THE CONGRESSIONAL FRONT
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16th District

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"The New Farm Bill"

HISTORY. During the special session of Congress which convened on November 15th, 1937, both House and Senate enacted general farm bills. The measures were substantially different. The two bills were then referred to a Conference Committee consisting of five Representatives, and seven Senators to iron out the differences. This Committee labored until February 5, 1938, and then reported agreement on a compromise bill embodying some of the provisions of both previous bills. It was submitted to the House on February 8th and passed by a vote of 264 to 135.

SIZE. The new bill covers 121 pages. Much has been said about the length of the bill and its complicated language. Much of this language however deals with administrative details.

GENERAL PHILOSOPHY. It has been called a bill to regiment the farmer. This is only true to a limited extent. The bill places no restriction on how much a farmer may produce or what commodities he might produce. The sky is the limit. The restrictions in the bill are imposed on how much the farmer might market. In other words it is a marketing control bill, to be administered by means of marketing quotas for corn, cotton, wheat, rice, and tobacco.

MARKETING FORMULA. In a general way, whenever the Secretary of Agriculture finds after investigation that the carryover plus the estimated production in a marketing year of any of the above named basic commodities will exceed our normal domestic requirements plus our export needs plus 7% for a carry over by more than 10%, he shall proclaim that fact by August 15th and then announce that marketing quotas will go into effect. In the case of corn, such carry over plus estimated production would have to be about 2,600,000,000 bushels.

REFERENDUM. Within 20 days after the Secretary proclaims a marketing quota for the next crop year, he must submit the matter to the farmers for a vote. The vote shall be taken by a secret ballot. If one third of the farmers voting should oppose the marketing quota, the quota cannot go into effect.

MARKETING QUOTA. How much a farmer would be allowed to market is determined as follows: The Secretary of Agriculture shall determine on the basis of yield for the last ten years how many acres would be needed to produce a supply of corn or other commodites that would take care of our domestic and export needs plus 10% of our domestic and export needs. This 10% provides for an ever normal granary. He shall also determine the normal supply by determining what our exports plus domestic consumption plus a 7% carry over would require by way of acreage. Divide the second acreage by the first and you obtain a fraction which when converted into percentage is called the "marketing percentage." On the basis of average yields for a ten-year period, each farmer is then given an acreage allotment which is equal to his ten-year average times the "marketing percentage." If he does not seed more than this acreage in corn, he can market all that he produces. If he exceeds his acreage allotment, he must put the excess in storage. Adjustments are made for silage, for drouth, abnormal conditions, etc.

ADMINISTRATIVE. After the national acreage allotment for corn or any other basic commodity has been determined, it is parcelled out among states, counties and farmers on the basis of the ten-year average of production. In counties and smaller units, the administrative work shall be done by county committees elected by the farmers who participate in the program.

BENEFITS. The bill is in reality an amendment to the present Soil Conservation and Domestic Allotment Act and provides three kinds of benefits, namely (1) Soil conservation payments (2) or parity payments (3) and loans.

LOANS. Loans shall be made under two conditions. First, if the estimated production as of November 1st will be greater than our normal consumption plus our exports. Secondly, if the farm price is below the parity price. Loans on corn will range from 52% of parity to 75% of parity.

PENALTIES. A farmer who sells more than his marketing quota permits would pay a penalty of 15¢ per bushel on the excess bushels sold.

GENERAL ITEMS. Benefit payments are limited to $10,000. In the case of landlord and tenant, the benefit payments are divided among them on the basis of their interests. The Secretary of Agriculture is empowered to complain to the Interstate Commerce Commission and seek adjustments on freight rates on farm commodities. Four million dollars is set aside to establish four laboratories to experiment in and find new uses for farm products.