordance with amortization schedules prescribed by the Secretary." The purchaser must, in addition to interest and payment on principal, pay all taxes when due, maintain proper insurance on the buildings at all times, and also keep the buildings and fences in good repair.

In making loans under this title, the—

Amount which is devoted to such purpose during any fiscal year shall be distributed equitably among the several States and Territories on the basis of farm population and the prevalence of tenancy, as determined by the Secretary.

To carry out the provisions of this title, the bill authorizes the appropriation of \$10,000,000 for the fiscal year ending June 30, 1933; \$25,000,000 for the fiscal year ending June 30, 1939; and \$50,000,000 for the fiscal year ending June 30, 1940.

The first important observation I desire to make with reference to this so-called farm-tenancy title is that the Secretary of Agriculture in the final analysis makes all determinations. Of course, the Secretary himself cannot do all these things. Therefore some bureaucrat in the Department of Agriculture will in reality be the boss.

The 1935 census of agriculture shows that there are approximately 2,865,000 tenant farmers in the United States. These are farmers who rent all of the land they operate. They represent more than 42 percent of all the farms in the country, and it is interesting to note in which section of the country farm tenancy is most prevalent. In Mississippi 69.8 percent of the farmers are tenants, in Georgia 65.6 percent are tenants, in Louisiana 63.7 percent are tenants, in South Carolina 62.2 percent are tenants, in Oklahoma 61.2 percent are tenants, and in Arkansas 60 percent are tenants. In Maine 6.9 percent are tenants. In Michigan there are 196,517 farmers, the total number of tenants being 37,334, making 19 percent of the farmers tenants.

I again call attention to the wording of the bill requiring the Secretary of Agriculture to "distribute equitably among the States on the basis of farm population and the prevalence of tenancy." I do not want to view this matter in a sectional sense at all; but if the Secretary of Agriculture follows the mandate of the law, what relief will a State like Michigan, having 19 percent of farm tenancy, get when compared with the southern bloc of States, ranging in percentage up as high as 69.8 percent?

There are 3,200 counties in the United States, and if the Secretary were to disregard the law and furnish the assistance on the basis of counties alone he could loan money to one tenant farmer in each county to buy a \$3,000 farm during the first year of operation under this proposed law, because only \$10,000,000 is made available for overhead, loans and all. The next year there will be \$25,000,000 to spend. That would mean two and one-half farms to each county. The third year there is \$50,000,000 to spend, and that would

mean five farms to a county, at a valuation of \$3,000 each. Yet they call this a general farm relief bill.

The Second Congressional District of Michigan, which I have the honor to represent, is composed of four agricultural counties, and according to the 1935 census the number of farms, the number of farm tenants, and the percentage of tenancy in each county are as follows:

County	Number of farms	Number of tenants	Percent of tenancy
Jackson.....	3,579	713	20.1
Lebanon.....	4,661	1,322	28.4
Washtenaw.....	3,596	752	21.4
Monroe.....	4,313	1,043	24.2

The term "farm tenants" used in the national sense is most comprehensive. It is just as varied as is the term "farm." In California, when we talk about farmers, we possibly mean a grower of nuts or fruit, cultivating 10 acres. In Kansas we possible have in mind a wheat farmer, growing 1,000 or more acres of wheat. In Iowa it may be a corn farmer, with 200 or 300 acres of corn, while in one of the cotton States we may have in mind several hundred acres operated by sharecroppers, so-called. In my own section of Michigan we have in mind the operators of from 40 to 160 acres of diversified farming.

Those advocating this bill concede that the figures above given, as to the possible number of farm tenants to be helped during the first 3 years of the law, are as indicated. They cannot tell me, neither can they tell the intelligent farmers of my locality, that any genuine help is to be given where, at the most, one farmer in any one county in my district can borrow enough money to buy a \$3,000 farm. In the first place, the farms that the right type of tenant would want to purchase will cost more than \$3,000. All this is not denied, but it is insisted that the farmers have been promised something; therefore, a step in this direction should be taken. Some have even suggested that this is a laboratory experiment, and is for the purpose of testing the soundness of the plan. Well, I believe in laboratories and in experiments, but the farmer has been made the guinea pig so long that he will recognize an unsound experiment before the operation begins. We are told that this is beginning in a small way, but that at the expiration of the 3-year period we can then take care of all of the tenant farmers in the country. It will take \$14,000,000,000, if this plan is followed, to buy a farm for all the tenant farmers in the country. This is unsound, it is impossible, and out of the question, if the Government is to issue its bonds to raise the money to take over the farm indebtedness of the Nation. The Frazier-Lemke bill was at least honest on its face. It contemplated the eventual printing of new money to purchase farms for farm tenants; but Mr. LEMKE, the author, recognized that it would not be sound to loan 100 percent on the value of the farm, and when his bill was before the Congress he offered an amendment making the amount 80 percent of the purchase price of the farm.

This bill contemplates loaning the farmer 100 percent. In other words, the purchaser will have no equity whatever in the farm. The Government will buy it, purchase the stock, the machinery, set the tenant up in business, and then tell him that he has a home, to go forward, and that the only person to whom he has to answer is the Secretary of Agriculture, but he must make sufficient profit off the farm each year to meet all the payments required in his mortgage. If the Government is to provide all of the tenant farmers and farm laborers with farms and homes, then it naturally follows that the same Government will be asked and required to do likewise for the city tenant, and, if carried to a logical conclusion, to the city laborer and all others who do not have homes as well. This philosophy might be applicable in Russia but it is not in keeping with American principles. The sad part of it is, however, that this legislation is not only a gesture but it is a cruel hoax on the tenant farmer who reads the newspaper headlines telling him that the Congress

is providing him with a farm and a home. I am not familiar with the sharecropper and the tenant in some sections of the country, but in my own territory we have no higher class farmers than a large percentage of our farm tenants, and they cannot be fooled.

There can be no security in farm ownership unless farming on the family-sized farm is profitable. Behind the tenant question is the problem of price and income. The real essential to successful agriculture is to maintain a fair and stable price for the products of the farm. Without that price no farmer can long succeed. That price must be the actual cost of production plus a reasonable profit, and worthwhile farm legislation must recognize that truth. There is no disputing the fact that as a general proposition the farmer has been operating at a loss during the last few years. Eliminate the subsidies paid by the Government and he is operating at a loss today. Are these subsidies to continue permanently, and if so, in what form? This question must be answered and a definite policy for agriculture must be established before we attempt anything like title I of this bill.

Who is there among you who would advise his son to go in debt 100 percent in any line of industry and be required to make a living for his family, pay taxes, insurance, and annual payments on the principal indebtedness, when he knew that the industry in which he was placing him was running at a loss and that his son could not possibly succeed unless something was done to make the industry prosperous? No; you would not do this because you think too much of that son. If this reasoning is right, then we would do an unkindness to the tenant farmers of this country even if we provided all of them with sufficient loans to permit them to engage in a losing industry. We must strike at the fundamentals. The cause of the disease must be discovered and the remedy applied. When we have succeeded in that particular, then we can conscientiously endeavor to make profitable owners out of worthy tenants.

Practically every speech made in this debate has extolled the virtues of home ownership and deplored the fact that there are so many farm tenants in our land. It is true that there has been a great increase in farm tenancy over a period of many years down to 1933. There has been no increase since that date. During this period many farms have been refinanced and payments through the A. A. A. and other temporary agencies have checked the increase. Many tenant farmers who understand the agricultural situation realize that it is impossible to buy a farm and pay for it without more stabilization in the industry. Again I say that stabilization is the objective which we must seek rather than a make-believe like this proposition. This bill is not endorsed by any of the large farm organizations.

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

Mr. MICHENER. Not just now. I am sorry.

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

Mr. MICHENER. The gentleman from Nebraska has asked me to yield, but I do not want to yield for an observation.

Mr. BULWINKLE. This is just a question.

Mr. LUCKEY of Nebraska. I have a short question.

Mr. MICHENER. In courtesy I must yield first to the gentleman from Nebraska.

Mr. LUCKEY of Nebraska. May I ask the gentleman if he has the same feeling against a subsidy to the farmer as he has against newspapers using the second-class mail who are receiving \$75,000,000, against the ship subsidy, and against the air-mail subsidy?

Mr. MICHENER. The gentleman's question is entirely irrelevant. We are discussing agriculture and farm relief and not the Post Office Department and ship subsidies and air mail. A discussion of the United States mails at this time is, however, very pertinent. I should like to have time to call the gentleman's attention to the fact that the C. I. O. has interfered with delivery of the United States mail, and it would seem that the administration might take some action

to compel the Post Office Department to perform the functions for which it was established.

Mr. LUCKEY of Nebraska. How about the subsidy?

Mr. BULWINKLE. If the gentleman will yield for a short question, would the gentleman mind telling the Committee what plan he would pursue?

Mr. MICHENER. I say frankly that, like the gentleman from North Carolina and all other students of the agricultural problem, I have found it impossible to determine upon a positive, specific plan. I do not know just what should be done, and no one else does. I would only do real things and not make-believe things, if I wanted to help the farmer.

Mr. BULWINKLE. I thought the gentleman had given some consideration to this subject. What plan would the gentleman bring in?

Mr. MICHENER. Well, the first thing I would do if I had my way would be to give the farmer the American market. I would cut out those parts of the Canadian and other reciprocal trade agreements which militate against the American farmer. I would pass a law making it possible for this country to grow its own sugar, and protect all agriculture against imports from Canada and other countries where the cost of production is much less. I would at least attempt to do something to put the entire industry on a paying basis. I would do nothing that would put the farmer further in the red. I would stop this unnecessary spending on the part of the Government and reduce the farmers' taxes. I would make it possible for him to get his money at the lowest possible rate of interest consistent with sound business. The more consideration I give, the more I am convinced that eventually some plan will be worked out along the line of the equalization fee or the export debenture. Honest benefits paid for honest service to the farmer cannot be criticized. The philosophy of scarcity and the doctrine that we should pay the farmer to prevent Nature from producing is all wrong, and I am opposed to it. Consequently I do not want to give any more discretion to the present Secretary of Agriculture than necessary, because we all understand that the Secretary is an exponent of this philosophy of producing less and having more.

TITLE II—REHABILITATION LOANS

In short, this title authorizes the Secretary of Agriculture to make loans up to 100 percent of their cash value for the purchase of livestock, farm equipment, family subsistence, and so forth, to those qualified under title I to purchase farms. The interest is 3 percent, payable in 5 years, and is secured by chattel mortgage covering the things purchased.

It is unsound and unreasonable for the United States Government to loan these groups vast sums of money on livestock and crops when the borrower has no equity whatever in the property. The Government already has loan agencies to care for this group of farmers who must have assistance. I want to call attention, however, to the provision of subsection (b) of this title, which authorizes the President to allot out of appropriations made for relief such sums as he may determine to be necessary to carry out the provisions of the title and "to enable the Secretary to carry out such other forms of rehabilitation of individuals eligible under this title to receive loans as may be authorized by law and designated in the Executive order directing the allotment." I am opposed to giving the Executive any additional power. If the Congress appropriates for relief, that money should be used for relief, and the President should not have the money to spend in such places and at such times as he may think advisable to serve his purposes, be they political or otherwise.

TITLE III—RETIREMENT OF SUBMARGINAL LANDS

In this title the Secretary of Agriculture is authorized to develop a program of land conservation and land utilization, including the retirement of lands which are submarginal or not suitable for cultivation. This purpose is laudable, and I have much sympathy with any law making it possible to retire some of this land on which farmers never can even make a living. We are doing the farmer a better service by

getting him off of this land than loaning him money to live on it or to buy more of it.

The powers granted to the Secretary go too far, however. In reality the Secretary is authorized to do about anything he sees fit to reach the objectives. For instance, he is authorized "to sell, exchange, lease, or otherwise dispose of, with or without consideration, any property so acquired under such terms and conditions as he deems will best accomplish the purposes of the title." These are broad powers, and I do not like to give them to any department without more specific limitations. The Secretary is even given authority to "disseminate information concerning these activities." Now we have had considerable experience during the last 4 years with these information bureaus; and, believe me, they can spend the people's money and propagandize the country in behalf of any projects undertaken by the Secretary.

I am bitterly opposed to granting a bureaucrat the right to make rules and regulations having the force and effect of laws, where a serious penalty is attached, when there is no notice given to the public other than the Executive order setting up the rule. In this title the Secretary of Agriculture can make such rules and regulations and "any violation of such rules and regulations shall be punished by a fine of not more than \$500 or 1 year in the penitentiary, or both." We had enough of these rules and regulations under the recent N. R. A. and Potato Control Act, both of which were held unconstitutional by the Supreme Court. I do not want to pass any law making it possible for any Secretary of Agriculture to write some rule or regulation in Washington for the violation of which one of my farmer constituents might be sent to the penitentiary, unless that rule is embodied in a law found in our statute books.

TITLE IV

This title provides the machinery for carrying out titles I, II, and III. In the first place, it sets up another bureau within the Department of Agriculture, to be known as the Farm Security Administration. Here, again, the Secretary is given authority to employ such persons and appoint such agents as are necessary, in his judgment, to carry out the terms of the law. As is usual with these new agencies, the Secretary may make political appointments, and "without regard to the civil-service laws and regulations." He is also given the right to fix the compensation of these officers and employees. I believe thoroughly in the civil service, and if we are going to set up agencies of this kind, let us remove them as far as possible from all political patronage.

I think this title gives authority to the Secretary to do anything he may desire and create almost unlimited expense in connection with his duties. A new provision, however, is listed among many other things he may do, and that is he may "purchase, operate, and maintain at the seat of government and elsewhere motor-propelled passenger-carrying and other vehicles" for the use of the swarm of investigators and agents that will be put to work if this law becomes effective. For my part, I have felt that these agents could get about the country from place to place often enough by using the railroads and other methods of transportation, but here the taxpayers' money may be used to purchase flying machines in addition to motorcars, and all this in the interest of the farmer.

The Resettlement Administration expires on June 30, 1937, and the understanding is that many of the Resettlement officials will be given new jobs under this act. Now, from a business standpoint, many Resettlement projects have been a stench in the nostrils of the sound-thinking public. Witness the project at Bellsville as an example, where homes costing from ten to sixteen thousand dollars have been erected to rent to laborers and persons with low incomes, and all this out of the taxpayers' money. The Alaskan colony is another example of Tugwellian dreams. It is true that Professor Tugwell, the head of Resettlement, is no longer connected with the Government, but his trainees, those who operated with him and who are still carrying on his policies,

are the people, we are told, who will be largely charged with the administration of this new set-up.

While I believe thoroughly in legislation making it possible to return submarginal land to the Government rather than continue contributing annually to the support of the people who are trying to eke out an existence on that land, at the same time I want to eliminate a lot of the half-baked theories of this new school of social uplifters which has cost our people so much money during the last few years.

CONCLUSION

We are told by members of the Agriculture Committee that the committee devoted 11 weeks to consideration of farm tenancy. The House will pass this bill and with very few of its Members knowing anything about the details of the proposal. The bill will then go to the Senate. The Senate will pass the Bankhead farm tenancy bill, and we will find the real legislation written in the conference committee. The Bankhead bill provides that the Government go into the land-purchasing business. The Government would buy tracts of land in tenant sections and resell farms to selected tenants. This bill would be a great help to those who find themselves in possession of large holdings of land of little value. I cannot see where it would be any help to the small farmer in my section of the country. This plan contemplates the supervision of tenants by a bureau in Washington. We have too much Washington regulation already, and any plan that makes the independent owners of small farms subject to the dictates of some theorist in Washington is just simply un-American. While we have had considerable experience along this line during the last 4 years, yet we are not converted. If the Bankhead bill is accepted by the House and becomes a law, there is no question in my mind but that the Federal Government will eventually own large sections of this tenant farm land. It will be impossible for the tenant to ever comply with the terms of the regulations, and he will in reality become a peasant as the term is accepted in foreign countries.

If 42 percent of the farmers of the country are tenants, and if this 42 percent is brought under the domination and control of a Washington bureau, then truly regimentation of agriculture has gone a long way. My farmers are opposed to regimentation. They want to own their own farms. They want to regulate their own families. They want to work out their own problems, and all they ask is a fair show and a square deal in comparison with all other industries.

This discussion is necessarily somewhat technical because I have attempted to explain just what the bill embraces. It is somewhat lengthy because I could not say to you these things in less time. For the reasons herein stated, I am unwilling to be a party to the enactment of this law. The \$10,000,000 provided for the first year must be borrowed, and a large part of it will be wasted in overhead. As I said in the beginning, the farm question is not going to be solved until the farmer is assured of a parity price with other industries.

[Here the gavel fell.]

Mr. PETERSON of Georgia. Mr. Chairman, I rise in opposition to the pro-forma amendment.

Mr. Chairman, I have listened during the last 2 days with a great deal of interest to the lamentations of the great on both sides of the aisle as they bemoaned the hopeless plight of the American farmer; and as their wails of woe have gone from this Hall I have been constrained to think of the conduct of the scribes and Pharisees.

It is startling to me to find that men who are supposed to have dedicated long years of their lives to the problem of the American farmer and who have witnessed during the last 20 years the continuing depressed condition of the American farmer are now bringing before the American people a piece of legislation which, at its most, can be considered nothing but a hypocritical pretense. [Applause.]

I have studied this measure to the best of my ability, and I refer in particular to title I. I do not find therein one single idea or thought or word which in any manner advo-

cates or presents a policy which will lead the American farmers out of their present hopeless plight and place them again in a position of economic independence.

The gentleman from North Carolina [Mr. BULWINKLE] has just asked a very pertinent question, "What will you offer?" I will say to the gentleman from North Carolina and to this House that there is now pending before this body a measure which incorporates the very fundamental principles of Jeffersonian democracy and which offers a means and a pathway by which the 6,000,000 farm families of America and the 30,000,000 farm population will be granted an opportunity to get out of this wilderness of economic despair and be placed in a condition of economic independence.

Why, Mr. Chairman, the pending bill is a farce, and you know it is a farce. It offers no remedy for the diseased condition of agriculture. Why, the only thing it does for the few farmers who will receive the so-called benefits is to place them 100 percent in debt, and the very next day they are eligible to go into the bankruptcy courts of America.

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

Mr. PETERSON of Georgia. I yield.

Mr. LUCAS. Will the gentleman explain to the House the major features of his bill?

Mr. PETERSON of Georgia. I may state to the gentleman I am sorry he has not been on the floor when I have explained it on at least two occasions, and in the 5 minutes now allotted to me I will not have an opportunity to explain it, but a complete explanation of the measure is available, and I hope before the day is over, if I can obtain recognition and get enough time, to give the membership the essence of the measure which is now before them; and if the gentleman has an open mind and is really interested in the welfare of the American farmer, I should like for him to listen to what I have to say on this measure during the remainder of the day. [Applause.]

[Here the gavel fell.]

The pro-forma amendment was withdrawn.

The Clerk read as follows:

TITLE I

POWER OF SECRETARY

SECTION 1. (a) The Secretary of Agriculture (hereinafter referred to as the "Secretary") is authorized to make loans in the United States and in the Territories of Alaska and Hawaii to persons eligible to receive the benefits of this title to enable such persons to acquire farms.

(b) Only farm tenants, farm laborers, sharecroppers, and other individuals who obtain, or who recently obtained, the major portion of their income from farming operations shall be eligible to receive the benefits of this title. In making available the benefits of this title the Secretary shall give preference to persons who are married, or who have dependent families, or, wherever practicable, to persons who are able to make an initial down payment, or who are owners of livestock and farm implements necessary successfully to carry on farming operations. No person shall be eligible who is not a citizen of the United States.

(c) No loan shall be made for the acquisition of any farm unless it is of such size as the Secretary determines to be sufficient to constitute an efficient farm-management unit and to enable a diligent farm family to carry on successful farming of a type which the Secretary deems can be successfully carried on in the locality in which the farm is situated.

Mr. MAHON of Texas. Mr. Chairman, I offer an amendment which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. MAHON of Texas: On page 1, line 6, strike out "Power of Secretary" and insert in lieu thereof the following: "Power of Farm Credit Administration."

On page 1, lines 7 and 8, strike out the following: "The Secretary of Agriculture (hereinafter referred to as the 'Secretary')" and insert in lieu thereof the following: "The Farm Credit Administration."

Mr. MAHON of Texas. Mr. Chairman, the amendment which I offer is an amendment which simply turns over the administration of this act to the Farm Credit Administration. The present bill places the administration of the act in the hands of the Secretary of Agriculture, but the Secretary of Agriculture and the bureaus operating under him are not skilled in the business of lending money to farmers on farm land, and my amendment provides that we shall

turn over this credit measure—and this is a credit bill—to the Farm Credit Administration. Indeed, it was said yesterday on the floor that Governor Myers, Administrator of the Farm Credit Administration, is the ablest administrator in any department of the Government; and I say to you frankly that this is the hardest credit problem before the Congress and before the American people, and it requires the ablest and most experienced hands available. We ought to lay down proper rules and regulations and turn over the administration of this act to the Farm Credit Administration.

That agency has already lent during the past 4 years to 3,000,000 American farmers more than \$4,000,000,000. It has already lent on farm land about \$3,000,000,000, and about \$2,800,000,000 is now outstanding, and of the Federal land-bank loans about 87 percent are in good standing at this time.

Here we have an experienced agency. It is well oiled. It is operating in all of the 3,059 agricultural counties in this country. And in view of the difficulty of this credit problem I think we had better turn it over to this agency, because if we make a big blunder in the administration of this act and bring down the contempt of the American people upon this experiment, a great stumbling block may be placed in the way of a proper program for the tenant farmers of the country in the years to come. Therefore I hope that the members of the Committee will agree with me in turning over the money authorized to be appropriated in this bill to an organization that is already set up; to an organization that can begin work immediately after the passage of the bill, to the end that those loans which may be made can be made promptly and on a sound basis.

Mr. CRAWFORD. Has the gentleman given any thought to the practical problem the Farm Credit Administration will be up against, lending money to farmer A at 3 percent under the gentleman's proposal, as set forth in this bill and lending money to farmer B at 3½ or 4 percent?

Mr. MAHON of Texas. I certainly have. The Farm Credit Administration is doing that today. The Land Bank Commissioner loans draw 5 percent and the land-bank loans 4 percent. Of course, we have had an emergency rate of 3½ percent for some time. I propose that no one should be eligible for one of these tenancy loans unless he is unable to secure a loan under the Federal land bank and the Land Bank Commissioner. As I said yesterday, a national farm-loan association of five directors and a secretary-treasurer is now operating in every agricultural county of the country. They know how to cooperate in a program such as we propose in this bill. I hope this amendment will be adopted.

The appropriation provided for in this bill is so small no very material accomplishment can be expected from the passage of this measure. Under amendments which I have proposed, if we handle this program through the Farm Credit Administration, we will be able to secure much more readily adequate money to finance it. Under the bill as drawn a direct appropriation from the Treasury is required.

Mr. Chairman, I should like to present some general facts and ideas on the subject of farm tenancy. We cannot appropriately forget the facts of the problem until we have achieved a solution.

We had no serious problem of farm tenancy until about 50 years ago. Beginning with 13 colonies, this Nation has expanded at intervals until now it embraces a vast empire with 1,903,337,600 acres. Formerly the farmer could secure land under the homestead laws of the United States for nothing. A farmer who became heavily indebted on one farm could surrender it to his creditors and go into new and fertile territory and homestead another farm. There was not very much in those days to provoke farm tenancy. Even when free land became scarce it was still possible for a farmer to buy much of the most fertile farm land in America for only a few cents or a few dollars an acre. The time of free land and good land that can be bought cheaply has passed and we have come into the evil days of pronounced and pernicious farm tenancy.

The record reads about like this: In 1880 only 25 percent of farmers were tenants; in 1900 the percentage had increased to 35 percent, and by 1935 the percentage had increased to 42 percent. Farm tenancy is greatest in the South and West and least in New England. In Massachusetts and Maine only about 6 percent of the farmers are tenants, while in Mississippi more than 70 percent of the farmers are tenants. These are the two extremes, but all the Southern and Western States present a bad situation in regard to this question. Mr. H. A. Turner, of the Bureau of Agricultural Economics, states that, in 1930, 73 percent of all cotton farmers were tenant farmers.

My distinguished colleague [Mr. SOUTH] sometime ago pointed out the figures which are applicable to my own State of Texas. In 1880 only 30 percent of our farmers were tenants. By 1900 the number had increased to 49 percent, and in 1935, 57 percent of the farmers in Texas were tenants. In 1935, 286,000 farm families in Texas, representing about 1,400,000 people, were tenants.

The casual student of farm tenancy might say that since 42 percent of the farmers of America are tenants, it necessarily follows that 58 percent of all farmers are land owners. Unfortunately this is far from the truth. About 58 percent of the farmers do have legal title to their land, but only slightly more than one-half of these own their lands, free of mortgage. That reduces the percentage of actual farm owners in the United States to less than 30 percent. In other words, not one farmer out of three in the United States actually owns his farm. These figures represent the average and take into consideration the almost total lack of farm tenancy in some States. The figures indicate that in the South considerably less than one farmer out of every four actually owns his farm free of debt.

In 1930 the average farm mortgage was approximately \$3,500. It is a well-known fact that many farmers who are so-called farm owners are worse off than tenants because they owe more on their land than the land is worth.

The real cause for so much farm tenancy is low and inadequate farm income. Our farm-tenancy problem will largely vanish when we have established a system which will give the farmer an adequate price for his labor and products.

Washington is a city of many monuments. It is being proposed that there be erected here a \$3,000,000 monument to the memory of Thomas Jefferson. If we build any more after that, I think we ought to build one to the memory of the farm family who has traveled the rocky and perilous road from farm tenancy to farm ownership during the adverse conditions which have prevailed during the last 25 years. I am not talking about farmers who have inherited farm lands or who have bought and paid for farms out of an independent income.

I am talking about real dirt farmers who have gone on the land and paid for it out of the sweat of their brow. Such a monument would symbolize more acts of heroism, self-sacrifice, and unheralded courage on the part of thousands of fathers and mothers and their children than could be recorded in the Appendix of the CONGRESSIONAL RECORD during the next several sessions. Such a monument would symbolize the fact that in order to become farm owners and cease to be tenants thousands of farm families had followed a course of self-sacrifice which would read about like this:

No bathtub, no kitchen sink, no water even piped to the house, no rugs on the floor, no daily newspapers; younger children rarely having anything new, but being required to wear clothing which the older children had outgrown; a lot of heartaches because the children cannot dress as well as neighbors and wear prettier graduation dresses when the school closed in the month of May; a little cobbler's shop where the family could sole its shoes; on rainy days, no vacation, the time being devoted to working over the chicken house or doing a little wood hauling, fence building, or ditch digging; no radio; no automobile at all, or no new one—work all week from sun to sun, and often continuation of work on Saturday afternoon while the neighbor's children had gone

to town or to the ball game—a very modest diet, sometimes not balanced and usually devoid of store-bought fruit; no haircuts at the barber shop, the father or mother or one of the sons doing the family haircutting; no doctor nor dentist in many cases when the services of doctors and dentists were absolutely necessary for the health of the family.

Such is a brief description of a few of the minor hardships on the road that many have followed and must follow if farm ownership is to be achieved under present conditions. The great Champ Clark, former Speaker of the House, once said that his life could be condensed into these words: "Fifty-odd years of unremitting toil." Unremitting toil and much good luck is the price of farm ownership under the present system. It is not a matter of unremitting toil and self-sacrifice for a year only; it is often prolonged for a score of years or more before the goal is attained. No one knows very much about farm tenancy who does not know by experience something about "the short and simple annals of the poor." Farm ownership has been in the grasp of many farm families only to be snatched away by serious illness, death, accident, drought, flood, storm, or any one of a score of other factors beyond the control of the farmer. Those who have no patience with the problems of the farmer and the farm tenant and denounce him for his position of economic insecurity are unfaithful to the Nation's welfare and grossly ignorant of conditions prevailing among 30,000,000 American farm people. But, referring to the monument to the memory of the unknown farmer, I am not in favor of appropriating the money for it until we have supplanted farm tenancy with wholesome farm ownership.

I think it is well to point out in discussing this subject that the solution of the problem of farm tenancy will be a step forward in the reduction of relief expenditures.

We have spent billions of dollars for relief in recent years, and there is a very definite relationship between relief and the collapse of agriculture, especially in the South and West. To do nothing about farm tenancy and to continue to appropriate billions of dollars for relief is to be inconsistent and uneconomic.

If much of that relief money had been spent in the South and West on a wise farm-ownership program, it would have accomplished greater good, and permanent good, in putting many farm families in a position to support themselves, who are now on relief. Much relief is of temporary value, but money wisely spent in the interest of farm ownership will bear good fruit for generations.

If more of the boys and girls of the future are born on farms owned by their fathers and mothers, they will have a better chance in the world than those who go from farm to farm, from year to year or at frequent intervals, but never finding a home.

We are spending about a billion dollars per year on our Army and Navy for purpose of national defense, but guns and ammunition are not the only elements to be considered in forming a policy of national defense. The morale—the spirit and solidarity of the people—is the more important thing. Before a nation can fight very successfully it must have something to fight on and something to fight for, and a citizenry of home owners and farm owners is the most necessary bulwark in national defense.

Many men love their own farm lands so much they have been known in hundreds of cases, in their misguided and intemperate zeal, to kill a neighbor over a boundary-line dispute. You will recall the story of Naboth, the Jezreelite who suffered himself to be stoned to death through the machinations of the wife of King Ahab of Samaria rather than give up a little farm which he owned and loved. Those who are interested in the reduction of relief expenditures and those who are interested in national defense cannot in good judgment withhold assistance in the attack on farm tenancy. We have begun the attack and those who love the institutions of this country will not give up until success is achieved.

Mr. NICHOLS. Mr. Chairman, I rise in opposition to the amendment. I think everyone agrees, surely everyone who is

familiar at all with agriculture, that the tenancy problem in this Nation is a big one at the present time. I think we all realize that probably the United States needs a new crop of landlords on the farms of this Nation as badly as anything else. I think I shall support this bill, but I am not supporting it, lulled into a feeling of security that the bill will accomplish any major good for the farm tenants of the country. The only reason I do support it is because I am in hopes that even though we spend \$10,000,000 to do it, the experience derived from the expenditure of that money will teach the leadership of this Congress and teach this administration that this problem cannot be met in this way. I doubt that you could get Congress to appropriate enough money to adequately deal with the tenancy problem in this country on this basis. I think there is an adequate way, and it is a very simple one, a proven way, by which this can be handled. A few years ago we set up under the Congress what is known as the Federal Housing Administration. That Administration used private capital and the credit of the Government to build homes in this Nation. That Administration has had remarkable success. It is just as feasible to make landlords out of tenants under a plan similar to the Federal Housing Administration, using the Government's credit and private capital, as it was to carry on a home-building program under the Federal Housing Administration.

If this bill will do what one gentleman of the committee says it will do—buy a farm for one farmer in every county in the United States—and I presume it will, and if that purpose is accomplished 100 percent, what, then, have we done toward solving the tenant problem in this Nation? What would we have accomplished had we adopted the amendment of the gentleman from Wisconsin a moment ago for \$500,000,000? Under that you would have put 50 tenants on farms that they own in every county of the United States; but what then would you have accomplished? I shall support this bill for another reason, because I am happy to find that the Congress has finally become conscious of the fact that farm tenancy is a real problem in this Nation; but it is not going to help the situation except that it may teach the proponents of the plan the absolute unfeasibility of their plan, and then we might be able to enlist them, because of their experience of failure under this plan, to give their support to a plan that will adequately take care of the tenant problem in this Nation; and it can be done, and there is no need to break or bankrupt the Government in accomplishing it.

I come from an agricultural country and my district is one in which the tenancy situation is very bad. Statistics taken by the farm census of 1935 showed that between 80 and 90 percent of the farms were being operated by tenants. It further showed that of these tenants, more than half of them moved every year.

Think what this means. A move every other year by 80 to 90 percent of our farmers. They have no chance of success under such conditions. They cannot get acquainted with the soil they are attempting to till. They have no incentive to improve fences or buildings. Why should they cooperate to preserve the fertility by terracing or doing any of the other things that we are attempting to teach them under the Soil Conservation Service.

This bill cannot solve our problem in the Second District of Oklahoma in a hundred years. We must devise a program which will give more of our tenants a chance.

But I am glad that we are recognizing the problem and the necessity for a solution. We cannot walk until we have taken the first step.

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

Mr. LUCKEY of Nebraska. Mr. Chairman, I move to strike out the last two words to support the amendment of my good friend from Texas [Mr. MAHON]. I rise to call attention to the statements made by my good friend from Michigan [Mr. MICHENER], who said that this measure is unworkable because it is a subsidy to the farmers. That is remarkable. It is remarkable that a subsidy to the farmers

will not work. I call attention to the fact that in 1916 we established what we called the Shipping Board. The Shipping Board granted to the merchant marine up to the time it went out of existence a subsidy of over \$3,000,000,000, yet today we do not have any merchant marine. I wonder if the gentleman from Michigan has considered that?

Furthermore, the United States Government sold to the Dollar Steamship Co. on the Pacific coast, vessels at 10 and 20 cents on the dollar. They loaned them the money to buy those ships at that remarkably low price, and then loaned them money for 20 years' time at less than 1 percent interest. If that is not a subsidy I would like to know what it is.

Furthermore, we are subsidizing the newspapers and magazines of this country to the tune of \$75,000,000 a year, and the Postal Department is footing the bill. We do that through low second-class mail rates. Your constituents and mine have to meet that subsidy.

Not only that, but we have subsidized the great business industries on the Atlantic coast and in the East, the great industrial centers, by a protective tariff; but the protective tariff does not work for the farmer unless he has nothing to sell. Then it works.

The great commoner, the statesman from Nebraska, William Jennings Bryan, often used to say, "Destroy our farms and grass will grow in the city streets." This is a measure that is of tremendous importance not only from an economic standpoint but from a sociological standpoint. If this country ever gets into trouble, your safest bet will be on those people who live on the farms, who have a knowledge of real values in life.

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

Mr. LUCKEY of Nebraska. I yield.

Mr. ANDRESEN of Minnesota. The gentleman from Michigan may have indicated that this was a subsidy. It might be a subsidy for a large number of landowners at the present time who might like to sell their land to the Federal Government.

Mr. LUCKEY of Nebraska. It is not a subsidy to the man who buys. He pays it back, and that is something that the big businesses we have subsidized have never done. [Applause.]

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

Mr. PETERSON of Georgia. Mr. Chairman, I rise in opposition to the pro-forma amendment.

Mr. Chairman, I was glad to hear the remarks made by the gentleman from Texas a few minutes ago regarding the fact that this measure, and I refer particularly to title I, is in reality a duplication of agencies which now exist in our Federal Government.

The Federal land bank was organized about 20 years ago for almost the identical purpose that this proposal is here made today, but here you are setting up an entirely new agency, with its headquarters in Washington, with thousands of employees throughout America. I understand there will be an effort made to put those employees under civil service, so as to be sure it is a permanent agency. And for what purpose? To proceed in the most expensive possible way, in my opinion, to deal with the farm problem of America. According to the most conservative figures that have yet been brought out on this floor, it will cost approximately \$7,500 per farm family to get them into title ownership of a farm home. Are they in ownership? Why, that is an absurdity. They have theoretical title, but to carry this bill to its ultimate conclusion means that you will have an increased farm-mortgage indebtedness in America of approximately \$20,000,000,000. Add this \$20,000,000,000 to the approximately \$8,000,000,000 present farm-mortgage indebtedness and you have a farm-mortgage indebtedness of \$28,000,000,000. The interest alone, Mr. Chairman, will amount to approximately one-fifth of the present total gross cash income of the entire farm products of this country.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?
Mr. PETERSON of Georgia. I yield.

Mr. COOLEY. Does the gentleman intend to vote for this measure?

Mr. PETERSON of Georgia. I wish to state to the gentleman that I do not know how this measure will finally be amended, but at present I am opposed to the measure. I believe that the members of this committee have brought here a measure which is a travesty and an insult to the intelligence of the 30,000,000 farm population of America.

Mr. COOLEY. Would the gentleman be kind enough to point out the particular section to which he so vigorously objects?

Mr. PETERSON of Georgia. I have not heard one word from the gentleman from North Carolina [Mr. COOLEY] on this floor which in any manner showed that he was offering a measure which will place the farm families of America in a position of economic independence.

Mr. COOLEY. Does the gentleman understand that we are not talking now about the general farm program but about a specific measure for relief of farm tenants?

Mr. PETERSON of Georgia. I am glad the gentleman has mentioned that fact, because in the report of the committee, of which the gentleman is a member, he himself admits that this bill cannot succeed unless there is passed other legislation in support of it, and I will read to the gentleman his own report.

Mr. COOLEY. That is the position, I think, all of the members of the committee entertain—that we must have additional legislation.

The CHAIRMAN. The time of the gentleman from Georgia [Mr. PETERSON] has expired.

Mr. JONES. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto close in 5 minutes.

Mr. MILLS. Mr. Chairman, I object to that. I have an amendment at the desk.

Mr. JONES. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto close in 11 minutes.

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

Mr. PETERSON of Georgia. Mr. Chairman, reserving the right to object, I insist that inasmuch as this is a measure of tremendous importance not only to the farm population but to the entire population of America, the Chairman should permit full opportunity to discuss the bill.

Mr. LANZETTA. Mr. Chairman, reserving the right to object, I should like to ask the gentleman from Texas, the chairman of the committee, if time will be allowed for the consideration of the amendment introduced by the Commissioner from Puerto Rico.

Mr. JONES. Yes, the amendment is satisfactory to the committee.

The CHAIRMAN. The gentleman from Texas is merely asking unanimous consent to limit debate on this amendment.

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

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Louisiana [Mr. MILLS] for 3 minutes.

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

The Clerk read as follows:

Amendment offered by Mr. MILLS: Page 2, line 4, after the second word "who", strike out "recently" and insert the words "has ever."

Mr. MILLS. Mr. Chairman and colleagues, I am very happy to rise at this time in support of farm-tenant legislation. Being a southern farmer, and my ancestry on both sides having been tillers of the soil for more than 100 years, I naturally have acquired a sympathetic interest in the farming industry of this country as a whole. Therefore, I am deeply gratified that this Government has come to the realization that the welfare of a citizenry must look for leg-

islation that will help to cure the many evils that are now existing and growing in this great land of plenty.

Mr. Chairman, on page 2, in line 4, the committee has seen fit to use the word "recently." I ask that the committee strike out the word "recently" and insert in lieu thereof the two words "has ever."

The purpose of the amendment is to take care of those farmers who have moved into towns or cities but who wish to return to the farms.

First, I wish to furnish you with some specific facts as presently exist generally throughout the country on this subject. First, at present we have about 6,000,000 farms with millions of people making a livelihood from the soil out of 3,059 counties in this country, and of the total farmers, 2,800,000 are tenant farmers, with an increase of 40,000 each year. The appalling condition is an ever-increasing condition, in that 40 years ago only 1 in every 4 were farm tenants, whereas today more than 40 percent of the farm population are tenant farmers.

I readily agree that the appropriation of only \$10,000,000 for the fiscal year 1938, \$25,000,000 in 1939, and \$50,000,000 in 1940 is only a miniature set-up, to allow farm tenants to purchase farms, but I had rather for this Government to make a success, even though it is small in the beginning, than to make too large an appropriation and at the end prove that such an undertaking is a failure.

My friends, I hesitate on the floor of this House to paint an appalling picture as exists in certain sections of this great land, where there is too much to eat, too much to wear, and too much of everything to supply the demands, for people to go hungry or undernourished, poorly clad, and without shelter. Therefore we must come to the rescue of our unfortunate members of society and show them that Congress has an interest, that they all may enjoy some of the pleasures and happiness that God intended for them to enjoy. It is an unfair situation for a selected few in a democratic form of government to enjoy the advantages of life in a land of too much to eat and too much to wear and the unfortunate group to go hungry, begging for food, sleepy and no place to sleep, clothesless and no money to buy clothes. Therefore this legislation is pointing toward the greatest humanitarian move, the greatest act that I have seen this Congress begin to undertake in my short period of association, and I contend, if more of such legislation was adopted, the country as a whole would decline in looking upon this body as one that has more often shown discrimination in favor of a selected few. This type of legislation affords a greater possibility for the greater percentage of the masses becoming better independent citizens, enabling them to make a livelihood permanently. Further, this type of legislation is nothing new, as it was advocated by the early philosophers, also the Pilgrim and Puritan forefathers, as well as the Bible itself.

I have heard numbers of speeches on this floor and over the radio by Congressmen advocating pro and con various plans of legislation that will help solve the now existing conditions, but I believe passage of this bill will be going a long way toward a greater redistribution of wealth, in that it has a tendency to tax the more well-to-do and guarantee something to the smaller people.

I readily accept the sneers from some of the Members of this House when I say that this is pointing toward the ticket I was elected on—the share-our-wealth—although I desire at this time to give you to understand where the share-our-wealth meaning was first used, but not the words. I will read from the President's acceptance speech in Chicago, page 388 of the proceedings of the Democratic National Convention of 1932, and I am quoting from Mr. Roosevelt:

Throughout the Nation, men and women, forgotten in the political philosophy of the Government of the last years look to us here for guidance and for more equitable opportunity to share.

I want you to understand the idea of the share-our-wealth phrase was a phrase of Senator Huey P. Long, who is now deceased, but yet today even though he is deceased, those words ring in the hearts of every American citizen and they believe this Government, as originally founded, so well de-

clared in the Declaration of Independence, is supposed to guarantee life, liberty, and the pursuit of happiness to all its citizens, and I contend that this body should adopt more of such legislation that will afford the masses an opportunity to make a livelihood; inasmuch as that is the great cry throughout the land in preference of relief.

Senator Huey P. Long in his share-the-wealth reply to General Johnson stated:

That 1 percent of Americans own 59 percent of America's wealth, while 4 percent own between 85 percent and 95 percent of the wealth.

Therefore, the cry began throughout the land that the demagogue Long is incorrect. Therefore, the New York Daily News of April 11, 1935, intimated and added that somebody ought to look into this question and get the true figures on America's wealth in order to refute Long. The News then assigned one of its most competent investigators, Lowell Limpus, to the job of digging up the figures, so Limpus came to Washington and worked for weeks here in the Library of Congress and elsewhere, to rout up the true figures, with which to deny Senator Long, and, therefore, the results of that research showed Senator Long had essentially the correct information, especially where the money power is lodged in this country.

I shall herewith set forth Mr. Limpus' findings:

More than 96 percent of the workers in the United States receive less than \$2,000 a year, which is regarded as sufficient only for basic necessity.

According to the United States Federal Trade Commission in 1926, 1 percent of the people dying did not own as much as 59 percent of the wealth reported, and since that time the rich have been getting richer in proportion and the poor poorer, so stated Mr. Limpus' findings; therefore, my colleagues, this investigation by the New York Daily News shows specifically that Senator Huey P. Long had underestimated the wealth holders in America and that 1 percent owned a great deal more than 59 percent of all the property. After Mr. Limpus had discussed these facts it was decided, after some deliberation, to publish them, inasmuch as they were afraid by not publishing the uncovered truths it would be very harmful and cause a large increase of share-our-wealth believers throughout the land.

This big newspaper of the United States further stated that America has got to redistribute the wealth in the land one way or the other. Therefore, my colleagues, this is one of the safest ways, through farm tenancy and old-age pensions, that this wealth may be distributed, and I am proud this Congress is coming to the realization of the truth; and if we do not adopt the truth I am afraid eventually it will be too late.

My colleagues, in part, the language in section B, title I, reads as follows:

Only farm tenants, farm laborers, sharecroppers, who have recently obtained a livelihood from farming, shall be eligible to receive benefits from this title.

I believe the language should be changed and be sufficiently wide to allow people in towns who have not recently farmed the privilege to borrow money to buy farms, as we have thousands of families in towns who would be proud to move on a farm if ways and means could be provided for them to purchase a place. I am sure some of you will disagree by stating if too many are allowed to farm we will have an overproduction. No; we must go further and adopt the share-our-wealth way of dealing with farming by allowing the lands to lay idle every seventh year, as taught in the Bible, and Government guaranteeing to our farmers a price for their raw products equal basically to the manufacturing price. Thereby I contend buying power will be increased among the farming class and a greater demand for the farm commodities will exist. Further, as long as mass purchasing power stays down and continues to shrink, there will be an overproduction of bathtubs, cars, radios, and so forth, which we like to think are elements in the American standard of living.

There is not any overproduction in the United States of cotton, corn, wheat, rice, beans, or cattle, and have not been; there is an underproduction of those things. However, the farmers of Louisiana, Texas, Iowa, and all of the States are gradually being stamped out of existence; they are gradually having to resort to the W. P. A. rolls and various other relief agencies.

Is it because there is an overproduction? No. It is because the people do not have the money with which to buy the things they need and must consume if they are to live in a reasonable or respectable way. Farmers are not overproducing, yet those poor farmers are being told that.

My colleagues, after the New York Daily News in 1935 undertook to refute the statements of Senator Huey P. Long relative to concentration of wealth in the hands of a few and was unsuccessful, this Congress has done little toward curing that evil. Here are the multimillionaire families that found out the truth, yet this Congress and the preceding ones have undertaken very little, if anything, along this line other than this bill. It reminds me of the rich man who allowed Lazarus to stay outside the gate, with the dogs licking his sores, begging for the crumbs that fell from the rich man's table. When Lazarus died and the rich man died, and the rich man looked afar off and saw Abraham with Lazarus in his bosom, the rich man cried and said, "Father Abraham, send Lazarus that he may pour water and cool my tongue." Abraham said, "It cannot be done." The rich man said, "Then send Lazarus back to earth that he may tell my four brothers there of the torments with which I am afflicted that they may avoid this place." Abraham said, "There is not a bit of use. They have Moses and the prophets; they will not believe one who has risen from the dead and has come back to earth."

This Congress stands here today neglecting to accept so many great truths that, if adopted, would solve a great economic condition.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Louisiana.

The question was taken; and on a division (demanded by Mr. MILLS) there were—ayes 15, noes 61.

So the amendment was rejected.

The CHAIRMAN. The Chair recognizes the Delegate from Puerto Rico for 4 minutes.

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

The Clerk read as follows:

Amendment offered by Mr. IGLESIAS: On page 2, line 1, after the word "Hawaii", insert "and in Puerto Rico."

Mr. IGLESIAS. The chairman of the Committee on Agriculture has agreed to this amendment, and I request that it be voted on.

Mr. JONES. Mr. Chairman, I have no objection.

The CHAIRMAN. The question is on the amendment offered by the Delegate from Puerto Rico.

The amendment was agreed to.

The CHAIRMAN. The gentleman from Texas [Mr. JONES] is recognized for 4 minutes.

Mr. JONES. Mr. Chairman, I rise in opposition to the amendment offered by my colleague the gentleman from Texas [Mr. MAHON]. I share his regard for the Farm Credit Administration and its activity. I think that Governor Myers under the rules of his administration has done a wonderful work, but the principle underlying this bill removes it from the purview of his work. Several of us thought that perhaps it ought to go to that organization. Governor Myers came before our committee, making the statement that unless we wanted to change the whole set-up it would tend to injure very greatly the accomplishments of his administration. Under that administration he must sell the obligations of the Federal land banks in the open market, he must sell the obligations of the intermediate credit banks in financing the current credit of those organizations. Whether you believe in the system or not, that is the basis on which it is built. When he began, land-bank bonds were selling in the 80's and in many instances were not selling at all. They

are now selling above par and the farmer is getting the lowest interest rates that have ever prevailed in the United States—the lowest rates that have ever prevailed on such a large scale anywhere in the history of the world. The system has been well administered. Questionable things have been kept out of it and only adequately secured credit has been accepted. Do you want to jeopardize that by taking a different type of credit that one who purchased bonds, one who purchased the obligations of the intermediate credit bank, might feel should not have been included? I do not believe you do.

This goes a little further than that. I hope the House will not accept the amendment because this bill follows the pattern that has been proved and tested in many other countries. It is a starting point. It is fair and I think we would do better if we started on a moderate scale.

Mr. DIES. Will the gentleman yield?

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

Mr. DIES. Is it not a fact that the bonds issued by the Farm Credit Administration are guaranteed by the Federal Government?

Mr. JONES. No. The bonds of the land banks are not guaranteed by the Government, either as to principal or interest; yet they are selling about par. If we tack this on, I do not believe that condition will continue. Governor Myers, whose administration we are complimenting, feels that it might materially injure the sale of those bonds.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. MAHON].

The amendment was rejected.

The Clerk read as follows:

COUNTY COMMITTEES AND LOANS

SEC. 2. (a) The county committee established under section 42 shall—

(1) Receive applications of persons desiring to finance the acquisition of farms in the county by means of a loan from the Secretary under this title.

(2) Examine and appraise farms in the county with respect to which an application for a loan is made.

(b) If the committee finds that an applicant is eligible to receive the benefits of this title, that by reason of his character, ability, and experience he is likely successfully to carry out undertakings required of him under a loan which may be made under this title, and that the farm with respect to which the application is made is of such character that there is a reasonable likelihood that the making of a loan with respect thereto will carry out the purposes of this title, it shall so certify to the Secretary. The committee shall also certify to the Secretary the amount which the committee finds is the reasonable value of the farm.

(c) No certification under this section shall be made with respect to any farm in which any member of the committee has any property interest, direct or indirect.

(d) No loan shall be made to any person or with respect to any farm unless certification as required under this section has been made with respect to such person and such farm by the committee.

Mr. TARVER. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. TARVER: Page 3, line 16, after the word "committee", insert "or any person related to such Member within the third degree of consanguinity or affinity."

Mr. JONES. Mr. Chairman, I have consulted with as many members of the Committee on Agriculture as I could contact and they have all agreed this is a good amendment. Therefore, there is no objection to the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia [Mr. TARVER].

The amendment was agreed to.

Mr. McCLELLAN. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. McCLELLAN: Page 3, at the end of line 16, strike out the period, insert a comma and add thereto the following: "or in which they or either of them have had such interest within 1 year prior to the date of certification."

Mr. JONES. Mr. Chairman, I shall be glad to agree to the amendment.

Mr. McCLELLAN. Mr. Chairman, I thank the gentleman for accepting the amendment. Since the amendment is accepted, I should like, Mr. Chairman to address my remarks briefly to the merits of the bill. Yesterday in general debate the time was so limited that many of us who are anxious to see this legislation adopted did not have an opportunity to express our views; therefore, we must secure time under the 5-minute rule.

Mr. Chairman, I do not believe there is anyone in this House who has keener sympathy for or deeper interest in the class of people for whose benefit we are undertaking to legislate today than I have. I speak from personal experience and not as one who might have read of or who may have heard about the plight of the tenant farmers. I was reared the son of a tenant farmer and I know how hard the struggle is and how difficult it is for one in that class under present economic conditions to acquire a farm of his own. They have not the power to give themselves a start, and this bill is at least the adoption of a policy whereby the Federal Government recognizes the tenant farmer and offers some aid and assistance in his ambition to become a home owner.

Mr. Chairman, the committee is being criticized for not bringing in a better bill. Certainly this measure is not all that was hoped for. Everyone, perhaps, would like to see more money appropriated, more people benefited, and more people aided, but unfortunately we cannot do that at this time. Here is the important thing about this program. We are starting. Everybody agrees that this is a good policy. No one criticizes the policy of trying to help this class of people. As we start out I think it is important that we proceed cautiously in order to make this experiment a success, because, God pity the tenant farmers of America if this experiment fails. We must make it succeed, and the only way to make it succeed is to place it on as high a plane as possible and undertake to administer the law without financial loss to the Government.

If those charged with administering the provisions of this law will use precaution in selecting tenants most deserving and best suited to receive Government aid and proceed under a program of this kind, in a year or two, even with this meager start, the program will begin to bear fruit, and we will have gained some experience and will better understand how to develop and expand and extend this aid to larger numbers. When we have set up an organization to carry out the provisions of this act and have created the machinery to deal with this problem effectively we can then increase the appropriation and extend this aid to larger numbers of those worthy to receive it.

True, Mr. Chairman, we will never be able to lift all the share croppers and tenant farmers to a higher level and standard of living. There are those, of course, who would not take proper advantage of this opportunity if it were extended to them, but there are many who will and who will become the owners of homes and farms of their own and thus make better citizens by reason of this assistance and the program we are launching by the enactment of this legislation.

Tenant farming and sharecropping has practically doubled in my State within the past half century. We cannot close our eyes to this unhealthy condition in our agricultural industry. This trend must be checked, and the number steadily reduced. It is going to take time. It cannot be done at one session of Congress.

No doubt we will find it necessary to adopt many amendments to this legislation from time to time, but we have started and I want to join with many others in expressing thanks to the Committee on Agriculture for its work in reporting out this bill. [Applause.]

Mr. SUMNERS of Texas. Mr. Chairman, I rise in opposition to the amendment and I do this for the purpose of asking a question of the chairman of the Committee on Agriculture.

This part of the bill we are considering undertakes to establish certain limitations with reference to the conduct of this committee. In turning to the penal provision of the bill, I do not find anything, from a hurried examination, which

makes the penal provisions of the bill applicable to the doing of things by this committee which it is intended by the provisions of the bill to prevent them from doing. There is a provision here with reference to what employees may do, and I refer to section 49.

Mr. JONES. Section 42, as we understand it, makes these county committees employees of the Federal Government and, therefore, they would be subject to the penalty provisions.

Mr. SUMNERS of Texas. I direct the attention of the gentleman to the fact that section 49 is not a blanket provision which seeks to punish persons who do the things prohibited by the provisions of this bill, as I read this hurriedly.

The penal provision has to do with gifts, fees, and so forth, but not false certificates. I suggest to the chairman that before we conclude the bill this be given consideration.

Mr. JONES. I should like to have the help of the gentleman. If the gentleman has an amendment to suggest, I shall be pleased to consider it when we reach that point. I do not have time now to go into the question, but I thank the gentleman for calling my attention to it.

Mr. SUMNERS of Texas. I shall be glad to look into the matter.

The CHAIRMAN. The question is on the amendment of the gentleman from Arkansas [Mr. McCLELLAN].

The amendment was agreed to.

Mr. PETERSON of Georgia. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, the gentleman from North Carolina a few minutes ago asked a very pertinent question in regard to whether or not I thought this measure was a piece of separate and independent legislation. It is very evident it is not. The committee in its report, which is now available, states on page 3 the following:

The program here contemplated must be founded upon the principle that farming will be profitable enough to make the objectives of the bill realizable.

Above that it states:

Neither the landlord nor the tenant has had sufficient income, and the landholder who hires farm laborers has not had enough income.

In addition to this, it is evident there is now in the making a measure which proposes to place in a strait jacket every farmer of America, just as this bill does. Under this proposed legislation, if it is enacted into law, the Secretary of Agriculture can actually prevent the farmer from hitching his mule to the wagon and taking his family to church on Sunday. The Secretary has absolute and complete control and domination over the farm family which is supposed to receive these so-called benefits, yet you say this is placing the American farm family in a condition of economic independence. The farm mortgages are what got us into our present trouble. The average farm mortgage in America today is only approximately \$3,500, but here you are going to create a farm mortgage of approximately \$7,500.

Mr. COOLEY. Does the gentleman oppose the granting of Federal aid to the most destitute people in America—those on the farms?

Mr. PETERSON of Georgia. No; but I do propose that instead of placing them in a condition not of tenancy but of serfdom and bondage to the so-called economic royalists that we place them in a condition of economic independence.

Mr. COOLEY. What plan does the gentleman have to offer?

Mr. PETERSON of Georgia. I may say to the gentleman there is a plan now before Congress which, for approximately \$1,500 per farm family, will completely restore the farm population of America to a condition of economic independence.

Mr. COOLEY. What is the plan?

Mr. PETERSON of Georgia. The plan is the bill, H. R. 6748. Has the gentleman read it?

Mr. COOLEY. No; I have not.

Mr. PETERSON of Georgia. Has the gentleman read the report of the subcommittee of the Committee on Public Lands, which has gone into this matter very extensively?

Mr. COOLEY. No; I have not.

Mr. PETERSON of Georgia. Let me tell the gentleman what the condition is in North Carolina?

Mr. COOLEY. Whose bill is it?

Mr. PETERSON of Georgia. It is the bill of the gentleman from Georgia who is now speaking.

Mr. COOLEY. Did the gentleman from Georgia ask permission to appear before the House Committee on Agriculture to express or offer any constructive suggestions about the pending legislation?

Mr. PETERSON of Georgia. No, I did not; but the bill is now before the Committee on the Public Lands, of which the gentleman from Georgia is a member, where the bill rightfully belongs. This, my friend, is a national land-policy program, not one which would place the farmers of America in complete bondage forever. [Applause.]

Mr. COOLEY. Then, why does the gentleman blame the Committee on Agriculture for failure to act?

[Here the gavel fell.]

Mr. JONES. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto close in 8 minutes.

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

There was no objection.

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

Mr. Chairman, I rise at this time to talk a little out of order, with the permission of the Committee, while the Members cool off enough to do some sober thinking on the announcement I am going to make.

The subcommittee of the Committee on Appropriations which is handling the Department of the Interior appropriation bill is meeting at 2 o'clock to consider the 134 amendments made to the Interior Department appropriation bill by the Senate. Anything which pertains to the Interior has some contact with soil conservation, and soil conservation has some contact with tenancy, so I am speaking on the subject.

The Senate committee made 134 amendments to the Interior Department appropriation bill. In only 5 of these amendments the amounts were decreased, a dozen of the amendments were provisional, but in over 100 of the 134 amendments the Senate committee recommended increased amounts and the Senate agreed to such increases. There is over a \$13,000,000 increase on the face of it, not to say anything about the babies born which are going to cost hundreds of millions in time to come. One amendment inserted by the Senate gives birth to a baby which will cost \$41,000,000 before it is matured. The committee is going to meet now, and the bill must be passed by tomorrow night. We spent 30 days in hearings, and the other body spent 10 hours last week considering the bill.

Here are the names of the six leading majority conferees on the part of the Senate: Senators HAYDEN, McKELLAR, THOMAS of Oklahoma, ADAMS, BANKHEAD, and O'MAHONEY. These administration leaders increased the amounts carried in the bill as it passed the House in 100 amendments out of the 134, and decreased the amounts in only 5 amendments. I could say something about what some of these things are, but I shall do so a little later. However, this is what these leaders who have just come from Jefferson Island have done under instructions to balance the Budget.

[Here the gavel fell.]

The Clerk read as follows:

TERMS OF LOANS

SEC. 3. (a) Loans made under this title shall be in such amount (not in excess of the amount certified by the county committee to be the value of the farm) as may be necessary to enable the borrower to acquire the farm and shall be secured by a first mortgage or deed of trust on the farm.

(b) The instruments under which the loan is made and security given therefor shall—

(1) Provide for the repayment of the loan within an agreed period of not more than 30 years from the making of the loan.

(2) Provide for the payment of interest on the unpaid balance of the loan at the rate of 3 percent per annum.

(3) Provide for the repayment of the unpaid balance of the loan, together with interest thereon, in installments in accordance with amortization schedules prescribed by the Secretary.

(4) Be in such form and contain such covenants as the Secretary shall prescribe to secure the payment of the unpaid balance of the loan, together with interest thereon, to protect the security, and to assure that the farm will be maintained in repair, and waste and exhaustion of the farm prevented.

(5) Provide that the borrower shall pay taxes and assessments on the farm to the proper taxing authorities, and insure and pay for insurance on farm buildings.

(6) Provide that upon the borrower's assigning, selling, or otherwise transferring the farm, or any interest therein, without the consent of the Secretary, or upon involuntary transfer or sale, the Secretary may declare the amount unpaid immediately due and payable.

(c) No instrument provided for in this section shall prohibit the prepayment of any sum due under it.

Mr. BIERMANN. Mr. Chairman, I offer an amendment. The Clerk read as follows:

Amendment offered by Mr. BIERMANN: Page 5, line 3, insert:

"(7) Be in such form and contain such provisions, conditions, and limitations as may be necessary to assure that the borrower will conform to such farming practices and methods as the Secretary may prescribe, in order that, during the first 5 years the loan is in effect, the borrower's farming operations may be sufficiently profitable to enable him to carry out successfully the responsibilities of ownership and his undertakings under the loan agreement."

Mr. BIERMANN. Mr. Chairman, the amendment which I propose is in line with the report of the farm tenancy committee appointed by the President. You will find this provision on page 12 of their report.

The philosophy of the amendment is this: We are not solving the problem of turning a tenant into a successful owner-operator by merely lending the man 100 percent of the value of the farm he wants to buy. Sometimes we would be making him worse off than he was before. We provide in this bill for the lending of money to a great variety of people, tenants, sharecroppers, and people who recently got a major part of their living from farming, and we are lending 100 percent of the value of the farm. It is not everyone who can pay out on such a loan. These people, as I said yesterday, are of two kinds. They are either men who never owned farms or they are men who, having owned farms, have lost them. It is reasonable to suppose that these people, generally speaking, do not know everything about operating farms successfully. They may be just as able to plow, they may be just as able to do the manual work on the farm, but that is not all that is required to make a successful farmer-operator. Management and planning are essential to success.

In this amendment we propose that the Secretary of Agriculture, out of the experience accumulated in that Department, for which we appropriate millions of dollars, and out of the experience of the Extension Bureau and the State agricultural colleges, shall supply the beneficiaries of this bill for a period of 5 years with advice and supervision, so that they may have the best opportunity possible to succeed in the operation of their farms.

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

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

Mr. HOPE. Is it the gentleman's intention that this supervision shall be given only during the first 5 years?

Mr. BIERMANN. Yes.

Mr. HOPE. It seems to me the gentleman ought to change the form of his amendment so as to make that more specific, because it is not clear, the way I read the amendment, whether it is during the first 5 years or during the entire period.

Mr. RANKIN. Does the gentleman want to give him a life sentence?

Mr. HOPE. No; I want to limit it to 5 years, but I do not believe the amendment does that.

Mr. RANKIN. Why give him a 5-year sentence?

Mr. BIERMANN. I have no pride of authorship in the amendment. The wording is immaterial to me.

Mr. HOPE. The suggestion I would make would be that the gentleman's amendment should read that the borrower will conform to such farming practices and methods as the Secretary may prescribe during the first 5 years the loan is in effect. It seems to me the phrase "in order that" ought to come after, instead of before, the words "the first 5 years."

Mr. BIERMANN. I am perfectly willing to adopt that suggestion and, Mr. Chairman, I ask unanimous consent that the amendment may be changed to conform with the language suggested by the gentleman from Kansas.

Mr. RANKIN. I object to that, Mr. Chairman. I am going to oppose the gentleman's amendment when the gentleman gets through; and if he is through now, I will rise in opposition to the amendment.

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

Mr. BIERMANN. I yield to the gentleman from Missouri. Mr. ZIMMERMAN. From the discussion of this bill it appears there will be about one of these farms for each county throughout the country.

Mr. BIERMANN. That would be true if they were divided evenly, but there is nothing in the bill that requires that.

Mr. ZIMMERMAN. Does the gentleman think it is wise at this time to establish a bureau to furnish an expert adviser for one farm in each county in this country? Does not the gentleman think we should wait until the plan is developed further?

Mr. BIERMANN. My amendment does not provide for that at all, and the bill does not provide for one beneficiary in each county. The bill simply provides for starting this plan slowly and carefully and sensibly with a \$10,000,000 appropriation instead of going into it on a big scale, and my amendment provides that these men be given the advice and the help that is certainly necessary to the majority of them in order that they may have a Chinaman's chance of paying off the 100-percent loans on their farms.

Mr. ZIMMERMAN. Do you not think it will require an adviser for a number of counties?

Mr. O'CONNOR of Montana. Mr. Chairman, will the gentleman yield?

Mr. BIERMANN. I yield.

Mr. O'CONNOR of Montana. Does not the bill provide that the money is to be distributed on the basis of population?

Mr. BIERMANN. Population and prevalence of farm tenancy per State, but not per county.

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

Mr. BIERMANN. Yes; I yield to the gentleman from Mississippi.

Mr. RANKIN. Why turn these farmers over to somebody else who could not make a living on the farm himself? The gentleman underestimates the intelligence of the average tenant farmer.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa to amend the pending amendment?

Mr. RANKIN. Mr. Chairman, I objected to that request, and I ask recognition in opposition to the amendment of the gentleman from Iowa.

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

The CHAIRMAN. The gentleman from North Carolina, a member of the committee, is recognized for 5 minutes.

Mr. COOLEY. Mr. Chairman, it seems we are in a right unique situation here. One Member of the House has just taken the position with reference to this bill that the House Committee on Agriculture has proposed a measure which will, in effect, put the American tenant farmer into a complete, governmental strait jacket. Now we have another gentleman, a very distinguished member of the committee, taking the position that the bill which we have reported places insufficient regulations around the person whom we are seeking to help. I believe if the Members of the House will look on page 4, section 4, they will see that the committee has reached what might be called a happy medium. Section 4 of the bill provides, among other things:

Be in such form and contain such covenants as the Secretary shall prescribe to secure the payment of the unpaid balance of the loan, together with interest thereon, to protect the security, and to assure that the farm will be maintained in repair, and waste and exhaustion of the farm prevented.

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

Mr. COOLEY. Not now. The amendment proposed uses in place of the word "covenants" the words "provisions, conditions, and limitations." I believe that the language of the bill is sufficiently broad in its scope to authorize the Secretary of Agriculture to require the tenant whom we are seeking to aid to use modern farm methods, and to comply with the soil-conservation program and to protect the soil fertility.

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

Mr. COOLEY. Not at this point. With further reference to the suggestion that there should be some supervision, apparently my distinguished friend from Iowa [Mr. BIERMANN] overlooks the fact that in practically every agricultural county in the United States we have a county agent, and I suppose that most, if not all of them, are graduates of agricultural colleges. We have the extension service, which is rendering a fine service to the agricultural people of the Nation. Could it be wished that the Federal Government would add to this great list of governmental employees, and, as my distinguished friend from Missouri has suggested, employ another corps of governmental experts to go on a man's farm every day and direct the activities around his farm and around his household? I believe the Secretary in the deed of trust or mortgage which he will accept upon the granting of a loan, could place certain broad conditions laying down certain requirements with reference to the farm, and if that is done we will accomplish what we want to accomplish.

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

Mr. COOLEY. Yes.

Mr. KLEBERG. Mr. Chairman, if we are going to provide, in addition to credit, for the purpose of enabling the tenant farmer to acquire a farm and become a farm owner, certain restrictions with reference to eligibility, if we are going to carry on a school for farming, admitting those whom you are going to admit to credit, does not the gentleman believe that we should open the whole bill and let some of the city folk, who would like to own farms, come under the bill also?

Mr. COOLEY. I quite agree with the gentleman from Texas.

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

Mr. RANKIN. Mr. Chairman, it is my desire to make it possible for every farmer who wishes to do so to be able to own his home. But while we are attempting to cure the land-tenant situation by making landholders out of tenants we should also do something to reverse the policy that is now making tenants out of landowners by foreclosing mortgages on their homes and rendering it impossible for them to make a living on their own lands and pay their debts and taxes.

While it is said that this measure would only provide for purchasing land for one tenant a year in each county, on an average, it is the beginning of a policy which if properly carried out, may result in enabling large numbers of people to own homes who have never been able to do so before. I believe, however, that we should remove some of the restrictions contained in this measure so as to enable the purchaser to get full title to his land just as soon as he can pay it out and free himself from any kind of governmental supervision as early as possible.

For that reason I am opposing the amendment offered by the gentleman from Iowa [Mr. BIERMANN]. I fear he underestimates the intelligence of the average tenant farmer in this country. He certainly underestimates the intelligence of the white tenant farmers in the South. Those tenants, when they become landowners, do not need guardians to tell them what to do, when to sow and when to reap, or how to

plow and hoe. It would be useless to send some Government agent who could not make a living farming on the best land in the South to interfere with these people and constantly harass them in their endeavors to earn a livelihood on this land. I do not believe you could send one man from the Department of Agriculture who could teach one of these farmers in my district how to raise cotton. I remember one time we had the members of the Bureau of Agricultural Economics before a committee here and someone asked them what kind of cotton bore red blooms and what kind bore white blooms. Not one of them could answer the question, although some of them pretended to be experienced in growing cotton. Any 10-year-old boy living in the cotton States could have told them that all cotton blooms are white the first day and red the next. How far do you think these men would get teaching southern farmers how to grow cotton? I doubt if one of them could go into the State of Iowa and teach those farmers how to raise corn, or into Kansas and teach them how to raise wheat. The trouble with these agricultural experts is that too many of them are over-educated and undertrained.

I feel that we are approaching this farm problem from the wrong angle. While, as I said, this measure will help as far as it goes, it certainly does not reach the farmers' trouble. We make a landowner of one tenant a year in each county, while large numbers of landowners are made tenants by having their farms sold under mortgage. This shows that there is something wrong with our economic policies—something that goes far deeper than we can hope to reach by passing legislation of this kind.

I will tell you what some of these troubles are. One of them is our taxing system. We hear a great deal about burdensome taxes here in the House. People with large incomes protest that their income taxes are too high. People who inherit enormous estates protest against paying an inheritance tax. Manufacturers of luxuries protest against high taxes on luxuries. But the highest taxes paid by anybody in America, according to his income, is that paid by the farmer who tries to own his home. He has to pay it whether he makes any income or not, or else lose his home—or both. If a man owns a farm worth, we will say, \$5,000 and he owes \$4,500 on it, he has to pay interest on the \$4,500 and pay taxes, not on the \$500 equity which he has in the farm, if it is an equity, but he has to pay taxes on the entire farm, valued at \$5,000, even if his crops fail and his stock die of starvation, as has happened in some of the drought-stricken areas in the last few years.

That is the reason some tenants tell you frankly that they do not want to own land; that it is less expensive to rent a farm than it is to own one.

The farmer also pays the highest interest rate of anybody in the United States and invariably pays a bonus to get his loan through, and then has to hire someone to make him an abstract, or go through court to clear a title that has never been questioned. If we could get the interest rate to the farmer down to the very minimum and spread his payments out over a long term of years, and relieve him of these additional charges, it would do more to help people who now own farms to hold them than this bill will do, I fear, to help somebody else buy them back, after the owners have lost them. That would make home owning more desirable and cause the more enterprising tenants to strive to purchase homes.

Again, the farmer is taxed indirectly through the high protective tariff system, which has come down from former administrations and which we have not been able to entirely get rid of. A tariff is an indirect tax, a burden upon the producers on those materials for which they get nothing in return. The farmer has all this to pay. Hundreds of millions of dollars are thus wrung from the farmers of this country annually through this method of indirect taxation that levies a tribute upon everything he buys, from the swaddling clothes of infancy to the lining of his coffin.

The farmer is the victim of the manipulation of our monetary system. We call it an elastic system, because under it our monetary supply can be expanded or contracted

at the will of the Federal Reserve Board. They respond to the requests or demands of private banking institutions, and therefore expand or contract the currency to meet the demands of great financial institutions without regard to its disastrous effect upon the Nation's unprotected farmers.

They are selling wheat and cotton today at practically the same price they sold it during the Taft administration, when conditions became so bad in the agricultural States that the farmers in the West revolted and drove that administration from power. Yet they are paying two or three times as much for manufactured articles now as they paid at that time.

What is the cause of this? It is the manipulation of our elastic currency. In 1913, the year that President Taft went out of office, there were approximately \$34 per capita in money in circulation, or on the books of the Treasury. The Federal Reserve System was created, and they expanded that currency until by 1920 it had reached \$53 per capita, with the result that wheat, cotton, corn, and other agricultural commodities rose to the highest levels they have reached since the Civil War. Then the Federal Reserve Board raised the rediscount rate, called its loans, contracted the currency, and drove commodity prices down to where they swept away the homes of thousands of farmers who were unable to pay the debts they had contracted while prices were high. They never can pay them on the present price levels.

They are now required to pay the taxes and other obligations that were made on those high prices of 20-cent cotton and \$2 wheat with 11-cent cotton and \$1 wheat. It cannot be done, and this bill will not reach the trouble.

If we would help the farmer to hold his home and help enterprising tenants to purchase homes, we should force a reexpansion of that currency, to raise farm prices high enough to make home owning safe and profitable. That would do more good than all the farm-tenancy laws this Congress could pass.

Another thing, our transportation system penalizes the farmer to an unconscionable degree. The average farmer, the average human being in an agricultural State, and especially in the small towns, and in the rural communities, pays the highest freight rates known on earth, and instead of helping to reduce those freight rates, Congress has recently gone on record for the so-called Pettengill bill that would pile those burdens higher. No wonder tenants are being made out of landowners in every State in the Union infinitely more rapidly than this proposed measure would make landowners out of tenants.

Again, we find the farmer is bled white by monopolies. It is a significant coincidence that where monopolies have grown and expanded the prosperity of the farmer has diminished and farm tenancy has increased. These vast monopolies raise the prices of everything the farmer has to buy and then turn around and fix the prices of the things the farmer has to sell below the cost of production.

Take the dairy farmers, for instance, and you will find that practically all the processors of dairy products are in some kind of combination that enables monopolies to control the price of milk as it leaves the farmers' hands, with the exception of the cooperative creameries and cooperative cheese plants and other farm cooperatives which the farmers control themselves.

Look at the cottonseed industry and see how it is controlled by a vast monopoly. Measured in bushels, the cottonseed crop of the South amounts to about two-thirds of the wheat crop of the entire United States. A bushel of cottonseed has more food value than a bushel of wheat, yet the processors of cottonseed products are controlled by great monopolies that fix the price of cottonseed far below their economic value, thus robbing the cotton farmers of millions of dollars every year, and making tenants out of landowners by the thousands, while we pass a bill here to make one landowner out of one tenant in each county each year.

Look at your wheat and corn farmers and see how they are plundered by the great monopolies that control the

processing agencies of those commodities. A man in Kansas looks out of his window over a vast field of wheat, while he eats shredded wheat prepared in Chicago. A tomato grower in south Mississippi sits down to a meal and eats tomato catsup invariably put up in Pittsburgh, Pa., while a corn farmer in Nebraska or Iowa eats cornflakes processed in Battle Creek, Mich.; and all of them pay at least 10 times and often 100 times or 500 times as much for the processed product as they received when they sold the raw material.

These processing establishments are controlled by vast monopolies over which sprawl gigantic holding companies, all of which reach down into the farmer's pocket with one tentacle and take from him the pennies he should receive for the raw material, while with the other they reach into the homes of the ultimate consumers and exact their enormous tributes in overcharges for the finished products in order to maintain and fatten these gigantic monopolies and the influences that control them.

In addition to all that, the farmer pays the highest utility rates that can be imposed, limited only by the amount the traffic will bear, unprotected by his Government or his State. Telephone rates have become so high that the average farmer has long since abandoned the use of a telephone. Electric light and power rates have been so high that, as a rule, it is like paying rent on his farm if the farmer ever secures enough electricity to furnish lights for his home, depriving him of the use of a sufficient amount of it to operate those appliances which make his income pleasant, profitable, and attractive. If we would electrify every farmhouse in America at the standard T. V. A. rates, it would do the farmers more good than any other one thing that has ever been done or attempted.

These are the farm problems with which we must deal. We cannot cure the trouble by inducing a few tenants to buy farms on credit when the farmers who own land are unable to hold it and make a living for themselves and their families.

We can cure this trouble, but it will take a major operation. This mild ointment will not cure the cancer; we must go deeper and reach the very root of the trouble.

This is the richest country in all the world. We have the richest lands, the finest soils, an abundant rainfall, a gentle climate, and the finest rural population to be found in all the world. Yet we find that in this twentieth century, this age of education and progress, when mankind has gained the greatest ascendancy over the forces of nature ever known in all the ages—with all these advantages, we see our farmers driven from their farms by abnormal prices for what they must buy, depressed prices for what they sell, exorbitant taxes compared with their meager incomes, interest rates all out of proportion, indirect taxes on everything they purchase, and their very lives regulated by remote control.

We cannot cure this situation by inducing a few people to buy farms on credit, but we must go to the root of the trouble and take from the back of the farmer those burdens which selfish interests have placed upon him and give him the benefits made possible by our modern civilization, protect him from oppressive monopolies, and permit him to share in the use of our natural resources. Then the farmer will become prosperous and independent. We will then stop making tenants out of landowners by impoverishing the man who toils, but we will make it possible for the present landowners to retain their homes and for the enterprising tenants to acquire land of their own. [Applause.]

Mr. GRAY of Indiana. Mr. Chairman, we hear men talk very assuringly about giving economic security to the farmers who are in debt. But there is no economic security for the farmers in debt under existing conditions today.

We hear men holding out the hope to the farmers, laboring under mortgage debts, of independence as home owners, but there is and can be no such independence with the farmers in debt under existing conditions.

The gentleman from Iowa [Mr. BIERMANN] has offered an amendment to hold the farmers in debt on their farms by

preventing the farmers from selling their property and giving them wholesome counsel and advice. But there is no way under which, by giving advice, encouragement, or otherwise to hold farmers who are in debt on their farms.

There was a farmer in my district with only a debt of two-thirds on his farm. He disappeared one dark night when love and innocence sleeps and when found later in another State, explaining the cause of his secret departure, said he was afraid that he would be made to keep his farm.

To give the farmer economic security and independence as a home owner, we must go back to fundamentals. We must go back to first principles. We must go back to the source of the evil and remedy the cause of farm tenancy, the cause which drove the farmer from his farm.

First, we must go back to 1921-22, when, in the course of less than 18 months over 2,000,000 farmers lost their farms and either became tenants on their own land or were compelled to move and to live under strange landlords.

Then following this wholesale movement of farmers leaving their farms to become wandering farm tenants, hundreds of thousands of other farmers lost their farms annually until the army of tenancy had become a threatening menace to the peace and order of the country.

It was in 1924 that the loaning insurance companies, becoming landlords of their mortgaged farms, applied to the Agriculture Department to create a farm-manager bureau to educate men as farm managers to manage 20,000-acre farms or tracts with former farm landowners as their tenants.

Then, following this and between 1924 and 1929, farm conditions became relaxed and relieved and many existing mortgages were changed, not by payment but by renewal of the old debt. And following 1929 mortgages were again foreclosed and other millions of farmers were dispossessed as owners and became tenants on their own land.

These farmers became tenants not because the Government did not loan them money, nor because they could not meet and pay the amount of the mortgage they promised to pay, but because of the fall of values and the price level which compelled them to pay back to mortgagees with two, three, or four times the farm products they had promised and obligated themselves to pay.

The farm owners became tenants because under the farm values and prices their farms fell in value until the value of the farm home mortgaged to only one-half of its value was now less than the mortgage debt, or calling for two or three times the farm products and labor to pay.

Until farm values are made stable and unchanging it is folly to put farmers back on farms under mortgages equaling their full value and expect them to pay and become owners and regain so-called economic security and become independent home owners.

But restore farm values and the price level to their former and normal state and farm laborers will again save, buy themselves a farm of their own, and pay their mortgage debts and achieve economic security without Government or other aid.

I am supporting this bill, not in the hope of giving farmers economic security but to support the principle of farm relief and to hold the farmers on the land until Congress can recover the control of the public currency of the country and thereby stabilize values and prices.

The causes driving millions of farmers from their farms and country homes to become roving tenants must be first removed and overcome before we can restore farmers back upon the land and keep them there and rescue agriculture from the menace of tenancy.

But the evils of fluctuating money values, the evil of falling values and the price level, are not the only evils to be remedied to stop augmenting the army of farm tenants increasing now year by year and creating a greater menace than ever before.

Agricultural land in the United States is fast losing the fertility of the soil by erosion and water carrying the fertility from the land, until over 50,000,000 acres of land have

become worthless for cultivation and have been deserted by the farmers to become tenants upon other land.

This is not a charge against farmers, nor against farmers as a class of people. It is only an oversight, overlooked by all, which could not have been seen in advance even by natural scientists and critical students in time to be warned against and remedied. And now the loss and waste have gone too far to be stopped except by Federal aid.

And even now, with the appalling loss and waste of the fertility of our rich farmland open to be observed by the world, the Nation is standing aghast, beholding the wasted and eroded fields, and is pausing to formulate a program for conservation and reclamation of once fertile land.

The farmers living upon these 50,000,000 acres have deserted the farm homes of their ancestors with hundreds of millions more acres doomed to go, with the coming of not to exceed 3 or 4 years, and the farm owners of these lands will be likewise forced to leave their homes to join the band of wandering farm tenants.

With these evil causes still operating to drive farmers from their land, declaring economic security for the farmers, independence for the farm home owners, and loaning them the full value of their farms with interest, upkeep, and taxes to pay will not solve the problem of farm tenancy.

And there are other causes contributing to farm tenancy which must be removed and overcome, and the farmers relieved from the burdens of which, before they can assume debt obligations equal to the whole value of their farms, and pay their way to economic recovery and independence.

One of these burdens bearing upon the farmer is the inequality of the prices he receives with the prices he is compelled to pay for his supplies and farm equipment, and materials for repairs and upkeep. He must have parity of prices for what he has to sell and buy.

It is folly to loan to a farmer the whole value of a farm and expect him to pay the debt and become an independent home owner when the same farmer could not pay the one-half mortgage on his farm and was compelled to suffer foreclosure under these same conditions.

To make this legislation a success in restoring farmers back on the farm they must first be given economic stability, must be safeguarded against fall of prices, must have Federal aid in reclaiming soil fertility, and must have equality of prices for what he has to sell and buy.

Without restoring normal farm values, without stabilizing farm prices under which to pay these farm debts, and without conserving the resources of eroding land and wasting soil fertility, loaning money to the farmers to buy a farm today will be only a vain gesture or maneuver, and farm tenancy will remain a growing evil tomorrow. [Applause.]

Mr. JONES. Mr. Chairman, I understand there will be several amendments to this section. I ask unanimous consent that all debate on the amendment offered by the gentleman from Iowa now close and that we have a vote on the amendment.

The CHAIRMAN. The gentleman from Texas asks unanimous consent that all debate on the pending amendment do now close. Is there objection?

Mr. WADSWORTH. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. WADSWORTH. Did I understand the gentleman from Iowa had unanimous consent to amend his amendment?

The CHAIRMAN. That was objected to.

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

Mr. COLDEN. Mr. Chairman, reserving the right to object, can the chairman of the Committee on Agriculture inform us whether there is any possibility of amending the Federal Banking Act so as to permit these banks with huge reserves to lend money on land? This would somewhat meet the problem. The bankers could be protected by some method of insurance such as was used in the housing program. And may I say in this connection that the country

banker, more than any other individual, is usually familiar with the ability to pay and the character of the average man in his community. If we could open this great source of idle funds in this country it would help the situation very much, it seems to me.

Mr. JONES. There are, of course, various ways in which the Banking Act might be amended, but I would rather not pass judgment on that as it is within the jurisdiction of another committee.

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

There was no objection.

Mr. BIERMANN. Mr. Chairman, I ask unanimous consent, inasmuch as so much debate has intervened since the amendment was reported, that the Clerk may again read the amendment for the information of the House.

The CHAIRMAN. Without objection it is so ordered.

There was no objection.

The Clerk again read the Biermann amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa.

The amendment was rejected.

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

The Clerk read as follows:

Amendment offered by Mr. BOILEAU: On page 4, line 9, after the word "of" where it appears the second time, strike out "3" and insert in lieu thereof "1½."

Mr. BOILEAU. Mr. Chairman, the amendment is self-explanatory. It provides for reduction in interest rates from 3 percent down to 1½ percent. Many Members, especially those from agricultural sections have in recent years made speech after speech upon the stump in which they said that they believed that interest rates were too high, that the farmer was being obliged to pay too much in the form of interest; and a good many Members have said that they would support the provisions of the Frazier-Lemke bill. One of the important provisions of the Frazier-Lemke bill was that interest rates should be 1½ percent. I appeal to you Members who have made such statements in the campaign to take this opportunity, which may be the only one afforded you during this session of Congress, to reduce the interest rates. At least give this help to those who will be benefited under the provisions of this bill.

Then, too, in a recent message delivered to the Congress, the President of the United States said that one-third of our people were ill-housed, ill-nourished, and ill-clothed. He made the statement that a large percentage of our people were underprivileged. Here today we are attempting, in a very feeble way, it is true, to give some relief to a large part of that underprivileged class. If you subscribe to the President's views in that respect, if you subscribe to the theory that a large percentage of our people need this assistance and for that reason are going to vote for this bill, it seems to me you should be consistent and should support an amendment that would reduce the interest rates down to 1½ percent.

One and a half percent is enough interest to be paid to the Government to insure that the operations conducted under the bill will not cost the Federal Treasury one red cent. The Federal Treasury can get this money for less than 1½ percent, and I submit to you that they should lend this money to the farmers at this rate. If, perchance, the cost of administration should be proportionately unduly high because of our effort to do a big job with a little bit of money; if, perchance, the administrative cost is excessive, do not tie this additional cost around the necks of the people you are going to help. I submit to you that if we adopt a proper plan for the relief of sharecroppers and farm tenants, if we can do the job charging not more than 1½-percent interest, again referring to the statement of the President of the United States, the time to do that job is now.

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

Mr. BOILEAU. I yield.

Mr. CRAWFORD. I think it is very interesting to observe that the man who has a first mortgage on his farm pays 4 percent; a second mortgage, 5 percent. The pending bill provides 3 percent on loans made under it. Other branches of organized industry get as low as three-fourths of 1 percent and 1 percent per annum. This is supposed to be social insurance, social lending, social rates. What do we call rates of interest such as one-fourth of 1 percent, one-half of 1 percent, and 1 percent?

Mr. BOILEAU. I submit to the gentleman that the cost should be 1½ percent. This bill if properly administered, as I hope it will be, can be carried out so there will not be any loss to the Treasury at that rate. I do not believe there is any justification for saddling around the necks of these people, who are practically destitute, an interest rate of 3 percent.

Oh, it will be said that these are lower than he can get almost any other place. I submit that it is lower than the farmers can get, but it is not as low as many of the privileged groups in this country can get. I submit, furthermore, that if we are going to give any help to these people it must be by way of reducing the interest rate that has been eating up all of the profits of agriculture for so many years.

Mr. PETERSON of Georgia. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I was delighted to hear the statement of the gentleman from Mississippi a few minutes ago that this bill does not touch the vital question that now affects the American farm population. In reply to questions asked me by other Members while I was speaking a few minutes ago, may I say that in reality from an economic standpoint, what this piece of legislation does to those who come under its influence and effect is to decrease rather than increase their cash net income.

Mr. LUCAS. Will the gentleman yield?

Mr. PETERSON of Georgia. I decline to yield.

Mr. Chairman, I call the attention of the Members of the House to a table that has been prepared from the census of 1930, which is the last complete farm census available, and I may say incidentally in that year the farm income only lacked about 4 percent of being upon a parity with the industrial income of this Nation. This census shows that during that year the average farm laborer who labored as a tenant had a monthly net cash income of \$28 per month, while the average farm operator who owned his own farm and had a mortgage on it received an average net cash income of only \$20 a month, or \$8 less than the tenant.

In the State of North Carolina, from whence comes the gentleman who asked me questions previously, we find that the average net cash income of the tenants in 1930 was \$11 per month, while the average net cash income of the owner-operator, whose land was mortgaged, was \$7 per month, or \$4 less than the tenant.

Mr. Chairman, we are not putting those farmers in a position of economic independence. We are simply pauperizing and putting them deeper into serfdom if this proposal is put into operation.

There has been mentioned during the debate on this proposal the great work that has been done in the nation of Denmark under a similar proposal. I may say to the membership that for over 30 years Denmark has been following a very similar, yea, an almost identical, program. I quote from a periodical that was prepared and issued by the United States Department of Agriculture:

Beginning in 1899, and at frequent intervals since that time, Denmark has passed laws providing for Government loans to individuals for the acquisition of land and construction of buildings. All the laws have permitted the loans to cover an unusually large part of the value of the property, usually up to 90 percent, and the interest rate has been consistently low.

What did they find after an exhaustive survey?—

One of the greatest draw-backs to profitable operation of farms in Denmark is the high price of land, caused principally by heavy encumbrances.

What did they find in their summary?

[Here the gavel fell.]

Mr. JONES. Mr. Chairman, I ask unanimous consent that all debate on this amendment close in 5 minutes.

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

There was no objection.

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

Mr. Chairman, I find from the discussion of this bill that we must all be kinsfolk in America. Down in Oklahoma this is a most fertile field for oratory. I find that must be true all over this Union from remarks I have heard in the discussion of this bill.

Why is it, Mr. Chairman, that all of a sudden there is a flood of oratory in this House eulogizing the farmer? This Congress has been in existence for about 150 years and we have kept the farmer outside the pale during that time. Now he has become a kind of hero in Congress. I wonder if it is not due to the fact that we have just recently discovered that we are living in a land of sleeping giants who may suddenly awake and demand recognition of their rights before the Congress of the United States?

I live in a farming district, inhabited by the very pick of the men and women of America. These folks have been demanding recognition and we have not given it to them.

Mr. Chairman, I am going to support this bill, not because I believe it carries any worth-while recognition of the farmers, or gives them any real service, but because it makes a crack in the wall of exclusion that has held them out for these 150 years, in the hope that crack will grow larger and after a while something will be done of substantial worth to the farm class in America.

Let me tell you something further. You go up to Detroit and that manufacturing district and you have a citizenship that is torn asunder. You do not know whether that flag that floats there is in danger in the Detroit region or not. You go to the farmers of this Union, give them a new toe-hold, give them a place they may call home, and then protect them with something like cost of production and a decent farm program and you have an abiding faith for the flag of this Union and America will always be safe. [Applause.]

[Here the gavel fell.]

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

Mr. COFFEE of Nebraska. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. COFFEE of Nebraska: Page 3, line 23, after the word "excess", insert "of 90 percent."

Mr. COFFEE of Nebraska. Mr. Chairman, this amendment is offered for the serious consideration of the Members of the House. The amendment lost by a small vote in committee.

We are embarking on a new program that will involve this Government in the expenditure of millions, if not billions, of dollars. The question is, If we embark on this program, are we going on a reasonable basis, or on one that no one can defend as being sound from a lending standpoint?

Under the provisions of this bill it is proposed to loan 100 percent of the value of the farm. Bear in mind there are approximately 3,000 counties in the United States, and that at \$5,000 per farm it would require \$15,000,000 to finance just one tenant in each county. It would require about \$14,000,000,000 to finance all the 2,860,000 tenant farmers in the United States. To finance 1 percent of them would require approximately \$140,000,000.

Do you want to commit the United States Government to a program where it will lend 100 percent of the purchase price, or would you prefer a more sound program which will provide for lending only 90 percent of the purchase price thus requiring the tenant to put up a 10-percent down

payment? Bear in mind you are not doing a tenant a favor when you load him down with 100-percent indebtedness. If the farm owners who today are farming with mortgages of only 50 and 75 percent of the value of their farms are having difficulty financing their farming operations, how do you expect a man to succeed with a 100-percent mortgage?

By the adoption of this amendment you will help protect the credit of the United States Government. The Federal Government has been looking after the distress needs of our people for the last few years, and it is now time for the people of the country to help look after distress needs of the Federal Government. [Applause.]

Mr. O'CONNOR of Montana. Mr. Chairman, will the gentleman yield?

Mr. COFFEE of Nebraska. I shall be pleased to yield when I finish my statement.

The farm tenants and sharecroppers in this country will soon realize that, even with \$50,000,000 a year appropriated for this purpose, less than 1 percent of them could be financed to purchase a farm. I fully realize that very little of this money will reach Nebraska. My objective is to prevent, as far as I can, the inauguration of unsound experiments by the Federal Government that may in the future lead to such vast appropriations as to impair the credit of the Federal Government.

The farmers in my State are not asking for this legislation. They are more interested in farm prices. If farming is profitable, the owners and tenants alike are prosperous. There are in Nebraska today many tenants who, if they wanted to, could buy on reasonable terms the farms they are operating. Most of them are wise in not purchasing until they are financially able to assume the risk and responsibilities of ownership.

By requiring only a 10-percent payment, no one could contend that the Government was not offering a most liberal provision. Without this provision, many tenants will be encouraged to assume the responsibilities of ownership who will not be able to pay their taxes and interest and eventually will lose their farms through foreclosure. Had they remained as tenants until they had accumulated sufficient funds, stock, and equipment, they perhaps would have made a success of the venture. Some would undoubtedly be much better off renting the land on a share basis where the owner shared in the loss from drought, hail, grasshoppers, and other hazards that are always a threat to the farmer in many sections of this country.

There is no one more interested in assisting the farmers of this country than I am. Forty-nine percent of the farmers in Nebraska are tenants, but I am glad to say that the tenants are getting along just as well as the owners. If we make farming profitable, there will be no tenant problem in Nebraska. The tenants who want to buy a farm will be able to make the 10-percent down payment and take advantage of the liberal terms provided in this measure.

Mr. O'CONNOR of Montana. Will the gentleman yield for just a question?

Mr. COFFEE of Nebraska. I yield, briefly, for a question.

Mr. O'CONNOR of Montana. Is it not a fact the Federal land bank lends money on the basis of 75 percent of the valuation of the property?

Mr. COFFEE of Nebraska. The gentleman is correct, if the Federal land-bank loan and commissioner loan is combined. The Federal land bank is now selling to tenants most of the farms they had to take over. They will, however, not sell unless they have a substantial down payment.

In my judgment it is a mistake to authorize any Federal agency to loan 100 percent of the purchase price of a farm. We have provided under title II for rehabilitation loans which are justified. The money put into the purchase of one farm would perhaps take care of 10 rehabilitation clients.

I submit that if you want this tenant program to succeed without criticism and to have the support of the country in years to come, you will vote for my amendment. You cannot

justify authorizing a Federal agency to loan 100 percent of the purchase price, but you can justify your position in authorizing loans not to exceed 90 percent of the purchase price.

[Here the gavel fell.]

Mr. MAHON of Texas. Mr. Chairman, I offer an amendment to the amendment offered by the gentleman from Nebraska [Mr. COFFEE].

The Clerk read as follows:

Amendment offered by Mr. MAHON of Texas to the amendment offered by Mr. COFFEE of Nebraska: After section 3, page 3, strike out "90 percent" and insert "95 percent."

Mr. MAHON of Texas. Mr. Chairman, like the gentleman from Nebraska [Mr. COFFEE], for whose judgment I have high regard, I represent an agricultural district. I represent 25 of the best farm counties in Texas. I cannot express too strongly my interest in helpful farm legislation and a wise farm program. I am especially interested in a farm-home-ownership program to combat the growth of farm tenancy. I regret to report that 61 percent of the farmers of my district have as yet been unable, largely because of adverse circumstances and low prices for farm products, to become owners of the farms they cultivate. It goes without saying that I would not favor anything I thought would be injurious to the farmers of my district. Such an attitude would be unfair to the people I represent and politically unwise.

My amendment provides that no applicant for a loan under this act shall receive a loan on land in excess of 95 percent of the value of the land. In other words, the farmer would put up 5 percent of the value of the farm which he proposed to purchase. This would be \$250 on a \$5,000 farm. I cannot see anything wrong with this principle of a down payment on the farm to be bought. Our farmers know the difficulties involved in buying land. They want to start out on a sound basis. They are not looking for a semirelief contract. They want a fair chance to become home owners in their own right.

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

Mr. MAHON of Texas. Yes.

Mr. COOLEY. Does not the gentleman recognize that this is an experiment?

Mr. MAHON of Texas. I do.

Mr. COOLEY. Does the gentleman think, if it is an experiment, that we should undertake to put it on a sound financial basis rather than on an experimental basis?

Mr. MAHON of Texas. I think we ought to start out on the soundest basis we possibly can. If we want to invite disaster and pull the mountain down upon the tenant farmers of America, we are at liberty to do so, but if we want to start right in the beginning and build well the structure in which we are interested today, we will try to proceed cautiously and wisely in the beginning of the administration of this measure. If the tenant cannot pay \$250 as a down payment, how is he going to pay interest at the rate of 3 percent, which will be \$150 the next year, and the taxes on the land?

I do not want to see the tenant farmers in my district go into an undertaking which from its inception is bound to fail. There are many farm families in this country who are longing for a chance to buy a home with a small down payment and a guaranty of proper credit facilities. The aims of the Government could not be directed in more worthwhile channels.

Mr. COOLEY. Will the gentleman yield for a brief question?

Mr. MAHON of Texas. Yes.

Mr. COOLEY. Does the gentleman realize that under the provisions of this bill the person who is able to make an initial payment is to be given a preference? The provision is very specific.

Mr. MAHON of Texas. There is no mandatory provision in the bill to the effect that the man who can make a down payment shall get the farm.

Mr. COOLEY. Does the gentleman realize that many people might be able to make a down payment who would be otherwise objectionable?

Mr. MAHON of Texas. Certainly; and we provide that they must be first-class risks.

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

Mr. MAHON of Texas. Yes.

Mr. THOMASON of Texas. Does not the gentleman think that if his amendment is adopted a down payment would represent some evidence of good faith on the part of the tenant and some evidence of a serious intention and purpose to make the farm a success?

Mr. MAHON of Texas. The gentleman is eminently correct.

[Here the gavel fell.]

Mr. HOPE. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Nebraska [Mr. COFFEE].

Mr. Chairman, this bill, of course, does not require that loans be made to the full value of the land. It permits loans up to that amount, but it specifically provides that preference shall be given to the farmer who is able to make a down payment.

Now, as has been said a number of times in the course of this discussion, this bill is an experiment, and if it is an experiment, I feel the Department of Agriculture ought to have an opportunity, under the provisions of the bill, to make it somewhat flexible. There may be some parts of the country in which it would be better and sounder to require a down payment of maybe more than 10 percent, and in other sections it might be desirable to make these loans without a down payment. I think the Department ought to have the opportunity to try out different methods and make loans on a different basis within the limits of the bill, in order to determine what policy we shall finally adopt if we find that this experiment is successful.

The greatest success that has been made in this type of project anywhere in the world has been in Ireland. They began back in 1870 in Ireland to solve their tenant problem by making loans to tenants to purchase land, and they began by making the loans on the basis of 66.7 percent, or two-thirds of the value. Then they raised it to 75 percent, but ever since 1881 they have made these loans on the basis of 100 percent. During this time they have loaned approximately \$725,000,000 and have made owners or put on the road to ownership 547,000 tenants. So that whereas back in 1870, 97 percent of the farmers of Ireland were tenants and 3 percent were owners, now the percentage is just the reverse and 97 percent are owners and 3 percent are tenants. Practically all of this was done on the basis of loans at 100 percent of the value of the land.

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

Mr. HOPE. Yes.

Mr. JONES. The gentleman mentioned the fact that preference is given to the one who can make an initial payment, also preference is given to the one who has equipment and machinery, and is it not frequently a sounder loan to lend 100 percent to a man who has equipment and machinery to operate a farm than 95 percent to a man who does not have such equipment; and the adoption of either of these amendments would make it so that the man who had plenty of machinery and plenty of equipment to farm probably would be turned down for the man who had a 5-percent payment, even though he had no equipment whatever.

Mr. HOPE. I agree with the gentleman entirely.

[Here the gavel fell.]

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

Mr. Chairman, I did not intend to talk on this bill because of the fact that the State of Michigan is not faced with the problem of tenancy, because we only have about 19 percent of the population, but one of the previous speakers here today mentioned the fact that the flag of our country was being desecrated in the city of Detroit.

Let us go back a few years to the days when the I. W. W.'s were out in the wheat fields and went through the farming country and burned the barns and burned the wheat fields.

Did we consider that the farmers were desecrating the flag of the United States of America? No! That same element today is in the city of Detroit. This is the element that has worked its way into the labor movement in America and it is the element that labor leaders must take out of its ranks. The city of Detroit and the good people of Detroit are not desecrating the flag of America. It is the communistic element that has crept into labor that is desecrating the flag. It is bent on destroying not only the labor movement but the very principles upon which this democracy is founded.

I have always been a friend of labor, and I well remember when the United Mine Workers of America was a real organization—and I am weighing well my words—when John L. Lewis was at the head of that organization, and when he, in no uncertain terms, condemned certain communistic leaders and drove them out of that miners' organization because he said they were there for disruptive work from within, and now where are those very Communists he condemned? They are the first lieutenants of John L. Lewis in the C. I. O. today—Phil Murray, John Brophy, Powers Hapgood, and others. He cannot deny it. Why the change of heart?

Let me say to you that while I was back in my district some of the real, honest C. I. O. labor organizers came to me and begged me to use my influence to have the C. I. O. and its leaders take these Communists as organizers out of that organization. I am not opposed to the C. I. O. or to industrial organizations, but I am opposed to the communistic, anarchistic organization that is working from within, and that is going to disrupt labor if it is allowed to go on. Yes; disrupt this Nation, but only temporarily, because real Americans accept the challenge and will never bow to communistic, irreligious slavery.

As it has been mentioned here that the crack is open for the farmer to come in, let us open a crack for labor to come into this House of Representatives and be recognized. Let us pass laws outlawing the right of any employer or employee, engaged in the manufacture of goods that will go into interstate commerce, to arm his factory. Let me suggest that we may pass legislation that will make it a crime to transport men from one place to another or from one State to another, if you please, either for strikebreaking or strike picketing excepting troops authorized by lawful authority. Lawful picketing is the right of labor. The right to strike is their only weapon; but do not let some Communist, who has not the interest of labor at heart, direct that strike. The American Federation of Labor refuses to allow known Communists within their ranks, and I congratulate them for it. When the C. I. O. enforces such a rule they will gain the respect of the American people, but until then they will continue to lose in the eyes of public opinion, and public opinion rules in America.

[Here the gavel fell.]

Mr. JONES. Mr. Chairman, I did not make the point of order to the remarks of the gentleman from Michigan [Mr. Hook], but I shall hereafter when outside matters are discussed make the point of order, because we have a great many who want to discuss this particular measure. I want to see now if we cannot agree upon a time limit for discussion of this section. I ask unanimous consent that in the further discussion of this section, the speeches shall be limited to 3 minutes.

The CHAIRMAN. Is there objection?

Mr. FLANNAGAN. Mr. Chairman, I object.

Mr. JONES. Then, Mr. Chairman, I ask unanimous consent that each of the amendments that are to be offered to this section be read first for the information of the committee.

The CHAIRMAN. Is there objection?

There was no objection.

The CHAIRMAN. The Clerk will read the amendments in the order in which they reach the desk.

The Clerk read as follows:

Amendment by Mr. WARREN: Amend section 3 on page 3, line 25, by inserting after the word "farm" the words "and for the necessary repairs and improvements thereon."

Mr. WARREN. Mr. Chairman, I rise merely to state that I do not wish any time on that particular amendment, because I understand it is entirely satisfactory to the gentleman from Texas [Mr. JONES]. While I have the floor, however, because of inquiry raised by many Members, I announce that I shall offer a very important clarifying amendment to section 43 later. I understand there is no objection to the pending amendment.

Mr. JONES. Mr. Chairman, I have no objection to the amendment, and I ask for a vote.

The CHAIRMAN. The question is on agreeing to the amendment offered by Mr. WARREN.

The amendment was agreed to.

The CHAIRMAN. The Clerk will report the next amendment.

The Clerk read as follows:

Amendment offered by Mr. PAGE: Page 5, insert:

"(7) Contain a waiver by the borrower of all rights and benefits under the terms of the act approved August 28, 1935, commonly referred to as the Frazier-Lemke Act, as against the Secretary of Agriculture until he has paid as much as 15 percent of the reasonable value of the farm."

Mr. JONES. Mr. Chairman, I reserve the point of order upon that amendment.

The CHAIRMAN. The Clerk will report the next amendment.

The Clerk read as follows:

Amendment offered by Mr. CRAWFORD: Page 5, line 16, strike out the figures "\$25,000,000" and insert "\$15,000,000."

Mr. JONES. That is to the next section.

The CHAIRMAN. We have not reached that part of the bill.

The Clerk will report the next amendment.

The Clerk read as follows:

Amendment offered by Mr. MAHON of Texas. Page 3, line 22, and page 4, lines 1 and 2, strike out all of paragraph (a) of section 3 and insert in lieu thereof the following:

"Loans made under this title shall not exceed \$3,500 to any one applicant and shall not be in excess of the amount certified by the county committee to be the value of the farm, and shall not exceed the amount necessary to enable the borrower to acquire the farm and shall be secured by a first mortgage or deed of trust on the farm."

The CHAIRMAN. The Clerk will report the next amendment.

The Clerk read as follows:

Amendment offered by Mr. TARVER: Page 4, line 1, after the words "secured by", strike out the remainder of line 1 and line 2 and insert: "instruments vesting the legal title to the farm in the Secretary of Agriculture for the use and benefit of the United States as its interests may appear, and the acquisition of title to such farm or all rights and interest therein by the borrower shall be strictly in accordance with the terms of the instruments executed in connection with such loan."

The Clerk read as follows:

Another amendment offered by Mr. TARVER: Page 5, line 3, after the word "payable", strike out the period and insert a colon and the following proviso: "Provided, That the borrower shall not, for a period of 5 years after the loan is granted, nor at any time until 25 percent of the loan has been repaid, have an assignable interest in the farm unless the Secretary agrees that such interest shall vest in him, nor shall he have any equitable or other interest subject to levy and sale under process in favor of creditors under the laws of any State for such period of 5 years."

The Clerk read as follows:

Amendment offered by Mr. BIERMANN: Page 4, line 6, after the word "not", insert "less than twenty nor."

Page 4, strike out lines 24 and 25; and on page 5, strike out lines 1 to 3, inclusive, and insert:

"(6) Provide that the borrower shall not voluntarily assign, sell, or otherwise transfer the farm or any interest thereunder, without the consent of the Secretary, and provide that upon involuntary transfer or sale, the Secretary may declare the amount unpaid immediately due and payable.

"(7) Provide that upon satisfaction of the borrower's obligation but not less than 20 years after the making of the loan, he shall be entitled to the farm free of any estate or property interest retained by the Secretary to secure the satisfaction of the obligation."

Page 5, line 5, before the period, insert a comma and the following: "except that the final payment of any sum due shall not be

accepted if the effect of such acceptance would be to make ineffective the 20-year limitation provided in paragraph 1 of subsection (b) of this section."

Amendment offered by Mr. FLANNAGAN to amend the Biermann amendment: Strike out the word "twenty" where it appears in the Biermann amendment and insert the word "ten."

Mr. KLEBERG. Mr. Chairman, I move to strike out the last three words.

The discussion of this particular bill has taken a wide range, and I do not propose to go into a discussion of the bill in its entirety, but will confine my remarks to the record as it appears today, and to references which have been made to the Farm Credit Administration during this debate.

I want to call the attention of the House to the fact that despite every effort having been made to show that the farm tenants of America have been the forgotten people of this land, in the year 1936 this very Farm Credit Administration, which has been accused here of holding up the people and of ruthless foreclosures, put 20,000 farms into the hands of new farm owners. About 10,000 of those farms to which I refer came to the Farm Credit Administration following advances under mortgages created in 1920 under the Federal land bank. The particular 10,000 to which I refer were abandoned, and there was no real action in foreclosure, because the then owners of the farms had no interest whatsoever in retaining them, due to taxes and other matters.

In the case of the other 10,000 farms, money was advanced to the extent of over 75 percent of the value of the farms to those who could make the proper showing as proper credit risks under the Farm Credit Administration. The F. C. A., therefore, made advances of in the neighborhood of \$50,000,000 toward the solution of the tenant problem in the United States. I think it is perfectly fair that this debate should keep the record clear as to the work of the Farm Credit Administration, both in refinancing and in bringing people back to farms which had no people on them, and farms that were then owned by the Government and held by the Farm Credit Administration. Those 20,000 farms bear the following ratio to the total credit extended by the Farm Credit Administration up until April 30 of this year:

Eight hundred and fifty thousand farms refinanced by the Farm Credit Administration; 10,000 of the farms sold came in by abandonment proceedings on the part of the owners, and in the case of the 10,000 other farms, credit was advanced in most instances to tenant farmers who had saved enough out of their operations to make the proper first payments and to meet the credit requirements of the Farm Credit Administration.

In connection with the amendment offered by the distinguished gentleman from Texas, we have rather definite evidence that there are many farm tenants in these United States, sharecroppers and tenants alike, men of sufficient ability and earnestness of desire to permit them to make a reasonable down payment, showing, first, good faith, and, second, placing the operation of this administration on a basis which would be reasonably sound and in accordance with the practice heretofore established by the present administration.

I feel very strongly about this matter. I propose to vote for the amendment offered by the gentleman from Nebraska [Mr. COFFEE], first, because I think 10 percent is not too much down payment to require during the administration of the early operations of this act, and, failing in that amendment, I will vote for the amendment offered by the gentleman from Texas [Mr. MAHON].

In summation, the bill under consideration will provide credit up to 100 percent of the value of the farm and will furnish finances sufficient to put about 2,000 farms in the hands of now tenant farmers.

We already have evidence that the F. C. A. has done well by 10 times that number in 1 year, and will continue so to do in a sound, orderly way.

None of the farms held by the Farm Credit Administration during the aforementioned operations were acquired after 1933.

The Farm Credit Administration now has about 23,321 farms evidenced by sheriff's certificates and a very, very few of these acquired by foreclosure.

The CHAIRMAN. The time of the gentleman from Texas [Mr. KLEBERG] has expired.

Mr. TOBEY. Mr. Chairman, I rise in opposition to the pending amendments. My State of New Hampshire has about the lowest proportion of tenancy of any State in the Union. Nevertheless, I well understand this is a national problem and as such it commands my sympathetic interest and attention.

I want to say at the beginning of my remarks that I find myself not in accord with the gentleman from North Carolina, who by his interrogation of one of the Members a few moments ago suggested that matters of an experimental nature in government were justified in being based upon a basis which is not sound.

For either experimental or permanent legislation there is one fundamental requirement: It must be sound all the way through. Nothing will bring this country into evil days any more than setting up experimental legislation that is not sound in its provisions.

Some years ago I went to the Secretary of Agriculture and demanded the report made by Mary Connor Myers, a Government investigator, on the subject of farm tenancy. This report was made by her for the Department of Agriculture. It was not made public. It was ordered suppressed by the Department. I was granted an opportunity, however, of reading that report in its entirety and I became well aware of the terrible conditions of the tenant farmers and sharecroppers through the medium of that report.

I want to support this legislation, as a national experiment to try and do something to meet a serious situation, but I want to see it sound. To that end I would like to have the amendment of the gentleman from Nebraska adopted placing only a 90-percent burden on the Government.

Some time ago when our House Committee on Agriculture had under consideration the original bill H. R. 8, we finally repudiated the bill because it would put the Government into the business of buying and selling land. The committee took this action despite the fact that its members were put under great pressure from the administration and were subject to cajolery and threats.

It was to the everlasting credit of those who resisted such methods. That is now a matter of record.

Addressing myself now to the chairman of the Committee on Agriculture I need not have the gift of prophecy to realize that when this bill goes to the Senate, in all probability that body will put in the bill the original provision for the buying and selling of land by the Government. If the bill comes back to the House containing this provision, addressing myself to the chairman of my committee and to the gentleman from Nebraska, I ask them if they will support me in a resolution of the House instructing the conferees to stand against that provision for buying and selling land and to eliminate it from the bill. What do you say, Mr. Chairman?

Mr. JONES. We have not gotten this bill to conference yet. I am going to sustain the position of the House as best I can.

Mr. TOBEY. Coming events cast their shadows before them, however, sir.

Mr. JONES. I do not think the gentleman will expect me to make a commitment thus far in advance.

Mr. TOBEY. Give me a little friendly advice. What do you think, sub rosa?

Mr. JONES. I cannot see that what I might think would be governing in that respect. I know that the gentleman feels that I will do the best I can in working out the bill.

Mr. TOBEY. I want to go on record here and now that I on behalf of this House, to sustain the position of the House, will support a resolution instructing the conferees

to strike out such a provision if inserted in the bill by the Senate. Will you gentlemen support me?

Mr. COFFEE of Nebraska. I am for the gentleman.

Mr. TOBEY. One thing more, Mr. Chairman. We hear a lot of statistics these days about the number and activities of Government departments. This bill would add to our already topheavy bureaucracy. The bureaucrats are often in each other's way, stumbling over each other. Often their statements are at cross purposes one with the other. Here is a bill which aims to put thousands more people on the farms of America. Many other pieces of farm legislation have that import behind them through granting more credit, and lower rates of interest—trying to get more people on the farms. Listen, Mr. Chairman Jones, of Texas, while I read an amazing statement coming from no less a man than Dr. O. E. Baker, population authority for the United States Department of Agriculture. In an Associated Press article in the Washington Post today he is reported to have said in an address at Purdue University Institute on American Policy and Technology on June 28:

Half of the Nation's farms now operating are not needed to feed and clothe the people.

Is that true in the gentleman's judgment?

Mr. JONES. I do not think so.

Mr. TOBEY. Then I submit to the chairman of the Committee on Agriculture that this is another bureaucratic incongruity.

Mr. JONES. You cannot prove a thing by newspaper statements.

[Here the gavel fell.]

Mr. HILL of Alabama. Mr. Chairman, I want to express to the chairman of the committee and to its members my appreciation of the work they have done in bringing this bill to the floor of the House. I am sure that but for the devoted efforts of the chairman and the members of the committee we would not today have the opportunity of considering and passing this bill.

I was greatly impressed by the very able address of the gentleman from New York [Mr. WADSWORTH] on yesterday. I was impressed in the first place because we all recognize his outstanding ability. In the second place, we realize that he speaks with authority, having spent all of his life in the business of farming. In the third place there is perhaps no man in Congress who is a more devoted advocate of what we might term individualism, the individual liberty and individual rights of the people than the gentleman from New York. Yet, on yesterday he warned us that if the Government were to make a success out of this land purchase and farm-tenant program there had to be at least some direction by the Government of the farm tenants. I am fearful that the language in the House bill looking to that question is too indefinite and uncertain. The gentleman from New Hampshire has spoken of the conference committee. I believe that the language in the Senate bill takes care of this question in a much better way, and I hope that when this bill is in conference that some language will be worked out between the conferees that will insure the necessary direction and leadership for the tenants who are to be the beneficiaries of this act.

Mr. Chairman, I am opposed to the two pending amendments, one permitting a loan of 90 percent of the value of the farm, and the other a loan of 95 percent of the value of the farm.

We must bear in mind that the purchase of the farm is not the only expenditure that must be made if the farm tenant is to be put on a farm and then operate it successfully. As the chairman of the Agricultural Committee suggested in his question propounded to the gentleman from Kansas, there is farm machinery to be purchased, which is expensive in itself. There is seed to be bought. There is work stock, cows, hogs, and fertilizer to be acquired. There are all kinds of things that cost money that are essential to the operation of a farm in addition to the land itself.

Many of the farm tenants have today little money or property of any kind, and most of what little they have will be needed for these other essentials. Given the proper assistance and direction by the Government, it is astounding with what success they work out their welfare. The record of rehabilitation work by the Resettlement Administration shows interesting and worth-while accomplishments among the class of farmers that we would now make farm owners.

In 1935 there were 13,259 rehabilitation clients in Alabama. This year there are about 12,000. The average cash farm income of the clients in 1935 was \$91 per family. In 1936 it was \$226, a gain of 148 percent; and it is estimated that this year it will be about \$460. If this estimate proves to be approximately accurate, it is evident that their incomes this year will be about five times what they were in 1935. Most of the gain in income which occurred between 1935 and 1936, and which is expected to occur again this year, results from better farm-management practices and better capital equipment in the hands of the farmer.

In 1935 the average net worth of the 13,259 rural rehabilitation clients was only \$3.93. In other words, the families were practically destitute. They had nothing. Today the average net worth of the rehabilitation clients in Alabama is \$362. This is still low, but it is more than 100 times larger than the 1935 figures. This is a tremendous increase. The total net worth of all these clients in Alabama in 1935 was only \$40,175. Today it is \$4,344,000. This is a total gain in the net worth of the clients during a 2-year period of \$4,303,825. This accomplishment speaks for itself.

The bill before us does not go as far as I would like to see it go. I fear that it is far too short in its monetary provisions, but in this regard it is the best that we can get under conditions today. It is at least a beginning toward the solution of the farm-tenant problem, and we have waited all too long to attack this problem, one of the most important challenging the Nation.

During the past 50 years we have seen farm tenancy in this country increase from some 25 percent to some 42 percent. We cannot have an economy of security, not to say of abundance, in a land where nearly half of its agricultural people are tenants. The problem is not sectional, as is believed by some, for although it is most acute in the South, yet the census shows that Iowa has a greater degree of tenancy than Tennessee, Indiana has passed Florida, and Minnesota's tenancy ratio exceeds Virginia's. There is nothing that makes for idleness, ignorance, shiftlessness, insecurity, soil depletion, and poor citizenship like tenancy. There is nothing that so defeats a wise balanced plan of agriculture or is so destructive of land conservation as is tenancy. It was Arthur Young, one of the earliest of our agricultural economists, who, in his Travels in France, observed concerning the French peasant that "the magic of property turns sand to gold. Give a man the secure possession of a bleak rock and he will turn it into a garden, give him a 9-year lease of a garden and he will convert it into a desert."

The late Dr. E. C. Branson, who gave a large part of his life to a study of the problems of the tenant farmer, tells us that—

The ownership of land tethers a man to law and order better than all the laws of the statute books. It breeds in him a sense of personal worth and family pride. It identifies him with the community he lives in and gives him a proprietary interest in the church, and school, and other organizations and enterprises of his home town or home community. It enables him to hold his family together, makes him a better father, a better neighbor, and a better citizen mainly because it makes him a stable, responsible member of society.

The bill will not only prove a benefit to the tenant capable of taking advantage of the opportunities offered by it but it will benefit the landowner in the form of good neighbors, stability of land values, decline of poverty as a public charge, and a wholesome and enlightened community life.

Our Nation was founded as a nation of farm-owning, farm-loving, and farm-living people, and it was on the

cornerstone of individual freedom and individual ownership that our free institutions were established. We know that Thomas Jefferson's faith in democracy was based not so much on his faith in people generally but rather on his faith in the home-owning agricultural class of the country. Farm tenancy is subversive of the American way of life. It is a type of economic serfdom which if permitted to continue and to grow will threaten and endanger our very form of government.

Other nations have attacked the tenant problem with definite success. As early as 1870 Ireland and as far back as 1899 Denmark undertook the task of reversing the tenant tide. As a result today Ireland is preponderantly a country of farm owners and Denmark has some 90 percent of its farmers owner-operators.

England, Scotland, Germany, Holland, Austria, Italy, Poland, and the Balkan countries are attempting in one way or the other to curb the evils of the problem. Surely the hour has come for us to make a beginning. Let us pass the pending bill that we may make a beginning, to the end that we may elevate the worth and the dignity of the individual, that we may recognize that property was created for man and not man for property, that we may contribute to the pursuit of the social good, that we may hold fast to the ideal of free men and free homes in which our Nation had its birth, and that common men may own the land. [Applause.]

Mr. THOMASON of Texas. Mr. Chairman, I move to strike out the last nine words.

Mr. JONES. Mr. Chairman, I ask unanimous consent that all debate on the pending amendment and the amendment thereto close in 3 minutes.

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

There was no objection.

Mr. THOMASON of Texas. Mr. Chairman, I am very much in sympathy with the good purposes of this legislation and no Member of the House is more interested in its success than I. The bill has my active support but I want it to be sound and workable. No class of people in our country have been more neglected or need assistance so much as the tenant farmers. The living condition of many of them is pitiful.

I rise in support of the amendment offered by my colleague from Texas [Mr. MAHON]. I feel that the amendment offered by the gentleman from Nebraska places the amount that the tenant must pay too high, but I undertake to say, Mr. Chairman, that the tenant who is in good faith and who wants to show some evidence of his serious purpose and intention and of his determination to make a success out of his purchase, will be very happy to pay something in order that he may have that feeling and pride of ownership and responsibility. There are good tenants and sorry tenants, just like there are good and bad in every line of human endeavor.

There are some tenant farmers throughout the United States in the years since 1929 who have met with more success at farming than the landlords themselves and have not had the debts, worries, and responsibilities. If he has the animals, tools, and equipment necessary to start a farm, he can easily raise the 5 percent. That would be only \$150 on a \$3,000 farm and only \$250 on a \$5,000 farm. If he does not have it, his neighbor, his relative, his banker, his local merchant or somebody who has faith in him will assist. I claim you raise his feeling of pride, ownership, and responsibility when he makes the purchase on that sort of a basis. He will feel that it is his, that he already has some of his own money in it, that he is not on charity or relief. He will also have more incentive to work hard, economize, manage well, and pay it out.

It is stated that this is an experiment and, of course, it is an experiment, but look through the pages of the statutes of the United States and you will not find another single set-up where the Government has paid or loaned the full value for a home of any kind. Take the H. O. L. C., the Federal Farm Credit, or any Government organization, and

you will not find that the Government has been Santa Claus for the full amount. It ought to be on a kind of partnership basis. There ought to be encouragement and a premium on thrift and good management. I suggest the amount of cash payment be very small, but it should be something. If the purchaser pays absolutely nothing and becomes discouraged at the end of the first year, he will throw up his hands and quit. He has no investment, nothing to lose, and has had free use of the land and improvements for a year. The thrifty, industrious, and determined tenant will not object to this. He is the kind who is entitled to preference, for he is the only kind that will make good.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. MAHON] to the amendment offered by the gentleman from Nebraska [Mr. COFFEE].

The question was taken; and on a division (demanded by Mr. MAHON) there were—ayes 13, noes 37.

So the amendment to the amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Nebraska [Mr. COFFEE].

The question was taken; and on a division (demanded by Mr. JONES) there were—ayes 42, noes 41.

Mr. JONES. Mr. Chairman, as close as that vote is, I demand tellers.

Tellers were ordered, and the Chair appointed Mr. JONES and Mr. COFFEE of Nebraska to act as tellers.

The Committee again divided; and the tellers reported there were—ayes 58, noes 62.

So the amendment was rejected.

Mr. BIERMANN. Mr. Chairman, I rise in support of my amendment, which has been previously read.

Mr. Chairman, this bill has one purpose; in fact, it has only one excuse. We have not the right to lend the Government's money to the extent of 100 percent of the value of a piece of property at less than the cost of the money unless there is a very good purpose in view. The purpose, the only valid excuse, for these unusual loans is to make owner-operators of farms. But under the bill as it is now written that purpose is obscured by the ever-present menace of land speculation.

Under this bill a beneficiary, who has borrowed 100 percent of the value of the farm, can in 3 months or 6 months, if he can make money by turning the farm over, sell it and take his profit.

My amendment provides he cannot do that for 20 years. If the Government lends him 100 percent of the value of the farm and makes a mortgage extending over a term of 30 years, at an interest rate of 3 percent, which is less than the cost of the money in spite of what the counterfeiters may say regarding paper money, the Government has a right to ask in return that the beneficiaries of the act conform to the purpose for which this bill is written, that is, they, in truth and in fact, become owner-operators. My amendment simply provides that for 20 years after the contract has been entered into the beneficiary shall continue as an owner-operator and shall not become a speculator. In case of accident or any untoward event the Secretary has the right to allow the man to sell the farm. However, when things are going along normally we expect the man to conform to his part of the bargain and make an owner-operator out of himself, which is the purpose of this amendment.

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

Mr. BIERMANN. I yield.

Mr. MICHENER. Suppose a man in good faith moves on a farm and does the best he can, thinking himself a farmer and a manager, but at the end of 10 years has demonstrated to himself and everybody else that he just is not the man for the farm; would the Secretary have discretion under this bill to permit him to sell the farm and go into something he can do?

Mr. BIERMANN. Yes; my amendment would not prevent that at all.

Mr. FLANNAGAN. Mr. Chairman, I rise in support of my amendment to the Biermann amendment.

Mr. Chairman, my amendment only reduces the period from 20 years to 10 years. I hope the membership of the House realizes the importance of the Biermann amendment. To my mind, it is fundamental. The object of this bill is to bring economic security to the farm tenants of America, yet under the terms of the bill we are simply picking a tenant up by the nape of the neck and the seat of his britches and putting him in the farmer-owner class by legislative fiat, without throwing around him those safeguards and protections prudent legislation demands. It cannot be done that way. If this Government is going to rehabilitate the tenants, it should throw around them every protection the Congress can give them. The tenant is not on the same footing with the farmer who has demonstrated his ability to cope with his fellow man under our economic system. The very fact the man is in the tenant class shows he has not been able under our economic system for some reason to cope with his fellow man. We are trying to rehabilitate this man, but we are leaving him at the mercy of the speculators.

If this legislation is followed by a general farm bill which will raise the price level of farm products and give the American farmer at least a parity price for the products of his soil, then farm values are going to increase. What will be the result? Here is a tenant who has been rehabilitated through a 100-percent loan. He never had over \$200 or \$300 in cash in his life. Here comes a speculator and offers him a \$100 or \$200 profit. Under this bill, the tenant can sell his farm the day after he gets his loan. You know what will happen. He will fall under the temptation of the speculator and will sell his farm. Then he will be right out in the public road the next day with his wife and children, and with about \$100 or \$200 in his pocket, which will not last him for 6 weeks. He will then be right back in the tenant class.

If we are going to help the tenant, if we are going to rehabilitate him, when we rehabilitate him let us make him stay rehabilitated for a reasonable period of time, in order to see if he can be elevated from the tenant class to the farmer class.

This amendment is fundamental. We need not fool ourselves. We know farm values are going up. Farm values always have gone up and down. When they go up we are turning the tenants who have been rehabilitated over to the speculators and putting them right back in the tenant class. I think a period of 10 years is a reasonable period. Keep the tenant on the farm for 10 years and he will become more attached to the farm from year to year. If he does not demonstrate in 10 years the fact he is able to be made into a farmer, he never will.

I am only trying to help the tenant. I am only trying to aid him in keeping the land he has been able to acquire through the 100-percent assistance of a generous Government. I hope the amendment will be adopted.

[Here the gavel fell.]

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

Mr. Chairman, I have a very high regard for the gentlemen who have offered both these amendments; in fact, I am very partial to all the members of my committee. I have listened with interest to what they have had to say. I do feel, however, that this amendment would be unfortunate. The fact is that no law is stronger than its penalty. All the penalty that is or can be attached by this amendment is that if the covenants are violated the Secretary may declare the payments due. You could write into this amendment that if the tenant violated the covenants he should go out and hang himself, but still all the Secretary could do when the tenant violated the covenants and refused to hang himself would be to declare the payments due and payable. We do that in the present bill.

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

Mr. JONES. I am sorry, but I cannot yield now. The bill provides as follows:

That upon the borrower's assigning, selling, or otherwise transferring the farm, or any interest therein, without the consent of the Secretary, or upon involuntary transfer or sale, the Secretary may declare the amount unpaid immediately due and payable.

So long as there is a cent due the Government the tenant cannot transfer or mortgage the property without the Secretary's consent. When he has paid out the loan, if he works hard and pays it out in 5 years, for instance, why in the name of common sense not let him have the fee? [Applause.] I have seen people meet around the campfire and burn the mortgage, because they wanted to feel the deep sentiment of home ownership.

Mr. BIERMANN and Mr. FLANNAGAN rose.

Mr. JONES. I am sorry; I cannot yield. I do not have the time.

Let us look at this from a practical viewpoint. We have all the safeguards possible. The Secretary can take away every advantage. The man might just as well go out and buy an outside farm as buy this farm when the loan is declared due and payable. Therefore, if there is an increase in value, the tenant farmers can buy an outside farm and perhaps not have to pay for all of it.

Let me submit a practical proposition. Suppose a man thinks he can take one of these farms and pay it out. After he has worked on it about a year he decides he is not the man for it, and wants to let someone else pay it out. Are you going to keep him there 10 years, or let someone else who is interested in getting a farm and in owning a farm he can call his own have a chance at that farm?

We have every safeguard thrown around it. If a man gets sick and wants to give up his farm, or wants to sell it to a man who is acceptable to the Secretary, why not let him sell it?

We take away all the special privileges granted by the Government when he transfers the title, and that is all you can do, no matter what covenants you may put in the measure. Of course, if the Government bought the land they could levy conditions, but they cannot levy conditions on a loan, other than calling the loan, and we have that provision in the bill. [Applause.]

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

Mr. Chairman, I am very happy, indeed, to hear the distinguished chairman of the Committee on Agriculture of the House take such a firm and judicious position upon the question pending before the House in the Biermann amendment. I sincerely trust that when the conferees of the House go into session with the Senate conferees that the same type of argument and persuasion will be made in order to convince the Senate of the importance of the provisions found in title 1 of this bill.

Mr. Chairman, I am unalterably opposed to the amendments of the gentleman from Iowa and the gentleman from Virginia, which seek to restrict the alienation of the fee-simple title of this land for a period of 10 or 20 years. I think it wholly unfair, inequitable, and unjust to place a limitation of that kind upon the average thrifty tenant farmer of America who may desire to take advantage of the liberal provisions of this bill. I submit in all sincerity that the type of tenant we seek to impress with the importance of this legislation will not enter into a partnership with Uncle Sam if he is thoroughly familiar with the provisions of this amendment in the event it should become a law. I have more confidence and respect for the ability and industry of the tenants who can qualify under this act.

This amendment which seeks to restrict the alienation of the fee-simple title of land is placed before the House on the further theory that it will eliminate land speculation. That may be true insofar as the individual who has borrowed this money from the Government is concerned. But I ask in the name of common justice why should this man be penalized for making a profit on his farm when his neighbors surrounding him are making a profit on theirs

during a land boom? I know that the gentleman from Iowa is sincere in his fight on land speculation, but I submit in all sincerity that unless the entire field is covered we should not make fish out of one farm owner and fowl out of another.

It would seem to me that the unearned increment tax suggested by the President's committee on farm tenancy whereby a certain part of the profits on all lands sold within a given length of time would be the basic and fundamental way to cure this evil if one cares to accept the viewpoint of the gentleman from Iowa.

Again, Mr. Chairman, I am unalterably opposed to giving to the Secretary of Agriculture the power to control this land for a period of 20 years. In my judgment, this is the beginning of land socialization in America. This is the most important point in the bill, to my way of thinking. It is the initial step upon the part of the Government to ultimately acquire lands for the purpose of resale to tenants. This is the vital principle in the bill reported out by the Senate, and one which I hope will never be accepted by the conferees.

ALIENATION OF PROPERTY IS ONE OF THE INHERENT RIGHTS OF FREE GOVERNMENT

And, as I stated yesterday in a speech on the floor of this House, if this principle involved ultimately becomes the law of the land, within a period of 40 years a million tenants will be under the control and jurisdiction of the Federal Government. And when that time arrives it will be a short and decisive step to Government ownership of all the lands in this Nation. I trust that I shall never live to see the day arrive in this great country of ours when the American farmer is regimented in a way which compares with the regimentation of the farmers of the Old World. Remember well, if and when that happens, a different form of government will supplant the Government that you and I love. [Applause.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Virginia [Mr. FLANNAGAN] to the amendment offered by the gentleman from Iowa [Mr. BIERMANN].

Mr. McLAUGHLIN. Mr. Chairman, may we have the amendments again reported?

Mr. BIERMANN. Mr. Chairman, a reading of the amendments does not give very much of an idea what they mean, and I therefore ask unanimous consent that I may address the Committee for 1 minute to make a brief statement in lieu of having the amendments read.

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

There was no objection.

Mr. BIERMANN. Mr. Chairman, my amendment provides that the beneficiary of this act cannot pay out his loan in less than 20 years. He has to be an owner-operator for 20 years before he can get rid of his farm. The amendment of the gentleman from Virginia limits the time to 10 years, but, of course, under either amendment the Secretary of Agriculture may provide otherwise.

The CHAIRMAN. The question is on the amendment to the amendment.

The amendment to the amendment was rejected.

The CHAIRMAN. The question now recurs on the amendment offered by the gentleman from Iowa.

The amendment was rejected.

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

The Clerk read as follows:

Amendment offered by Mr. TARVER: On page 4, line 1, after the words "shall be secured by", strike out the remainder of line 1 and line 2 and insert "instruments vesting the legal title to the farm in the Secretary of Agriculture for the use and benefit of the United States as its interests may appear and the acquisition of title to such farm or rights and interests therein by the borrower shall be strictly in accordance with the terms of the instruments executed in connection with such loan."

Mr. JONES. Mr. Chairman, if the gentleman from Georgia will permit, I ask unanimous consent that after the presentation by the gentleman from Georgia that all speeches

for the remainder of the consideration of the bill may be limited to 3 minutes. I do this because we have been very generous, and I think amendments hereafter can be presented in 3 minutes.

The CHAIRMAN. The gentleman from Texas asks unanimous consent that all speeches on all amendments, following the remarks of the gentleman from Georgia [Mr. TARVER], be limited to 3 minutes on each amendment. Is there objection?

Mr. HOPE. Mr. Chairman, reserving the right to object, why does not the gentleman limit his request to the pending title, as this is the title to which most of the amendments will be offered.

Mr. JONES. I purposely have been liberal because there has not been a bill before the House where there has been so much interest manifested, and I wanted everyone to have an opportunity to express his views, but I believe the House now is very familiar with the bill and any amendments can be presented in 3 minutes, and in this way we will get through in a reasonable time.

Mr. HOPE. As the gentleman knows, there are some important provisions further on in the bill which may or may not cause some discussion. I do not like to object, but I shall have to object to a limitation of 3 minutes in the discussion of amendments to the other features of the bill. I have no objection to such a limitation with respect to title I, because that has been discussed.

I object, Mr. Chairman.

Mr. JONES. Mr. Chairman, I ask unanimous consent that all speeches on this particular title and all amendments thereto, with the exception of the remarks of the gentleman from Georgia, be limited to 3 minutes.

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

Mr. CRAWFORD. Mr. Chairman, I reserve the right to object. Some of us are a little more inclined to be modest and conserve the time and energy of the House. All yesterday afternoon I waited for 5 minutes to talk on the bill. I want to talk on this title, and under the circumstances I shall have to object.

The CHAIRMAN. The gentleman from Michigan objects.

Mr. ANDRESEN of Minnesota. Mr. Chairman, I make the point of order that the amendment offered by the gentleman from Georgia is not germane to this section of the bill as it seeks to put the Government into the land business and secure the title in the Government by the provisions of this amendment.

The CHAIRMAN. The gentleman's point of order comes too late. The point of order is overruled. The Chair recognizes the gentleman from Georgia [Mr. TARVER].

Mr. TARVER. Mr. Chairman, I dislike to impose on the patience of this House at this hour of the day, especially since I realize that it is hardly possible that any amendment which does not receive the approval of the committee will be adopted. However, I am fortified in the intention that I have to present this amendment for consideration by my belief that the chairman of the committee at heart approves the principle of the amendment and that if he were not bound by the action of his committee he would agree to the amendment and ask you to agree to it.

The purpose of the amendment is to vest legal title to the lands that are to be sold to the sharecropper and the tenant in the Secretary of Agriculture for the use and benefit of the Government of the United States, and with no rights or equities therein to accrue to the tenant or sharecropper except in accordance with the terms of the instruments that may be executed or exchanged between him and the Secretary of Agriculture. The purpose, I think, is manifest. It is to enable the House of Representatives, should it desire to do so by a subsequent amendment, to attach conditions to the rights secured by the share cropper or the tenant, which it cannot attach, as has been explained by the chairman in his speech regarding the proposed Biermann amendment, unless the title of the land is vested in the Government itself. When that is done, then the Govern-

ment may attach to its contract with the sharecropper or the tenant such conditions as it may deem proper.

I am interested principally in providing by the amendment already offered, and which will be subsequently reached for consideration, that the equity of these tenants or sharecroppers shall not be subject to levy and sale by creditors at least for a period of 5 years, without the consent of the Secretary of Agriculture. Unless you insert a provision of that kind in the bill which now provides, in line 2, page 5, for involuntary transfer or sale, then under the laws of many States—at least, of my own State—the equity of the sharecropper or tenant in the course of a year or two, perhaps, after he buys the farm and after he has made some payments thereon, may be subjected to sale under civil process. I have explained this matter fully in my speech on yesterday and further discussion is perhaps unnecessary.

Mr. HILL of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. TARVER. Yes.

Mr. HILL of Oklahoma. Does not every State in the Union provide homestead exemption for farms, and every tenant who buys one of these farms immediately makes it his home, and it is already exempt?

Mr. TARVER. No.

Mr. HILL of Oklahoma. Unless the Government in the sale restricts it from exemption.

Mr. TARVER. No. My own State, for example, provides for a homestead, but provides further that the debtor may by written instrument waive his homestead rights except as to \$300 worth of household and kitchen furniture, wearing apparel and provisions, so that the sharecropper buying land under this bill in my State, as to his equity thereunder, would have no protection whatever, if he had executed an instrument or promissory note in usual form to a creditor waiving his homestead rights, and that creditor for a pre-existing indebtedness might come in and by civil process subject the sharecropper's equity at any time after he went into possession of the farm to levy and sale for the purpose of paying the antecedent debt, although, if a trust deed had been executed to the Government, the creditor would first have to pay or offer to pay the amount due the Government. I do not know whether the Committee of the Whole will adopt the restriction I propose in the next amendment or not. I shall not offer it unless this amendment is adopted. This amendment is necessary to give the House the right to provide for the attaching of such terms and conditions. If you adopt this amendment, then certainly you would have the right in subsequent portions of the section to consider whether or not you would attach restrictions of that kind, limiting the interest of the borrower so that it would not be subject to levy and sale for 5 years.

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

Mr. PETERSON of Georgia. Mr. Chairman, I desire for the membership of the House to understand that I am not speaking here today just to take the time of the Committee, but to impress upon you the fact that in my opinion this bill in no way offers a solution of the problem which today confronts the American farm tenant and farm population, and that there is before this House a bill (H. R. 6748) which does attack this problem in a sane, sound, and sensible manner, and which does provide a program that is in complete harmony with the fundamental principles of free government.

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

Mr. PETERSON of Georgia. Not at this time. Some-time ago, while I was speaking, I was showing to the membership the hopeless plight of the farmers of the nation of Denmark where a similar program has been in existence for over 30 years under which program farmers have been permitted to borrow up to approximately 90 percent of the value of their loans.

The United States Department of Agriculture, in summarizing the plight of the farmers of Denmark, states that—

The land has been burdened with debt to the extent that interest charges and amortization are out of all proportion to its productive powers. This situation, aggravated by restrictions of market and world prices generally, has brought the Danish farmer to a condition of real distress, from which the Government is striving to lift him by various farm-aid schemes.

Instead of leading the farm family out of the wilderness of despair, you are attempting here today to drive him deeper into a condition of real distress, similar to that which exists in Denmark. The program in Denmark, as I understand, reduced tenancy to less than 8 percent of the total farm population, but it by no means solved the problem of the farm population of Denmark.

Now, there is a sensible way out. This is not the first time in America that this problem has been discussed in these Halls. For approximately 50 years the land problem was the center around which the political storms of this Nation raged, from approximately 1820 to 1860. Previous to that time there had always prevailed a policy of free land for free labor. American lawmakers attempted, when purchasing various acreages from foreign nations, to sell those acreages then, as you are today here attempting to sell acreages to farmers. The plan was a failure, and it was only after approximately 18 years of agitation of free land that in 1862 this Nation adopted the homestead plan, which has been recognized as one of the greatest laws that has ever been written by human hands.

The CHAIRMAN. The time of the gentleman from Georgia [Mr. PETERSON] has expired.

Mr. JONES. Mr. Chairman, I ask unanimous consent that immediately following the remarks of the gentleman from Kansas [Mr. HOPE] all debate on this section and all amendments thereto be limited to 3 minutes.

The CHAIRMAN. The gentleman from Texas asks unanimous consent that following the 5 minutes by the gentleman from Kansas [Mr. HOPE] all addresses on the pending amendment and all amendments to this section be limited to 3 minutes. Is there objection?

Mr. CRAWFORD. Reserving the right to object, is that only with reference to this section?

Mr. JONES. Just with reference to this section.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. HOPE. Mr. Chairman, the Committee has just recently voted down the amendment offered by the gentleman from Iowa [Mr. BIERMANN]. I am sure everyone recognizes that the amendment offered by the gentleman from Georgia [Mr. TARVER] seeks to do in another way exactly what the amendment offered by the gentleman from Iowa would have done had we adopted it. I do not believe it is the policy of this Committee or of the House to put the Government of the United States into the land business and to give the Secretary of Agriculture the power and authority to tie up the estate of anyone who becomes a purchaser under this bill in such a way that he has no right to alienate it except under certain circumstances and after a period of years.

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

Mr. HOPE. I yield.

Mr. TARVER. Will the gentleman inform us whether or not he thinks that the equity of the tenant ought not to be subject to sale under civil process for a reasonable period of time after he acquires the farm?

Mr. HOPE. As the gentleman from Oklahoma remarked a while ago, most of the States of this Union protect the homestead. If the gentleman's State of Georgia will not protect the homestead of the farmers of his State, he ought not to come here and ask the Congress of the United States to do it.

Mr. TARVER. But why did the gentleman put in the bill in line 2, page 5, "or upon involuntary transfer or sale", unless it is intended to subject this equity to involuntary transfer or sale, which means sale under civil process?

Mr. HOPE. That has no application in any State which protects the right of the farmer to his homestead.

Mr. TARVER. The very bill provides for this thing which I am trying to protect the borrower against.

Mr. HOPE. If the State does not protect its citizens in their homestead rights, its Representatives should not come in here and ask the Congress of the United States to do so.

Now, Mr. Chairman, there appears to be a sentiment on the part of the gentleman from Georgia [Mr. PETERSON], and others who have spoken, to put the Government of the United States into business and furnish every farmer with a farm.

At least, I understand that is the idea of the gentleman from Georgia [Mr. PETERSON], although he has refrained from telling us exactly what his plan is this afternoon. But I just want to call attention to the fact that it has already been proven in this country that that is not the way to solve the tenant problem. Beginning in 1880 and during the period from 1880 to 1900 we had the greatest increase in number of tenants and in the percentage of tenancy in this country that we ever had during any similar period in our history. We had an increase of over 1,000,000 tenants during that period of time, yet during that time our homestead laws were operating and there was brought into the farm acreage of this country more than 300,000,000 acres of land. In 1880 the average value of the farms in this country was \$3,000. Today the average value of the farms is \$9,000.

If in the decade beginning in 1880 with 300,000,000 acres of free farm lands we could not solve the tenancy problem but instead saw it increase; if in 1880 when you could buy a farm for \$3,000 we saw the tenancy problem increase, then I say that the indiscriminate giving away farms is not the way to cure the tenancy problem. This might indicate that we are proceeding along the wrong direction in this bill; and we may be. The bill is only an experiment. We do know that in other countries, notably in Denmark and in Ireland, a plan similar to this has succeeded. Success in those countries gives us some ground to hope that through experiment we may be able to work out a plan which will be successful in this country and which would justify this bill.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia.

The amendment was rejected.

Mr. LUTHER A. JOHNSON. Mr. Chairman, this bill is designed to redeem, in a measure at least, two of the pledges contained in the national Democratic platform of 1936. One relates to the farm tenancy problem and the other to the purchase and retirement of submarginal lands of such a character as to be unproductive in agricultural pursuits.

As to the first, I quote from the platform:

We recognize the gravity of the evils of farm tenancy, and we pledge the full cooperation of the Government in the refinancing of farm indebtedness at the lowest possible rates of interest and over a long term of years.

The bill is composed of four titles. Title 1 relates to loans to enable tenant farmers to buy farm homes, and, due to my limited time, I shall only briefly discuss this one feature of the bill.

The number of farm tenants in the United States is so large, and their diminution is of such importance that the problem raises a question of national interest and importance.

The number of farm tenants has greatly increased in the whole country. Fifty years ago 25 percent of the farmers were tenants, while today approximately 42 percent of all the farmers are tenants.

In 1935 the farm tenants numbered 2,149,000, and in addition to this there were 716,000 farm tenants generally known in the Southern States as sharecroppers, making a total of 2,865,000 farm tenants in the United States.

These farm tenants are in all sections of the Nation, but New England and the North Atlantic States have fewer than the rest. The largest number of farm tenants reside in the Southern and the Central and Midwestern States of the North. According to statistics the "high tenancy area" includes seven Northern and nine Southern States. The Northern States being North and South Dakota, Nebraska, Kansas, Indiana, Illinois, and Iowa. The Southern States

include Mississippi, North and South Carolina, Georgia, Alabama, Louisiana, Arkansas, Oklahoma, and Texas. There are many in all sections, and some in every State, but these States have the largest percentage according to population.

In my own State of Texas, 57 percent of all of the farmers are tenants. There are four other States, Mississippi, Arkansas, Louisiana, and Oklahoma, where the percentage of tenant farmers is greater than Texas.

One reason for this high percentage of farm tenancy in the South is due to insufficient capital and consequent high interest rates. The East and the North, and especially the Northeast, has had an ample supply of capital and resultant low interest rates, while in the South funds available for investment have been of lesser volume, and consequently loans brought higher interest, making it more difficult for tenants to borrow funds with which to buy farm homes.

At the beginning of the present session I introduced a bill (H. R. 3590) to promote the purchase of farms by farm tenants, and the bill now being considered has a number of the features contained in my bill. One of the chief differences, however, is that my bill would have made available a much larger sum for the aid of farm tenants than the bill under consideration. The bill we are now considering authorizes an amount not to exceed \$10,000,000 for the first year, \$25,000,000 for the second year, and \$50,000,000 for the third year, or an aggregate of \$85,000,000. My bill would have made available an amount about 12 times this large. My bill provided an interest rate of 2 percent, while this bill stipulates a 3-percent rate.

The chief disappointment about the bill now being considered is that it will furnish aid to only a very small number of tenant farmers. If the average loan to each individual farmer should be \$6,000, this would give aid to only one-half of 1 percent of the tenant farmers. Some member of the committee, in discussing the bill, has stated that the present bill would only afford loans to about one tenant in each county of the United States. This is grossly inadequate, but the bill does inaugurate a policy which I hope may be developed and enlarged so that the Government will still further aid and encourage in a much larger way home ownership by tenant farmers by making available a greater sum for this laudable purpose.

The committee justifies the small amount on the ground that the bill is an experiment, and that if it is found that it is workable and affords relief, that the Government will then launch a program of greater magnitude, and which will be beneficial to a substantial number of the farm tenants of America.

Home ownership by the farmers of America is of vital importance not only to the tenant farmers, who will be permitted to borrow money from the Government at 3 percent with which to buy homes, but the beneficent effect in the reduction of the number of farm tenants will favorably affect the social and economic welfare of the Nation as a whole. Worthy tenants should be given a chance to buy homes, and every encouragement should be offered them to do so.

There is no class in greater need than the tenant farmers of America, and I am glad to vote for a bill which will give recognition to the need of this worthy class. I recognize that the bill will be a disappointment in the number of farmers aided, but I feel sure that its beneficent effects will at once be recognized, and at the next session of Congress I am hoping that a larger amount may be made available.

Mr. JONES. Mr. Chairman, I ask unanimous consent that all debate on this section close in 6 minutes.

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

There was no objection.

The CHAIRMAN. The Clerk will report the next amendment.

The Clerk read as follows:

Amendment offered by Mr. TARVER—

Mr. TARVER (interrupting the reading of the amendment). Mr. Chairman, I ask unanimous consent to withdraw this amendment.

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

There was no objection.

The CHAIRMAN. The Clerk will report the next amendment in order.

The Clerk read as follows:

Amendment offered by Mr. PACE: Page 5, after line 3, insert "and shall contain a waiver by the borrower of all rights and benefits under the terms of the act approved August 28, 1935, commonly referred to as the Frazier-Lemke Act, as against the Secretary of Agriculture until he has paid as much as 15 percent of the purchase price of the farm."

The CHAIRMAN. The gentleman from Georgia is recognized for 2 minutes.

Mr. PACE. Mr. Chairman, I am certainly concerned in doing something for the tenants of this Nation. The fact that there are 24,000 tenant farmers in the 24 counties which I am trying to serve gives you some idea of how important it is to my people. This bill has been described as an experiment. In the hope of making it more than a noble experiment merely, but rather a successful experiment, I think we should make the bill as practical as possible. You have voted to lend 100 percent of the value of the land. My amendment proposes that if you lend 100 percent of the value of the land, 100 percent of the value of the improvements, and in some cases 100 percent of the value of the stock and equipment, that certainly the Secretary of the Treasury—that is, the United States Government—should have some protection against these few who will try to take advantage of this law. It is therefore provided in this amendment that before a person can take advantage of the Frazier-Lemke law and stay the proceedings for 3 years, he must at least have an investment equal to 15 percent of the purchase price of the land.

This bill, of course, is designed to help the tenant. The Secretary of Agriculture will be in sympathy with the tenant, but there will be a few tenants not in sympathy with the Secretary of Agriculture, and certainly we should not permit a man to borrow 100 percent, use the land for a year, and then file a proceeding under the Frazier-Lemke Act and keep the place for an additional 3 years without one dollar invested. My amendment provides simply that he must have an equity to protect, which he would not have in a 100-percent loan, before he could take advantage of the Frazier-Lemke Act and stay the proceedings for 3 years.

Mr. JONES. Mr. Chairman, may I be recognized for 1 minute at this time?

The CHAIRMAN. The gentleman from Texas is recognized for 1 minute.

Mr. JONES. Mr. Chairman, I have talked with a number of members of the committee about this amendment. They are not sure about it. I wonder if the gentleman would be willing for us to accept it for the purpose of study and then determine our position before we finally pass the bill? I am inclined to believe there is some force in what the gentleman says.

Mr. PACE. I think it is proper. If the gentleman does not, then I will ask that it be withdrawn when we get back in the House.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia [Mr. PACE].

The amendment was agreed to.

The CHAIRMAN. The Clerk will report the next amendment.

The Clerk read as follows:

Amendment offered by Mr. MAHON of Texas: Page 3, line 22, and page 4, lines 1 and 2, strike out all of paragraph (a) of section 3 and insert in lieu thereof the following:

"Loans made under this title shall not exceed \$6,500 to any one applicant and shall not be in excess of the amount certified by the county committee to be the value of the farm and shall not exceed the amount necessary to enable the borrower to acquire the farm and shall be secured by a first mortgage or a deed of trust on the farm."

The CHAIRMAN. The Clerk will report the amendment to the amendment offered by the gentleman from Alabama [Mr. HOBBS].

The Clerk read as follows:

Amendment offered by Mr. HOBBS to the amendment offered by Mr. MAHON: Strike out "\$6,500" and insert in lieu thereof "\$3,500."

Mr. MAHON of Texas. Mr. Chairman, I so rarely ask the indulgence of the House that I am sure the membership will be willing to listen to me for a few minutes to explain an amendment which I think is very necessary to the successful administration of this bill.

I merely provide in the amendment that no loan for the purpose of purchasing a farm under this Farm Security Act shall be made in excess of \$3,500 to any one applicant. Certainly that figure is high enough and certainly the Congress of the United States ought to exercise some jurisdiction over the money that it appropriates. We owe this to ourselves and to the taxpayers of the country.

Everyone seems to be calling this bill an experiment. I am afraid it is an experiment that is going to be very disappointing to the country and to the tenant farmers we represent. I should like to amend and perfect this bill and make it a successful experiment in the right direction. The fact that it is an experiment does not justify us in failing to lay down proper rules for the administration of the bill. The solution of the farm-tenancy problem is vitally important to the whole Nation, and we ought to spare no effort in our attempt to insure a proper beginning.

Every time a Member on the floor makes a speech and talks about the integrity of the Congress and the retention of our prerogatives, he gets a cheer. Here is an opportunity to vote for some control over public funds by Congress and assert our proper authority.

The easiest way to get a man into trouble is to lend him too much money. My amendment is right in principle, and certainly since we have so little to lend in each county under the appropriation provided for in this measure, we ought to adopt this amendment providing that no loan under this title shall exceed \$6,500.

I have been in most of the States of the Union and I know that agricultural conditions and land prices vary in different localities, but I am compelled to say that if the Government is going to pay 100 percent of the purchase price of a farm and turn it over to an occupant without a down payment there ought to be a limit of cost fixed by the Government.

Mr. JONES. Mr. Chairman, I am in thorough accord with the purpose the gentleman has in mind, but we think we have a much lower limitation than suggested by the gentleman. We discussed that in the committee. We talked about \$2,500 and \$3,500, but we found that the size of the farms varied so greatly we could not put on a specific limitation, because what would be fair as applied to one section is not fair as applied to another. The three resident people may put on an upper limitation and the Secretary may put more in the farm. I believe with the limitations we have provided the limit will be much lower, and I may say to the gentleman I hope the average farm will be much lower than the figures suggested by him. In some places there are truck farms. In other places there are dairy farms, wheat farms, cotton farms, vegetable farms, and they vary in value so much in different communities that it is not practical to have a rigid limit.

Mr. ANDRESEN of Minnesota. Will the gentleman yield?

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

Mr. ANDRESEN of Minnesota. If the amendment is adopted, the provisions of this bill could not be made to operate in the northern section of this country.

Mr. JONES. I may say I had the same idea until we heard the testimony of the people who represented the various areas.

[Here the gavel fell.]

Mr. LUCAS rose.

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

Mr. LUCAS. Mr. Chairman, it is so obvious that my distinguished friend from Texas [Mr. MAHON] does not thoroughly appreciate the value of the Corn and Wheat Belt

lands in Illinois that I desire to revise and extend my remarks in the Record at this point, and I ask unanimous consent so to do.

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

There was no objection.

Mr. LUCAS. Mr. Chairman, during the hearings upon the farm tenancy bill there were frequently injected into the testimony and discussion and statements which indicated that in certain sections of the country only a small amount of capital was necessary to transform hopeless and submerged tenants into happy, industrious, and contented landowners. As I recall, the gentleman from Tennessee [Mr. MITCHELL] asserted with confidence before the committee that many tenants in his section of the State with an operating base of \$2,500 could conquer and hurdle the farm hazards of today and ultimately reach the peak of comfort, happiness, and prosperity.

The gentleman from Texas [Mr. MAHON], following in the wake of such unusual optimism offers an amendment to this bill limiting the loan that any one person should receive to \$6,500. Mr. Chairman, I do not question the good faith of my distinguished colleague from Texas. The gentleman begs the question when he attempts to influence this House, citing the Home Owners' Loan Corporation loans and emergency crop loans upon which there is a loan limitation. You and I know those were emergency measures, designed to aid the little fellow in immediate and dire distress. The policy we pursue today is being followed under the theory that it will become a basic and fundamental part of our law, and the chances are that it will run the gamut of centuries.

I confess that I am not entirely familiar with all the conditions which exist in the various farming communities of America. No doubt, as the distinguished Speaker of this House said yesterday, that there is a great satisfaction in knowing that you own acres of ground or that you own a lot. It may be that there is a great satisfaction in going out and building a little log house to start with. In that picture there is a lot of sentiment; there is a lot of feeling that is worth while to the future of America. But at the same time this is a cold, hard, practical world, and unless there is something more than the little log house in the woods the man who is given the opportunity to build that house with the taxpayers' money will ultimately fail, and the Government will lose.

It is obvious that the gentleman from Texas is not familiar with the corn and wheat belt of Illinois. Let me remind my colleagues that the average size family farm in Illinois is 156 acres. If the \$6,000 is the limit that any individual may borrow, the committee in my section of the country would be compelled to look for farm lands selling at approximately \$35 per acre. That would mean the selection of a farm in my section of the State which would materially handicap payment in full by the prospective purchaser, and it would also eliminate a certain type of high-class tenant who would not care to till that kind of soil. Our rich productive lands sell from \$75 to \$150 per acre even in these days of economic distress.

The records of the hearings disclose that it will take from \$12,000 to \$16,000 to finance adequately the purchase of the average farm in my part of Illinois, as contemplated under this bill.

If the people of my section are to be foreclosed from participating in this fund, I prefer that the matter be done through the administration agency. Let it not be said here today that by adopting this amendment practically half of this Nation would be enjoined from participating in the benefits of this bill.

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

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

There was no objection.

Mr. HOBBS. Mr. Chairman, the purpose of this amendment is manifest, of course, but in the light of the other

provisions of the pending bill, that purpose means far more than is manifest upon its face.

This bill authorizes to be appropriated not to exceed \$10,000,000 for the first year of the operation of the plan, not to exceed \$25,000,000 for the second year, and not to exceed \$50,000,000 for the third. The maximum that this could mean in appropriations would be \$85,000,000, or less than \$30 per tenant farmer.

There are 3,059 agricultural counties in the United States. Ten million dollars would not buy one farm in each of these counties at a cost of \$3,500. Unless this bill means a start on the road to farm ownership for at least one tenant farmer in every agricultural county of the Nation, its blessings will be so rare as to be almost indiscernible. Three thousand tenant farmers benefited out of three million would be very few.

Naturally, those sections of the country where the prevailing prices of land are high, will contend that so low a ceiling as \$3,500 per farm would not enable a tenant farmer to purchase many acres of their high-priced land. This would be perfectly true. But if their land prices can be justified upon the ground of real value, then a smaller number of such acres would be equal in productivity to a larger number of cheaper acres. The purpose of this bill is not to provide the tenant farmers of America with luxurious homes and splendidly improved farms. As I envision it, it is to bring to our tenant farmers the opportunity to work out their own salvation on good land, according to a fair plan, shot through with hope of independence and constantly improving surroundings and financial condition. [Applause.] With all of this I am in hearty accord, and wish to spread the benefits of the bill as widely as possible. The larger the investment in the individual project, the smaller the number of projects, is as inexorably true as mathematics.

While I am cordially in favor of the pending bill, I am not unmindful of the even greater need of the farmers of this Nation, owners and tenants alike, for a sure and ready market for their produce, at parity prices with the price curves of the commodities they must buy—prices which will assure them reasonable profit upon their investment of money, time, brawn, and brains. [Applause.]

This transcendent need of fair markets for farm products is to be taken care of in the general farm-relief bill which I hope will soon be brought before the House and passed. Without such a companion measure we will not be conferring a real benefit upon any person by giving him title to a farm. Without such provision, farms are liabilities, not assets. It is the absence of fair marketing facilities which has caused the present plight of agriculture.

Would you really help the farmer? Then insure fair prices for the products of the soil. In no other way can you enable him to buy the things he needs in a tariff-protected market, discriminated against as he is in the matter of freight rates, and paying tribute on every hand to those who demand and get high prices for the things and services the farmers must have. [Applause.]

Give the American farmer fair prices for all the things he can produce, and you have solved the farm problem. [Applause.]

In passing this bill, today, let us each and everyone resolve to hasten as much as possible the passage of the general farm-relief bill of 1937, without which the pending bill, as beneficent as its purposes are, will fail of their accomplishment. [Applause.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Alabama [Mr. HOBBS] to the amendment offered by the gentleman from Texas [Mr. MAHON].

The amendment to the amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. MAHON].

The amendment was rejected.

The Clerk read as follows:

EQUITABLE DISTRIBUTION OF LOANS

SEC. 4. In making loans under this title, the amount which is devoted to such purpose during any fiscal year shall be distributed

equitably among the several States and Territories on the basis of farm population and the prevalence of tenancy, as determined by the Secretary.

Mr. PETERSON of Georgia. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I appreciate the gentleman from Kansas making the suggestion that I have not presented to the House today the provisions of the proposal which I am advocating for the relief of the farm population of America. I may say to the gentleman that instead of creating an entirely new agency with thousands of additional Government employees my proposal provides that the General Land Office, which is one of the oldest departments of the Government, shall proceed, not to buy new land as is provided in this bill to be given to especially favored farmers, but to buy liens on farm mortgages. It further provides that the Government shall in each instance proceed to liquidate these liens, with the consent and approval of the mortgagor. Mr. Chairman, I call attention of the membership of the House to the fact that the average farm mortgage today is approximately \$3,500 and that the average size of the farm under mortgage is approximately 150 acres. Under my bill in every instance where the mortgagor so desires he may liquidate the farm mortgage and shall have the right to a free homestead.

[Here the gavel fell.]

Mr. JONES. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto close in 3 minutes.

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

There was no objection.

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

Mr. Chairman, it is useless to try to speak adequately on a subject as broad as this in 3 minutes, so I shall confine my remarks to only two or three things.

In the first place, as has been stated so many times today, it is obvious that the problem of farm tenancy can never be solved until the general problem of agriculture is solved. The only contribution I want to make to this thought is that I doubt it will be solved until we take speculation out of the entire process of the marketing of farm products, so the gap between what the farmer receives and the consumer pays can be closed. So long as eggs, for example, sell for 15 cents or 18 cents a dozen during the heavy laying season when the poultrymen have plenty of eggs to sell and then climb to 28 cents or 30 cents a dozen wholesale when the commission men and cold-storage houses have already bought in most of the eggs—so long as this condition persists our farmers will have a hard time.

In the second place, I doubt if any class of people in this Nation has been so greatly harmed by the power of the financial interests of the Nation to create and then to destroy bank credit as the agricultural population. I believe something must be done about this question before the problem of the farmer will be solved.

In the third place, I shall vote for this bill and do it with some enthusiasm in spite of the fact it is literally only a mere drop in the bucket. I shall vote for it because it sets forth a principle of American Government, namely, that the American Government will not from this time forward be satisfied to see a large portion of our agricultural population forced out of the class of substantial owners of land into a subject class of tenants and kept there. We are, I trust, going to pursue this course until we have restored to the position of security on their own land our present tenant-farming population. It will be a big job.

Finally, for my part I shall not be sorry if the Senate bill should prevail over the bill we have before us. Since we are admittedly only making a start at this great problem it is most important that we do it right. The danger of speculation and a speculative rise in land values and the danger that the new farm owners will have a difficult time to discharge their indebtedness and make a success of their new venture must be faced. We cannot forget either the danger

of the new owner being deprived of his land by action of speculators or former creditors before he has fairly got started. I cannot but believe that the straightforward way to avoid these dangers and to work out the problem with the greatest benefit to our hardest pressed people is by the simple process of direct purchase of land by the Government and resale to our tenant farmers on the easiest possible long-time terms with provisions for proper land use and the assistance of the Department should he need it. I think, at least, we should provide that all land now in the possession of the Government, and much of it is in the possession of the Government, should be disposed of on this basis, with a long-time payment at very easy terms to our tenant population.

Therefore I shall support the amendment of the gentleman from Iowa [Mr. WEARIN] when it is offered.

[Here the gavel fell.]

The Clerk read as follows:

APPROPRIATION

Sec. 5. To carry out the provisions of this title, there is authorized to be appropriated not to exceed \$10,000,000 for the fiscal year ending June 30, 1938, not to exceed \$25,000,000 for the fiscal year ending June 30, 1939, and not to exceed \$50,000,000 for the fiscal year ending June 30, 1940.

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

The Clerk read as follows:

Amendment offered by Mr. COLMER: Page 5, line 18, after the period add a new sentence, as follows: "Provided, That not in excess of 5 percent of the amount of money herein authorized to be appropriated may be used for administrative purposes."

Mr. COLMER. Mr. Chairman, I do not care to take the 5 minutes allotted to me in the discussion of this amendment but I call your attention to the fact that the amount of money appropriated is very limited, and that it has been estimated it will amount to only approximately \$3,000 per county if distributed throughout the United States. Since we are going to have only \$10,000,000 for the first year, I do not want to see any substantial proportion of this appropriation wiped out and dissipated in overhead expense.

Frankly, I do not know what it would cost to administer this bill. I have endeavored to get some information upon the subject without any success. However, I do want to limit the amount which can be expended for overhead and administration, so I address the amendment to your consideration. Certainly 5 percent is the maximum which should be expended under any circumstances. For that matter, I see no reason why 2 or 3 percent should not be sufficient.

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

Mr. COLMER. Yes.

Mr. HEALEY. Is the gentleman's amendment worded "not to exceed 5 percent"?

Mr. COLMER. "Not to exceed 5 percent" is correct.

Mr. JONES. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto close in 5 minutes.

Mr. CASE of South Dakota. Mr. Chairman, I reserve the right to object in order to ask the chairman of the committee a question. Is it anticipated the expense of administration of the first section will come out of this appropriation, or is there another appropriation for the administrative costs?

Mr. JONES. The administrative costs of the bill will come out of the funds appropriated in the bill. The bill is complete in that regard.

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

There was no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi [Mr. COLMER]. The amendment was rejected.

Mr. CRAWFORD. Mr. Chairman, I offer an amendment which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. CRAWFORD: Page 5, line 16, strike out "\$25,000,000" and insert "\$15,000,000", and in line 17, after the word "exceed", strike out "\$50,000,000" and insert "\$25,000,000."

Mr. CRAWFORD. Mr. Chairman, this amendment is offered in all seriousness. I have had the privilege of studying the hearings, the report of the President's committee, and the bill. I am so much in accord with what the distinguished chairman of the committee said yesterday in his opening statement, and I feel so much that this is the creation of a laboratory for the purpose of studying a social land problem, that I do not desire to have \$85,000,000 spent in the building of a laboratory. I think the bill which will have to come hereafter and which will come after some experimentation has been carried on should carry the big appropriations. When the tenant problem is adequately legislated, billions of dollars will be involved. This bill does not tackle the real factors involved.

In my State I have 37,000 farm tenants out of a total of 198,000 farmers. The greatest amount which the tenants can possibly hope to get under this bill is \$60 per farm family. I have taken the floor here to indicate my willingness to go along with this bill to create the laboratory, although I disapprove of certain provisions in it, but it is only the creation of a laboratory. I do not want the people in my State, either the tenants or those who may be tenants hereafter, to get the idea that this bill is being enacted to give them relief, because it will not. That fact is too evident to claim otherwise. It is only the beginning of research.

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

Mr. CRAWFORD. I yield to the gentleman from Michigan.

Mr. MICHENER. As I understand, this is to be a laboratory; but if it works, we have no money. We have got to get the money somewhere. Will it be the purpose then to adopt the Frazier-Lemke bill as a corollary to print the money to do the job which this bill contemplates?

Mr. CRAWFORD. I have no idea what a future Congress will do in passing legislation dealing with this problem when the experimental work has been carried on and when the economic conditions relating to agriculture forces that Congress to act, but I think this Committee on Agriculture has done one of the finest jobs in connection with creating a laboratory that has ever been performed by any House committee. I do believe sincerely that the amount of the appropriation in this section is entirely too much for the work that is to be carried on. I wish that this amendment could be adopted here today, and I offer it in all sincerity. The popular thing to do would be to offer an amendment asking for greater appropriations.

Suppose you were a board of directors, would you spend \$35,000,000 on a laboratory, or would you spend a reasonable amount and after that laboratory works out the problem that is before you, then proceed to build a plant to carry on the job which has been demonstrated as practicable by the laboratory? These are the things that have been done by organized industry through years of experience, and I hope we will not go ahead and squander \$25,000,000 or \$35,000,000 unnecessarily, when we could proceed to spend a proper amount and then come along with a bill which would tackle the problem that is unravelled by reason of the demonstration of the laboratory. [Applause.]

[Here the gavel fell.]

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

The amendment was rejected.

Mr. JONES. Mr. Chairman, I ask unanimous consent that title II and III be read as titles.

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

There was no objection.

The Clerk read as follows:

TITLE II—REHABILITATION LOANS
BORROWERS AND TERMS

SECTION 21. (a) The Secretary shall have power to make loans to eligible individuals for the purchase of livestock, farm equipment, supplies, and for other farm needs, and for the refinancing of indebtedness, and for family subsistence.

(b) Loans made under this section shall bear interest at a rate not in excess of 3 percent per annum, and shall have maturities not in excess of 5 years. Such loans shall be payable in such installments as the Secretary may provide in the loan agreement. All loans made under this title shall be secured by a chattel mortgage, a lien on crops, and an assignment of proceeds from the sale of agricultural products, or by any one or more of the foregoing.

(c) Only farm owners, farm tenants, farm laborers, sharecroppers, and other individuals who obtain, or who recently obtained, the major portion of their income from farming operations and who cannot obtain credit on reasonable terms from any federally incorporated lending institution, shall be eligible for loans under this section.

DEBT ADJUSTMENT

SEC. 22. The Secretary shall have power to assist in the voluntary adjustment of indebtedness between farm debtors and their creditors and may cooperate with and pay the whole or part of the expenses of State, Territorial, and local agencies and committees engaged in such debt adjustment. He is also authorized to continue and carry out undertakings with respect to farm debt adjustment uncompleted at the time when appropriations for the purpose of this section are first available. Services furnished by the Secretary under this section shall be without charge to the debtor or creditor.

APPROPRIATION

SEC. 23. (a) For the fiscal year ending June 30, 1938, the balances of funds available to the Secretary for loans and relief to farmers, pursuant to Executive Order No. 7530 of December 31, 1936, as amended by Executive Order No. 7557 of February 19, 1937, which are unexpended on June 30, 1937, are authorized to be appropriated to carry out the provisions of this title.

(b) The President is authorized to allot to the Secretary, out of appropriations made for relief or work relief for any fiscal year ending prior to July 1, 1939, such sums as he determines to be necessary to carry out the provisions of this title and to enable the Secretary to carry out such other forms of rehabilitation of individuals eligible under this title to receive loans as may be authorized by law and designated in the Executive order directing the allotment.

Mr. MARTIN of Colorado. Mr. Chairman, this will be positively my first and last appearance today, but I must go on record on this important legislation. I shall support this bill, because it is said to be a step in the right direction, but I am afraid it will be a very short step in a very long direction.

Farm tenancy is not the cause—and I shall not attempt to state the cause—of the present predicament of agriculture in the United States. Mortgages are not the cause of it. Some gentleman remarked this afternoon that in his opinion the trouble with the farmers is that they are overmortgaged, but I believe that we could give every farm tenant in the United States a free farm and cancel every dollar's worth of farm mortgages in the United States, and if we leave in operation the causes which have bankrupted agriculture and made mortgages and tenants, history would repeat itself, and in a few years more we would be confronted with the same conditions with which we are confronted today.

I think one trouble with the farmer is that he is now, in a highly organized society, the last survivor of ragged individualism. He is not organized and apparently he does not believe in organization. I have dumbfounded farmers by saying that, in my judgment, they could take a leaf from the book of labor and organize like labor has and like every other interest has, and agriculture in this country would begin to get somewhere. The farmers built Chicago but they do not own it. They built a lot of New York but they do not own any of it. They toiled and produced that others might own cities. It is a singular anomaly that the people of the United States who produce all of its food cannot make a living out of it. Is not that a singular thing?

One hundred years ago it is said that it took about 80 percent of the people of the country to produce food for the entire population. Today it takes only 30 percent, and even that 30 percent apparently cannot make a living out of it. Agriculture was bankrupt before the depression. Agriculture in this country struck bottom during what is said to have been the most prosperous era in this or any other country in the world. It is incomprehensible. There must be a lot of causes. I am satisfied this bill does not touch it even if it were on a much larger scale than it is. We have to go deeper than this, and outside of this, before we can arrive at the causes and find a solution for

the incomprehensible thing presented in this country, that agriculture, the basic industry that produces all of the food of the people is in a condition of chronic bankruptcy and that hundreds of thousands of the farmers themselves must be fed out of the Federal Treasury.

Mr. Chairman, even if I cannot lay my finger on the trouble or name the remedy, I could if my voice reached far enough, do some good by showing what the trouble is not. I am afraid that this and other farm legislation focuses too much attention or gives too much weight to farm tenancy and farm debts as causes of the decline of agriculture in the economic scale and by comparison with industry.

Take for example the great farming State of Oklahoma—and it is a rich farming State. That State was virgin territory only 45 years ago when it was thrown open for settlement and the people were given free farms. They got a start from raw, so to speak, with a clean slate. It looked like the ideal situation for a great experiment. Yet the farm census of 1935 shows that more than 61 percent of the farmers of Oklahoma are tenants, and probably the majority of the rest of them are mortgaged. It is not much different in Kansas, one of the great bread-basket States. Kansas is a comparatively new State. It has practically all been settled in my lifetime, but 44 percent of the farmers of Kansas are tenants. In my own State, Colorado, a new State, the percentage of tenancy is 39. In Iowa, the great corn State, it is 49. These States and many others did not begin with tenants and mortgages. They began with the owners of free soil, and now what is to be done about them has become a major national question.

Another puzzling feature of the unfavorable situation of agriculture is that the growth of tenancy and debt among the farmers has been contemporaneous with a period of the greatest industrial expansion and increase in material wealth generally in the history of the world. On the surface it would seem inevitable that agriculture would benefit by the growth of such a market for its products. I have already mentioned the fact that a hundred years ago it took 80 percent of the people to produce the food supply of the country. If now that percentage has dwindled to 39 and the other 79 percent are in the consumers' class, that is seemingly another factor that ought to have contributed to the prosperity of agriculture.

Yet in the face of this highly favorable combination of conditions, the decline of agriculture has extended over a long period of time. For example, in 1880, 25 percent of the farmers were tenants. In 1900 the percentage had grown to 35. During that period of 20 years the number of tenant farmers increased by over 1,000,000, although during that time 300,000,000 acres of new free land were settled. Even the giving away by the Government of a vast rich public domain did not stop the growth of tenancy among the American farmers.

From 1900 to 1935 the percentage of tenancy increased to 42 and the total number of tenants in the United States as shown by the census of 1935 was 2,365,000 out of a grand total of 6,812,000 farmers.

So it appears that for nearly 60 years, and under what would appear to be the most favorable conditions in all history, the great basic industry of agriculture in the United States has steadily lost ground. It has been progressive and continuous under all changes and conditions and apparently it has affected agriculture alone. Putting out \$85,000,000 over a period of 3 years will not make much of a dent in this situation.

The growth in farm indebtedness has been no less alarming. In March 1933 farm mortgages amounted to around \$12,000,000,000. This administration has put out over \$4,000,000,000 to relieve the farm-debt situation with interest as low as 3½ and 4 percent per annum.

In arguing that tenancy and debt are not responsible for the economic condition of agriculture, I am not to be understood as condoning or minimizing these conditions. On the contrary, I have supported every farm-aid measure

which has come within my reach through the last five sessions of Congress, and some of these measures, in my opinion, embodied ideas which were at least partial solutions. I refer particularly to the Agricultural Adjustment Act and kindred separate measures for the control of production and increase in farm prices.

In the hearings before the Interstate Commerce Committee on a resolution directing the Federal Trade Commission to investigate farm-machinery prices, it developed that while production in farm machinery declined 80 percent at the depth of the depression the prices of farm machinery had only declined 6 percent. Translated into the terms used by the critics of crop control, the Farm Machinery Trust plowed under four rows out of five, by which means they were enabled to maintain prices. The farmers could take a leaf from that book.

Overspeculation in land prices, charged as one of the causes of the decline in agriculture, no doubt had some place, but, as I have pointed out, the process of decline has been continuous over a long period of time and when speculation could not have been a factor.

From my observation I would say that no one factor has contributed more than the inability of the farmer to protect himself from and against the markets and to successfully market his products. The major part of his crops are thrown on the market in a short period of time, overloading and breaking it down. The prices were always highest when he had the least to sell. Speculation in the price of his crops has cost him a lot more than speculation in the price of his land. Acting as an individual against the organized traders in his products he had no chance. Producing all the food in the country, he had no voice in the bargain. The buyer fixed the price of everything he sold and the seller fixed the price of everything he bought, and that tells a lot of the farmer's story in a sentence.

Surpluses, the mass-production of machinery, is another cause. Perhaps the ever normal granary would help some with the problem of fat years and lean years. In some way the farmer must handle surpluses. Marketing agreements in which he would have a voice in the distribution and the prices of his products, cooperative marketing, would help. His business must be regulated. That is the end toward which he must strive.

It is not disputed that some of the acts of Congress, like the Agricultural Adjustment Act, the cotton, tobacco, and sugar acts, did much to pull the basic farm commodities of the country out of the hole. It is a singular thing that measures which are good, which achieve such results, must be thrown in the discard. They were good for the emergency, but bad as permanent measures. I have never quite reconciled myself to that viewpoint. It is possible they required modifications, but I still have an unshaken conviction that in the farm legislation which was declared invalid by the Supreme Court, there was embodied practical methods for the regulation and stabilization of agriculture, and that no successful farm program hereafter can be wholly free from the influence of those measures.

Mr. JONES. Mr. Chairman, I ask unanimous consent that all debate on this title and on all amendments thereto close in 5 minutes.

Mr. GREEVER. Mr. Chairman, I reserve the right to object, in order to ask the chairman of the committee one question with regard to the provisions of section 22, page 6, as to voluntary adjustment of indebtedness between farm debtors and their creditors. Does that include any class of farm debtors?

Mr. JONES. Yes; it is not limited to those involved in this bill. That is a general provision, a continuation of the present activity.

Mr. GREEVER. It means that any farm debtor who wants to compromise his debts will have the opportunity under the authority of this bill?

Mr. JONES. Yes; and some very fine work has been done along that line in adjusting farm mortgages.

The CHAIRMAN. The gentleman from Texas asks unanimous consent that all debate upon the title just read and all amendments thereto close in 5 minutes. Is there objection?

There was no objection.

Mr. PETERSON of Georgia. Mr. Chairman, the Federal Government at the present time is spending approximately \$1,000 per person for each person who is on the relief rolls of this Nation. I contend that for a small amount additional this Nation, under a sound national land program, can completely rehabilitate upon a self-sustaining basis not one individual but an entire farm family. I contend that the bill now before this membership will require an expenditure of approximately \$7,500 per farm family, and they will not be in a condition of complete economic independence after it has been expended, but will be \$7,500, or 100 percent deeper in debt. Under my proposal, for every \$3,500 or less expended, we will completely relieve one family of its entire farm-mortgage indebtedness, and will also give a farm to an additional family.

In other words, for less than \$1,750 per family we are permitted to grant complete economic independence to a complete farm family unit of this Nation. In doing so we will be going in complete harmony with the traditional Jeffersonian policies which we all claim to hold in such high regard.

Mr. Chairman, I appreciate the indulgence of the Committee today. I have not done this deliberately to take your time, but to tell you I firmly believe that unless we do reestablish the farm population of this Nation to a condition of economic independence our free institutions cannot survive.

I am offering to you a program that is sound; a program that is right; a program that is in harmony with the true principles of free government; a program that is in harmony with the divine laws of God and the eternal laws of Nature. This bill H. R. 6743 and the committee reports which have been prepared after months and years of laborious study and thought are now before the Public Lands Committee of this House, where they rightfully belong. I sincerely trust that we will have the cooperation of the chairman and the membership of that committee in bringing that bill before this House, where it can receive the same consideration this bill has received during the last 2 days.

The CHAIRMAN. The time of the gentleman from Georgia [Mr. PETERSON] has expired. All time has expired. The Clerk read as follows:

TITLE III—RETIREMENT OF SUBMARGINAL LAND PROGRAM

SECTION 31. The Secretary is authorized and directed to develop a program of land conservation and land utilization, including the retirement of lands which are submarginal or not primarily suitable for cultivation, in order thereby to correct maladjustments in land use, and thus assist in controlling soil erosion, reforestation, preserving natural resources, mitigating floods, preventing impairment of dams and reservoirs, conserving surface and subsurface moisture, protecting the watersheds of navigable streams, and protecting the public lands, health, safety, and welfare.

POWERS UNDER LAND PROGRAM

Sec. 32. To effectuate the program provided for in section 31, the Secretary is authorized—

(a) To acquire by purchase, gift, or devise, or by transfer from any agency of the United States or from any State, Territory, or political subdivision, submarginal land and land not primarily suitable for cultivation, and interests in and options on such land. Such property may be acquired subject to any reservations, outstanding estates, interests, easements, or other encumbrances which the Secretary determines will not interfere with the utilization of such property for the purposes of this title.

(b) To protect, improve, develop, and administer any property so acquired and to construct such structures thereon as may be necessary to adapt it to its most beneficial use.

(c) To sell, exchange, lease, or otherwise dispose of, with or without a consideration, any property so acquired, under such terms and conditions as he deems will best accomplish the purposes of this title, but any sale, exchange, or grant shall be made only to public authorities and agencies and only on condition that the property is used for public purposes. The Secretary may recommend to the President other Federal, State, or Territorial agencies to administer such property, together with the conditions of use

and administration which will best serve the purposes of a land-conservation and land-utilization program, and the President is authorized to transfer such property to such agencies.

(d) With respect to any land, or any interest therein, acquired by or transferred to the Secretary for the purposes of this title, to make dedications or grants, in his discretion, for any public purpose, and to grant licenses and easements upon such terms as he deems reasonable.

(e) To cooperate with Federal, State, Territorial, and other public agencies in developing plans for a program of land conservation and land utilization, to conduct surveys and investigations relating to conditions and factors affecting, and the methods of accomplishing most effectively the purposes of this title, and to disseminate information concerning these activities.

(f) To make such rules and regulations as he deems necessary to prevent trespasses and otherwise regulate the use and occupancy of property acquired by, or transferred to, the Secretary for the purposes of this title, in order to conserve and utilize it or advance the purposes of this title. Any violation of such rules and regulations shall be punished as prescribed in section 5388 of the Revised Statutes, as amended (U. S. C., 1934 ed., title 18, sec. 104).

PAYMENTS TO COUNTIES

SEC. 33. As soon as practicable after the end of each calendar year, the Secretary shall pay to the county in which any land is held by the Secretary under this title 25 percent of the net revenues received by the Secretary from the use of the land during such year. In case the land is situated in more than one county the amount to be paid shall be divided equitably among the respective counties. Payments to counties under this section shall be made on the condition that they are used for school or road purposes, or both. This section shall not be construed to apply to amounts received from the sale of land.

APPROPRIATION

SEC. 34. To carry out the provisions of this title there is authorized to be appropriated not to exceed \$10,000,000 for the fiscal year ending June 30, 1938, and not to exceed \$20,000,000 for each of the 2 fiscal years thereafter.

Mr. LORD. Mr. Chairman, I offer an amendment which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. LORD: Page 10, strike out lines 3 to 14, inclusive, and insert:

"TAXATION

"Sec. 33. The property acquired by the Secretary to carry out the provisions of this title shall be exempt from taxation by any State or political subdivision thereof, but the Secretary shall pay, in respect of such property (except property used solely for administrative purposes), to the State or political subdivision thereof concerned, an amount which the Secretary determines to be fair and reasonable but not more than the property taxes (including special and other assessments) which would be payable to such State or political subdivision if such property were owned by a private individual. The payment of such amount shall be made on the day upon which taxes would otherwise be due and payable.

Mr. LORD. Mr. Chairman, I want to call the attention of the House to section 33, on page 10. This provides that 25 percent of the profits from the submarginal lands purchased by the Government shall go to the counties as taxes. The submarginal land as purchased will not pay any income whatever, but will take out of the tax rolls and from the school districts and the highway districts land that is now on the assessment roll and paying taxes.

It will add to the taxes of all other farm lands and all other property in the district. They will have to bear the burden of taxation that was formerly assessed on these particular lands.

In the State of New York the State buys land for reforestation. The State buys the land and it is assessed for what the State pays for it, and the State pays taxes for highways and schools on the same basis as other real property in the district. I do not propose to assess the land but I have taken this language from a bill which the Secretary presented to us. I propose that the Secretary decide what is the fair and equitable tax for the Government to pay to the various counties and school districts. On this basis they will receive payment, and the extra burden will not fall upon the taxpayers for these various purposes. In other words, in this bill we are trying to relieve farmers and at the same time we are adding on to the tax rate of all other farmers in the tax district in order to do it.

In addition, in most districts where the land is purchased there is bonded indebtedness and the balance of the taxpayers will have to bear the extra burden that has been assessed against the land purchased by the Government.

This is to my mind very unfair to the farmers and taxpayers of our Nation.

The CHAIRMAN. The time of the gentleman from New York [Mr. Lord] has expired.

Mr. JONES. Mr. Chairman, I ask unanimous consent that all debate on this title and all amendments thereto close in 9 minutes, 3 minutes to be allowed each of the three gentlemen now seeking recognition.

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

There was no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. Lord].

The amendment was rejected.

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

The Clerk read as follows:

Amendment offered by Mr. WEARIN: On page 9, line 2, after the word "purposes", strike out the period and insert "or to tenants who can qualify as such under the terms of this act."

Mr. WEARIN. Mr. Chairman, I have offered this amendment to this particular title with the thought in mind that submarginal lands should be available for resale to tenants whenever the Secretary of Agriculture thinks that it is advisable that such action proceed. I do not expect to press the amendment; in fact, I intend to withdraw it because, by virtue of having discussed the situation with the distinguished chairman of the Committee on Agriculture [Mr. Jones] it is my understanding that in all probability legislation dealing with the disposition of submarginal land will be forthcoming. I do, however, expect, as I originally intended, to offer an amendment to title IV with reference to the transfer of lands now held by the Federal land banks to the Department of Agriculture for resale by the Secretary to purchasers on a contract basis; and when we reach that point I desire to call the matter to the attention of the members of the committee. I believe firmly that it constitutes one of two major plans by which we can solve the problem of tenancy in the United States. This particular procedure has been followed with some degree of success in other sections of the world, and this is especially true of the Free State of Ireland. I believe that when we are experimenting with a proposition so vast as this that we should incorporate in any model project, if such it can be called, the various provisions that might prove satisfactory with a view to advancing each of them to such a point that we can decide for ourselves after that experimental period which is the most satisfactory.

Keeping in mind the fact that I shall offer this amendment to title IV when we reach that particular juncture in the reading of the bill, I ask unanimous consent at this time, Mr. Chairman, to withdraw my amendment.

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

There was no objection.

Mr. CASE of South Dakota. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CASE of South Dakota: On page 10, line 13, after the word "both", strike out the period, insert a semicolon and the words "or applied to sinking funds for the retirement of bonds or warrants legally issued and outstanding at the time of the passage of this act."

Mr. CASE of South Dakota. Mr. Chairman, this amendment is to page 10 of the bill. The sentence to be amended reads as follows:

Payments to counties under this section shall be made on the condition that they are used for school or road purposes, or both.

My amendment adds to that the authority for this money to be applied also to the sinking funds for retirement of bonds and warrants legally issued and outstanding at the time this act becomes law.

A good deal of the debate on this bill has been confined to the subject of the farm-tenancy program in title I. As far as I am concerned titles II and III are equally important in the Great Plains area.

Rehabilitation loans and the submarginal land buying program are equally important with the tenancy program. The rehabilitation grants have kept thousands of farmer families alive the past winter and the loans are giving them a chance to get going again. The marginal land-purchase program opens the way to a wiser land use. These things are continued under titles II and III and my desire is to have future operations in these fields profit from what experience has been had.

If we limit the use of this 25 percent of the revenue from these purchased lands to school and road purposes we are going to throw the entire burden of present bonds and warrants onto the remaining landholding taxpayers.

I have seen how that has worked out in two or three submarginal areas in my district. We have a constitutional limit on levies as well as total debt. In counties where those limits have been reached, it is not only unfair but impractical to throw onto remaining taxpayers the capital debts that have been based on an assessed valuation that included the lands this purchase program will remove.

It means an unbalanced tax structure that is unworkable. It will relieve the road and school funds, but where the limit has been reached on sinking fund levies, you cannot shift or adjust the situation. But if this revenue from the grazing areas or from this submarginal area can be applied to outstanding, legally issued bonds and warrants it will contribute much to the workability of the bill.

I hope the committee will accept the amendment.

[Here the gavel fell.]

The CHAIRMAN. The gentleman from Oklahoma [Mr. Ferguson] is recognized for 3 minutes.

Mr. FERGUSON. Mr. Chairman, as to the general philosophy of this bill, it is a "hope bill" in that we hope it will be administered in a manner that will work out beneficially to the farm-tenant class in this country.

As far as I am concerned I hope that the county committees devote their attention to the young, well-qualified people in the counties who will make good, and they do not spend too much time rehabilitating farmers who have spent 20 years as tenants and failed to make good. It seems strange to me that the Congress would authorize the loaning of this vast sum of money which admittedly will not scratch the surface of the tenant problem without first taking into consideration these things: First, the farmer who is still operating his own place and must have stable prices over a period of years to continue to operate. Second, the great number of farmers in the drought area who have been dispossessed of their property although they had demonstrated, without doubt, their ability to farm with favorable rainfall and prices. Third, sufficient and reasonable farm credit to those farmers who are able to put up margin both on the purchase of land and operation of their farm.

It seems to me that this class of farmer should receive first attention before we go into the business of setting up tenant farmers for whom the Government is required to pay the full purchase price of land and then loan the full amount necessary to start and operate the farm.

However, if the county committees pick out the best-trained and best-equipped young people in the counties to give them the advantage of this bill it can be of great benefit, because the boy and girl vocationally trained for life on the farm will make a success.

This, however, is not the reason for my taking the floor. Three years ago I started talking about the Dust Bowl and wind erosion in the panhandle of Oklahoma and in the Southwest. I introduced several bills on the subject—H. R. 5961 that provides for an appropriation for the Secretary of Agriculture to create a special "dust bowl" area in five Southwestern States and for the establishment of grass-breeding and experiment projects; H. R. 5959, authorizing the Secretary of Agriculture to create a special "dust bowl" area in Kansas, Oklahoma, Colorado, New Mexico, and Texas; H. R. 2286, making an appropriation for emergency relief in the stricken agricultural areas; H. R. 2287, that

would provide for a 10-year program of purchasing pasture land under the authority of the Soil Conservation and Domestic Allotment Act. The distinguished and able chairman of the Committee on Agriculture has also worked on this subject during this time. At last a bill that covers the subject of buying submarginal land is before this House. The provisions with reference to the submarginal land program are contained in title III. I hope the House realizes the importance of title III.

Unquestionably the Government policy of granting homesteads and establishing small units in the western plains area was the cause of economic distress to the homesteader and destruction of land. Many Members cannot yet distinguish between the dust storms of recent years and the sand storms we have always had in the West. Sand storms are caused by high winds. The dust storms are caused by fine silty soil that has been cultivated, then dried out by months of burning sun. This dust will rise miles in the air with even the slightest breeze, and when this soil is gone the bare subsoil in this country is worthless. Not only does it destroy the land that has been cultivated, but it is more unbearable than a flood or fire to the people for hundreds of miles around. The dust cannot be extinguished like a fire nor does it reach a peak and recede like a flood. It is a constant menace day after day and when the rain clears the atmosphere it is likely to return a few days after. So I have sought legislation from the Congress for 3 years to tackle this problem. A bill that would commit the Government to buy this land, restore it to its economic use of grazing and remove this land as a menace to surrounding land and the inhabitants of the country for a radius of several hundred miles. This area is a sore that has spread and is gradually increasing in spite of all private and Government efforts made so far to stop it. And within the course of our lifetime at its present rate of expansion we could see the area between the Rocky Mountains and the Mississippi change from the greatest agricultural area in the world to a desert.

The Assistant Secretary of Agriculture, Mr. M. L. Wilson, when testifying before the Committee on Flood Control, substantiated the necessity of this land-buying program. While the testimony is not available in printed form as yet, I may quote him, in substance, as saying that several million acres in this Southwest country were so badly eroded that there is no incentive for a private individual to restore this land to economic uses. He also agreed with me that in many instances, in spite of the amount of rainfall, the soil in this area is of a type, and the velocity of the wind is so high, that once the land is denuded, regardless of rainfall, nature alone will not cover this land with vegetation. The drifts of soil along the fence lines and in hummocks in the fields must be worked into the soil. The soil must be cultivated before any vegetation can start to grow. Once you have a crop started, a vegetative cover, then the regrassing process, which will take some 10 to 15 years, according to a statement made before the Flood Control Committee by Mr. H. H. Bennett, Director of the Soil Conservation Service, can begin in earnest.

In summary, this land must be purchased by the Government under the provisions of this section of the bill: First, to save the eroded land itself; second, to save adjacent farm land that has been carefully farmed, that is now being carefully farmed, but will be ruined if these fields are not properly cared for; third, to save the people for a radius of several hundred miles from the discomfort and economic loss caused by repeated dust storms; fourth, to check the constant threat of turning a vast area between the Rocky Mountains and the Mississippi River into a desert.

This section of the bill to me is the most important not only to my district but to the Nation. I hope that it will be in the final bill as passed by the Congress and that appropriations will be made immediately to carry out the program as authorized.

Mr. Chairman, let me, in closing, urge my colleagues to support this bill containing this program of land purchased

by the Government to obtain the proper utilization of land. From the wording of the section I know every effort will be made by the Department of Agriculture to cooperate with the State agencies such as have already been set up in my State of Oklahoma to carry out this program.

The CHAIRMAN. The question is on the amendment offered by the gentleman from South Dakota [Mr. CASE].

The amendment was rejected.

The Clerk read as follows:

TITLE IV—GENERAL PROVISIONS
FARM SECURITY ADMINISTRATION

SECTION 41. (a) The Secretary shall establish in the Department of Agriculture a Farm Security Administration to assist him in the exercise of the powers and duties conferred by this act.

(b) For the purposes of this act, the Secretary shall have power to—

(1) Appoint (without regard to the civil-service laws and regulations) and fix the compensation of such officers and employees as may be necessary. No person shall be appointed or transferred under this act to any position in an office in a State or Territory the operations of which are confined to such State or Territory or a portion thereof, or in a regional office outside the District of Columbia the operations of which extend to more than one, or portions of more than one, State or Territory, unless such person has been an actual and bona-fide resident of the State or Territory, or region, as the case may be, in which such office is located, for a period of not less than 1 year next preceding the appointment or transfer to such position (disregarding periods of residence outside such State or Territory, or region, as the case may be, while in the Federal Government service). If the operations of the office are confined to a portion of a single State or Territory, the Secretary in making appointments or transfers to such office shall appoint or transfer only persons who are residents of such portion of the State or Territory.

(2) Accept and utilize voluntary and uncompensated services, and, with the consent of the agency concerned, utilize the officers, employees, equipment, and information of any agency of the Federal Government, or of any State, Territory, or political subdivision.

(3) Within the limits of appropriations made therefor, make necessary expenditures for personal services and rent at the seat of government and elsewhere; contract stenographic reporting services; purchase and exchange of supplies and equipment, law books, books of reference, directories, periodicals, newspapers, and press clippings; travel and subsistence expenses, including the expense of attendance at meetings and conferences; purchase, operation, and maintenance, at the seat of government and elsewhere, of motor-propelled passenger-carrying and other vehicles; printing and binding; and for such other facilities and services as he may from time to time find necessary for the proper administration of this act.

(4) Make contracts for services and purchases of supplies without regard to the provisions of section 3709 of the Revised Statutes (U. S. C., 1934 ed., title 41, sec. 5) when the aggregate amount involved is less than \$300.

(5) Make payments prior to audit and settlement by the General Accounting Office.

(6) Acquire land and interests therein without regard to section 355 of the Revised Statutes, as amended (relating to restrictions on the acquisition of land by the United States).

(7) Compromise claims and obligations arising under, and adjust and modify the terms of mortgages, leases, contracts, and agreements entered into pursuant to, this act, as circumstances may require.

(8) Pursue to final collection, in any court, State or Federal, all claims arising under this Act, or under any mortgage, lease, contract, or agreement entered into pursuant to this act.

(9) Make such rules and regulations as he deems necessary to carry out this act.

COUNTY COMMITTEE

SEC. 42. (a) The Secretary is authorized and directed to appoint in each county in which activities are carried on under title I a county committee composed of three farmers residing in the county.

(b) Each member of the committee shall be allowed compensation at the rate of \$3 per day while engaged in the performance of duties under this act but such compensation shall not be allowed with respect to more than 5 days in a month. In addition, they shall be allowed such amounts as the Secretary may prescribe for necessary traveling and subsistence expenses.

(c) The committee shall meet at least once in each month and two members shall constitute a quorum. The Secretary shall prescribe rules governing the procedure of the committees, furnish forms and equipment necessary for the performance of their duties, and authorize and provide for the compensation of such clerical assistants as he deems may be required by any committee.

(d) Committees established under this act shall, in addition to the duties specifically imposed under this act, perform such other duties under this act as the Secretary may require of them.

RESETTLEMENT PROJECTS

SEC. 43. The Secretary is authorized to continue to perform such of the functions vested in him pursuant to Executive Order No.

7530 of December 31, 1936, as amended by Executive Order No. 7557 of February 19, 1937, and pursuant to Public Act No. 845, approved June 29, 1936 (49 Stat. 2035), as shall be necessary only for the completion and administration of those resettlement projects, rural rehabilitation projects for resettlement purposes, and land development and land utilization projects, for which funds have been allotted by the President, and the balances of funds available to the Secretary for said purposes which are unexpended on June 30, 1937, are authorized to be appropriated to carry out said purposes.

GENERAL PROVISIONS APPLICABLE TO SALE

SEC. 44. The sale or other disposition of any real property acquired by the Secretary pursuant to the provisions of this act, or any interest therein, shall be subject to the reservation by the Secretary on behalf of the United States of not less than an undivided half of the interest of the United States in all coal, oil, gas, and other minerals in or under such property.

SURVEYS AND RESEARCH

SEC. 45. The Secretary is authorized to conduct surveys, investigations, and research relating to the conditions and factors affecting, and the methods of accomplishing most effectively, the purposes of this act, and may publish and disseminate information pertinent to the various aspects of his activities.

VARIABLE PAYMENTS

SEC. 46. The Secretary may provide for the payment of any obligation or indebtedness to him under this act under a system of variable payments under which a surplus above the required payment will be collected in periods of above-normal production or prices and employed to reduce payments below the required payment in periods of subnormal production or prices.

SET-OFF

SEC. 47. No set-off shall be made against any payment to be made by the Secretary to any person under the provisions of this act, by reason of any indebtedness of such person to the United States, and no debt due to the Secretary under the provisions of this act shall be set off against any payments owing by the United States, unless the Secretary shall find that such set-off will not adversely affect the objectives of this act.

BID AT FORECLOSURE

SEC. 48. The Secretary is authorized and empowered to bid for and purchase at any foreclosure or other sale, or otherwise to acquire property pledged or mortgaged to secure any loan or other indebtedness owing under this act; to accept title to any property so purchased or acquired in the name of the United States; to operate or lease such property for such period as may be deemed necessary or advisable to protect the investment therein; and to sell or otherwise dispose of such property so purchased or acquired upon such terms and for such considerations as the Secretary shall determine to be reasonable, but subject to the reservation of mineral rights provided for in section 44.

FEES AND COMMISSIONS PROHIBITED

SEC. 49. No officer, attorney, or employee of the United States shall, directly or indirectly, be the beneficiary of or receive any fee, commission, gift, or other consideration for or in connection with any transaction or business of the United States under this act other than such salary, fee, or other compensation as he may receive from the United States. Any person violating the provisions of this section shall, upon conviction thereof, be punished by a fine of not more than \$1,000 or imprisonment for not more than 1 year, or both.

EXTENSION TO TERRITORIES

SEC. 50. The provisions of this act shall extend to the Territories of Alaska and Hawaii.

SEPARABILITY

SEC. 51. If any provision of this act, or the application thereof to any person or circumstances, is held invalid, the remainder of the act, and the application of such provisions to other persons or circumstances, shall not be affected thereby.

Mr. BOILEAU. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. BOILEAU: Page 11, line 5, after the word "appoint", strike out line 5 and all of line 6 down to and including the word "of."

Mr. BOILEAU. Mr. Chairman, this amendment would knock out of the bill that language which would suspend the operation of the civil-service and classification laws. In the bill as presented by the committee there is a provision to the effect that the Secretary will have power to appoint, without regard to civil-service laws and regulations, and fix the compensation of such officers and employees as may be necessary. The amendment I have offered would strike out the words "without regard to the civil-service laws and regulations and fix the compensation of"; so that the sentence would read as follows:

The Secretary would have the power to appoint such officers and employees as may be necessary.

The elimination of the language exempting the civil-service laws and regulations from applying to this section would mean all persons appointed and salaries paid them would be governed entirely by the civil-service laws and the Classification Act.

This amendment is the subject of a minority report signed by the minority members of the Committee on Agriculture, including the Republican members of that committee and myself. I submit there is no justification for knocking out the civil service so far as this bill is concerned. If you do not believe in the civil service, if you want to eliminate it entirely, then in the name of justice bring in a bill here that will eliminate it; but if you do believe in the civil service, or if you lack the courage to bring in a bill which would outlaw it, then in the name of fair play do not take potshots at the civil service every chance you get.

The civil service has not been perfect. No one who is interested in that system believes it has been. There is chance for improvement in the civil-service system, but the way to improve it is to perfect the system and not make it inapplicable to various bills as they come on the floor of this House for consideration from time to time.

I submit if you permit this bill to be passed in its present language, it means that the Democratic Party is against civil service, and the Democratic Party in all these years has never adopted a national platform in which it dared come out in opposition to the civil service. There was some justification a few years ago when emergency legislation was being brought before the Congress to provide that the civil-service laws should not apply, but there is no such justification now. The emergency has passed and there is no longer any justification whatsoever for providing that the civil-service laws and regulations shall not apply to this or any other bill which may be brought before the Congress.

In conclusion may I say that the American people have a right to believe because of the recent activities of the Congress that the Democratic Party is not very friendly toward civil service, and if we allow the language to remain in this bill, you cannot get away from the charge that you are not only unfriendly to the civil service but you may rightfully be charged with being an enemy of the civil service.

[Here the gavel fell.]

Mr. JONES. Mr. Chairman, I ask unanimous consent that all speeches in connection with amendments to this title of the bill be limited to 3 minutes each.

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

There was no objection.

Mr. JONES. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 6 minutes.

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

There was no objection.

Mr. HILL of Oklahoma. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Wisconsin [Mr. BOILEAU] for the reason if we make it possible in this bill for the civil-service rules and regulations to apply that would result in sending out over the country to appraise farms and buy them for these tenant farmers some fellow who never saw a farm, who does not know anything about the value of land, and who is thoroughly incompetent. As a matter of fact, most of the civil-service employees are. They get in through some hocus-pocus and do not care very much for the Congress or the Government just so they can hold their jobs and we are kind enough to continue to make them appropriations. They are named all wrong. They are hardly civil, and for their actual service they are considerably overpaid. I think the more often we leave them out the better off we will be. So much for that, because I know the amendment will not be adopted.

Mr. Chairman, I am going to support this bill. Nearly every Member who has spoken on this bill has offered a

reason for so doing or a hope it might turn out good as his excuse for doing so.

You know this country has been in the habit of subsidizing some interest that gets into distress for a good many years. I remember over 20 years ago when I was a Member of this body we subsidized the shipping industry because it was said they were not self-sustaining and could not compete with the rest of the shipping countries of the world. Then in recent years when everybody and all business concerns went down on their knees and were begging for help and their very lives and were ready and willing to give up half of all they had if the President would save the other half, we commenced a free use of legislative subsidies. We subsidized all the banks in order that the poor, prostrate things might rise on both of their feet and open their doors in safety. We also subsidized the railroads of this country in order that they could roll their cars on the railroad tracks from one end to the other. We subsidized building and loan associations. We subsidized insurance companies in order that they could have the assurance they could insure you. We subsidized mines and factories. In fact we subsidized enterprises and businesses that came begging, crying, and kneeling at our feet.

Therefore, any time any industry in this country has become distressed financially, for a good many years we have just subsidized them. These industries are the comparatively small ones. The largest industry we have in the country is farming. There are something like 10,000,000 farmers in this country engaged in that business, which is a lot of stockholders. Approximately one-third of this number are tenant farmers.

Now we come in with some little peewee program and hope we may pry in and lend some money to subsidize the broken-down farmers who went broke for the same reason the banks, the railroads, and the insurance companies, and so forth, went broke, and for no other reason.

If we will just be as charitable and as liberal to these fellows who really want to farm, who really want to engage in the largest industry in the United States, one which is absolutely indispensable to the welfare of this country, maybe this bill will be an intervening wedge which will give us the right to do so.

Mr. Chairman, notwithstanding the apparent good purpose and intent of this bill, yet I am imbued with two very serious misgivings as to its complete satisfactory workability. In the first place, the amount of the appropriation in this bill is not sufficient for the farming industry to feel the entrance of this intervening wedge. I am also fearful that this may be the beginning of an expenditure that we do not here fathom, and one that at a future date we shall be called upon to check. At that time it may be difficult for us to legislate the check.

In the second place, I am not fully convinced but that this bill will call for the creation of an additional commission or bureau to administer the expenditure of the appropriation, although I was advised here on the floor today by our worthy and capable chairman, Mr. JONES, of Texas, that there would be no such expense, and I am trusting in the correctness and truthfulness of that advice.

We have heard a great deal today from the gentleman from Georgia [Mr. PETERSON] about a land bill in which he is interested and that he soon hopes to have before us for consideration—a bill which he says will provide for the already established Land Office of the Government to buy and sell the lands to tenant farmers with no necessity for an extra or additional bureau. That bill may do more and go farther than this one, and if so, when it comes on for consideration it may be that we shall be convinced it should supplant this one. If it does, let us not hesitate to adopt it in lieu of the present bill.

These are my misgivings, and may I now say I am unalterably opposed to the creation of any other commissions or bureaus. I should like to see this Congress abolish about 75 percent of all present existing commissions and bureaus and try to operate all the affairs of the Government at a tremendously great saving to the taxpayers. If we should now begin to conduct the business of the Government along the line and with some economy that a private individual or corporation

operates his or its business, you would be surprised how quickly an out-of-balance Budget would begin to balance itself.

[Here the gavel fell.]

Mr. FISH. Mr. Chairman, I wonder if the provision in this bill to destroy the civil service and merit system is one of the decisions made by the Democratic Party down on Jefferson Island the other day. Is this the kind of religion that sprung from that revival meeting? It is a complete change of front since the last election. I shall read to you what the Democratic national platform had to say about the merit system last year.

For the protection of Government itself and the promotion of its efficiency, we pledge the immediate extension of the merit system through the classified civil service—which was first established and fostered under Democratic auspices—to all nonpolicy-making positions in the Federal service.

We shall subject to the civil-service law all continuing positions which, because of the emergency, have been exempt from its operations.

This is pretty explicit and a definite pledge to the people. Now the Democrats come in here with a new civil-service policy. It seems to me either you are for civil service or you are against civil service. If this had been the first time and was merely the exception to the rule it would be a different matter, but bill after bill is coming from the Democratic majority that undermines and destroys the civil service, protection of which your party claims you had so much to do in establishing.

I submit the time has come for a record vote on the question of civil service. There are plenty of good men left even in the Democratic Party to fill these positions under civil service. There are plenty of honest men left in the Democratic Party under civil service to fill all these jobs. Why not have a record vote with respect to where we stand on this question of merit and the civil service instead of violating the civil-service system by subterfuge and not by a record vote of the Members of Congress. That is the issue before you. This provision is merely another one of the efforts of Democratic spoilsmen to grab the jobs and to seize upon all possible political plunder and patronage for deserving Democrats regardless of the merit system. Let us be honest with ourselves. Let us take a stand whether we are for the merit system or against it. The President repeatedly gives lip service to the merit system and just as often joins with the Democratic spoilsmen in Congress to undermine and destroy the civil-service system in violation of platform promises and campaign pledges. [Applause.]

[Here the gavel fell.]

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

The question was taken; and on a division (demanded by Mr. BOILEAU) there were—ayes 32, noes 81.

So the amendment was rejected.

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

The Clerk read as follows:

Amendment offered by Mr. JONES: On page 10, line 23, after the word "Secretary", strike out the word "shall" and insert in lieu thereof the word "may."

Mr. JONES. Mr. Chairman, this amendment simply makes the establishment of the act discretionary. It is not a committee amendment. I think it is wise. If there is any objection to the amendment, I shall not insist on it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. JONES].

The amendment was agreed to.

Mr. JONES. Mr. Chairman, I offer a further amendment.

The Clerk read as follows:

Amendment offered by Mr. JONES: On page 17, line 8, after the period, insert a colon and the following: "No member of a county committee established under section 42 shall knowingly make or join in making any certification prohibited by section 2 (c)."

Mr. JONES. Mr. Chairman, this amendment is simply to correct the oversight to which the gentleman from Texas [Mr. SUMNERS] called our attention.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. JONES].

The amendment was agreed to.

Mr. JONES. Mr. Chairman, I offer a further amendment. The Clerk read as follows:

Amendment offered by Mr. JONES: Strike out lines 11 to 14, inclusive, on page 13 and insert in lieu thereof the following:

"(8) Collect all claims arising under this act or under any mortgage, lease, contract, or agreement entered into pursuant to this act, and, if in his judgment, necessary and advisable, to pursue the same to final collection in any court, State or Federal, upon suits brought under the supervision of the Attorney General by the United States attorneys for the districts, respectively, in which such claims arise, or by such other attorney or attorneys as may under the law be designated by the Attorney General."

Mr. JONES. Mr. Chairman, this amendment, offered at the suggestion of the Department of Justice, simply provides that suits, when claims go to suit, shall be handled by the Department of Justice.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. JONES].

The amendment was agreed to.

Mr. JONES. Mr. Chairman, I offer a further amendment. The Clerk read as follows:

Amendment offered by Mr. JONES: On page 11, line 8, before the word "shall", insert the following: "(except as to positions requiring technical training and experience for which no one possessing the requisite technical training and experience is available within such area)", and in line 24, after the word "shall", insert the following: "except as provided above."

Mr. JONES. Mr. Chairman, I have shown this amendment to a number of members of the committee. This simply exempts the positions requiring technical training from the residential requirements.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. JONES].

The amendment was agreed to.

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

The Clerk read as follows:

Amendment offered by Mr. WARREN: Amend section 43, page 15, line 4, by adding at the end of the section the following: "Provided, That any land held by the United States under the supervision of the Secretary of Agriculture pursuant to said Executive orders may, where suitable, be utilized for the purposes of title I of this act, and the Secretary may sell said land and make loans for the necessary improvement thereof to such individuals and upon such terms as shall be in accordance with the provisions of said title."

Mr. JONES. Mr. Chairman, I have consulted with the ranking minority member of the committee, and we have no objection to the amendment.

The amendment was agreed to.

Mr. BIERMANN. Mr. Chairman, I offer an amendment, which is at the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. BIERMANN: On page 15, line 10, after the first word "of", strike out all the rest of line 10 and the first three words in line 11.

Mr. BIERMANN. Mr. Chairman, this amendment simply provides that when the United States Government sells any land, that it shall retain all the coal, all the oil, all the gas, and all other minerals in the property. It seems to me there ought to be no argument about this. This land, when sold, is sold for farming purposes and not for speculative purposes. It seems to me there can be only one side to this proposition. The Government ought to retain all the mineral rights.

Mr. JONES. Mr. Chairman, may I suggest to the gentleman that if he makes it three-fourths that it will be agreeable; otherwise, you could go on this land under a lease from the Government and destroy the surface value. There ought to be a part of such rights left in the owner of the land in some instances.

Mr. BIERMANN. No; this is the case of the Government selling the land to an individual.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa [Mr. BIERMANN].

The question was taken; and on a division (demanded by Mr. BIERMANN) there were—ayes 27, noes 98.

So the amendment was rejected.

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

The Clerk read as follows:

Amendment offered by Mr. FULLER: Page 14, lines 5 and 6, strike out the following: "The committee shall meet at least once in each month and two members" and insert "two members of the committee."

Mr. JONES. Mr. Chairman, I have talked with the ranking minority Member, and unless there is some objection, I have no objection to the amendment.

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

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

Mr. WADSWORTH. It is a little difficult for us to understand just what this amendment does. May I ask this question, and perhaps it will be answered by the amendment. In view of the fact that under this bill for the first year no more than one case can be decided upon in each agricultural county of the United States, is it necessary under those circumstances that the committee in every county meet once every month?

Mr. JONES. The amendment does away with that necessity.

Mr. FULLER. That is to save \$30,000 a month.

Mr. WADSWORTH. Congratulations.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Arkansas.

The amendment was agreed to.

Mr. COCHRAN. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. COCHRAN: Page 15, line 10, strike out the word "half" and insert "three-quarters."

Mr. COCHRAN. Mr. Chairman, my amendment meets the suggestion of the chairman of the Committee on Agriculture made at the time the gentleman from Iowa [Mr. BIERMANN] offered his amendment. If the framers of the Constitution had seen the wisdom of providing that all coal, oil, gas, and other minerals in or under all lands belonging to the Government at the time of the adoption of the Constitution would remain the property of the United States when the land was disposed of we would never have been bothered with taxes. The revenue derived from the sale of oil, coal, and so forth, would have supported the Government for all time. I hope the amendment will be adopted.

Mr. JONES. Mr. Chairman, I have no personal objection to that. I would like to have the House know what it is. The committee reported a reservation of one-half of the mineral rights, and this amendment would change that to three-fourths.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Missouri.

The question was taken; and on a division (demanded by Mr. COCHRAN) there were—ayes 52, noes 29.

So the amendment was agreed to.

Mr. WEARIN. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. WEARIN: Amend title IV, section 41 (b), by inserting at the end of line 6, on page 13, the following:

"(7) Acquire all real property in the United States that the Federal land banks now own outright without any redemption rights outstanding in former owners, which the said Federal land banks are hereby authorized and directed to transfer and convey to the Secretary of the Treasury, for which the said Federal land banks shall accept from the Secretary of the Treasury in exchange therefor Federal land-bank stock of equal value. In the same manner the Secretary of Agriculture shall acquire within 6 months real property against which the Federal land banks at the time of the adoption of this act hold sheriff's certificates or judgments. For the purposes of such exchanges, the value of such real property shall be the carrying value as it appears on the books of the said Federal land banks on the last day of the month next preceding the adoption of this act; and the Federal land-bank stock shall be valued at par. The Secretary of Agriculture shall acquire forthwith all real property so acquired by the Secretary of the Treasury: *Provided*, That the conveyance of such real property may be made under any procedure adopted by the Governor of the Farm Credit Administration, the Secretary of

the Treasury, and the Secretary of Agriculture direct from the Federal land banks to the said Secretary of Agriculture without any intermediate transfer through the Secretary of the Treasury. The provisions of section 355 of the Revised Statutes, as amended, relating to restrictions on the acquisition of land by the United States shall not apply to such transfers and conveyances. The Secretary of Agriculture shall administer and dispose of such real property as hereinafter prescribed in this act."

Mr. JONES. Mr. Chairman, I reserve all points of order on that amendment.

Mr. WEARIN. Mr. Chairman, a parliamentary inquiry. The gentleman from Texas reserves all points of order. I appreciate his doing that, but after I have discussed the amendment, then I presume I shall have an opportunity to be heard on the point of order.

The CHAIRMAN. As a matter of course the gentleman would have that privilege.

Mr. WEARIN. Mr. Chairman, in brief this amendment does this: It takes approximately 8,000,000 acres of land now owned by the Federal land banks and transfers it to the United States Department of Agriculture, to be resold by the Secretary on a contract purchase agreement with certain reservations pertaining to title, and the manner in which the land is operated by the tenant purchaser. At the present time that land is carried on the books of the Federal land bank at a price of approximately \$123,000,000. That includes the land owned by the Federal land bank and the land in process of foreclosure, the two groups amounting to a little over 8,000,000 acres.

At the present time the Federal Treasury owns approximately \$124,000,000 worth of stock in the Federal land banks that would, in effect, offset the carrying value of the land, that 8,000,000 acres; so that an exchange could be made very nicely.

I realize the fact that there might be some opposition to the procedure, and naturally so, because, as I understand it and have been informed, the Federal land bank is not now paying any interest to the Treasury on the \$124,000,000 worth of stock. I believe this transfer could be made and once the 8,000,000 acres were so transferred to the Secretary of Agriculture, he would have an opportunity to begin a land-purchase and resale program operated side by side with the loan program provided in this bill, so that at the end of a 2-year, 4-year, or 6-year period the United States Congress would be better able to decide which of them was working out the most satisfactorily as far as the tenant purchaser was concerned.

[Here the gavel fell.]

Mr. JONES. Mr. Chairman, I desire to make a point of order against the amendment. It is clearly subject to a point of order. It would authorize acquiring land from the Federal land banks and the trading of stock in the banks. These are not involved in this bill. It also provides for the Treasury to accept this stock and turn land over to this organization. There are a number of different points on which it is subject to a point of order. It also makes the provisions of section 355 of the statute inapplicable. It provides that for the purpose of exchanges the value of such real property shall be that carried on the books of the land banks. It is not germane to this bill. It brings in new subjects. As I understand the rules of the House, if it is subject to a point of order on any ground, a point of order must be sustained.

The CHAIRMAN. Does the gentleman from Iowa [Mr. WEARIN] desire to be heard on the point of order?

Mr. WEARIN. I do, Mr. Chairman. I desire to call the attention of the Chair to the enacting clause of this bill, which specifies that it is an act to encourage and promote ownership of farm homes. It can be seen that the enacting clause itself, therefore, does not set out that this proposed act provides exclusively for loans. It says it is a provision to encourage and promote the ownership of farm lands, which is precisely what my amendment does.

Secondly, this bill already deals with three separate and distinct subject matters, one of which involves the purchase and resale of land, as does my amendment. The first of those

separate and distinct features is the title that deals with rehabilitation loans, which have been discussed extensively today; another is the retirement of submarginal lands, and a third is an allocation of funds, or rather permission granted to the Secretary of Agriculture to use funds appropriated in this act to continue and complete projects now under operation in the Resettlement Administration, which I remind the Chair involves the purchase and resale of land, exactly as this provision in my amendment does.

I have in my hand a letter from the Resettlement Administration of the United States Department of Agriculture, setting out specifically that they have been proceeding in exactly that way; that they have been buying land and reselling that land to tenant purchasers. That is what I provide to do in this amendment, and therefore it is germane to a section of the measure under consideration.

Mr. Chairman, in view of the fact that this particular bill involves three separate and distinct subject matters it should be within the order of this committee to include a fourth, if it were a fourth separate and distinct matter, but I would remind the Chair of the fact that resettlement projects are included in title IV of this act under section 43, where the Secretary of Agriculture is permitted to use funds for a continuation of the land purchase and resale program on the part of the Federal Government, which is precisely what my amendment proposes to do. There is no doubt, Mr. Chairman, in the light of the above facts, that it is germane.

The CHAIRMAN (Mr. DRIVER). The gentleman from Iowa offers an amendment which contains the following language:

Acquire all real property in the United States that the Federal land banks now own outright, without any redemption rights outstanding in former owners, which the said Federal land banks are hereby authorized and directed to transfer and convey to the Secretary of the Treasury, for which the said Federal land bank shall accept from the Secretary of the Treasury in exchange therefor, Federal land-bank stock of equal value—

And so forth.

The measure under consideration has this provision in title I:

The Secretary of Agriculture, herein referred to as the Secretary, is authorized to make loans in the United States and in the Territories of Alaska and Hawaii, to persons eligible to receive the benefits of this title, to enable such persons to acquire farms.

It is true that this amendment seems to direct the thought to the same purpose, the acquisition of land for the purpose of placing the same in the hands of tenants, sharecroppers, and so forth, for the purpose of providing farm homes for that class of citizens; but there is a very distinct difference in the provision for the acquisition of such homes under the terms of this amendment and the provisions of the bill. One is the purchase of a home direct by the tenant and the furnishing of the money by the Secretary of Agriculture for the purpose of enabling him to acquire the title. In this amendment, however, new machinery is set up for the purpose of operating with property that was not considered at all in the bill under consideration. New machinery is brought into life and authorized to operate in connection with the use of properties owned by a separate and distinct agency of the Government.

The Chair, therefore, is of the opinion that this amendment is not germane to the provisions of the bill under consideration.

The point of order is sustained.

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

The Clerk read as follows:

Amendment offered by Mr. FADDIS: On page 11, line 25, after the word "Territory", strike out the period, insert a semicolon and the following:

"Provided hereafter, That appointment of persons to the Federal service for employment within the District of Columbia under the provisions of this act, whether such appointment be within the classified civil service or otherwise, shall be apportioned among the several States and the District of Columbia upon the basis of population as ascertained at the last preceding census.

"In making separations from the Federal service or furloughs without pay to last as long as 3 months of persons employed

within the District of Columbia under the provisions of this act, the appointing power shall give preference in retention to appointees from States that have not received their share of appointments according to population: *Provided, however,* That soldiers, sailors, and marines, the widows of such, or the wives of injured soldiers, sailors, and marines who themselves are not qualified but whose wives are qualified to hold a position in the Government service, shall be given preference in retention in their several grades and classes where their ratings are good or better."

Mr. JONES. Mr. Chairman, I regret exceedingly to make a point of order against the amendment offered by my friend, with much of which I am in sympathy, but I think it ought to go to another committee.

Mr. Chairman, I make the point of order that the amendment is not germane to the paragraph or to the bill. The second paragraph of the amendment treats with making separations from the Federal service through furloughs and otherwise, it deals with employment in the District of Columbia, and so forth.

The CHAIRMAN. Does the gentleman from Pennsylvania desire to be heard on the point of order?

Mr. FADDIS. Mr. Chairman, I believe this amendment is germane to the bill. The portion of the amendment referred to by the gentleman from Texas as treating with separations refers to separations from the Federal service of those coming under the provisions of this bill.

The CHAIRMAN. The Chair is ready to rule.

The bill under consideration seeks to vest in the Secretary of Agriculture, by the language beginning in line 3, on page 11, authority to employ certain persons in connection with the operation of the business, the duties and responsibilities of making acquisitions of land, and making those lands available to the classes of persons embraced in the bill.

The amendment under consideration is nothing more nor less than a mere limitation on the authority granted by the bill.

The Chair therefore rules that the amendment is germane to the bill.

The point of order is overruled.

The gentleman from Pennsylvania is recognized for 3 minutes.

Mr. FADDIS. Mr. Chairman, I merely wish to state to the members of the committee that this is an amendment which provides that appointments in the District of Columbia shall be apportioned among the several States according to population. The amendment is fair in all respects and should not be controversial at all. I hope it is adopted.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania.

The amendment was agreed to.

Mr. MARTIN of Colorado. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. MARTIN of Colorado: Page 15, line 10, strike out "an undivided three-quarters" and insert in lieu thereof "nine-tenths."

Mr. JONES. Mr. Chairman, I make the point of order that the amendment has been acted upon.

Mr. MARTIN of Colorado. Will the gentleman withhold his point of order for a half a minute?

Mr. JONES. Mr. Chairman, I reserve a point of order against the amendment.

Mr. MARTIN of Colorado. Mr. Chairman, the Federal Government, as the gentleman from Texas well knows, reserves all mineral rights and has reserved all mineral rights on the public domain for more than 30 years, so that an entryman gets nothing by his patent but surface rights. I do not see any reason on earth why a tenant farmer, for whom the Government buys land, should be given one-half, as the bill originally proposed, or one-quarter of the mineral rights, as amended, and I offer the amendment if for no other purpose than to prevent this point passing unnoticed and to preserve the matter in the record for possible consideration in the other body. The absolute owner of the

mineral rights gets only a one-tenth royalty and the Government should in no event surrender more than this.

Mr. JONES. Mr. Chairman, I renew my point of order that this undertakes to amend an amendment already adopted by the committee.

The CHAIRMAN. Does the gentleman from Colorado desire to be heard?

Mr. MARTIN of Colorado. Mr. Chairman, I regret very much I did not have the opportunity to offer the amendment when the matter was up for consideration before, because it ought to be in the law.

The CHAIRMAN. The point of order is sustained.

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

The Clerk read as follows:

Amendment offered by Mr. DIMOND: Page 17, line 14, after the period, insert: "In the case of Alaska and Puerto Rico, the term 'county', as used in this act, shall be synonymous to 'Territory' or any subdivision thereof as may be designated by the Secretary, and payment under section 33 of this act shall be made to the Governor of the Territory or to the fiscal agent of such subdivision."

Mr. JONES. Mr. Chairman, the gentleman from Alaska has explained this amendment to several members of the Committee on Agriculture. We think it is a desirable amendment and have no objection.

The CHAIRMAN. The question is on the amendment offered by the Delegate from Alaska [Mr. DIMOND].

The amendment was agreed to.

Mr. IGLESIAS. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. IGLESIAS: On page 17, line 14, after the word "Hawaii", insert "and to Puerto Rico."

Mr. JONES. Mr. Chairman, that amendment is all right and fits in with the other amendment.

The CHAIRMAN. The question is on the amendment offered by the Delegate from Puerto Rico.

The amendment was agreed to.

Mr. JONES. Mr. Chairman, I promised the chairman of the steering committee, the gentleman from Oklahoma [Mr. JOHNSON], some time in general debate, but through oversight I neglected to reserve sufficient time for him. He has been very helpful in this matter, and I ask unanimous consent that the gentleman may proceed for 3 minutes.

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

There was no objection.

HELP FOR LANDLESS FARMERS

Mr. JOHNSON of Oklahoma. Mr. Chairman, I deeply appreciate the request of the chairman of the Agricultural Committee that I be permitted to close this debate on the farm-tenant bill. I have not had the opportunity of hearing all of the discussion this afternoon, but I did hear some of it. Two of my committees have been in session most of the afternoon. However, I did hear the discussion on the pending measure yesterday. I heard some of the distinguished Members of this body make speeches against adoption of the rule to bring up the bill and then admit they were going to vote for it. I heard my distinguished friend, the gentleman from New York [Mr. FISH], make a very convincing speech against this measure, then he closed that address by stating he was going to support the bill.

The distinguished chairman of the Committee on Agriculture, my good friend from Texas [Mr. JONES], gave us a very interesting and detailed explanation of the provisions of the Farm Security Act of 1937 on yesterday, and I shall not take up the time of the House in going back over the ground that he covered so ably.

It is my feeling that in the years to come this legislation, regardless of what may be the final provisions of the law when finally enacted, will be remembered as the most important accomplishment of this session of Congress. We are making history here today. When this legislation is finally enacted the 3,000,000 landless farmers of America will have a new hope.

STEERING COMMITTEE ENDORSED BILL

The last time I addressed this House, on June 15, I gave a brief report of a very interesting meeting that the Democratic steering committee had just held. At that meeting we had the gentleman from Texas [Mr. JONES] and Senator JOHN H. BANKHEAD, author of the Bankhead farm-tenant bill. At that time it was my happy privilege to report to you that the committee found the gentleman from Texas and the Senator from Alabama anxious and willing to cooperate in getting farm-tenant legislation enacted at this session. I was also able to report to you that the steering committee had pledged its active and enthusiastic support to this legislation of such vital importance to nearly half of our farm population.

Permit me to congratulate the gentleman from Texas upon the courageous fight he has made for this legislation, and also to thank the Rules Committee for making it possible to bring the Farm Security Act up at this time.

BILL NOT ENTIRELY SATISFACTORY

This bill is by no means satisfactory to me. I am sure it is not altogether satisfactory to the chairman of the committee, to the Speaker, or others who are fighting for it. As our distinguished and beloved Speaker stated yesterday, it is freely admitted that this bill does not go very far. We are not going to accomplish much by appropriating \$10,000,000 the first year, \$25,000,000 the second year, and \$50,000,000 the third year, as proposed in this bill. But it is an opening wedge—it is a start—and if properly administered this bill will convince us of the necessity of going ahead with a real, effective, and serious attack upon the farm-tenancy problem.

I was especially interested in what the Speaker told us about the early efforts of his distinguished father to get Federal aid for highways; how the idea was considered a dream, unconstitutional, and impossible, but how an experimental appropriation of \$75,000 was finally made. I am pleased, also, that he reminded us that rural free mail delivery started as an experiment on a very short route.

Like the Speaker, I would prefer to have at least \$50,000,000 appropriated now to start this farm-security program; but if that is impossible, I am willing to take what we can get and continue to fight for an adequate program. [Applause.]

Mr. JONES. Will the gentleman yield?

Mr. JOHNSON of Oklahoma. I yield to the distinguished chairman with pleasure.

Mr. JONES. I want to express my appreciation for the gentleman's fine, unselfish work in connection with this measure, and I wish to say the gentleman has done exceptionally good work as chairman of the Democratic steering committee.

PROBLEM LONG NEGLECTED

Mr. JOHNSON of Oklahoma. I thank the gentleman. May I say that Congress needs more men of the caliber, vision, and courage of the gentleman from Texas.

Congress has not realized the seriousness of this problem nor considered where it is leading us, or something would have been done about it a long time ago, I am convinced.

Tenant farming is taking an alarming and costly yearly toll in human and natural resources. The 1935 farm census revealed that 52 percent of the farmers in the United States rent all or part of the land they farm. There were 2,865,000 tenant farmers in 1935. In the spring of 1935, 34.2 percent of the farmers had occupied their farms less than 1 year. This annual and continuous moving of farm families from farm to farm each year has a disintegrating influence upon rural social institutions—schools, churches, lodges, cooperatives, and various farmers' organizations.

A study published by the Oklahoma A. & M. College indicated that at least "half of this moving is of no economic or social benefit to the moving farmer, the owner of the land, or to the State." The report also states:

Children of the less-frequent movers averaged around one-fifth more educational progress per school-age year than did the children of more frequent movers.

SOIL RESOURCES THREATENED

This constant shifting from farm to farm is not only hampering the development of good rural schools and churches but it is destroying our soil. Tenant farmers are not in a position to maintain the soil and prevent erosion. Many times inestimable loss occurs from negligent farming. But how can this be prevented when the tenant has little or no permanent interest in his farm? Once a ton of soil is washed down into the sea, it is gone forever, and there is nothing this or any future Congress can do to get it back.

I want to warn Members from the industrial centers that they have a vital interest in this problem of farm tenantry and soil erosion also. If the day ever comes when the soil resources of this great land of ours are so depleted that we cannot produce enough to feed the Nation we shall all suffer, if not from scarcity, at least from a sharp increase in the cost of living.

I ask you to consider the alarming increase in the number of farm tenants in this country since the turn of the century. If you do this, I am sure that this bill will pass by an overwhelming majority.

FIGURES ARE ALARMING

The figures are alarming. The proportion of tenant farmers in Oklahoma, a new State, increased from less than 1 percent in 1890 to over 60 percent in 1935. At present some 130,000 tenants in Oklahoma operate almost 17,000,000 acres of land. Sixty-five percent of the farmers in the Sixth Congressional District of Oklahoma are tenants.

The following table indicates the importance of tenancy in the Sixth Congressional District in Oklahoma, which district I have the honor to represent in Congress. It shows the number of owners and tenants and the percentage of farm tenancy by counties for 1935.

Number and percent of tenants in the Sixth Congressional District of Oklahoma

County	All	Owners	Tenants	Percentage of tenancy
Blaine.....	2,700	1,210	1,492	55.1
Caddo.....	5,579	2,031	3,520	63.1
Canadian.....	2,704	1,297	1,392	51.5
Comanche.....	2,820	1,060	1,743	61.7
Cotton.....	2,052	693	1,357	66.1
Grady.....	4,812	1,736	3,061	63.6
Jefferson.....	1,994	591	1,395	70.0
Kingfisher.....	2,623	1,282	1,334	50.8
Stephens.....	3,023	912	2,102	69.5
Total.....	28,322	10,812	17,396	65.0

The CHAIRMAN. Under the rule the Committee rises.

Accordingly the Committee rose; and, the Speaker having resumed the chair, Mr. DRIVER, Chairman of the Committee of the Whole House on the state of the Union, reported that, the Committee having had under consideration the bill (H. R. 7562) to encourage and promote the ownership of farm homes and to make the possession of such homes more secure, to provide for the general welfare of the United States, to provide additional credit facilities for agricultural development, and for other purposes, pursuant to House Resolution 261, he reported the same back to the House with sundry amendments agreed to in Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them in gross.

The amendments were agreed to.

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

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

Mr. BOILEAU. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. BOILEAU. I cannot qualify in that respect, Mr. Speaker.

The SPEAKER. The Chair cannot recognize the gentleman to offer a motion to recommit.

Mr. MARTIN of Massachusetts. Mr. Speaker, I qualify, and offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. MARTIN of Massachusetts. I am, Mr. Speaker.

The SPEAKER. The gentleman qualifies, and the Clerk will report the motion to recommit.

Mr. BOILEAU. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. BOILEAU. In the event a member of the minority or any other Member of the House desires to offer a motion to recommit and seeks recognition, in the absence of any statement that he is opposed to the bill, is not the Member who seeks recognition entitled to recognition for that purpose?

The SPEAKER. The rule is that a member of the minority is entitled to recognition to offer a motion to recommit. In order that the member of the minority may qualify, upon inquiry by the Chair he must state that he is opposed to the bill. The Chair inquired of the gentleman if he was opposed to the bill and the gentleman stated he could not qualify in that respect. The gentleman from Massachusetts [Mr. MARTIN] was on his feet seeking recognition as a member of the minority.

Mr. BOILEAU. I submit the gentleman from Massachusetts was not on his feet, Mr. Speaker. The gentleman from Massachusetts was preparing to offer a motion to recommit in the event I was not granted recognition.

The SPEAKER. The Chair will again qualify members of the minority who desire to offer a motion to recommit.

Is there any member of the minority who desires to offer a motion to recommit?

Mr. BOILEAU. Mr. Speaker, I desire to submit a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. BOILEAU. I cannot qualify in that respect, Mr. Speaker.

Mr. MARTIN of Massachusetts. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. MARTIN of Massachusetts. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit offered by the gentleman from Massachusetts.

The Clerk read as follows:

Mr. MARTIN of Massachusetts moves to recommit the bill to the Committee on Agriculture with instructions to report the same forthwith with the following amendment: Page 11, line 5, strike out the following: "(without regard to the civil-service laws and regulations) and fix the compensation of."

Mr. MAPES rose.

The SPEAKER. For what purpose does the gentleman from Michigan rise?

Mr. MAPES. Mr. Speaker, I should like to pursue a little further the parliamentary inquiry of the gentleman from Wisconsin [Mr. BOILEAU], inasmuch as the question has been raised.

The SPEAKER. The gentleman will state his parliamentary inquiry.

Mr. MAPES. The gentleman from Wisconsin's inquiry had to do with a situation where no one asked for recognition who was opposed to the legislation. Would the gentleman from Wisconsin not have been entitled to make the motion to recommit if no one opposed to the bill had asked for recognition to make the motion?

The SPEAKER. The Chair thinks, in view of the present status, the gentleman's inquiry is a hypothetical one. The Chair undertook under the rules to qualify Members who were entitled under the rules to make a motion to recommit.

Mr. JONES. Mr. Speaker, I move the previous question on the motion to recommit.

Mr. MAPES. A further parliamentary inquiry, Mr. Speaker.

The SPEAKER. The gentleman will state it.

Mr. MAPES. Inasmuch as this question has been raised, it seems to me that now is a good time to have the rule clarified. My own thought is that if no one else asks recognition, a person should be recognized to make a motion to recommit, although he does not qualify as being opposed to the entire legislation. I know the impression has got around the House that this cannot be done. I think this is a wrong impression. I think now is a good time, inasmuch as the question has been raised, when the Speaker might well clarify the atmosphere in that respect.

The SPEAKER. The gentleman will kindly state his point of order.

Mr. MAPES. I have stated a parliamentary inquiry.

The SPEAKER. The Chair has answered the gentleman's parliamentary inquiry.

Mr. MAPES. If the Chair will permit, I do not think it has been answered definitely.

The SPEAKER. The gentleman will kindly restate his parliamentary inquiry.

Mr. MAPES. Following up the inquiry of the gentleman from Wisconsin with respect to the situation where no one cared to ask for recognition who was prepared to say he was opposed to the bill, my inquiry is, Was not the gentleman from Wisconsin entitled to recognition to make a motion to recommit?

The SPEAKER. The Chair has undertaken clearly to state the rule with reference to qualification for offering a motion to recommit. The Chair is of the opinion the record made in this matter clearly states the proper position with reference to this parliamentary situation.

The Chair asked the gentleman from Wisconsin, who first arose and desired to offer a motion to recommit, if he was opposed to the bill. The gentleman stated he could not qualify in that he was not opposed to the bill. The Chair then inquired if there was any Member of the minority who desired to make a motion to recommit who was opposed to the bill. Thereupon the gentleman from Massachusetts [Mr. MARTIN] qualified and the Chair recognized the gentleman from Massachusetts, under the circumstances, for the purpose of submitting a motion to recommit.

The gentleman from Texas moves the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

The question was taken; and on a division (demanded by Mr. MARTIN of Massachusetts and Mr. TOBRY), there were—yeas 62, nays 165.

Mr. BOILEAU. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 102, nays 231, not voting 99, as follows:

[Roll No. 98]
YEAS—102

Allen, Pa.	Eaton	Ludlow	Seger
Annie	Etcher	Mapes	Shafer, Mich.
Andresen, Minn.	Engel	Martin, Mass.	Short
Arends	Englebright	Maverick	Smith, Conn.
Bacon	Ferguson	Michener	Smith, Maine
Bates	Fish	Miliard	Smith, Wash.
Bigelow	Gearhart	Mott	Stefan
Boileau	Gehrmann	Oliver	Taber
Brewster	Guyer	Patterson	Taligan
Burdick	Gwynne	Pettrigill	Thomas, N. J.
Carlson	Hancock, N. Y.	Plumley	Thomas, Tex.
Carter	Harter	Polk	Thurston
Case, S. Dak.	Higgins	Powers	Tinkham
Church	Hill, Wash.	Ramspeck	Tobey
Cochran	Holmes	Randolph	Towey
Coffee, Wash.	Hope	Reed, Ill.	Voorhis
Crawford	Hull	Reed, N. Y.	Wedsworth
Crosser	Jenkins, Ohio	Rees, Kans.	Welch
Culkin	Jenks, N. H.	Relly	Wigglesworth
Dingell	Johnson, Minn.	Robinson, Utah	Withrow
Disney	Kennedy	Robison, Ky.	Wolcott
Ditter	Kinzer	Rogers, Mass.	Wolfenden
Dondero	Lambertson	Rutherford	Wolverton
Douglas	Lambeth	Ryan	Woodruff
Dowell	Lenke	Sauthoff	
Dunn	Lord	Schneider, Wis.	

Mr. Luecke of Michigan with Mr. Secret.
 Mr. Fernandez with Mr. Gray of Pennsylvania.
 Mr. Mouton with Mr. Wene.
 Mr. Phillips with Mr. Jacobsen.
 Mr. Allen of Delaware with Mr. Ryan.
 Mr. Edmiston with Mr. Sweeney.
 Mr. Hennings with Mr. DeMuth.
 Mr. Murdock of Utah with Mr. Casey.
 Mr. Smith of West Virginia with Mr. Flannery.
 Mr. Gingery with Mr. White of Idaho.
 Mr. McSweeney with Mr. Creal.
 Mr. Sadowski with Mr. Crosby.
 Mr. Fulmer with Mr. Stack.
 Mr. Scott with Mr. Hart.
 Mr. Cannon of Wisconsin with Mr. Ellenbogen.

GOLDEN GATE INTERNATIONAL EXPOSITION

The SPEAKER. Pursuant to provisions of Public Resolution 52, Seventy-fifth Congress, the Chair appoints as members of the United States Golden Gate International Exposition the following Members of the House of Representatives: Mr. LEA, Mr. HAVENNER, and Mr. WELCH.

BANKHEAD-JONES FARM TENANT ACT

Mr. JONES. Mr. Speaker, I call up the conference report upon the bill (H. R. 7562) to encourage and promote the ownership of farm homes and to make the possession of such homes more secure, to provide for the general welfare of the United States, to provide additional credit facilities for agricultural development, and for other purposes, and ask unanimous consent that the statement be read in lieu of the report.

The SPEAKER. The gentleman from Texas calls up the conference report upon the bill H. R. 7562 and asks unanimous consent that the statement be read in lieu of the report. Is there objection?

There was no objection.

The Clerk read the statement of the conferees.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 7562) to encourage and promote the ownership of farm homes and to make the possession of such homes more secure, to provide for the general welfare of the United States, to provide additional credit facilities for agricultural development, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"That this Act may be cited as 'The Bankhead-Jones Farm Tenant Act'.

"TITLE I—FARM-TENANT PROVISIONS

"POWER OF SECRETARY

"SECTION 1. (a) The Secretary of Agriculture (hereinafter referred to as the 'Secretary') is authorized to make loans in the United States and in the Territories of Alaska and Hawaii and in Puerto Rico to persons eligible to receive the benefits of this title to enable such persons to acquire farms.

"(b) Only farm tenants, farm laborers, sharecroppers, and other individuals who obtain, or who recently obtained, the major portion of their income from farming operations shall be eligible to receive the benefits of this title. In making available the benefits of this title, the Secretary shall give preference to persons who are married, or who have dependent families, or, wherever practicable, to persons who are able to make an initial down payment, or who are owners of livestock and farm implements necessary successfully to carry on farming operations. No person shall be eligible who is not a citizen of the United States.

"(c) No loan shall be made for the acquisition of any farm unless it is of such size as the Secretary determines to be sufficient to constitute an efficient farm-management unit and to enable a diligent farm family to carry on successful farming of a type which the Secretary deems can be successfully carried on in the locality in which the farm is situated.

"COUNTY COMMITTEE AND LOANS

"Sec. 2. (a) The County Committee established under section 42 shall—

"(1) Examine applications (filed with the county agent in the county, or with such other person as the Secretary may designate) of persons desiring to finance the acquisition of farms in the county by means of a loan from the Secretary under this title.

"(2) Examine and appraise farms in the county with respect to which an application for a loan is made.

"(b) If the committee finds that an applicant is eligible to receive the benefits of this title, that by reason of his character, ability, and experience he is likely successfully to carry out undertakings required of him under a loan which may be made under this title, and that the farm with respect to which the applica-

tion is made is of such character that there is a reasonable likelihood that the making of a loan with respect thereto will carry out the purposes of this title, it shall so certify to the Secretary. The committee shall also certify to the Secretary the amount which the committee finds is the reasonable value of the farm.

"(c) No certification under this section shall be made with respect to any farm in which any member of the committee or any person related to such member within the third degree of consanguinity or affinity has any property interest, direct or indirect, or in which they or either of them have had such interest within one year prior to the date of certification.

"(d) No loan shall be made to any person or with respect to any farm unless certification as required under this section has been made with respect to such person and such farm by the committee.

"TERMS OF LOANS

"Sec. 3. (a) Loans made under this title shall be in such amount (not in excess of the amount certified by the County Committee to be the value of the farm) as may be necessary to enable the borrower to acquire the farm and for necessary repairs and improvements thereon, and shall be secured by a first mortgage or deed of trust on the farm.

"(b) The instruments under which the loan is made and security given therefor shall—

"(1) Provide for the repayment of the loan within an agreed period of not more than forty years from the making of the loan.

"(2) Provide for the payment of interest on the unpaid balance of the loan at the rate of 3 per centum per annum.

"(3) Provide for the repayment of the unpaid balance of the loan, together with interest thereon, in installments in accordance with amortization schedules prescribed by the Secretary.

"(4) Be in such form and contain such covenants as the Secretary shall prescribe to secure the payment of the unpaid balance of the loan, together with interest thereon, to protect the security, and to assure that the farm will be maintained in repair, and waste and exhaustion of the farm prevented, and that such proper farming practices as the Secretary shall prescribe will be carried out.

"(5) Provide that the borrower shall pay taxes and assessments on the farm to the proper taxing authorities, and insure and pay for insurance on farm buildings.

"(6) Provide that upon the borrower's assigning, selling, or otherwise transferring the farm, or any interest therein, without the consent of the Secretary, or upon default in the performance of, or upon any failure to comply with, any covenant or condition contained in such instruments, or upon involuntary transfer or sale, the Secretary may declare the amount unpaid immediately due and payable, and that, without the consent of the Secretary, no final payment shall be accepted, or release of the Secretary's interest be made, less than five years after the making of the loan.

"(c) Except as provided in paragraph (6) of subsection (b), no instrument provided for in this section shall prohibit the prepayment of any sum due under it.

"(d) No provision of section 75, as amended, of the Act entitled 'An Act to establish a uniform system of bankruptcy throughout the United States', approved July 1, 1898 (U. S. C., 1934 ed., title 11, sec. 203; Supp. II, title 11, sec. 203), otherwise applicable in respect of any indebtedness incurred under this title by any beneficiary thereof, shall be applicable in respect of such indebtedness until such beneficiary has repaid at least 15 per centum thereof.

"EQUITABLE DISTRIBUTION OF LOANS

"Sec. 4. In making loans under this title, the amount which is devoted to such purpose during any fiscal year shall be distributed equitably among the several States and Territories on the basis of farm population and the prevalence of tenancy, as determined by the Secretary.

"AVOIDANCE OF PRODUCTION EXPANSION

"Sec. 5. In carrying out this title, the Secretary shall give due consideration to the desirability of avoiding the expansion of production for market of basic commodities where such expansion would defeat the policy of Congress as set forth in section 7 (a) (5) of the Soil Conservation and Domestic Allotment Act, as amended, and shall, so far as practicable, assist beneficiaries of the program under this title to become established upon lands now in cultivation.

"APPROPRIATION

"Sec. 6. To carry out the provisions of this title, there is authorized to be appropriated not to exceed \$10,000,000 for the fiscal year ending June 30, 1938, not to exceed \$25,000,000 for the fiscal year ending June 30, 1939, and not to exceed \$50,000,000 for each fiscal year thereafter. Not more than 5 per centum of the sums appropriated for any fiscal year in pursuance of this section shall be available for administrative expenses in carrying out this title during such fiscal year.

"TITLE II—REHABILITATION LOANS

"BORROWERS AND TERMS

"SECTION 21. (a) Out of the funds made available under section 23, the Secretary shall have power to make loans to eligible individuals for the purchase of livestock, farm equipment, supplies, and for other farm needs (including minor improvements and minor repairs to real property), and for the refinancing of indebtedness, and for family subsistence.

"(b) Loans made under this section shall bear interest at a rate not in excess of 3 per centum per annum, and shall have maturities not in excess of five years, and may be renewed. Such loans shall

be payable in such installments as the Secretary may provide in the loan agreement. All loans made under this title shall be secured by a chattel mortgage, a lien on crops, and an assignment of proceeds from the sale of agricultural products, or by any one or more of the foregoing.

"(c) Only farm owners, farm tenants, farm laborers, sharecroppers, and other individuals who obtain, or who recently obtained, the major portion of their income from farming operations, and who cannot obtain credit on reasonable terms from any federally incorporated lending institution, shall be eligible for loans under this section.

"DEBT ADJUSTMENT

"SEC. 22. The Secretary shall have power to assist in the voluntary adjustment of indebtedness between farm debtors and their creditors and may cooperate with and pay the whole or part of the expenses of State, Territorial, and local agencies and committees engaged in such debt adjustment. He is also authorized to continue and carry out undertakings with respect to farm debt adjustment uncompleted at the time when appropriations for the purpose of this section are first available. Services furnished by the Secretary under this section shall be without charge to the debtor or creditor.

"APPROPRIATION

"SEC. 23. (a) For the fiscal year ending June 30, 1938, the balances of funds available to the Secretary for loans and relief to farmers, pursuant to Executive Order Numbered 7530 of December 31, 1936, as amended by Executive Order Numbered 7557 of February 19, 1937, which are unexpended on June 30, 1937, are authorized to be appropriated to carry out the provisions of this title.

"(b) The President is authorized to allot to the Secretary, out of appropriations made for relief or work relief for any fiscal year ending prior to July 1, 1939, such sums as he determines to be necessary to carry out the provisions of this title and to enable the Secretary to carry out such other forms of rehabilitation of individuals eligible under this title to receive loans as may be authorized by law and designated in the Executive order directing the allotment.

"TITLE III—RETIREMENT OF SUBMARGINAL LAND PROGRAM

"SECTION 31. The Secretary is authorized and directed to develop a program of land conservation and land utilization, including the retirement of lands which are submarginal or not primarily suitable for cultivation, in order thereby to correct maladjustments in land use, and thus assist in controlling soil erosion, reforestation, preserving natural resources, mitigating floods, preventing impairment of dams and reservoirs, conserving surface and subsurface moisture, protecting the watersheds of navigable streams, and protecting the public lands, health, safety, and welfare.

"FLOWERS UNDER LAND PROGRAM

"SEC. 32. To effectuate the program provided for in section 31, the Secretary is authorized—

"(a) To acquire by purchase, gift, or devise, or by transfer from any agency of the United States or from any State, Territory, or political subdivision, submarginal land and land not primarily suitable for cultivation, and interests in and options on such land. Such property may be acquired subject to any reservations, outstanding estates, interests, easements, or other encumbrances which the Secretary determines will not interfere with the utilization of such property for the purposes of this title.

"(b) To protect, improve, develop, and administer any property so acquired and to construct such structures thereon as may be necessary to adapt it to its most beneficial use.

"(c) To sell, exchange, lease, or otherwise dispose of, with or without a consideration, any property so acquired, under such terms and conditions as he deems will best accomplish the purposes of this title, but any sale, exchange, or grant shall be made only to public authorities and agencies and only on condition that the property is used for public purposes. The Secretary may recommend to the President other Federal, State, or Territorial agencies to administer such property, together with the conditions of use and administration which will best serve the purposes of a land-conservation and land-utilization program, and the President is authorized to transfer such property to such agencies.

"(d) With respect to any land, or any interest therein, acquired by, or transferred to, the Secretary for the purposes of this title, to make dedications or grants, in his discretion, for any public purpose, and to grant licenses and easements upon such terms as he deems reasonable.

"(e) To cooperate with Federal, State, Territorial, and other public agencies in developing plans for a program of land conservation and land utilization, to conduct surveys and investigations relating to conditions and factors affecting, and the methods of accomplishing most effectively, the purposes of this title, and to disseminate information concerning these activities.

"(f) To make such rules and regulations as he deems necessary to prevent trespasses and otherwise regulate the use and occupancy of property acquired by, or transferred to, the Secretary for the purposes of this title, in order to conserve and utilize it or advance the purposes of this title. Any violation of such rules and regulations shall be punished as prescribed in section 5388 of the Revised Statutes, as amended (U. S. C., 1934 ed., title 18, sec. 104).

"PAYMENTS TO COUNTIES

"SEC. 33. As soon as practicable after the end of each calendar year, the Secretary shall pay to the county in which any land is held by the Secretary under this title, 25 per centum of the net revenues received by the Secretary from the use of the land during such year. In case the land is situated in more than one county,

the amount to be paid shall be divided equitably among the respective counties. Payments to counties under this section shall be made on the condition that they are used for school or road purposes, or both. This section shall not be construed to apply to amounts received from the sale of land.

"APPROPRIATION

"SEC. 34. To carry out the provisions of this title, there is authorized to be appropriated not to exceed \$10,000,000 for the fiscal year ending June 30, 1938, and not to exceed \$20,000,000 for each of the two fiscal years thereafter.

"TITLE IV—GENERAL PROVISIONS

"FARMERS' HOME CORPORATION

"SECTION 40. (a) There is hereby created as an agency, of and within the Department of Agriculture, a body corporate with the name 'Farmers' Home Corporation' (in this Act called the Corporation). The principal office of the Corporation shall be located in the District of Columbia, but there may be established agencies or branch offices elsewhere in the United States under rules and regulations prescribed by the Board of Directors.

"(b) The Secretary shall have power to delegate to the Corporation such powers and duties conferred upon him under title I or title II, or both, and such powers under title IV as relate to the exercise of the powers and duties so delegated, as he deems may be necessary to the efficient carrying out of the purposes of such titles and may be executed by the Corporation, and to transfer to the Corporation such funds available for such purposes as he deems necessary. In connection with and in the exercise of such powers and duties so delegated, all provisions of this Act relating to the powers and duties of, and limitations upon, the Secretary shall apply to the Corporation in the same manner as to the Secretary, and the term 'Secretary' shall be construed to include 'Corporation'.

"(c) The Corporation shall have a nominal capital stock in an amount determined and subscribed for by the Secretary. Receipts for payments for or on account of such stock shall be issued by the Corporation to the Secretary and shall be evidence of the stock ownership of the United States.

"(d) The management of the Corporation shall be vested in a board of directors (in this Act called the Board) subject to the general supervision of the Secretary. The Board shall consist of three persons employed in the Department of Agriculture who shall be designated by the Secretary. Vacancies in the Board, so long as there are two members in office, shall not impair the powers of the Board to execute its functions and two of the members in office shall constitute a quorum for the transaction of business. The directors, appointed as hereinbefore provided, shall receive no additional compensation for their services as such directors but may be allowed travel and subsistence expenses when engaged in business of the Corporation outside of the District of Columbia.

"(e) The Board may select, subject to the approval of the Secretary, an administrator, who shall be the executive officer of the Corporation, with such power and authority as may be conferred upon him by the Board.

"(f) The Corporation—

"(1) Shall have succession in its corporate name;

"(2) May adopt, alter, and use a corporate seal, which shall be judicially noticed;

"(3) May sue and be sued in its corporate name in any court of competent jurisdiction, State or Federal: *Provided*, That the prosecution and defense of all litigation to which the Corporation may be a party shall be conducted under the supervision of the Attorney General, and the Corporation shall be represented by the United States Attorneys for the districts, respectively, in which such litigation may arise, or by such other attorney or attorneys as may, under the law, be designated by the Attorney General: *And provided further*, That no attachment, injunction, garnishment, or other similar process, mesne or final, shall be issued against the Corporation or its property;

"(4) May adopt, amend, and repeal bylaws, rules, and regulations governing the manner in which its business may be conducted and the powers vested in it may be exercised and enjoyed;

"(5) Shall be entitled to the free use of the United States mails in the same manner as other executive agencies of the Government;

"(6) Shall have such powers as may be necessary or appropriate for the exercise of the powers vested in the Corporation (including, but subject to the limitations of this Act, the power to make contracts, and to purchase or lease, and to hold or dispose of, such real and personal property as it deems necessary) and all such incidental powers as are customary in corporations generally. The Board shall define the authority and duties of the officers and employees of the Corporation, delegate to them such of the powers vested in the Corporation as it may determine, and require bonds of such of them as it may designate and fix the penalties and pay the premiums of such bonds.

"(g) Insofar as applicable, the benefits of the Act entitled 'An Act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes', approved September 7, 1916, as amended, shall extend to employees of the Corporation.

"(h) All money of the Corporation not otherwise employed may be deposited with the Treasurer of the United States or in any bank approved by the Secretary of the Treasury, subject to withdrawal by the Corporation at any time, or with the approval of the Secretary of the Treasury may be invested in obligations of the United States. Subject to the approval of the Secretary of the Treasury, the Federal Reserve banks are hereby authorized and

directed to act as depositories, custodians, and fiscal agents for the Corporation in the performance of its powers.

"(i) The Corporation, including its franchises, its capital, reserves, and surplus and its income and property shall, except as otherwise provided in section 50 (a), be exempt from all taxation now or hereafter imposed by the United States or any State, Territory, District, dependency, or political subdivision.

"(j) The Corporation shall at all times maintain complete and accurate books of account and shall file annually with the Secretary a complete report as to the business of the Corporation.

"ADMINISTRATIVE POWERS OF SECRETARY AND CORPORATION

"Sec. 41. For the purposes of this Act, the Secretary shall have power to—

"(a) Appoint (without regard to the civil-service laws and regulations) and fix the compensation of such officers and employees as may be necessary. No person (except as to positions requiring technical training and experience for which no one possessing the requisite technical training and experience is available within the area) shall be appointed or transferred under this Act to any position in an office in a State or Territory the operations of which are confined to such State or Territory or a portion thereof, or in a regional office outside the District of Columbia the operations of which extend to more than one, or portions of more than one, State or Territory, unless such person has been an actual and bona-fide resident of the State or Territory, or region, as the case may be, in which such office is located, for a period of not less than one year next preceding the appointment or transfer to such position (disregarding periods of residence outside such State or Territory, or region, as the case may be, while in the Federal Government service). If the operations of the office are confined to a portion of a single State or Territory, the Secretary in making appointments or transfers to such office shall, except in the classes of cases exempted from the preceding sentence, appoint or transfer only persons who are residents of such portion of the State or Territory: *Provided*, That hereafter, wherever practicable, all appointments of persons to the Federal service for employment within the District of Columbia, under the provisions of this Act, whether such appointments be within the classified civil service or otherwise, shall be apportioned among the several States and the District of Columbia upon the basis of population as ascertained at the last preceding census.

"(b) Accept and utilize voluntary and uncompensated services, and, with the consent of the agency concerned, utilize the officers, employees, equipment, and information of any agency of the Federal Government, or of any State, Territory, or political subdivision.

"(c) Within the limits of appropriations made therefor, make necessary expenditures for personal services and rent at the seat of government and elsewhere; contract stenographic reporting services; purchase and exchange of supplies and equipment, law books, books of reference, directories, periodicals, newspapers, and press clippings; travel and subsistence expenses, including the expense of attendance at meetings and conferences; purchase, operation, and maintenance, at the seat of government and elsewhere, of motor-propelled passenger-carrying and other vehicles; printing and binding; and for such other facilities and services as he may from time to time find necessary for the proper administration of this Act.

"(d) Make contracts for services and purchases of supplies without regard to the provisions of section 3709 of the Revised Statutes (U. S. C., 1934 ed., title 41, sec. 5) when the aggregate amount involved is less than \$300.

"(e) Make payment prior to audit and settlement by the General Accounting Office.

"(f) Acquire land and interests therein without regard to section 355 of the Revised Statutes, as amended. This subsection shall not apply with respect to the acquisition of land or interests in land under title III.

"(g) Compromise claims and obligations arising under, and adjust and modify the terms of mortgages, leases, contracts, and agreements entered into pursuant to, this Act, as circumstances may require.

"(h) Collect all claims and obligations arising under this Act, or under any mortgage, lease, contract, or agreement entered into pursuant to this Act, and, if in his judgment necessary and advisable, to pursue the same to final collection in any court having jurisdiction: *Provided*, That the prosecution and defense of all litigation under this Act shall be conducted under the supervision of the Attorney General, and the legal representation shall be by the United States Attorneys for the districts, respectively, in which such litigation may arise, or by such other attorney or attorneys as may, under the law, be designated by the Attorney General.

"(i) Make such rules and regulations as he deems necessary to carry out this Act.

"COUNTY COMMITTEE

"Sec. 42. (a) The Secretary is authorized and directed to appoint in each county in which activities are carried on under title I a county committee composed of three farmers residing in the county.

"(b) Each member of the committee shall be allowed compensation at the rate of \$3 per day while engaged in the performance of duties under this Act but such compensation shall not be allowed with respect to more than five days in a month. In addition, they shall be allowed such amounts as the Secretary may prescribe for necessary traveling and subsistence expenses.

"(c) The committee shall meet on the call of the county agent in the county, or on the call of such other person as the Secretary may designate. Two members of the committee shall constitute

a quorum. The Secretary shall prescribe rules governing the procedure of the committees, furnish forms and equipment necessary for the performance of their duties, and authorize and provide for the compensation of such clerical assistants as he deems may be required by any committee.

"(d) Committees established under this Act shall, in addition to the duties specifically imposed under this Act, perform such other duties under this Act as the Secretary may require of them.

"RESETTLEMENT PROJECTS

"Sec. 43. The Secretary is authorized to continue to perform such of the functions vested in him pursuant to Executive Order Numbered 7530 of December 31, 1936, as amended by Executive Order Numbered 7557 of February 19, 1937, and pursuant to Public Act Numbered 845, approved June 29, 1936 (49 Stat. 2035), as shall be necessary only for the completion and administration of those resettlement projects, rural rehabilitation projects for resettlement purposes, and land development and land utilization projects, for which funds have been allotted by the President, and the balances of funds available to the Secretary for said purposes which are unexpended on June 30, 1937, are authorized to be appropriated to carry out said purposes: *Provided*, That any land held by the United States under the supervision of the Secretary pursuant to said Executive orders may where suitable be utilized for the purposes of title I of this Act, and the Secretary may sell said land and make loans for the necessary improvement thereof to such individuals and upon such terms as shall be in accordance with the provisions of said title.

"GENERAL PROVISIONS APPLICABLE TO SALE

"Sec. 44. The sale or other disposition of any real property acquired by the Secretary pursuant to the provisions of this Act, or any interest therein, shall be subject to the reservation by the Secretary on behalf of the United States of not less than an undivided three-fourths of the interest of the United States in all coal, oil, gas, and other minerals in or under such property.

"TRANSFER OF AVAILABLE LANDS

"Sec. 45. The President may at any time in his discretion transfer to the Secretary or the Corporation any right, interest, or title held by the United States, and under the supervision of the Secretary, in any land which the President shall find suitable for the purposes of this Act, and the Secretary or the Corporation, as the case may be, may use and dispose of such land in such manner, and subject to such terms and conditions, as the President determines will best carry out the objectives of this Act.

"TRANSACTIONS WITH CORPORATIONS

"Sec. 46. Nothing in this Act shall be construed to authorize the making of any loan, or the sale or other disposition of real property or any interest therein, to any private corporation, for farming purposes.

"SURVEYS AND RESEARCH

"Sec. 47. The Secretary is authorized to conduct surveys, investigations, and research relating to the conditions and factors affecting, and the methods of accomplishing most effectively, the purposes of this Act, and may publish and disseminate information pertinent to the various aspects of his activities.

"VARIABLE PAYMENTS

"Sec. 48. The Secretary may provide for the payment of any obligation or indebtedness to him under this Act under a system of variable payments under which a surplus above the required payment will be collected in periods of above-normal production or prices and employed to reduce payments below the required payment in periods of subnormal production or prices.

"SET-OFF

"Sec. 49. No set-off shall be made against any payment to be made by the Secretary to any person under the provisions of this Act, by reason of any indebtedness of such person to the United States, and no debt due to the Secretary under the provisions of this Act shall be set off against any payments owing by the United States, unless the Secretary shall find that such set-off will not adversely affect the objectives of this Act.

"TAXATION

"Sec. 50. (a) All property which is being utilized to carry out the purposes of title I or title II of this Act (other than property used solely for administrative purposes) shall, notwithstanding that legal title to such property remains in the Secretary or the Corporation, be subject to taxation by the State, Territory, District, dependency, and political subdivision concerned, in the same manner and to the same extent as other similar property is taxed.

"(b) All property to which subsection (a) of this section is inapplicable which is held by the Secretary or the Corporation pursuant to this Act shall be exempt from all taxation now or hereafter imposed by the United States or any State, Territory, District, dependency, or political subdivision, but nothing in this subsection shall be construed as affecting the authority or duty of the Secretary under any other law to make payments in respect of any such property in lieu of taxes.

"BID AT FORECLOSURE

"Sec. 51. The Secretary is authorized and empowered to bid for and purchase at any foreclosure or other sale, or otherwise to acquire property pledged or mortgaged to secure any loan or other indebtedness owing under this Act; to accept title to any property so purchased or acquired; to operate or lease such property for such period as may be deemed necessary or advisable to protect the investment therein; and to sell or otherwise dispose of such

property so purchased or acquired upon such terms and for such considerations as the Secretary shall determine to be reasonable, but subject to the reservation of the rights provided for in section 44.

"PENALTIES"

"SEC. 52. (a) Whoever makes any material representation, knowing it to be false, for the purpose of influencing in any way the action of the Corporation upon any application, advance, discount, purchase, or repurchase agreement, contract of sale, lease, or loan, or any change or extension of any of the same by renewal, deferment of action or otherwise, or the acceptance, release, or substitution of security therefor, shall be punished by a fine of not more than \$5,000 or by imprisonment for not more than two years, or both.

"(b) Whoever, being connected in any capacity with the Corporation, (1) embezzles, abstracts, purloins, or willfully misapplies any moneys, funds, securities, or other things of value, whether belonging to the Corporation or pledged or otherwise entrusted to it; or (2) with intent to defraud the Corporation, or any other body politic or corporate, or any individual, or to deceive, any officer, auditor, or examiner of the Corporation, makes any false entry in any book, report, or statement of, or to, the Corporation or draws any order, or issues, puts forth, or assigns any note or other obligation or draft, mortgage, judgment, or decree thereof; or (3) with intent to defraud the Corporation, participates or shares in or receives directly or indirectly any money, profit, property, or benefits through any transaction, loan, commission contract, or any other act of the Corporation, shall be punished by a fine of not more than \$10,000 or by imprisonment for not more than five years, or both.

"(c) Whoever willfully shall conceal, remove, dispose of, or convert to his own use or to that of another, any property mortgaged or pledged to, or held by, the Corporation, as security for any obligation, shall be punished by a fine of not more than \$5,000 or by imprisonment for not more than two years, or both.

"(d) The provisions of sections 112, 113, 114, 115, 116, and 117 of the Criminal Code of the United States (U. S. C., title 18, secs. 202-207, inclusive), insofar as applicable, are extended to apply to contracts or agreements of the Corporation, which for the purposes hereof shall be held to include advances, loans, discounts, purchase and repurchase agreements, contracts of sale, and leases; extensions and renewals thereof; and acceptances, releases, and substitutions of security therefor.

"(e) Whoever conspires with another to accomplish any of the acts made unlawful by the preceding provisions of this section shall, on conviction thereof, be subject to the same fine or imprisonment, or both, as is applicable in the case of conviction for doing such unlawful act.

"FEES AND COMMISSIONS PROHIBITED"

"Sec. 53. No Federal officer, attorney, or employee shall, directly or indirectly, be the beneficiary of or receive any fee, commission, gift, or other consideration for or in connection with any transaction or business under this Act other than such salary, fee, or other compensation as he may receive as such officer, attorney, or employee. No member of a county committee established under section 42 shall knowingly make or join in making any certification prohibited by section 2 (c). Any person violating any provision of this section shall, upon conviction thereof, be punished by a fine of not more than \$1,000 or imprisonment for not more than one year, or both.

"EXTENSION OF TERRITORIES"

"Sec. 54. The provisions of this Act shall extend to the Territories of Alaska and Hawaii and to Puerto Rico. In the case of Alaska and Puerto Rico the term 'county' as used in this Act shall be deemed synonymous with the Territory, or any subdivision thereof as may be designated by the Secretary, and payments under section 33 of this Act shall be made to the Governor of the Territory or to the fiscal agent of such subdivision.

"SEPARABILITY"

"Sec. 55. If any provision of this Act, or the application thereof to any person or circumstances, is held invalid, the remainder of the Act, and the application of such provisions to other persons or circumstances, shall not be affected thereby."

That the House recede from its disagreement to the amendment to the title of the bill.

MARVIN JONES,
WALL DOXEY,
CLIFFORD R. HOPE,
Managers on the part of the House.

J. H. BANKHEAD,
J. P. POPE,
LYNN J. FRAZIER,
Managers on the part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7562) to encourage and promote the ownership of farm homes and to make the possession of such homes more secure, to provide for the general welfare of the United States, to provide additional credit facilities for agricultural development, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

Farm-tenant provisions

The Senate amendment authorized the Corporation created in the amendment to acquire land and sell or lease it to persons eligible to the benefits of the act. The conference agreement with respect to the farm-tenant title follows the substance of the House bill with the following differences:

(1) Under the conference agreement, loans may be made for a period not in excess of 40 years. The House bill term was 30 years.

(2) Under the conference agreement, applications for loans, which are to be passed on by the county committee, are to be filed with the county agent in the county or with such person as the Secretary designates.

(3) The conference agreement contains a provision, adapted from the Senate amendment, under which the loan instruments are to contain a term that the borrower carry out such proper farming practices as the Secretary prescribes.

(4) The conference agreement contains a provision, adapted from the Senate amendment, under which the loan instruments are to contain a term to the effect that, without the consent of the Secretary, final payment may not be accepted or the Government's interest released prior to 5 years from the making of the loan.

(5) The conference agreement contains a provision, which was implicit in both the House bill and the Senate amendment, which expressly gives the Secretary the power to declare the entire amount due under the loan agreement immediately payable on default in the performance of, or upon any failure to comply with, any term or condition of the mortgage or deed of trust.

(6) The conference agreement rewords the provision of the House bill making the provisions of the Frazier-Lemke Act unavailable to the borrower until he has paid at least 15 percent of his indebtedness.

(7) The conference agreement contains a provision, adapted from the Senate amendment, under which the Secretary is, so far as practicable, to exercise his powers to avoid production expansion where expansion would defeat the parity policy of section 7 of the Soil Conservation and Domestic Allotment Act, and to assist beneficiaries of the title to become established on lands now under cultivation.

(8) Under the House bill, \$50,000,000 was authorized to be appropriated for the fiscal year ending June 30, 1940, and no authorization was made for later years. The Senate amendment authorized that sum to be appropriated for the fiscal year 1940 and for each fiscal year thereafter. The conference agreement adopts the Senate provision.

(9) The conference agreement contains a provision under which administrative expenses for carrying out the farm-tenant title (personnel, overhead, etc.) are not to exceed in any fiscal year 5 percent of the amount appropriated for the fiscal year. The Senate amendment fixed a flat \$400,000 as the upper limit.

Rehabilitation loans

There are no express provisions in the Senate amendment authorizing the making of rehabilitation loans as such, but the Senate amendment does authorize loans of the kind which may be made under title II of the House bill. These loans under the House bill and the Senate amendment may be made to the beneficiaries of the tenant provisions. The conference agreement contains the loan and debt adjustment provisions of title II of the House bill with two minor clarifying changes. Under the House bill the purposes for which loans could be made included "other farm needs." The first change made by the conference agreement is for the purpose of making clear that the phrase "other farm needs" includes minor repairs and minor improvements to real property. The second makes it clear that loans made under the title are renewable.

Submarginal land

The Senate amendment contains no express provision relating to retirement of submarginal land. The conference agreement contains the provisions of the House bill without change.

General provisions

Under the Senate amendment, a corporation is established to carry out its provisions. The House bill conferred the powers on the Secretary of Agriculture and did not provide for a corporation. The conference agreement establishes a corporation in the Department of Agriculture, the directors of which are to be Department officials, who serve without additional compensation. The Secretary of Agriculture can empower the corporation to exercise the functions conferred upon him under the farm tenant and rehabilitation loan titles and in the parts of the general title which relate to such subjects. When so authorized the act applies to the corporation just as it does to the Secretary. The corporation can exercise no powers under the submarginal land title. The corporation in order effectively to exercise the powers conferred upon it must have the power conferred in the Senate amendment to acquire, hold, and dispose of real and personal property. In the conference agreement, that power has been strictly limited, so that it is not a general one, but is confined only to the necessities of exercising the powers given it and must be exercised subject to the limitations of the act. Thus a granted corporate power with respect to real and personal property may not be construed to authorize a general property purchase and sales program contrary to the terms of titles I or II.

The remainder of the general title in the conference agreement is the same as the same title in the House bill with the following differences:

(1) The conference agreement omits the provision of the House bill under which reductions in personnel were to be determined in accordance with a geographical rule. The provision for requiring apportionments of appointments of personnel in accordance with the census has been made to apply only where it is practicable to do so.

(2) Under the House bill, land could be acquired without regard to section 355 of the Revised Statutes under which various restraints are put upon land acquisition. The conference agreement limits that exception so that acquisition of submarginal land must be in accordance with section 355 whenever that section by its terms applies.

(3) An express provision in the conference agreement which was adapted from the Senate amendment requires that litigation be conducted under the supervision of the Attorney General by the various district attorneys.

(4) Under the House bill, property held by the Secretary was tax exempt, but property which was in the hands of the beneficiaries of the tenant and rehabilitation provisions was subject to taxation. By reason of the inclusion of a corporation in the conference agreement it is necessary to carry over some of the provisions of the Senate amendment relating to taxation and tax exemption of the corporate property. The conference agreement provides that even though title is in the Secretary or the Corporation, real and personal property in the hands of beneficiaries of titles I and II is subject to taxation. Property of the Corporation or the Secretary (used for administrative purposes) and property owned by them and not in the hands of such beneficiaries is tax exempt. The Corporation's franchises, income, notes, etc., are tax exempt. An express provision of the conference agreement preserves the power and duty of the Secretary to make such payments in lieu of taxes on property held by him as are now authorized by law.

(5) The conference agreement provides that the county committee shall meet on the call of the county agent or such person as the Secretary may designate.

(6) The conference agreement contains a provision taken from the Senate amendment under which the President is authorized to transfer to the Secretary or the Corporation any land under the supervision of the Secretary which is suitable for use under the act and authorizes them to use and dispose of such land in such manner, and subject to such terms and conditions as the President determines will best carry out the objectives of the act.

(7) The conference agreement contains a prohibition on making of loans, and transferring real property to corporations for farming purposes. A comparable provision is found in the Senate amendment.

(8) Inasmuch as the House bill did not contain any provision for a corporation, the usual penalty provisions in relation to transactions by and property of Federal corporations were not included. The conference agreement provides for a corporation, and hence includes the penalty provisions of the Senate amendment.

(9) Section 49 of the House bill contained certain provisions prohibiting officers, attorneys, and employees of the United States to be the beneficiaries of any fees, commissions, or gifts in connection with any transaction or business of the United States under the bill. The conference agreement makes it clear that this provision is to apply to officers, attorneys, and employees of the Corporation.

The House recesses on the title and short title to the bill.

MARVIN JONES,
WALL DOXEY,
CLIFFORD R. HOPE.

Managers on the part of the House.

Mr. JONES. Mr. Speaker, those who are interested have read the statement or have followed the changes in the measure. The measure as reported follows the general outlines of the House bill. The questions involved in title I which caused a discussion here are identical with the House provisions, with these exceptions: We retain the loan provisions; the Government does not take title to the land at all. In the House bill there was a provision that the loan period should not exceed 30 years, and that the man could not sell the property until he paid for the entire loan, except with the consent of the Secretary. Under the bill as reported the time is changed from not exceeding 30 years to not exceeding 40 years. The rate of interest remains the same; and we have this added provision: That if the man pays off the loan at any time he may have the deed, except that if he pays it off within the period of 5 years the Government will not issue a full release until the end of the 5-year period. There is a further provision broadening the statement in the House bill which stipulated that the purchaser should not waste the land or damage the buildings or injure the soil. That is clarified and added to by stipulating that he shall during this 5-year period, or during the period which he takes to pay, comply with such farm practices as the Secretary may find essential to the preservation and conservation of the soil.

There is this further provision put into the bill: The Senate bill provided for administration by a corporation instead of by the Secretary of Agriculture.

In the conference report we authorized the Secretary to use a corporation if he finds it advisable to do so. In other words, it is in his discretion; but that corporation must exercise only the functions that are conferred upon the Secretary under the terms of the bill.

That, I believe, covers the main changes in the measure.

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

Mr. JONES. I yield.

Mr. WARREN. The gentleman will recall that I offered a very important amendment which was agreed to by the House, which assigned over to this new agency certain farm lands in various States that had been acquired by the Resettlement Administration. Can the gentleman tell me what became of that amendment?

Mr. JONES. That amendment is retained in the bill.

Mr. MITCHELL of Tennessee. Mr. Speaker, will the gentleman yield?

Mr. JONES. I yield.

Mr. MITCHELL of Tennessee. The appraisement of the lands remains in the hands of the local committee?

Mr. JONES. In the hands of the local committee.

Mr. MITCHELL of Tennessee. The same as it was originally passed?

Mr. JONES. Just as it passed the House.

Mr. MITCHELL of Tennessee. That is true as to the applicant for the loan?

Mr. JONES. Yes.

Mr. MITCHELL of Tennessee. And also the appraisal of the land?

Mr. JONES. Yes.

Mr. NELSON. This local committee is made up of three farmers?

Mr. JONES. The local committee is made up of three farmers; yes.

Mr. JOHNSON of Oklahoma. Mr. Speaker, will the gentleman yield?

Mr. JONES. I yield.

Mr. JOHNSON of Oklahoma. As I understand, the same amounts remain available, \$10,000,000 the first year, \$25,000,000 the second, and \$50,000,000 thereafter?

Mr. JONES. That is correct; \$50,000,000 the third year and succeeding years. That change was made. The House bill only ran for 3 years. This change says "not to exceed \$50,000,000 for each year after the second year." It is a continuing authorization rather than a limited one. I am glad the gentleman called my attention to that.

Mr. JOHNSON of Oklahoma. Is there any provision with reference to submarginal lands?

Mr. JONES. Yes. That remains as in the House bill.

Mr. CASE of South Dakota. Mr. Speaker, will the gentleman yield?

Mr. JONES. I yield.

Mr. CASE of South Dakota. What provision is made for title to the land? Are the lands subject to taxation?

Mr. JONES. The land is subject to taxes right along. The Government never owns the land, and therefore it never would be exempt from taxation.

Mr. Speaker, I yield 5 minutes to the gentleman from Illinois [Mr. LUCAS].

Mr. LUCAS. Mr. Speaker, having spent more time on the problem of farm tenancy than any other major issue before Congress today, I am compelled at this juncture of farm-tenancy legislation to speak briefly again upon this vital issue.

I think the distinct difference between the House bill, which received overwhelming approval here, and the bill which was passed by the Senate is generally understood by the Members of the House. I think it is understood by all that the conferees faced a formidable task in reconciling the conflicting provisions of these two measures. There was a fundamental difference involved. There were two entirely different philosophies in the bills.

From the beginning of the hearings on farm-tenancy legislation last January I never altered my position in my antagonism toward the Government going into the purchasing or acquiring of lands for the purpose of resale to a tenant. I appreciate the fact that in days of economic stress and trouble, such as this Nation has been passing through during the last few years, it has become necessary in many instances to transfer a certain amount of local government to the Nation's Capital; but the great difficulty in this trend toward centralized government is to know when and where to stop. Certainly this is not an emergency piece of legislation, and the more local autonomy you can keep in legislation of this kind the better it will be for the future government of this country.

I know the type of tenants both bills seek to reach—industrious, thrifty, and independent tenants. I undertake to say at this point that had the Senate bill become the law of the land, and had any independent, honest, thrifty tenant thoroughly understood the provisions of the Senate bill, he never would have entered into partnership with Uncle Sam. Under the philosophy of the Senate bill, those independent Americans, many of whom in my community are leaders in public thought and social activities, would be placed under the direct control, supervision, and guidance of Uncle Sam as their landlord. This is bureaucratic control from Washington, which, in my opinion, is wholly unnecessary, and I make the prediction that if the time ever comes in America when Uncle Sam becomes landlord for a million tenants, which was the bright prospect under the Senate bill, within a short space of time, from 30 to 40 years, the next step will be for the Government to control all of the lands of the country, and land socialism will be the policy of the Government. When that last vestige of independent initiative is stripped from the farmers, then another different and strange so-called Utopia in government will replace the Government of our fathers.

In conclusion, I want to pay a tribute to the House conferees for standing by their guns, upon what seems to me to be one of the most important problems which any group of conferees was compelled to face.

Especially do I want to commend the distinguished chairman of the Committee on Agriculture for his rigidity, firmness, and fairness in acceding to the wishes of Members of the House. I think it is generally agreed that there are certain manifestations of farm tenancy dealing with the social fabric of the Nation which must be seriously considered in the future, and as an experiment in a problem where the field is broad and fertile I hope that we are in the beginning assuming the one and only justifiable course. [Applause.]

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

Mr. LUCAS. I yield.

Mr. SABATH. I fully appreciate that the gentleman has devoted a great deal of time and study to this problem and that probably few Members are better posted or better informed upon this subject than the gentleman from Illinois. Do I understand that the gentleman is willing for this conference report to be adopted because he considers the legislation to be merely an experiment and not a permanent fixed policy of the Government?

Mr. LUCAS. No; I think that in the beginning it will be an experiment, but that if it is handled properly it will become a permanent policy of the Government to benefit the farm tenants of this country.

[Here the gavel fell.]

Mr. JONES. Mr. Speaker, I yield 3 minutes to the gentleman from Georgia [Mr. PACE].

Mr. PACE. Mr. Speaker, I hesitate to take issue with the distinguished gentleman who heads the Committee on Agriculture, but I say quite frankly that if this conference report is adopted it will be the first step by Congress to put the farmers of this Nation into irons.

Did you know that there has been added to this bill a provision that every man who secures a dollar to get him a home must contract and agree "to carry out such farming practices as the Secretary of Agriculture shall prescribe"?

For 40 long years the man who borrows a dollar under this bill is under the absolute domination of the Secretary of Agriculture, whosoever he may be. It is not a question as to Mr. Wallace, the present Secretary, in whom we all have confidence; but I warn you gentlemen that you are now taking a step along a road that runs down through the years. You do not know, and I do not know who the next Secretary of Agriculture will be. I for one will never consent that he shall tell the farmers in my State how, what, when, and where they may plant and harvest their crops.

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

Mr. PACE. I do.

Mr. MICHENER. Right along the line the gentleman has suggested, the Bureau of the Census advises us that 42 percent of the farmers of the country are tenant farmers. As suggested by the gentleman from Georgia, we will by this action be giving the Secretary of Agriculture absolute control to regiment over 42 percent of the farmers in the country if this bill does what it is presumed to do.

Mr. PACE. Mr. Speaker, I appeal to the Members to read the provisions that have been added to the bill.

Mr. JONES. Mr. Speaker, I think that my good friend from Georgia is unduly excited over this provision. This will not apply to any 42 percent of the farmers. It will apply only to those who want to avail themselves of the benefits of the bill and who are given special concessions of a low interest rate not exceeding 3 percent, and a period of loan not exceeding 40 years.

It is my feeling that if we are to have a farm program—and those who went through the agonies of the period when we did not have a farm program know that the only sensible thing is to have one—if we are to have a farm program somebody must administer it. Our present farm program is based on the soundest principles, those of soil conservation. Certainly it is my thought that if we are going to have that as the basis, and if we are going to charge a low interest rate and encourage these people, those who avail themselves of the benefit of this legislation should submit to the same farming practices that are required of the others who carry out the farm program already adopted.

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

Mr. JONES. I yield.

Mr. PACE. There should not be any difference between us. The gentleman must agree that under this bill every single person who gets a dollar must agree to carry out such practices as the Secretary of Agriculture may prescribe, and that that has nothing in the world to do with general conservation but is in addition thereto.

Mr. JONES. I may state to the gentleman that certainly the administrative authority on the one will probably have the same requirements in the other, for it will be the same administrative authority in both instances. Certainly somebody has to name the conditions and we cannot do that in the bill. I would rather have the Secretary of Agriculture, who is administering the program for the other farmers, stipulate the conditions than to have it done by anyone else; and, certainly, I would not want just to permit them to have special rates with no obligation.

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

Mr. JONES. I yield.

Mr. DOXEY. I appreciate the action of the chairman in yielding to me to make an observation for the benefit of the gentleman from Georgia. I do not know whether the gentleman from Georgia ever served on a conference committee or not, but if he has he will appreciate the difficulties that face the conferees.

This provision with reference to administration is taken from the Senate bill and not the House bill. Substantially the same provision was offered in the House as an amendment to the House bill but was defeated. This and one or two minor propositions is about all we brought back from the conference. I do not believe the gentleman from Georgia means to be critical. I am sure that he is interested in the program. He must know that we had to yield somewhat to the Senate. If the bill is not entirely satisfactory, the gentleman should feel charitably toward it,

because the Senate and the House tried to work for the benefit of agriculture.

We are certain of one thing: When the Government lends money it should try to see that the man who gets the benefit will farm in the right sort of way.

Mr. HOPE. Will the gentleman yield?

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

Mr. HOPE. In view of the statement of the gentleman from Georgia, may I ask the chairman of the Agricultural Committee if he knows of any individual, corporation, or organization of any kind which would sell land to a man with nothing down and simply an option? Some supervision has to be exercised over the man while he is paying for it.

Mr. JONES. I do not know of any who would do that and I never heard of anyone like that. As a rule there are in some of the mortgages issued by private companies stipulations that would almost astonish you if you read them carefully, but they are safeguarding provisions. All the Secretary can do if any of these covenants is violated is to declare the balance due and leave the man where he started. All he can do is take away the privileges which the Government extended in the first place.

Mr. HOPE. Of course, we assume that the purchaser goes into this with his eyes open.

Mr. JONES. He does not have to take advantage of this opportunity if he does not want to.

Mr. HOPE. He does not have to accept the provision.

Mr. JONES. The Senate conferees, of course, want the Government to purchase these lands and go through a lease period and not give title to the purchaser until the end of 20 years. I hope the gentleman feels this is a much less drastic provision than that.

Mr. Speaker, I yield the gentleman from Georgia [Mr. FACE] 3 additional minutes.

Mr. PACE. Mr. Speaker, I do not want to be misunderstood. This provision has nothing to do with preventing waste. That was in the bill as we passed it, and I favor it. It has nothing to do with keeping the property insured. That is all right. It is provided by section 4, page 3, of the conference report that the Secretary of Agriculture shall prescribe rules and regulations for operating the farm, what he shall plant, how he shall plant, when he shall gather, how he shall gather, what warehouse the products shall be taken to, and provides, if you please, if you do not do every single thing that the Secretary of Agriculture tells you to do he has the right to declare your loan in default, foreclose and take your home.

I say that is important, Mr. Speaker, because today we are just beginning. If we start off with such a provision and put the tenants of this Nation in irons, we will certainly see the day when there will be millions of tenants in this Nation under such domination.

Mr. LUCAS. Will the gentleman yield?

Mr. PACE. I yield to the gentleman from Illinois.

Mr. LUCAS. Admitting what the gentleman says is correct—

Mr. PACE. There cannot be any doubt about that.

Mr. LUCAS. Does the gentleman believe any independent, thrifty, honest, frugal tenant, which this bill seeks to reach, will enter into a partnership with Uncle Sam under such circumstances?

Mr. PACE. If he will not, then the bill means nothing.

Mr. LUCAS. That ought to satisfy the gentleman from Georgia.

Mr. PACE. I want a tenant bill. I have 24,000 tenants in my district, and I want to help those poor fellows, but as this matter stands today you compel me to vote against a conference report to help the men in my district.

Mr. ZIMMERMAN. Will the gentleman yield?

Mr. PACE. I yield to the gentleman from Missouri.

Mr. ZIMMERMAN. Since the Government is putting up all the money and taking all the risk, does not the gentleman think if the tenant wants to avail himself of assistance

from the Government he should subscribe to these requirements?

Mr. PACE. I am sorry, but I cannot vote under any circumstances to make the tenants of my district subject to the whim of any man in the city of Washington.

[Here the gavel fell.]

Mr. MICHENER. Will the gentleman from Texas yield?

Mr. JONES. I yield to the gentleman from Michigan.

Mr. MICHENER. Is it not true that there has been but one bill affecting agriculture passed by the Congress within the last few years containing the regimentation that this bill does in this particular section, and I refer to the potato-control bill? This is the only bill that has been before the Congress that has contained the potato-control regulation which the country so condemned?

Mr. JONES. I do not think the gentleman would even suggest that comparison if he had taken the time to read the entire bill and compare it. This is a purely voluntary transaction. The potato bill levied a tax on all potato growers regardless of whether they entered into the program or not. As a starter in the present program the Government is going to lend 100 percent. It is going to lend that money to tenants who are selected by local committees. Several concessions are made. It is not amiss, in my opinion, for the authorities who have this matter in charge and those who will administer it to have the right to see that the land is not abused and that the security which the Government has under this program is not dissipated. The whole conference group is of the opinion this is a reasonable provision.

Mr. ZIMMERMAN. Will the gentleman yield?

Mr. JONES. I yield to the gentleman from Missouri.

Mr. ZIMMERMAN. Is it not a fact in addition to putting up all the money to buy this land, the Government even agrees to make subsistence loans to the tenant farmer?

Mr. JONES. Yes.

Mr. ZIMMERMAN. And it is no more than fair or reasonable to require him to follow certain directions of the Department?

Mr. JONES. This is not regimentation, and I do not favor regimentation.

Mr. BURDICK. Will the gentleman yield?

Mr. JONES. I yield to the gentleman from North Dakota.

Mr. BURDICK. I was interested in what the gentleman from Georgia said a while ago. He stated he has 24,000 tenants in his district. May I ask him, under the terms of this bill, how many of the tenants can be aided?

Mr. JONES. It depends upon the appropriations to be made by the Congress. If the thing is worked properly, I think this program will be more beneficial as time goes on.

Mr. BURDICK. I mean the first year.

Mr. JONES. There will be comparatively few. There is only \$10,000,000 made available the first year. However, practically all the great programs of this country started modestly. Usually when they started too ambitiously they were bogged down.

Mr. HOFFMAN. Will the gentleman yield?

Mr. JONES. I yield to the gentleman from Michigan.

Mr. HOFFMAN. The House bill is so much better than the proposal advanced in the Senate that there is no comparison. I agree with the chairman. If the Government is to lend this money, it should be protected against waste and the other things that naturally follow improper farming. However, I recall that on the last page of the application for a rehabilitation loan—and I have cited this fact here before (RECORD, p. 4199)—there was a requirement that the borrower should not do anything that was in opposition to the A. A. A. program until the money borrowed and interest thereon was paid. Under this act can the Secretary go that far?

Mr. JONES. I do not think so. There is no authorization for that, and I would very much oppose any such provision.

Mr. HOFFMAN. I should hope so.

Mr. JONES. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

A motion to reconsider was laid on the table.

MORSE DRY DOCK & REPAIR CO.—VETO MESSAGE OF THE PRESIDENT (H. DOC. NO. 293)

The SPEAKER laid before the House the following veto message of the President of the United States, which was read by the Clerk:

To the House of Representatives:

I return, without my approval, the bill H. R. 2757, entitled "An act to carry out the findings of the Court of Claims in the claim of Morse Drydock & Repair Co."

This claim is based upon an alleged unpaid balance of the charge of the Morse Drydock & Repair Co. against the United States Mail Steamship Co., Inc., for labor and materials furnished in reconditioning the steamships *George Washington*, *America*, *Princess Matoika*, *Pocohontas*, *Susquehanna*, and *Potomac*, delivered to the steamship company pursuant to a contract entered into by it with the United States Shipping Board on May 28, 1920, by the terms of which the steamship company agreed to recondition said vessels, at its own cost and expense, promptly upon the delivery of the vessels to it, and to charter them for a period of 5 years at the rate of \$3.50 per net register ton per month.

The United States Mail Steamship Co., Inc., contracted with the claimant, the Morse Drydock & Repair Co., for the work of reconditioning these six vessels. The negotiations leading up to the contracts were with the steamship company, and the claimant at all times during the work of reconditioning understood that the steamship company would pay for the work and did not look to the Shipping Board for payment.

A receiver was appointed to take over the assets of the United States Mail Steamship Co., Inc., on August 16, 1921, and said company was adjudged a bankrupt on November 14, 1921, by the United States District Court for the Southern District of New York. At the time of the appointment of a receiver the steamship company was indebted to the Shipping Board on account of accrued charter hire in the sum of \$501,552.93. A settlement agreement was entered into between the United States and the trustees in bankruptcy, by which the trustees assigned and transferred to the United States all interest in any money or accounts due the steamship company or the trustees, in consideration of which the United States withdrew its proof of claim for the amount of the accrued charter hire and paid to the trustees the sum of \$175,000. The trustees thereupon released the United States from liability for all claims against the bankrupt estate.

The approval of this bill would give the claim of the Morse Drydock & Repair Co. a preferred status, to the exclusion of other creditors.

Had it been established that the United States is morally liable for the balance due on account of the repairs to these vessels, under the charter party-agreement payment should be made to the bankrupt estate.

For this reason and the reasons set forth in the attached letter, I do not feel justified in approving this bill.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, July 12, 1937.

The SPEAKER. The objections of the President will be entered at large upon the Journal.

Mr. KENNEDY of Maryland. Mr. Speaker, I move that the message and the bill be referred to the Committee on Claims and be printed under the rule.

The motion was agreed to.

PERMISSION TO ADDRESS THE HOUSE

Mr. SNELL. Mr. Speaker, I ask unanimous consent that on Monday next, after the disposition of the business on the Speaker's table and the completion of the legislative business of the day, the gentleman from Minnesota [Mr. KNUTSON] may be permitted to address the House for 30 minutes.

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

There was no objection.

CONTROL OF OUTBREAKS OF INSECT PESTS

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent for the present consideration of the joint resolution (H. J. Res. 431) making an appropriation for the control of outbreaks of insect pests.

The Clerk read the title of the joint resolution.

Mr. SUMNERS of Texas. Mr. Speaker, reserving the right to object, may I inquire of the gentleman from Missouri if he can indicate how long it will take to dispose of the matter which he has just presented.

Mr. CANNON of Missouri. Mr. Speaker, this bill has been reported out by the unanimous vote of the committee. So far as I know there is no opposition to the measure. It is a matter of national emergency.

Mr. SUMNERS of Texas. Mr. Speaker, I withdraw my objection.

The SPEAKER. The Chair recognized the gentleman from Missouri upon his assurance that there was no opposition to the joint resolution and that it was a matter of great emergency.

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

There was no objection.

The Clerk read the joint resolution, as follows:

Resolved, etc., That for carrying out the purposes of and for expenditures authorized under the public resolution entitled "Joint resolution making funds available for the control of incipient or emergency outbreaks of insect pests or plant diseases, including grasshoppers, Mormon crickets, and chinch bugs", approved April 6, 1937, there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$1,000,000, to remain available until June 30, 1938: *Provided*, That in the discretion of the Secretary of Agriculture, no part of this appropriation shall be expended for control of grasshoppers, Mormon crickets, or chinch bugs in any State until such State has provided the organization or materials and supplies necessary for cooperation: *Provided further*, That transportation of control materials purchased under this appropriation shall be under conditions and means determined by the Secretary of Agriculture as most advantageous to the Federal Government: *Provided further*, That procurements under this appropriation may be made by open-market purchases notwithstanding the provisions of section 3709 of the Revised Statutes of the United States (U. S. C., title 41, sec. 5).

With the following committee amendment:

Page 2, line 5, after the colon, insert the following: "*Provided further*, That this appropriation shall be expended under the personal supervision and direction of the Secretary of Agriculture, who shall make a detailed report to the Secretary of the Senate and the Clerk of the House of Representatives of the several items of expenditure made hereunder."

Mr. CANNON of Missouri. Mr. Speaker, the Budget estimate for this purpose submitted last April provided for an expenditure of \$2,000,000. The Committee on Appropriations, in pursuance of its policy of holding down expenditures to a minimum, reported a bill for half the amount, which was passed by the House and became a law.

But the infestations this year have been unusually heavy. In fact, reports received through the Department of Agriculture and from Members of the House indicate that it is perhaps the heaviest for many years. As a result, the first appropriation has been exhausted, and unless further funds are available the loss of crops in many States will be serious. The loss in corn alone will amount to a national catastrophe. All corn reserves are being exhausted and importations from abroad have been required to supply barest domestic requirements. It is believed that prompt action will save corn and other crops not yet matured.

This bill appropriates the remaining million dollars recommended by the Budget. The funds are being economically administered, and practically the entire amount is being spent for materials. The States and local subdivisions are providing transportation and distribution, and Federal appropriations are applied directly without material overhead expenditures.

The time is short. Every 24 hours count, and the bill should be messaged over this afternoon. For that reason I ask for a vote on the bill and amendment without extended debate.

The committee amendment was agreed to.

SENATE

THURSDAY, JULY 15, 1937

The Chaplain, Rev. Z. Barney T. Phillips, D. D., offered the following prayer:

O merciful God and Heavenly Father, who has taught us in Thy Holy Word that Thou doest not willingly afflict or grieve the children of men: We come unto Thee at this sorrow-laden hour like ships storm-driven into port, like wanderers seeking refuge from the whelming night, asking Thee to receive us, to shelter us under Thy wing, to hide us in Thy heart.

Thou hast taken unto Thyself the soul of our beloved friend and gallant leader, for whose life we thank Thee, who knew no fear save that of wounding Thee, who never stooped to an unchivalrous deed, but always bowed in reverence before the innocence of little children because his heart was pure. Help us to imitate his virtues and at this altar of our sorrow to rededicate our lives to Thee and to the service of our beloved country. Through these halting hours of anguish deal tenderly, O compassionate Father, with the dear one, the heart companion of his life; enfold her in Thine arms of everlasting love, and by the very hush of Thy presence soothe her aching heart.

Bide with us all, dear Lord, for day is fast dying and the shadows of the night shall fall, and soon we shall no longer see each other's faces here, but be our light in darkness till Thy day shall break above us as we wait. We ask it in the name and for the sake of Him who hath brought life and immortality to light, Jesus Christ, Thy Son, our Lord. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar days Tuesday, July 13, 1937, and Wednesday, July 14, 1937, was dispensed with, and the Journal was approved.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, communicated to the Senate the resolutions of the House adopted as a tribute to the memory of Hon. Joseph T. Robinson, late a Senator from the State of Arkansas.

The message announced that the House had passed a joint resolution (H. J. Res. 431) making an appropriation for the control of outbreaks of insect pests, in which it requested the concurrence of the Senate.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

- H. R. 458. An act for the relief of Eva Markowitz;
- H. R. 730. An act for the relief of Joseph M. Clagett, Jr.;
- H. R. 1377. An act for the relief of Walter T. Karshner, Katherine Karshner, Anna M. Karshner, and Mrs. James E. McShane;
- H. R. 1945. An act for the relief of Venice La Prad;
- H. R. 2332. An act for the relief of William Sulem;
- H. R. 2562. An act for the relief of Mr. and Mrs. David Stoppel;
- H. R. 2565. An act to confer jurisdiction on the Court of Claims to hear, determine, and enter judgment upon the claims of contractors for excess costs incurred while constructing navigation dams and locks on the Mississippi River and its tributaries; and
- H. R. 3634. An act for the relief of Noah Spooner.

HOUSE JOINT RESOLUTION REFERRED

The joint resolution (H. J. Res. 431) making an appropriation for the control of outbreaks of insect pests was read twice by its title and referred to the Committee on Appropriations.

CONTROL OF INSECT PESTS

Mr. LEWIS. I ask for a roll call, in order to assure the presence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

Mr. McKELLAR. Mr. President, before the roll is called, will the Senator from Illinois yield to me?

Mr. LEWIS. Mr. President, I withdraw for the present the suggestion of the absence of a quorum.

The PRESIDENT pro tempore. The Senator from Illinois withdraws the point of no quorum.

Mr. McKELLAR. Mr. President, House Joint Resolution 431, making an appropriation for the control of outbreaks of insect pests, has just come over from the House. I am authorized by the Committee on Appropriations, and for the Senator from Virginia [Mr. Glass], to report the joint resolution favorably without amendment, and I submit a report (No. 887) thereon. I ask unanimous consent for the immediate consideration of the joint resolution.

Mr. KING. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. KING. Does that mean that, without discussion and consideration, the House joint resolution shall be approved?

Mr. McKELLAR. Yes; I hope it may mean that. The proof before the House committee shows that a great emergency exists in the West in regard to insect pests. The Senator from Colorado is especially interested in the passage of the proposed legislation; it seemed to the committee to be an emergency matter, and it is hoped that the joint resolution may be passed without delay.

Mr. McNARY. Mr. President, I do not recall the provisions of the measure.

Mr. McKELLAR. Sometime ago the Congress, in connection with what is known as the grasshopper control, authorized an appropriation of \$2,000,000, \$1,000,000 of which has been appropriated and spent. The proof before the House was so very strong that, in order to control grasshoppers and other pests in various Western States, it is absolutely necessary that the appropriation provided by the joint resolution shall be made.

The PRESIDENT pro tempore. Is there objection to the present consideration of the House joint resolution?

There being no objection, the joint resolution (H. J. Res. 431) making an appropriation for the control of outbreaks of insect pests was considered, ordered to a third reading, read the third time, and passed, as follows:

Resolved, etc., That for carrying out the purposes of and for expenditures authorized under the public resolution entitled "Joint resolution making funds available for the control of incipient or emergency outbreaks of insect pests or plant diseases, including grasshoppers, Mormon crickets, and chinch bugs", approved April 6, 1937, there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$1,000,000, to remain available until June 30, 1938: *Provided*, That in the discretion of the Secretary of Agriculture, no part of this appropriation shall be expended for control of grasshoppers, Mormon crickets, or chinch bugs in any State until such State has provided the organization or materials and supplies necessary for cooperation: *Provided further*, That this appropriation shall be expended under the personal supervision and direction of the Secretary of Agriculture, who shall make a detailed report to the Secretary of the Senate and the Clerk of the House of Representatives of the several items of expenditure made hereunder: *Provided further*, That transportation of control materials purchased under this appropriation shall be under conditions and means determined by the Secretary of Agriculture as most advantageous to the Federal Government: *Provided further*, That procurements under this appropriation may be made by open-market purchases notwithstanding the provisions of section 3709 of the Revised Statutes of the United States (U. S. C., title 41, sec. 5).

Mr. McKELLAR. Mr. President, I ask unanimous consent that the joint resolution may be signed by the Presiding Officer while the Senate is in recess or adjournment following today's session.

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

FARMERS HOME CORPORATION—CONFERENCE REPORT

Mr. BANKHEAD. Mr. President, for certain reasons, I am anxious to have final action taken on the conference report on House bill 7562, being the farm tenancy bill, so-called. I submit the conference report, and ask unanimous consent for its immediate consideration. If it leads to any debate, I will withdraw the request.

The PRESIDENT pro tempore. The report will be read.

The Chief Clerk read the report, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 7562) to encourage and promote the ownership of farm homes and to make the possession of such homes more secure, to provide for the general welfare of the United States, to provide additional credit facilities for agricultural development, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"That this Act may be cited as 'The Bankhead-Jones Farm Tenant Act'.

**"TITLE I—FARM TENANT PROVISIONS
"POWER OF SECRETARY**

"SECTION 1. (a) The Secretary of Agriculture (hereinafter referred to as the 'Secretary') is authorized to make loans in the United States and in the Territories of Alaska and Hawaii and in Puerto Rico to persons eligible to receive the benefits of this title to enable such persons to acquire farms.

"(b) Only farm tenants, farm laborers, sharecroppers, and other individuals who obtain, or who recently obtained, the major portion of their income from farming operations shall be eligible to receive the benefits of this title. In making available the benefits of this title, the Secretary shall give preference to persons who are married, or who have dependent families, or, wherever practicable, to persons who are able to make an initial down payment, or who are owners of livestock and farm implements necessary successfully to carry on farming operations. No person shall be eligible who is not a citizen of the United States.

"(c) No loan shall be made for the acquisition of any farm unless it is of such size as the Secretary determines to be sufficient to constitute an efficient farm-management unit and to enable a diligent farm family to carry on successful farming of a type which the Secretary deems can be successfully carried on in the locality in which the farm is situated.

"COUNTY COMMITTEES AND LOANS

"Sec. 2. (a) The County Committee established under section 42 shall—

"(1) Examine applications (filed with the county agent in the county, or with such other person as the Secretary may designate) of persons desiring to finance the acquisition of farms in the county by means of a loan from the Secretary under this title.

"(2) Examine and appraise farms in the county with respect to which an application for a loan is made.

"(b) If the committee finds that an applicant is eligible to receive the benefits of this title, that by reason of his character, ability, and experience he is likely successfully to carry out undertakings required of him under a loan which may be made under this title, and that the farm with respect to which the application is made is of such character that there is a reasonable likelihood that the making of a loan with respect thereto will carry out the purposes of this title, it shall so certify to the Secretary. The committee shall also certify to the Secretary the amount which the committee finds is the reasonable value of the farm.

"(c) No certification under this section shall be made with respect to any farm in which any member of the committee or any person related to such member within the third degree of consanguinity or affinity has any property interest, direct or indirect, or in which they or either of them have had such interest within one year prior to the date of certification.

"(d) No loan shall be made to any person or with respect to any farm unless certification as required under this section has been made with respect to such person and such farm by the committee.

"TERMS OF LOANS

"Sec. 3. (a) Loans made under this title shall be in such amount (not in excess of the amount certified by the County Committee to be the value of the farm) as may be necessary to enable the borrower to acquire the farm and for necessary repairs and improvements thereon, and shall be secured by a first mortgage or deed of trust on the farm.

"(b) The instruments under which the loan is made and security given therefor shall—

"(1) Provide for the repayment of the loan within an agreed period of not more than forty years from the making of the loan.

"(2) Provide for the payment of interest on the unpaid balance of the loan at the rate of 3 per centum per annum.

"(3) Provide for the repayment of the unpaid balance of the loan, together with interest thereon, in installments in accordance with amortization schedules prescribed by the Secretary.

"(4) Be in such form and contain such covenants as the Secretary shall prescribe to secure the payment of the unpaid balance of the loan, together with interest thereon, to protect the security, and to assure that the farm will be maintained in repair, and waste and exhaustion of the farm prevented, and that such proper farming practices as the Secretary shall prescribe will be carried out.

"(5) Provide that the borrower shall pay taxes and assessments on the farm to the proper taxing authorities, and insure and pay for insurance on farm buildings.

"(6) Provide that upon the borrower's assigning, selling, or otherwise transferring the farm, or any interest therein, without the consent of the Secretary, or upon default in the performance of, or upon any failure to comply with, any covenant or condi-

tion contained in such instruments, or upon involuntary transfer or sale, the Secretary may declare the amount unpaid immediately due and payable, and that, without the consent of the Secretary, no final payment shall be accepted, or release of the Secretary's interest be made, less than five years after the making of the loan.

"(c) Except as provided in paragraph (6) of subsection (b), no instrument provided for in this section shall prohibit the prepayment of any sum due under it.

"(d) No provision of section 75, as amended, of the Act entitled 'An Act to establish a uniform system of bankruptcy throughout the United States', approved July 1, 1898 (U. S. C., 1934 ed., title 11, sec. 203; Supp. II, title 11, sec. 203), otherwise applicable in respect of any indebtedness incurred under this title by any beneficiary thereof, shall be applicable in respect of such indebtedness until such beneficiary has repaid at least 15 per centum thereof.

"EQUITABLE DISTRIBUTION OF LOANS

"Sec. 4. In making loans under this title, the amount which is devoted to such purpose during any fiscal year shall be distributed equitably among the several States and Territories on the basis of farm population and the prevalence of tenancy, as determined by the Secretary.

"AVOIDANCE OF PRODUCTION EXPANSION

"Sec. 5. In carrying out this title, the Secretary shall give due consideration to the desirability of avoiding the expansion of production for market of basic commodities where such expansion would defeat the policy of Congress as set forth in section 7 (a) (5) of the Soil Conservation and Domestic Allotment Act, as amended, and shall, so far as practicable, assist beneficiaries of the program under this title to become established upon lands now in cultivation.

"APPROPRIATION

"Sec. 6. To carry out the provisions of this title, there is authorized to be appropriated not to exceed \$10,000,000 for the fiscal year ending June 30, 1938, not to exceed \$25,000,000 for the fiscal year ending June 30, 1939, and not to exceed \$50,000,000 for each fiscal year thereafter. Not more than 5 per centum of the sums appropriated for any fiscal year in pursuance of this section shall be available for administrative expenses in carrying out this title during such fiscal year.

"TITLE II—REHABILITATION LOANS

"BORROWERS AND TERMS

"SECTION 21. (a) Out of the funds made available under section 23, the Secretary shall have power to make loans to eligible individuals for the purchase of livestock, farm equipment, supplies, and for other farm needs (including minor improvements and minor repairs to real property), and for the refinancing of indebtedness, and for family subsistence.

"(b) Loans made under this section shall bear interest at a rate not in excess of 3 per centum per annum, and shall have maturities not in excess of five years, and may be renewed. Such loans shall be payable in such installments as the Secretary may provide in the loan agreement. All loans made under this title shall be secured by a chattel mortgage, a lien on crops, and an assignment of proceeds from the sale of agricultural products, or by any one or more of the foregoing.

"(c) Only farm owners, farm tenants, farm laborers, sharecroppers, and other individuals who obtain, or who recently obtained, the major portion of their income from farming operations, and who cannot obtain credit on reasonable terms from any federally incorporated lending institution, shall be eligible for loans under this section.

"DEBT ADJUSTMENT

"Sec. 22. The Secretary shall have power to assist in the voluntary adjustment of indebtedness between farm debtors and their creditors and may cooperate with and pay the whole or part of the expenses of State, Territorial, and local agencies and committees engaged in such debt adjustment. He is also authorized to continue and carry out undertakings with respect to farm debt adjustment uncompleted at the time when appropriations for the purpose of this section are first available. Services furnished by the Secretary under this section shall be without charge to the debtor or creditor.

"APPROPRIATION

"Sec. 23. (a) For the fiscal year ending June 30, 1938, the balances of funds available to the Secretary for loans and relief to farmers, pursuant to Executive Order Numbered 7530 of December 31, 1936, as amended by Executive Order Numbered 7557 of February 19, 1937, which are unexpended on June 30, 1937, are authorized to be appropriated to carry out the provisions of this title.

"(b) The President is authorized to allot to the Secretary, out of appropriations made for relief or work relief for any fiscal year ending prior to July 1, 1939, such sums as he determines to be necessary to carry out the provisions of this title and to enable the Secretary to carry out such other forms of rehabilitation of individuals eligible under this title to receive loans as may be authorized by law and designated in the Executive order directing the allotment.

"TITLE III—RETIREMENT OF SUBMARGINAL LANDS

"PROGRAM

"SECTION 31. The Secretary is authorized and directed to develop a program of land conservation and land utilization, including retirement of lands which are submarginal or not primarily suitable for cultivation, in order thereby to correct maladjustments in land use, and thus assist in controlling soil erosion, reforestation,

preserving natural resources, mitigating floods, preventing impairment of dams and reservoirs, conserving surface and subsurface moisture, protecting the watersheds of navigable streams, and protecting the public lands, health, safety, and welfare.

"POWERS UNDER LAND PROGRAM

"Sec. 32. To effectuate the program provided for in section 31, the Secretary is authorized—

"(a) To acquire by purchase, gift, or device, or by transfer from any agency of the United States or from any State, Territory, or political subdivision, submarginal land and land not primarily suitable for cultivation, and interests in and options on such land. Such property may be acquired subject to any reservations, outstanding estates, interests, easements, or other encumbrances which the Secretary determines will not interfere with the utilization of such property for the purposes of this title.

"(b) To protect, improve, develop, and administer any property so acquired and to construct such structures thereon as may be necessary to adapt it to its most beneficial use.

"(c) To sell, exchange, lease, or otherwise dispose of, with or without a consideration, any property so acquired, under such terms and conditions as he deems will best accomplish the purposes of this title, but any sale, exchange, or grant shall be made only to public authorities and agencies and only on condition that the property is used for public purposes. The Secretary may recommend to the President other Federal, State, or Territorial agencies to administer such property, together with the conditions of use and administration which will best serve the purposes of a land-conservation and land-utilization program, and the President is authorized to transfer such property to such agencies.

"(d) With respect to any land, or any interest therein, acquired by, or transferred to, the Secretary for the purposes of this title, to make dedications or grants, in his discretion, for any public purpose, and to grant licenses and easements upon such terms as he deems reasonable.

"(e) To cooperate with Federal, State, Territorial, and other public agencies in developing plans for a program of land conservation and land utilization, to conduct surveys and investigations relating to conditions and factors affecting, and the methods of accomplishing most effectively, the purposes of this title, and to disseminate information concerning these activities.

"(f) To make such rules and regulations as he deems necessary to prevent trespasses and otherwise regulate the use and occupancy of property acquired by, or transferred to, the Secretary for the purposes of this title, in order to conserve and utilize it or advance the purposes of this title. Any violation of such rules and regulations shall be punished as prescribed in section 5388 of the Revised Statutes, as amended (U. S. C., 1934 ed., title 18, sec. 104).

"PAYMENTS TO COUNTIES

"Sec. 33. As soon as practicable after the end of each calendar year, the Secretary shall pay to the county in which any land is held by the Secretary under this title, 25 per centum of the net revenues received by the Secretary from the use of the land during such year. In case the land is situated in more than one county, the amount to be paid shall be divided equitably among the respective counties. Payments to counties under this section shall be made on the condition that they are used for school or road purposes, or both. This section shall not be construed to apply to amounts received from the sale of land.

"APPROPRIATION

"Sec. 34. To carry out the provisions of this title, there is authorized to be appropriated not to exceed \$10,000,000 for the fiscal year ending June 30, 1938, and not exceed \$20,000,000 for each of the two fiscal years thereafter.

"TITLE IV—GENERAL PROVISIONS

"FARMERS' HOME CORPORATION

"SECTION 40. (a) There is hereby created as an agency, of and within the Department of Agriculture, a body corporate with the name 'Farmers' Home Corporation' (in this Act called the Corporation). The principal office of the Corporation shall be located in the District of Columbia, but there may be established agencies or branch offices elsewhere in the United States under rules and regulations prescribed by the Board of Directors.

"(b) The Secretary shall have power to delegate to the Corporation such powers and duties conferred upon him under title I or title II, or both, and such powers under title IV as relate to the exercise of the powers and duties so delegated, as he deems may be necessary to the efficient carrying out of the purposes of such titles and may be executed by the Corporation, and to transfer to the Corporation such funds available for such purposes as he deems necessary. In connection with and in the exercise of such powers and duties so delegated, all provisions of this Act relating to the powers and duties of, and limitations upon, the Secretary shall apply to the Corporation in the same manner as to the Secretary, and the term 'Secretary' shall be construed to include 'Corporation.'

"(c) The Corporation shall have a nominal capital stock in an amount determined and subscribed for by the Secretary. Receipts for payments for or on account of such stock shall be issued by the Corporation to the Secretary and shall be evidence of the stock ownership of the United States.

"(d) The management of the Corporation shall be vested in a board of directors (in this Act called the Board) subject to the general supervision of the Secretary. The Board shall consist of three persons employed in the Department of Agriculture who shall be designated by the Secretary. Vacancies in the Board, so

long as there are two members in office, shall not impair the powers of the Board to execute its functions and two of the members in office shall constitute a quorum for the transaction of business. The directors, appointed as hereinbefore provided, shall receive no additional compensation for their services as such directors but may be allowed travel and subsistence expenses when engaged in business of the Corporation outside of the District of Columbia.

"(e) The Board may select, subject to the approval of the Secretary, an administrator, who shall be the executive officer of the Corporation, with such power and authority as may be conferred upon him by the Board.

"(f) The Corporation—

"(1) Shall have succession in its corporate name;

"(2) May adopt, alter, and use a corporate seal, which shall be judicially noticed;

"(3) May sue and be sued in its corporate name in any court of competent jurisdiction, State or Federal: *Provided*, That the prosecution and defense of all litigation to which the Corporation may be a party shall be conducted under the supervision of the Attorney General, and the Corporation shall be represented by the United States Attorneys for the districts, respectively, in which such litigation may arise, or by such other attorney or attorneys as may, under the law, be designated by the Attorney General: *And provided further*, That no attachment, injunction, garnishment, or other similar process, mesne or final, shall be issued against the Corporation or its property;

"(4) May adopt, amend, and repeal bylaws, rules, and regulations governing the manner in which its business may be conducted and the powers vested in it may be exercised and enjoyed;

"(5) Shall be entitled to the free use of the United States mails in the same manner as other executive agencies of the Government;

"(6) Shall have such powers as may be necessary or appropriate for the exercise of the powers vested in the Corporation (including, but subject to the limitations of this Act, the power to make contracts, and to purchase or lease, and to hold or dispose of, such real and personal property as it deems necessary) and all such incidental powers as are customary in corporations generally. The Board shall define the authority and duties of the officers and employees of the Corporation, delegate to them such of the powers vested in the Corporation as it may determine, and require bonds of such of them as it may designate and fix the penalties and pay the premiums of such bonds.

"(g) Insofar as applicable, the benefits of the Act entitled 'An Act to provide compensation for employees of the United States suffering injuries while in the performance of their duties, and for other purposes', approved September 7, 1916, as amended, shall extend to employees of the Corporation.

"(h) All money of the Corporation not otherwise employed may be deposited with the Treasurer of the United States or in any bank approved by the Secretary of the Treasury, subject to withdrawal by the Corporation at any time, or with the approval of the Secretary of the Treasury may be invested in obligations of the United States. Subject to the approval of the Secretary of the Treasury, the Federal Reserve banks are hereby authorized and directed to act as depositories, custodians, and fiscal agents for the Corporation in the performance of its powers.

"(i) The Corporation, including its franchises, its capital, reserves, and surplus and its income and property shall, except as otherwise provided in section 50 (a), be exempt from all taxation now or hereafter imposed by the United States or any State, Territory, District, dependency, or political subdivision.

"(j) The Corporation shall at all times maintain complete and accurate books of account and shall file annually with the Secretary a complete report as to the business of the Corporation.

"ADMINISTRATIVE POWERS OF SECRETARY AND CORPORATION

"Sec. 41. For the purposes of this Act, the Secretary shall have power to—

"(a) Appoint (without regard to the civil-service laws and regulations) and fix the compensation of such officers and employees as may be necessary. No person (except as to positions requiring technical training and experience for which no one possessing the requisite technical training and experience is available within the area) shall be appointed or transferred under this Act to any position in an office in a State or Territory the operations of which are confined to such State or Territory or a portion thereof, or in a regional office outside the District of Columbia the operations of which extend to more than one, or portions of more than one, State or Territory, unless such person has been an actual and bona-fide resident of the State or Territory, or region, as the case may be, in which such office is located, for a period of not less than one year next preceding the appointment or transfer to such position (disregarding periods of residence outside such State or Territory, or region, as the case may be, while in the Federal Government service). If the operations of the office are confined to a portion of a single State or Territory, the Secretary in making appointments or transfers to such office shall, except in the classes of cases exempted from the preceding sentence, appoint or transfer only persons who are residents of such portion of the State or Territory: *Provided*, That hereafter, wherever practicable, all appointments of persons to the Federal service for employment within the District of Columbia, under the provisions of this Act, whether such appointments be within the classified civil service or otherwise, shall be apportioned among the several States and the District of Columbia upon the basis of population as ascertained at the last preceding census.

"(b) Accept and utilize voluntary and uncompensated services, and, with the consent of the agency concerned, utilize the officers, employees, equipments, and information of any agency of the Federal Government, or of any State, Territory, or political subdivision.

"(c) Within the limits of appropriations made therefor, make necessary expenditures for personal services and rent at the seat of government and elsewhere; contract stenographic reporting services; purchase and exchange of supplies and equipment, law books, books of reference, directories, periodicals, newspapers, and paper supplies; travel and subsistence expenses, including the expense of attendance at meetings and conferences; purchase, operation, and maintenance, at the seat of government and elsewhere, of motor-propelled passenger-carrying and other vehicles; printing and binding; and for such other facilities and services as he may from time to time find necessary for the proper administration of this Act.

"(d) Make contracts for services and purchases of supplies without regard to the provisions of section 3709 of the Revised Statutes (U. S. C., 1934 ed., title 41, sec. 5) when the aggregate amount involved is less than \$300.

"(e) Make payments prior to audit and settlement by the General Accounting Office.

"(f) Acquire land and interests therein without regard to section 353 of the Revised Statutes, as amended. This subsection shall not apply with respect to the acquisition of land or interests in land under title III.

"(g) Compromise claims and obligations arising under, and adjust and modify the terms of mortgages, leases, contracts, and agreements entered into pursuant to, this Act, as circumstances may require.

"(h) Collect all claims and obligations arising under this Act, or under any mortgage, lease, contract, or agreement entered into pursuant to this Act, and, if in his judgment necessary and advisable, to pursue the same to final collection in any court having jurisdiction: *Provided*, That the prosecution and defense of all litigation under this Act shall be conducted under the supervision of the Attorney General, and the legal representation shall be by the United States Attorneys for the districts, respectively, in which such litigation may arise, or by such other attorney or attorneys as may, under the law, be designated by the Attorney General.

"(i) Make such rules and regulations as he deems necessary to carry out this Act.

"COUNTY COMMITTEE

"Sec. 42. (a) The Secretary is authorized and directed to appoint in each county in which activities are carried on under title I a county committee composed of three farmers residing in the county.

"(b) Each member of the committee shall be allowed compensation at the rate of \$3 per day while engaged in the performance of duties under this Act but such compensation shall not be allowed with respect to more than five days in a month. In addition, they shall be allowed such amounts as the Secretary may prescribe for necessary traveling and subsistence expenses.

"(c) The committee shall meet on the call of the county agent in the county, or on the call of such other person as the Secretary may designate. Two members of the committee shall constitute a quorum. The Secretary shall prescribe rules governing the procedure of the committees, furnish forms and equipment necessary for the performance of their duties, and authorize and provide for the compensation of such clerical assistants as he deems may be required by any committee.

"(a) Committees established under this Act shall, in addition to the duties specifically imposed under this Act, perform such other duties under this Act as the Secretary may require of them.

"RESETTLEMENT PROJECTS

"Sec. 43. The Secretary is authorized to continue to perform such of the functions vested in him pursuant to Executive Order Numbered 7530 of December 31, 1936, as amended by Executive Order Numbered 7557 of February 19, 1937, and pursuant to Public Act Numbered 845, approved June 29, 1933 (49 Stat. 2035), as shall be necessary only for the completion and administration of those resettlement projects, rural rehabilitation projects for resettlement purposes, and land development and land utilization projects, for which funds have been allotted by the President, and the balances of funds available to the Secretary for said purposes which are unexpended on June 30, 1937, are authorized to be appropriated to carry out said purposes: *Provided*, That any land held by the United States under the supervision of the Secretary pursuant to said Executive orders may where suitable be utilized for the purposes of title I of this act, and the Secretary may sell said land and make loans for the necessary improvement thereof to such individuals and upon such terms as shall be in accordance with the provisions of said title.

"GENERAL PROVISIONS APPLICABLE TO SALE

"Sec. 44. The sale or other disposition of any real property acquired by the Secretary pursuant to the provisions of this Act, or any interest therein, shall be subject to the reservation by the Secretary on behalf of the United States of not less than an undivided three-fourths of the interest of the United States in all coal, oil, gas, and other minerals in or under such property.

"TRANSFER OF AVAILABLE LANDS

"Sec. 45. The President may at any time in his discretion transfer to the Secretary or the Corporation any right, interest, or title held by the United States, and under the supervision of the Secretary in any land which the President shall find suitable for the purposes of this Act, and the Secretary or the Corporation, as

the case may be, may use and dispose of such land in such manner, and subject to such terms and conditions, as the President determines will best carry out the objectives of this Act.

"TRANSACTIONS WITH CORPORATIONS

"Sec. 46. Nothing in this Act shall be construed to authorize the making of any loan, or the sale or other disposition of real property or any interest therein, to any private corporation, for farming purposes.

"SURVEYS AND RESEARCH

"Sec. 47. The Secretary is authorized to conduct surveys, investigations, and research relating to the conditions and factors affecting, and the methods of accomplishing most effectively, the purposes of this Act, and may publish and disseminate information pertinent to the various aspects of his activities.

"VARIABLE PAYMENTS

"Sec. 48. The Secretary may provide for the payment of any obligation or indebtedness to him under this Act under a system of variable payments under which a surplus above the required payment will be collected in periods of above-normal production or prices and employed to reduce payments below the required payment in periods of subnormal production or prices.

"SET-OFF

"Sec. 49. No set-off shall be made against any payment to be made by the Secretary to any person under the provisions of this Act, by reason of any indebtedness of such person to the United States, and no debt due to the Secretary under the provisions of this Act shall be set off against any payments owing by the United States, unless the Secretary shall find that such set-off will not adversely affect the objectives of this Act.

"TAXATION

"Sec. 50. (a) All property which is being utilized to carry out the purposes of title I or title II of this Act (other than property used solely for administrative purposes) shall, notwithstanding that legal title to such property remains in the Secretary or the Corporation, be subject to taxation by the State, Territory, District, dependency, and political subdivision concerned, in the same manner and to the same extent as other similar property is taxed.

"(b) All property to which subsection (a) of this section is inapplicable which is held by the Secretary or the Corporation pursuant to this Act shall be exempt from all taxation now or hereafter imposed by the United States or any State, Territory, District, dependency, or political subdivision, but nothing in this subsection shall be construed as affecting the authority or duty of the Secretary under any other law to make payments in respect of any such property in lieu of taxes.

"BID AT FORECLOSURE

"Sec. 51. The Secretary is authorized and empowered to bid for and purchase at any foreclosure or other sale, or otherwise to acquire property pledged or mortgaged to secure any loan or other indebtedness owing under this Act; to accept title to any property so purchased or acquired; to operate or lease such property for such period as may be deemed necessary or advisable to protect the investment therein; and to sell or otherwise dispose of such property so purchased or acquired upon such terms and for such considerations as the Secretary shall determine to be reasonable, but subject to the reservation of the rights provided for in section 44.

"PENALTIES

"Sec. 52. (a) Whoever makes any material representation, knowing it to be false, for the purpose of influencing in any way the action of the Corporation upon any application, advance, discount, purchase, or repurchase agreement, contract of sale, lease, or loan, or any change or extension of any of the same by renewal, deferment of action or otherwise, or the acceptance, release, or substitution of security therefor, shall be punished by a fine of not more than \$5,000 or by imprisonment for not more than two years, or both.

"(b) Whoever, being connected in any capacity with the Corporation, (1) embezzles, abstracts, purloins, or willfully misapplies any moneys, funds, securities, or other things of value, whether belonging to the Corporation or pledged or otherwise entrusted to it; or (2) with intent to defraud the Corporation, or any other body politic or corporate, or any individual, or to deceive, any officer, auditor, or examiner of the Corporation, makes any false entry in any book, report, or statement of, or to, the Corporation or draws any order, or issues, puts forth, or assigns any note or other obligation or draft, mortgage, judgment, or decree thereof; or (3) with intent to defraud the Corporation, participates or shares in or receives directly or indirectly any money, profit, property, or benefits through any transaction, loan, commission contract, or any other act of the Corporation, shall be punished by a fine of not more than \$10,000 or by imprisonment for not more than five years, or both.

"(c) Whoever willfully shall conceal, remove, dispose of, or convert to his own use or to that of another, any property mortgaged or pledged to, or held by, the Corporation, as security for any obligation, shall be punished by a fine of not more than \$5,000 or by imprisonment for not more than two years, or both.

"(d) The provisions of sections 112, 113, 114, 115, 116, and 117 of the Criminal Code of the United States (U. S. C., title 18, secs. 202-207, inclusive), insofar as applicable, are extended to apply to contracts or agreements of the Corporation, which for the purposes hereof shall be held to include advances, loans, discounts, purchase

and repurchase agreements, contracts of sale, and leases; extensions and renewals thereof; and acceptances, releases, and substitutions of security therefor.

"(c) Whoever conspires with another to accomplish any of the acts made unlawful by the preceding provisions of this section shall, on conviction thereof, be subject to the same fine or imprisonment, or both, as is applicable in the case of conviction for doing such unlawful act.

"FEES AND COMMISSIONS PROHIBITED

"Sec. 53. No Federal officer, attorney, or employee shall, directly or indirectly, be the beneficiary of or receive any fee, commission, gift, or other consideration for or in connection with any transaction or business under this Act other than such salary, fee, or other compensation as he may receive as such officer, attorney, or employee. No member of a county committee established under section 42 shall knowingly make or join in making any certification prohibited by section 2 (c). Any person violating any provision of this section shall, upon conviction thereof, be punished by a fine of not more than \$1,000 or imprisoned for not more than one year, or both.

"EXTENSION OF TERRITORIES

"Sec. 54. The provisions of this Act shall extend to the Territories of Alaska and Hawaii and to Puerto Rico. In the case of Alaska and Puerto Rico the term "county" as used in this Act shall be deemed synonymous with the Territory, or any subdivision thereof as may be designated by the Secretary, and payments under section 33 of this Act shall be made to the Governor of the Territory or to the fiscal agent of such subdivision.

"SEPARABILITY

"Sec. 55. If any provision of this Act, or the application thereof to any person or circumstances, is held invalid, the remainder of the Act, and the application of such provisions to other persons or circumstances, shall not be affected thereby."

That the House recede from its disagreement to the amendment to the title of the bill.

J. H. BANKHEAD,
J. P. POPE,
LYNN J. FRAZIER,
Managers on the part of the Senate.
MARVIN JONES,
WALL DOXEY,
CLIFFORD R. HOPE,
Managers on the part of the House.

The PRESIDENT pro tempore. Is there objection to the consideration of the conference report?

Mr. McNARY. Mr. President, it was rather understood that general legislation would not be considered today. I have no objection to proceeding to the consideration of the conference report if it will not lead to debate.

Mr. BANKHEAD. I will say to the Senator that if it leads to debate, I will promptly withdraw it.

Mr. McNARY. I reserve the right to object later if it should lead to debate.

Mr. BARKLEY. Mr. President, if the Senator from Alabama will yield to me, I should like to make a general statement.

Mr. BANKHEAD. I yield.

Mr. BARKLEY. It was my understanding and the feeling of us all that there would be no legislative business transacted today or tomorrow or at any time until after the funeral of our late beloved colleague. The Senator from Alabama has illness in his family and desires to go home. With the understanding that the conference report will lead to no discussion, and that there will be no objection to its consideration, I shall not object; but I should like to have it understood that my statement applies to any matter which may be brought before the Senate.

Mr. McNARY. I made such a reservation. So I think we might go forward.

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

The report was agreed to.

CHARLES CARROLL OF CARROLLTON BICENTENARY COMMISSION

Mr. TYDINGS. Mr. President, it is with great reluctance that I ask unanimous consent for the present consideration of Calendar No. 908, being Senate Joint Resolution 171, dealing with the Charles Carroll of Carrollton Bicentenary Commission. The joint resolution does not propose new legislation. An appropriation has been made and a commission has been created, but, due to the fact that some portraits have to come from Italy to Baltimore for exhibition there, and as the time limit is very short, the Commission is held up in the most important part of its work. I ask unanimous

consent that the joint resolution may be considered at this time.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the joint resolution (S. J. Res. 171) relating to the employment of personnel and expenditures made by the Charles Carroll of Carrollton Bicentenary Commission was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved, etc., That for the purpose of carrying out its functions under the joint resolution of June 15, 1936, the Charles Carroll of Carrollton Bicentenary Commission, or the chairman acting for the Commission, is authorized to fix the compensation of such officers and employees as may be necessary without regard to the provisions of other laws applicable to the employment and compensation of officers and employees of the United States, and to determine its necessary expenditures and the manner in which they shall be incurred, allowed, and paid, without regard to the provisions of any other laws governing the expenditure of public funds; and be it further

Resolved, That the Commission be authorized to borrow the services of employees from other Government agencies.

**APPROPRIATIONS FOR CIVIL FUNCTIONS OF WAR DEPARTMENT—
CONFERENCE REPORT**

Mr. COPELAND. Mr. President, I desire to ask unanimous consent for the immediate consideration of the conference report on the bill making appropriations for certain non-military activities of the War Department. May I do that now? I may say that there is no disagreement between the House and the Senate as to any provision except one, and that has to do with amendment no. 15. That amendment relates to the pay of five retired officers of the Regular Army assigned to active duty at the United States Soldiers' Home. The question was submitted to the House, and the House disagreed to this amendment. I have talked with the chairman of the House committee, who says there is no use whatever in making any further attempt to obtain favorable action on that side. I think that is true, because, as a matter of fact, it was a controversial question in the committee.

Mr. KING. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. KING. Is it pertinent to the proposed legislation to have included in it a provision for the salaries or increase of compensation of the officers referred to? Is that germane to the main purposes of the bill?

Mr. COPELAND. Yes; because the bill makes appropriations for certain civil functions administered by the War Department, and among such functions is the operation of the United States Soldiers' Home. It seems that five retired officers of the Army are on duty there. They get their retired pay. They have quarters and subsistence. But at the same time personally I feel, and I think it is the feeling of all members of the Senate committee, that these men are on active duty, performing active service, and ought to be paid accordingly. Of course, they have certain emoluments and certain privileges which they get, perhaps, in some degree, because of this service. The matter was discussed at some length in the conference committee. There was disagreement there. When the matter went to the House, the House Members, with only three exceptions, voted against it.

Mr. WALSH. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. WALSH. The regular order of business now before the Senate is the presentation of petitions and memorials. Many of us have bills to introduce and reports to make. May I suggest that the Senator wait until morning business shall have been disposed of?

Mr. COPELAND. I shall be very glad to do that. I shall wait and take up the matter again after morning business shall have been concluded.

COMMERCIAL AIRPORT FOR THE DISTRICT OF COLUMBIA

The PRESIDENT pro tempore laid before the Senate a letter from the chairman of the District of Columbia Airport Commission (Hon. WILLIAM H. KING, senior Senator from Utah), submitting, pursuant to law, the report of the Commission concerning potential sites for commercial airports in and the establishment of a commercial airport for the District of Columbia, which was ordered to lie on the table.