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LIVESTOCK UNDER THE AAA

LIVESTOCK
UNDER THE AAA

BY

D. A. FITZGERALD

WASHINGTON, D. C.
THE BROOKINGS INSTITUTION

1935

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DIRECTOR'S PREFACE

This is the fourth volume growing out of our "concurrent study of the Agricultural Adjustment Act." It deals briefly with the emergency pig and sow slaughter of 1933 (since this activity was covered in detail in our preliminary report of April 1934) and more fully with the corn-hog contracts of 1934 and 1935. It also covers such adjustment operations as were undertaken with reference to cattle and supplementary phases of the livestock program of the AAA—notably with reference to feed grains.

While the livestock program of the AAA has followed the same general pattern as those for wheat, tobacco, and cotton, the length of the production period and the intricate interrelationships among the several parts of the livestock industry raised for the AAA a host of distinctive and difficult problems. At the same time the economics of meat consumption curtailed the methods which the AAA felt could be employed to improve the economic status of livestock producers. A study of the livestock program of the Agricultural Adjustment Administration well illustrates the difficulties and repercussions, in agriculture alone, of attempts at economic planning. The broader social and economic effects will be discussed in a final volume in this series to be published in 1936.

During the second year of the adjustment effort a drought of exceptional severity injected a major disruptive force into the adjustment efforts of the AAA and radically altered the course of events in the livestock industry. This factor has been taken into account by the

author in appraising the early results of the AAA's live-stock program and in evaluating its future worth. Likewise, he has made his evaluation in terms both of the objectives and procedures of the original act and of those modifications introduced by the extensive amendments of August 24, 1935.

This manuscript has been read and accepted by a committee consisting of Charles O. Hardy on behalf of the Institute of Economics and John D. Black and Joseph S. Davis, who have been associated with me in the general direction of the AAA study.

EDWIN G. NOURSE
Director

Institute of Economics
August 1935

AUTHOR'S ACKNOWLEDGMENTS

The co-operation of the Washington and field staffs of the Agricultural Adjustment Administration has been invaluable in the preparation of this report. Its members discussed the program and its problems freely with the author and with resident observers of The Brookings Institution, and gave access to much pertinent information.

A. G. Black, Claude Wickard, C. F. Sarle, W. M. Morgan, Cecil A. Johnson, and other members of the Corn-Hog Section read all or parts of the manuscript dealing with the corn-hog program and contributed many helpful suggestions. R. C. McChord of the Cattle Section and M. T. Morgan of the original Meat Processing and Marketing Section, and M. S. Briggs of the Commodity Credit Corporation performed similar services in reading and commenting on the cattle chapters and the corn loan chapter respectively. Alfred D. Stedman, director of publicity for the AAA, and A. T. Thompson of his staff together read and commented on the entire manuscript. The author is also indebted to Preston Richards of the Bureau of Agricultural Economics for many helpful suggestions and especially for permission to use his Index of Export Demand, and to O. C. Stine, C. A. Burmeister, and F. J. Hosking of this bureau. Numerous members of the Division of Crop and Livestock Estimates both in Washington and in the field and members of the federal and state extension services and state colleges have likewise given invaluable co-operation.

ACKNOWLEDGMENTS

For all this generous assistance the author is deeply grateful, but for the volume as it stands, including errors of omission and commission, he must assume full responsibility

D. A. FITZGERALD

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APPENDIXES

APPENDIX A
CORN-HOG REDUCTION CONTRACT¹

(AAA form No. CH-8, to be sent to Washington after it has been executed by the producer.)

Stamp Contract Number Above

Pursuant to the Agricultural Adjustment Act, approved May 12, 1933,
as amended

....., hereinafter referred to as "the producer,"
(Type or print name on line above—same as signature)

post-office address,,,
(Rural route number) (Box number)

.....,,
(Post office) (State)

{ owning
renting for cash }² and operating in 1934 a farm known as the
renting on shares

..... farm, consisting of acres, situated

..... from on
(Miles and direction) (Town)

Road, in Township of County,

State of, hereby offers to enter into a contract with the Secretary of Agriculture (hereinafter referred to as "the Secretary") upon the terms and conditions hereinafter set forth. Mailing of the Secretary's acceptance shall cause this offer to become a binding contract. The corn year and the hog year

¹ Members of, or delegates to, Congress cannot participate in the benefits of these contracts because of the provisions of Title 18, Sec. 204, and Title 41, Sec. 22, of the U. S. Code.

² Strike out words not applicable.

referred to herein as 1934 shall be the period December 1, 1933, to November 30, 1934, inclusive. The years 1932 and 1933 shall cover corresponding 12-month periods.

L. PERFORMANCE BY PRODUCER

The producer shall:

1. Reduce the acreage planted to field corn (hereinafter referred to as "corn") in 1934 on the farm described above (hereinafter referred to as "this farm") not less than 20 per cent below the adjusted average acreage planted to corn for 1932 and 1933 on the land now in this farm (hereinafter referred to as the "1932-33 average corn acreage"). The producer may, in 1934, retire from corn production as many acres in excess of such 20 per cent as he may desire, but corn reduction payment hereunder shall be made only on a number of acres retired from corn production pursuant to this contract not in excess of 30 per cent of such 1932-33 average corn acreage, unless otherwise authorized by the Secretary. The acres on which corn reduction payment will be made (hereinafter referred to as the "contracted acres") shall be marked for identification as the Secretary may direct.

2. Reduce in 1934 the number of hog litters farrowed on this farm and farrowed by hogs owned by him not located on this farm (hereinafter referred to as "1934 litters") 25 per cent below the adjusted annual average number of litters owned by him when farrowed in 1932 and 1933 (hereinafter referred to as "1932-33 litters"); and reduce the number of hogs produced for market from such 1934 litters 25 per cent below the adjusted annual average number of hogs produced for market from such 1932-33 litters.

3. Not increase on this farm in 1934 above 1932 or 1933, whichever is higher: (a) The total acreage of crops planted for harvest, plus the contracted acres; (b) The acreage planted to each crop for sale, designated as a basic commodity in the act; (c) The total acreage of feed crops other than corn and hay; (d) The number of any kind of livestock other than hogs designated as a basic commodity in the act (or a product of which is so designated) kept on this farm for sale (or the sale of product thereof). And not increase the number of feeder pigs bought in 1934 above the adjusted average number for 1932 and 1933.

CORN-HOG REDUCTION CONTRACT 317

4. Not increase in 1934 the aggregate corn acreage on all other land owned, operated, or controlled by him which is not covered by a corn-hog reduction contract above the average acreage for such land for 1932 and 1933; and not have any vested or contingent interest in hogs located on land not owned or operated by him.

5. Use or permit to be used the contracted acres only as may be prescribed by administrative rulings. Unless otherwise prescribed such acres shall not be used except for planting additional permanent pasture; for soil improving and erosion preventing crops not to be harvested; for resting or fallowing the land; for weed eradication; or for planting farm wood lots.

6. Permit entry by agents of corn-hog control associations and of the Secretary to this farm and to any land owned, operated, or controlled by him, and access to records, regardless of where located, pertaining to the production or sale by the producer of corn or hogs and other "basic" commodities, and to furnish location of all land upon which the producer raises corn or hogs, and the producer expressly waives any right to have such records kept confidential.

7. Not sell or assign, in whole or in part, this contract or his right to or claim for reduction payments under this contract, and, not execute any power of attorney to collect such payments or to order that any such payments be made. Any such sale, assignment, order, or power of attorney shall be null and void.

8. Operate this farm throughout 1934, except as exempted by administrative ruling.

9. Conform to and abide by regulations and administrative rulings (which are and shall be a part of the terms of this offer and of this contract) heretofore or hereafter prescribed by the Secretary or his authorized agents or agencies relating to corn-hog reduction contracts.

II. PERFORMANCE BY SECRETARY

The Secretary shall:

10. Upon such proof of compliance with the terms of this contract as the Secretary may require, pay:

A. **CORN REDUCTION PAYMENT.**—For each contracted acre, 30 cents per bushel of adjusted estimated yield of corn, to be paid as follows: The pro rata share of the administrative ex-

penses of the corn-hog control association for the above-named county will be paid to the association, and the remainder will be paid as indicated in Part V hereof, in two installments: 15 cents per bushel as soon as practicable after this contract is accepted by the Secretary, and 15 cents per bushel, less pro rata share of expenses, on or after November 15, 1934.

B. HOG REDUCTION PAYMENT.—\$5.00 per head on 75 per cent of the adjusted annual average number of hogs produced for market from 1932-33 litters, to be paid as follows: The pro rata share of the administrative expenses of the corn-hog control association for the above-named county will be paid to the association, and the remainder will be paid as indicated in Part V hereof, in three installments: \$2.00 per head as soon as practicable after this contract is accepted by the Secretary, \$1.00 per head on or about November 15, 1934, and \$2.00 per head on or about February 1, 1935, less pro rata share of expenses to be deducted from one or more of these payments. If the number of hogs from 1934 litters marketed before, and held for future marketing on January 1, 1935 is in excess of the number to which the producer has agreed to reduce, there may be deducted from such payment \$20.00 per head on each or any of the hogs in excess of such number. In lieu of such deduction or any part thereof the Secretary may require a corresponding part of such excess to be disposed of as he may direct.

11. Without limitation of any right or remedy conferred by law or this contract, be entitled to terminate this contract if he determines (and his determination shall be final and bind the other parties hereto) that there has been a material misstatement in any of the statements made by the producer in this contract or in connection therewith, or any non-compliance by the producer with any term hereof or with any pertinent regulation or administrative ruling. Thereafter no further payments shall be made hereunder, and any payments theretofore made shall be refunded to the Secretary. To secure payment of such refund the Secretary shall have a lien, to the extent of their respective interests, on corn and on hogs now or in the future owned by each or any of the parties obligated to make such a refund.

CORN-HOG REDUCTION CONTRACT 319

III. BASIS FOR DETERMINING REDUCTIONS IN PRODUCTION, AND PAYMENTS

12. The producer represents:

TABLE I.—FARM ACREAGE

For corn give all acres <i>planted</i> in the respective years, for all other crops give acres <i>harvested</i>	Acres 1933 (A)	Acres 1932 (B)	1932-33 average (C)
1. Total acres all land in this farm.....			
2. All field corn.....			
3. Wheat for grain (winter, spring, durum).....			
4. Oats for grain (include oats fed unthreshed).....			
5. Barley and rye for grain (include hogging off).....			
6. Grain sorghum (kafir, milo, etc.).....			
7. Soybeans and cowpeas.....			
8. All tame hay (include alfalfa).....			
9. Total acres of other crops, not listed above*.....			
10. Wild hay.....			
11. Idle crop land.....			
12. Land used for pasture only.....			
13. Land in woods, waste land not pastured.....			
14. Land in roads, lanes, buildings and feed lots.....			
15. Total (items 2 to 14, inclusive).....			
16. Total crop acres (items 2 to 11, inclusive).....			
17. Sown to winter wheat in fall.....			
Special conditions (double cropping, losses, etc.).....			

* If this includes any cotton, tobacco, or rice list acres of same separately below on margin.

TABLE II.—CORN UTILIZATION

(Bushel = 56 lb. shelled corn, 72 lb. ear corn)	1933		1932	
	Acres	Bushels	Acres	Bushels
1. Harvested for grain.....				
2. Hogged off.....				
3. Cut for silage or fed green.....		Tons		Tons

LIVESTOCK UNDER THE AAA

TABLE III.—HISTORY OF FIELDS DESIGNATED AS CONTRACTED ACRES

Year	FIELD 1	
	Acres.....	Soil type.....
	Crop	Total production
1933.....		
1932.....		
1931.....		
1930.....		
1929.....		

Year	FIELD 2	
	Acres.....	Soil type.....
	Crop	Total production
1933.....		
1932.....		
1931.....		
1930.....		
1929.....		

Year	FIELD 3	
	Acres.....	Soil type.....
	Crop	Total production
1933.....		
1932.....		
1931.....		
1930.....		
1929.....		

TABLE IV.—CONTRACTED CORN ACRES AND PRODUCTION THEREON

	Producers figures (A)	County Committee ^a (B)	Adjusted ^a (C)
1. 1932-33 average corn acreage.....			
2. Number of contracted acres.....			
3. Percent of 1932-33 average corn acreage (item 2 ÷ item 1).....			
4. Estimated yield of corn per acre of contracted acres (bushels).....			
5. Total production of contracted acres (item 2 × item 4)..... (bushels).....			

^a Not to be filled in by producer.

TABLE V.—1932-33 HOG PRODUCTION AND CONTRACTED REDUCTION FOR 1934

Special conditions bearing on any of items below:	Producers figures				County committee ¹			Adjusted ²		
	1933		1932		1933	1932	Average	1933	1932	Average
	Spring ³	Fall [†]	Spring [*]	Fall [†]	‡	‡	‡	‡	‡	‡
1. Litters owned by producer when farrowed.....										
2. Hogs raised from these litters—total.....										
(a) Already sold for slaughter.....										
(b) Already sold as stockers, feeders, or breeders.....										
(c) Already slaughtered for use on farm.....										
(d) To be slaughtered for use on farm.....			xxx	xxx		xxx			xxx	
(e) To be sold.....			xxx	xxx		xxx			xxx	
(f) Retained for breeding purposes.....										
3. Total of items 2 (a), 2 (b), 2 (c), 2 (f).....										
4. Deduction for death losses (15 per cent of 1933 fall pigs).....	xxx		xxx	xxx		xxx			xxx	
5. Hogs produced for market (item 3 minus item 4).....										
6. 1934 maximum production for market (75 per cent of item 5).....	xxx	xxx	xxx	xxx	xxx	xxx		xxx	xxx	
7. Number of feeder and stocker hogs purchased.....										
8. Number of such hogs (item 7) now on hand.....										

¹ Not to be filled in by producer.

² Spring farrow—Dec. 1 to June 1.

³ Fall farrow—June 1 to Dec. 1.

‡ Totals for the respective years.

Were hogs produced for market listed above produced *on this farm*: in 1932? in 1933?

IV. PARTICIPATION BY LANDLORD

(This section to be filled in if producer as tenant rents all or part of this farm on shares)

13. Under the 1934 lease of this farm the:

- (a) Cash rent paid is \$, for:
- (b) Division of grain crops is
- (c) Division of hog proceeds is

14. The landlord agrees to be bound by all of the terms of this contract as if therein named as the producer, and without limitation of the foregoing the landlord agrees not to increase in 1934 the aggregate corn acreage on all other land owned, operated or controlled by him in 1934 not covered by a corn-hog reduction contract, nor his production of hogs in 1934 not under such a contract, above the respective annual averages for 1932 and 1933; provided, however, the landlord shall not be responsible for hog production on this farm unless receiving part of the hog reduction payment hereunder, nor for the producer's production of corn or hogs on land in which the landlord has no interest.

V. FIRST SIGNATURE BY PRODUCER (AND LANDLORD)

15. The undersigned represent that no change in the lease or tenure of this farm has been or will be made for 1934 to prevent tenants from obtaining in 1934 the share of the payments hereunder that they would receive if such payments were divided in proportion to the division of the corn crop and hogs on this farm in 1933 or to the division of the proceeds of such corn and hogs; and that the only changes in 1934 from the 1933 lease or tenure are as follows:

16. The statements contained herein are true to the best of the knowledge and belief of the undersigned, who represent that they include all owners (except where farm is rented for cash) of said farm and all lessees.

The undersigned by executing this contract applies for membership in the corn-hog control association for the county in which this farm is located.

CORN-HOG REDUCTION CONTRACT 323

If more than one person executes this contract as landlord or as producer it shall be construed so as to apply to each or any of such persons.

Any intentional misrepresentation of fact made in this contract for the purpose of defrauding the United States will be subject to the criminal provisions of the United States Code.

DIVISION OF PAYMENTS BETWEEN PRODUCER AND LANDLORD

..... (Producer's signature)	} Corn Hogs %
..... 193 (Witness to producer's signature) (Date)		
..... (Landlord's signature)	} %
..... 193 (Witness to landlord's signature) (Date)		
..... (Landlord's signature)		
..... 193 (Witness to landlord's signature) (Date)		

Landlord's address
 (Street or rural (City) (County) (State)
 route and number)

VI. COUNTY ALLOTMENT COMMITTEE CERTIFICATION

17. We hereby certify that we have considered the above contract, the certification of the community committee, and supporting evidence, and have finally determined for this contract the following:

A. CORN REDUCTION PAYMENT AND PRODUCTION:

1. Adjusted 1932-33 average corn acreage (item 1-c, Table IV) acres.
2. Contracted acres (..... per cent of average corn acreage, item 1, above) acres.

3. Adjusted average yield of corn per acre of contracted acres (item 4-c, Table iv) bushels.
4. Adjusted total production of corn on contracted acres in 1934 (item 2 \times item 3 above) bushels.
5. Total corn acreage in 1934 on this farm is not to exceed acres.
6. Gross corn reduction payment (item 4 above \times 30 cents) \$.....

B. HOG REDUCTION PAYMENT AND PRODUCTION:

1. Adjusted 1932-33 litters (item 1, Table v) litters
2. Adjusted annual average number of hogs produced for market, 1932-33 (item 5 of Table v) hogs.
3. 1934 maximum production for market (75 per cent of item 2 above) from not to exceed litters hogs.
4. Gross hog reduction payment (\$5 per head \times item 3 above) \$.....

We recommend that the Secretary of Agriculture enter into a corn-hog reduction contract with the producer on the basis of such facts.

Signed, Signed, Signed,
 (County Corn-Hog Allotment Committee)
, 193
 (Date)

VII. ACCEPTANCE BY PRODUCER AND LANDLORD OF CORRECTED AND ADJUSTED FIGURES

18. The undersigned hereby accept corrections and adjustments of the corn acreage, yield and production, and of the hog litter and production figures, and of the payments, and of the installments in the foregoing contract.

..... Producer, , 193
 (Witness to producer's signature) (Signature) (Date)
 Landlord, , 193
 (Witness to landlord's signature) (Signature) (Date)
 Landlord, , 193
 (Witness to landlord's signature) (Signature) (Date)

CORN-HOG REDUCTION CONTRACT 325

Do Not Write in Space Below

CERTIFICATE OF ADMINISTRATIVE OFFICER

Administratively approved for first installment as follows:

Corn payment \$.....
Hog payment \$.....
Total payment \$.....

Date Sig.

*Administrative Officer, Payment Unit,
Corn-Hog Section.*

CERTIFICATE OF COMPTROLLER

Audited and approved for first installment as follows:

Corn payment \$.....
Hog payment \$.....
Total payment \$.....

JOHN B. PAYNE, Comptroller,

By
Auditor.

Date

Paid by:

Check No. \$.....
Check No. \$.....
Check No. \$.....
Total \$.....

On Treasurer of the United States in favor of payee or payees
named above.

APPENDIX B

DETAILS OF THE 1934 CORN-HOG REDUCTION CAMPAIGN

The 1934 corn-hog reduction campaign was the first major undertaking of the Agricultural Adjustment Administration in connection with livestock, and was perhaps the most extensive of any commodity program initiated during the two years immediately following the passage of the Agricultural Adjustment Act. In the course of its progress a wide variety of economic and administrative problems had to be met and resolved. Altogether, the details then to be determined upon were probably greater than those of any later period. This first campaign, therefore, serves well to illustrate the detailed routine and organization necessary to carry out the objectives of the act.

ADMINISTRATIVE ORGANIZATION

At the apex of the administrative structure used to carry out the 1934 corn-hog reduction program were the Corn-Hog Section of the Agricultural Adjustment Administration and the Federal Extension Service. In each state, either the extension director (or his nominee), or a corn-hog committee of which the director was one of the three or four members, was placed in charge of the work by the Corn-Hog Section.¹ Representatives of local farm groups, in addition to outstanding individuals not identified with any particular group, were appointed to these state committees. The committee form of administration was devised because some AAA officials and advisers believed that it was the best way to get the co-operation of all farm groups—particularly those who for one reason

¹ Responsibility was placed in the hands of a state corn-hog committee in the nine important Corn Belt states (all but Wisconsin). In all the other states, the extension director or his nominee was in charge.

or another were antagonistic toward the Extension Service or the Farm Bureau. These state committees were continued as part of the permanent administrative organization (see the chart on page 44). Twelve regional representatives, many of them "borrowed" from the state or federal extension service, were appointed to act as liaison officers between headquarters in Washington and the state organizations.

Every major corn-hog state was divided into a number of districts and a "district supervisor" assigned to each.² Counties in turn were divided into communities, and each community usually had from three to seven community committeemen. In the minor producing states the set-up was much less formal; in many cases most of the work was done by the county agent, and frequently no committeemen were appointed.

The temporary county committeemen were elected in some states and appointed in others. In Nebraska and in some Iowa counties, for example, they were elected by producers at county or community meetings, and the election later confirmed by the state corn-hog committee. In Illinois the county committeemen were nominated by the county agent and appointed by the state corn-hog committee. In other states the county agent consulted with local farm leaders before making his recommendations to the state committee. In still others the state corn-hog committeemen directly appointed the county committee after conferring with local leaders and the county agent. In most states the selection of the community committeemen was left either to the county committee or to the county committeemen representing the com-

²The term "supervisor" was applied to all state extension men, frequently "specialists" in some production or marketing field, who were pressed into service during the corn-hog campaign. Iowa had for several months 22 of these corn-hog supervisors; Nebraska, 10; Illinois, 9; and Minnesota, 7. In Iowa there was for a time a parallel group of "corn-hog fieldmen" appointed by the state corn-hog committee to co-operate with the 22 extension supervisors.

munity in question. Only an occasional community or county nominee refused appointment. In Iowa, both county and community committeemen were nominated and frequently appointed before it was definitely understood that they would be paid for their services. Extension work in the community had in the past commonly been conducted through the services of unpaid "local leaders," and it was generally supposed that committeemen would not be paid. This seems to have resulted in the appointment of a somewhat more conscientious and perhaps more enthusiastic group of committeemen than otherwise might have been the case.

In most Corn Belt states, temporary committeemen were "on the job" by the middle of January 1934. The 75,000 temporary committeemen appointed to help carry out the initial phases of the 1934 corn-hog program were expected to do the lion's share of the work until the local county control associations were organized. The federal and state extension services were to be used primarily as a vehicle for disseminating information from the headquarters at Washington to local committeemen. In practice, most of the responsibility for obtaining contract applications as well as for presenting the economic background unavoidably fell upon the extension service. This does not minimize the contribution of the temporary committeemen. It is difficult to see how the program could have been conducted without them, at least in the Corn belt, unless the county extension force had been greatly expanded or paid employees of the AAA had been sent out to do the job. Either of these alternatives *might* have been less expensive, but would have violated a cardinal principle of the AAA that, to the fullest extent possible, farmers were to run their own show.

CONTRACT APPLICATION PROCEDURE

The original procedure for obtaining contract applications contemplated a succession of county or community

meetings with producers. At the "educational" meetings the "economic background" was to be presented. At the "explanatory" meetings the contract and associated documents were to be explained. At the "sign-up" meetings the contract applications were to be obtained. In Iowa and Missouri this procedure was followed and the educational meetings were held in December 1933. In most other states the educational and explanatory meetings were usually combined. This was due (1) to a delay in receiving charts, printed matter, and other materials necessary to conduct the educational meetings; and (2) to hesitation on the part of some states to initiate the corn-hog campaign until they were quite certain they could follow along immediately with the next step.³ In states where corn and hogs were not of first importance, the educational and explanatory meetings were combined to save expense. Few meetings of any kind were held in minor states, interested producers simply being "signed up" by the county agent at his office.

The meetings attended by the producers were the last of a series designed to diffuse the information from Washington to every eligible corn-hog producer. In all states in which corn and hog production was important, county agents and sometimes county and community committeemen attended state (or district) meetings at which the information they were to carry to the producer was presented to them by the extension staff, state corn-hog committeemen, or representatives of the AAA. In most states the district supervisors spent a large part of their time in the field meeting with and assisting county agents and county committeemen. The district supervisors usually met weekly with the "office staff" to thresh out or pass on to the AAA problems encountered in the field, and to learn what new developments had transpired. These conferences were usually attended by

³ This hesitancy was due to the difficulty some states encountered when the wheat campaign was prematurely initiated.

the state committeemen, and when possible by a representative of the AAA. Supplementing these personal contacts was an enormous volume of written and telegraphic correspondence.

Attendance of producers at the meetings at which the economic background was presented and the contract and associated documents were explained was large, and interest keen.⁴ Some observers reported more interest in the "philosophy" and less in the financial aspects of the program than was the case in the wheat campaign. This appears to have been most true of the central part of the Corn Belt; in other regions much less attention was paid to the "economic background." Most of these all-day meetings were conducted by the county agent, though often a member of the state extension service or a member of the state corn-hog committee was available to make at least part of the presentation. Usually, a meeting of this kind was scheduled in each community, though occasionally county-wide meetings were held. The first part of the discussion was based on information contained in the "educational" publications of the Corn-Hog Section,⁵ mimeographed releases of the Federal Extension Service, and information obtained at state or district meetings.

The second and major part of the discussion centered around the contract, the administrative rulings, the statement of supporting evidence, and other associated documents.⁶ These documents were supposed to have been

⁴The 4,500 educational-explanatory meetings held in Kansas, Minnesota, Missouri, and South Dakota were attended by over 400,000 persons, mostly farmers. Nearly 550,000 farmers in these states grew corn in 1930, according to the U. S. Census. Many farmers attended more than one meeting.

⁵These were: *The Corn-Hog Problem* (C-H 1); *Analysis of the Corn-Hog Situation* (C-H 2); and *What the Adjustment Program Offers Corn-Hog Producers* (C-H 10).

⁶The complete list comprised: *Sample Corn-Hog Reduction Contract* (C-H 8-b); *Preliminary Work Sheet* (C-H 13); *Producers' Statement of Supporting Evidence* (C-H 14); *Map of Farm and Contracted Acres*

mailed to the producer a week or so prior to the explanatory meeting.⁷ In many cases, however, they were distributed at this meeting. The county agent, with some assistance from committeemen, explained the purpose of the various forms and the more important administrative rulings.⁸ The most effective way of doing this was to transfer the data for an actual farm to the several forms. Many of the questions raised by the producer at these meetings had to be referred to state headquarters or Washington for answer. In most states, these meetings were held in January, February, and the first half of March 1934.

Following these educational and explanatory meetings, "sign-up" meetings were held at which producers made formal application for a corn-hog contract.⁹ The sign-up procedure adopted at these meetings varied widely from state to state and even from county to county within a state. The suggested plan was to hold a series of sign-up meetings within the county, perhaps

(C-H 16); and *Directions for Filling in C-H 13, C-H 14, and C-H 16* (C-H 17).

⁷ One of the first jobs of the county agent and local committeemen was to prepare a mailing list of "eligible" producers. This was not always done and frequently was not done very thoroughly.

⁸ The county agent and the county committeemen had attended a similar school conducted by a district supervisor and a state committeeman, but in a great majority of the cases most of the responsibility of explaining these documents was left to the county agent, and, if he was present, the district supervisor.

⁹ One of two "triplicate copies" (C-H 8-b) of the contract was used as an application form. The "first signature" of the producer to this contract form really constituted an application. Producers had to sign the contract form a second time indicating acceptance of adjustments made in it, before it was sent to the Secretary of Agriculture for acceptance. In an effort to speed up the distribution of benefit payments an "early payment" rider was developed by the AAA. Producers signing these "early pay" contracts agreed to accept all adjustments thereafter made in the contract. It was hoped that these contracts could go through for immediate payment of the first instalment of the benefit payments before the adjustments were made, and that any overpayment to the producer could be deducted from the second and third payments.

several in the same community on the same day, with county committeemen in charge and community committeemen assisting—the county agent circulating between the meetings as a “trouble shooter.”¹⁰ Perhaps the most common method in the Corn Belt was to sign up a township at a time. Usually several points (anywhere from two to ten) were selected in the township, and two or more trained committeemen stationed at each point. In some cases several trouble shooters, including the agent and perhaps a supervisor or representative of the state corn-hog committee, circulated among these meetings. The next day the whole force moved into another township. This was the common procedure in Iowa. In Illinois, specially trained teams of from five to seven men, from two to four teams in a county, made the rounds of the townships. Usually four of the men were county committeemen and the others trained machine operators and “checkers.” The duties of each member of the team were carefully differentiated, and the producer and his contract proceeded down the “assembly line” until the contract, completed and checked, came out at the end. A somewhat similar procedure was followed in Minnesota, except that in many counties the team consisted of Civil Works Administration workers.

Very few producers arrived at the application sign-up meeting with the contract and supplementary forms filled out as they were supposed to have been. This greatly increased the amount of work to be done at the application meeting and materially slowed down the progress of the campaign. The sign-up meetings had

¹⁰ Committeemen had previously attended a training school to familiarize themselves with the details of the contract and the method of conducting the sign-up. The suggested sign-up procedure was outlined in *Directions for Filling in the Corn-Hog Reduction Contracts* (C-H 27). There was also available *Questions and Answers* (C-H 28), as well as a large volume of supplementary material from federal and state offices containing further suggestions and explanations.

started by the middle of January in Iowa, but were not concluded until May in many states, in spite of official closing dates around the end of March. In fact, because other difficulties delayed the progress of the campaign, contract applications were accepted until well into the summer. The care and accuracy with which committeemen completed and checked the forms varied greatly even between adjoining counties. Moreover, it varied with the ability and attitude of the county agent, the extension supervisor, the district and state committeemen, and the state extension service.

All producers were expected to apply at regular meetings. Naturally, some producers for one reason or another failed to do so. The original instructions of the Corn-Hog Section indicated that all producers who had failed to sign contracts should be interviewed during a "clean-up" campaign by temporary committeemen and either a signed application or certain basic information about their corn and hog production obtained. This procedure was suggested so that every producer would have explained to him the advantages of co-operating and be given an opportunity to do so. This was no doubt an important consideration, but another important reason for this canvass was to get basic production data to aid in establishing county quotas. (See page 336.) Considerable confusion existed as to whether the Corn-Hog Section meant that every producer of hogs and corn be visited, regardless of the size of these enterprises, or whether only eligible producers be canvassed.¹¹ States in minor corn-hog areas pointed out that the expense (which was to be borne by local contract signers) made such a canvass prohibitive. On February 5 the instructions were modified to require the canvass of all producers who had farrowed two or more litters in the

¹¹ Prior to Jan. 29, 1934, producers with an average of two litters or less in 1932 and 1933 were ineligible.

spring of 1933, or planted ten or more acres of corn.¹⁷ Even this revised procedure was felt to be too expensive in many minor areas. Consequently a month later instructions were again revised, and the canvass as outlined above was made to apply only in counties where the average acreage of corn for grain per farm reporting grain in 1929 exceeded 15 acres, or the number of farms with two or more litters in the spring of 1930 exceeded 300. In other counties a list of eligible non-signers with two or more sows or ten or more acres of corn was to be prepared, and only farmers on this list interviewed. Standard procedure required the temporary organization to carry the campaign through the "clean-up" stage. Every co-operator would then have an opportunity to vote in the election of the permanent organization.

Before the next step—appraisal of contracted acres—was undertaken, producers who had signed contract applications organized a permanent county corn-hog control association. Standard procedure, which required that this be done after the "clean-up" had been completed, was followed in most states. In Wisconsin, however, the permanent organization was formed after contract application meetings, and permanent committeemen conducted the clean-up. In South Dakota the permanent organization was set up after or during the explanatory meeting, and permanent committeemen handled both the contract application meetings and the clean-up campaign.¹⁸ As a matter of fact, almost everywhere a great majority of the temporary committeemen were re-elected to the permanent organization, hence there was

¹⁷ In the Cotton Belt the producers visited were limited to those who sold live hogs for commercial or local slaughter.

¹⁸ Voters were required to sign a contract in blank or to indicate that they intended to sign, prior to the election, but the real work of filling in forms, etc. was done after the permanent committeemen had been elected. South Dakota had followed this plan during the wheat campaign and felt that it was more satisfactory than the procedure suggested by the Corn-Hog Section.

but little change in personnel and no break in the continuity of development and leadership such as might have resulted if the "turnover" in committeemen had been large.

The first task of the permanent organization was to appraise the corn yield of the contracted acres. Community committeemen visited every field offered as contracted acres, and estimated the yield to be expected in 1934, under ten-year (1924-33) average growing conditions. Schools of instruction were held for these appraisers at which an attempt was made to estimate the ten-year average corn yield in each community on the basis of the ten-year average for the county. Committeemen almost invariably over-estimated the yield in their own community, and attempts to iron out this difficulty were not always successful. As an independent check on the relative productivity of the contracted acres, appraisers were supposed to state the yield expected in 1934 as a percentage of the expected yields on all fields in corn on the farm in 1932 and 1933. These instructions were not clearly understood, and the "percentage productivity" estimate was in most cases of little value.

Most appraisals were made in March, April, and May 1934. In Iowa and Missouri they were largely made in February; in some minor states, not until June. Concurrent tasks of the permanent committeemen were to make sure that either a contract application or a "work sheet" showing his base period production of corn and hogs was obtained from every producer in the county,¹⁴ and to check contracts and associated documents for "mechanical" and "factual" errors. Mechanical errors could be, and to a surprising degree were, removed by the development of a systematic method of checking and rechecking all contracts and supporting forms. A com-

¹⁴ This of course was only necessary in those counties in which a complete survey of non-signers was required.

prehensive "check sheet" was usually prepared for this purpose. In some states much of the checking for mechanical errors was done by office help rather than by committeemen.

CHECKING OVERSTATEMENT

The data on corn acreages and yields and litters farrowed and hogs saved and marketed in 1932 and 1933 which were expected to be used in checking the production claims of corn-hog contract applicants were, in so far as possible, taken from the census, assessors', and rural carrier survey reports in late 1933 and early 1934. No further steps could be taken until the production data from the contract applications in every county in the state were available.¹⁵

To expedite the summarizing of the contract data in the counties "county tabulators" were appointed in all major corn-hog counties.¹⁶ These tabulators, who started work as soon as an appreciable number of contracts had come in from the contract application meetings, checked the contracts for arithmetical errors and general "rea-

¹⁵ A very considerable proportion of the delay in releasing the county quotas which caused so much dissatisfaction was due to the necessity of having contract data available prior to the determination of the state and county quotas. Since the data from every county in the state had to be forwarded to the state board of review, checked by it, and perhaps sent back to the county for correction before the board could start its analysis, the late counties (of which there were always a few) held up not only their own contracts but those of every other county in the state.

¹⁶ The AAA appropriated \$200,000 for the salaries of these tabulators. Some counties exhausted their allocation from this fund before tabulations were completed and the local association had to bear the remaining expenses. Most of these tabulators, who were appointed after competitive examination, were local people—occasionally farmers, but more frequently bank clerks or high school and college graduates. The examination stressed quickness and accuracy in handling figures. "State statisticians" made appointments in the order of rank as indicated by the competitive examination, but the county agent could indicate the persons he felt were best qualified. In some cases the grades were so uniformly low that a second competitive examination was held. One tabulator was appointed for each three to five hundred contracts.

sonableness"; returned those in error or unreasonable to the community committee for investigation and correction; and transferred the pertinent data from the contracts to a listing sheet.¹⁷

The original instructions provided that only the totals for each township be forwarded to the state headquarters, together with the analysis sheets (C-H 22) on which pertinent averages and ratios had been calculated by the county tabulator. In practice, however, the original listing sheets were sent instead. The state headquarters checked the township totals for accuracy, and then prepared the analysis sheets. The accuracy of the work done by the county tabulators varied greatly. Some listing sheets were neatly and legibly prepared and contained few arithmetical errors, if any. Many others had a considerable number of mistakes, and not a few were in such bad shape that hardly a single line would check and hardly a single column was added correctly.¹⁸

Though under the general supervision of the county agent, the tabulators worked more particularly under the direction of "junior statisticians" attached to the state offices of the Division of Crop and Livestock Estimates for the duration of the application and adjustment phases of the corn-hog program. These men, the first of whom were appointed in December 1933, not only checked the work of the tabulators but also assisted county agents and county committeemen in checking contracts for errors and eliminating overstatement prior to listing. They later assisted in establishing county quotas,

¹⁷ C-H 21. It was originally proposed to obtain 61 items from Tables I to V of the contract, but experience in the field resulted in some changes in the items tabulated. When necessary, three sets of sheets were used to list the contracts from each township. "Early pay" contract data were listed on one set, the "regular pay" on another, and non-contract data on a third.

¹⁸ In states in which there were only a few contracts, they were forwarded to the state office for listing. This procedure was also followed in minor corn-hog counties in major producing states.

and in this work their knowledge of local conditions in the county was often a useful supplement to or check on the overstatement indicated by the statistical procedure.

A board of review was appointed by the Corn-Hog Section in each state¹⁹ to determine the state and county contract quotas and (later) to release contracts for transmittal to Washington for payment when the overstatement had been eliminated. (See the chart on page 44.) The personnel of this board of three or four consisted of the official in charge of the state office of the Division of Crop and Livestock Estimates (commonly referred to as the state statistician), one or two members of the state extension service or the state college, and a farmer, the latter frequently a member of the state corn-hog committee.

The methods used by the state boards of review in estimating the amount of overstatement and establishing county quotas depended in part on the kinds of "check" data available, in part on the importance of corn and hog production, and in part on the degree of participation by producers. The methods used in determining quotas for litters, "hogs for market," corn acreage, and corn yield likewise varied.

Litters farrowed. In states where a state contract quota was set, three methods of estimating the amount of overstatement were commonly used. The first was to deduct from the preliminary estimate of the Division of Crop and Livestock Estimates²⁰ the estimated production of non-signers, and then to compare the result with the

¹⁹ A single board, however, handled the six New England states. There was also but one for Maryland and Delaware, and one for Nevada and Utah.

²⁰ Preliminary estimates of hog production (litters farrowed and hogs produced) were prepared for about 30 states. In some states it was found that these preliminary estimates were somewhat low. One of the bases used in estimating hog production is hog marketings; and since there is a lag of a year between them, 1933 hog production estimates could not at the time be checked against hog marketings.

total reported by contract signers. This method could be used only in states where data on the production of non-signers (that is, non-contract data) were reasonably complete or could be corrected for incompleteness. Non-contract data were available in all or parts of 16 states. The second method was to compare the production reported by farmers who had answered the semi-annual pig survey questionnaire with the production reported by identical farmers on contract applications. The third was to compare the total claimed by contract applicants with the figure obtained by first adjusting (on the basis of the pig survey reports) producers' claims for litters farrowed in the fall of 1933, and then estimating 1932-33 production on the basis of the ratio between the number of spring and fall litters in 1933 and the ratio between 1932 and 1933 litters. One or more of these methods were used in perhaps 30 states. Many states, especially those with state census or assessors' reports, supplemented these methods in different ways, the most common being to substitute these reports for the pig survey reports in the "identical" comparison with contract applications.

In the states where more than one method was used the overstatement indicated often differed materially. It was then necessary to decide, often on the basis of non-statistical evidence, which approximation was most nearly in accord with the facts. The AAA and the state boards of review usually resolved doubts in favor of the producer, so that most though not all of the state contract quotas established by these methods appear to be slightly larger than the actual base period production of the contract applicants.

The next step in these states was to distribute the state quota among the counties. This distribution was based upon the relative amount of overstatement in the county totals of the contract applicants. This varied materially from one county to another even within the same state,

the percentage of overstatement tending to increase as the importance of hog production decreased. In some states with a wide variation in the importance of hog production, the applicants' claim by counties ranged from 110 to 210 per cent of the county quota. The relative overstatement by counties was frequently based largely upon a comparison of the production reported by farmers who had returned rural carrier pig survey reports with the production claimed by identical farmers on their contract applications.²¹ When the number of statements from these two sources that could be matched on a county basis was too small to be dependable, the same procedure was followed on a crop reporting district basis.

In those states where the quotas were established on the basis of contract inspection, the "state quota" was simply the sum of the county quotas. Indeed, litter quotas were of little importance in these states and no doubt were frequently obtained by dividing the hogs allowed on the contracts by the average number of pigs raised per litter.²²

"Hogs for market" quotas. When the "state quota" method of determining the litter quota was used, the "hogs for market" quota was usually obtained by multiplying the number of litters by the number of pigs raised per litter, making a deduction for the hogs used for farm slaughter, and adding the allowance made for (1) sows sold to the government during the emergency hog marketing campaign (four hogs were added to the base for each sow sold) and (2) new producers who were permitted to raise two litters. In most instances the average number of pigs raised as reported by contract applicants

²¹ Where assessors' reports or state census figures were available these were used instead of, or in addition to, the rural carrier reports.

²² The importance of litter quotas declined still further after the provision of the contract producers to reduce the number of litters farrowed was rescinded. Few, if any, quotas in the minor states had been established prior to that time.

did not differ greatly from the number reported "saved" in the semi-annual pig surveys, when the latter were adjusted slightly to allow for death loss between the time they were reported saved and the time they were marketed (or slaughtered for home use). Contract applicants reported more hogs slaughtered or to be slaughtered for home consumption from hogs farrowed in 1932 than in 1933. In determining the "hogs for market" quota, a number of hogs equal to the 1932 farm slaughter was deducted from total hog production in both 1932 and 1933.

When the inspection method of quota determination was used, the "hogs for market" quota was established on the basis of an analysis of the "supporting evidence" of hogs sold. This analysis was essentially similar to that made by county allotment committees in major hog counties in examining contracts for overstatement.²²

Corn acreage quotas. Both the "state quota" and the "inspection" method were used to determine corn acreage quotas, but frequently the former was "built up" by estimating the overstatement by counties or crop reporting districts, rather than determined for the state as a whole and then "broken down" for the counties. The preliminary state estimates of corn acreage were probably somewhat more accurate than those for hog production and were available for all states, but the former were less useful because in all but eleven states the corn acreage of applicants represented considerably less than half the corn acreage of the state and in only four states—Illinois, Iowa, Nebraska, and South Dakota—did it represent 75 per cent or more of the total. When the acreage of non-applicants represented more than 20 or 25 per cent of the total, it became difficult to estimate it with any degree of accuracy.

A comparison of the corn acreage claimed on applica-

²² See pp. 343-52.

tions with other reports of corn acreage by the same applicants was, therefore, most commonly used. In a number of states assessors' reports were available for this purpose. In other states the corn acreages reported on the wheat or cotton contracts of corn-hog contract applicants were used. In one instance, rural carrier reports were used.

The indicated corn acreage overstatement was much less than the overstatement on litters and hog numbers, and ranged from 3 to 5 per cent in the major corn states. Indeed, for the United States as a whole it was but 3.6 per cent. This was about half the cotton acreage overstatement and much less than the wheat acreage overstatement. The corn acreage quotas, like the litter quotas and for the same reasons, were probably somewhat over the actual though unknown production of applicants. This appears to have been most true in the minor producing states; there it was difficult to obtain a dependable estimate of corn acreage overstatement by comparing the few claims of contract applicants with other reports of the same applicants, and recourse had to be had to ratios of corn land to crop land or to all land in farms. Such ratios were indeed used to a considerable extent even in the major producing states.²⁴

Corn yield quotas. The corn yield quotas presented a somewhat different problem. On the one hand, the corn yield estimates of the Division of Crop and Livestock Estimates were considered quite satisfactory even on a county basis. On the other hand, a second variable entered into the determination of the corn yield allowed contract signers. The fact that producers rented specific fields on which the yields might be above or below average had to be considered as well as the yields of non-

²⁴ In estimating the amount of corn acreage overstatement and establishing quotas, allowances had to be made for administrative rulings which permitted individual producers to use a larger base acreage than the 1932-33 average.

contract signers. In most major producing counties such a large proportion of the farms were under contract that little allowance was necessary for the yield of non-signers. Moreover, the evidence indicated that, despite the protestations of the community committeemen who acted as appraisors, on a county-wide basis producers tended to rent average acres.

The county yield estimates of the Division of Crop and Livestock Estimates were considered so satisfactory that they were made available prior to appraisals. In spite of the fact that community committeemen knew what their average county yield from 1924 to 1933 was, and had been told that their appraisals for the county as a whole would have to conform closely to it, appraised yields reported on the applications ranged in the major producing states from 5 to 15 per cent above the 1924-33 average.²⁵ In the minor corn producing states, appraised yields ran materially more than this above the ten-year average, but there seems good reason for believing that in many of these states the contracted areas were materially better than the state average in yields per acre. This fact was allowed for in the yields permitted on completed contracts for these states.

Most county contract quotas for litters, hogs for market, and corn acres were released by state boards of review between April 15 and June 15, 1934. In a few states, notably Iowa, considerable delay in releasing the county quotas was entailed by the necessity of first making a preliminary analysis of, and quotas for, "early pay" contracts.

ADJUSTING PRODUCTION CLAIMS

The ability, ingenuity, and diplomacy of county allotment committees, state boards of review, district supervisors, and junior statisticians were taxed to the utmost

²⁵ In the Dakotas the appraised yields as reported on the listing sheets were slightly below the ten-year average.

by the problems encountered in equitably removing the overstatement in the corn and hog production claims of contract applicants. The methods used and the success attained varied greatly. In one major corn-hog state barely half the overstatement indicated by the contract quota was removed, in spite of the fact that the indicated overstatement was relatively small. Indeed, the corn yields allowed on completed contracts were actually slightly higher than the original yield appraisals of community committeemen and materially higher than the ten-year average. In several other Corn Belt states, applicants' claims with a much larger indicated overstatement were successfully and equitably scaled down to the quotas. Differences of this kind can hardly be entirely accounted for by errors in the quotas and greater care in obtaining accurate statements on contract applications. They must be laid to variations in the desire and ability of local authorities, and ultimately state boards of review, to resist local pressure.

Corn acreage adjustments. Relatively little difficulty was encountered in "adjusting" claims for corn acreage overstatement. In the first place, it was usually relatively small. In the second place, many state boards were allowed to approve the contracts from individual counties if they did not exceed the original quota by more than 2 or 3 per cent. In many of these states this excess was offset by counties in which acreage on the adjusted contracts did not come up to the original county quota. In a few states, however, corn acreage claims that in the aggregate exceeded the state quota were approved and accepted.

Most of the overstatement removed was taken out by means of a flat percentage cut applied to all contracts. This cut, as it turned out, was made largely "on paper." Most of the corn had been planted before county quotas were available and individual contracts adjusted. Pro-

ducers were told that they could conduct their farming operations on the basis of the information in their application, if they felt certain that it was correct. Even those producers who were doubtful of the accuracy of their reports had no intention of admitting it, and so practically everyone planted corn up to the limit allowed by the application—or, rather, planted corn on an area which he thought to be equal to the maximum allowed. Even when adjustments reduced the number of “permitted” corn acres, producers were allowed to complete these contracts without first destroying the “excess” corn. Later on the drought came along to destroy it for them, or contract provisions were modified so that they were able to comply without destroying it, or they found that the fields they had planted to corn were smaller than they had supposed.²⁶ In a few cases, county allotment committees were able to demonstrate that the corn acreage contract quota was too low (perhaps because the corn acreage of non-signers had been over-estimated), and to obtain some upward readjustment in it.

One reason for the relatively small amount of overstatement in the corn acreage base was that community committeemen in many states checked the 1933 corn acreage claimed against corn stubble at the time appraisals were being made. No doubt this resulted in some adjustments prior to “listing,” with the result that the acreage shown on the listing sheets did not represent the original claims of producers.

²⁶ Nevertheless, the most common type of non-compliance with the 1934 corn-hog contract was an “overage” of acres in corn, and the “paper” adjustment was undoubtedly a contributing cause. The probability that this would happen was increased when instructions were issued on June 8, 1934 that permitted the producer, unless he had already contracted 30 per cent of his base acreage, to change the percentage of his corn land contracted (if adjustments had been made in his corn base) so that he could still obtain as large a corn rental payment as before. This procedure reduced still further the number of acres he was permitted to plant.

Corn yield adjustments. The appraised corn yields on the "contracted" acres as shown on the listing sheets ranged, in the most important corn producing states, from 5 to 15 per cent above the ten-year (1924-33) average. In many of these states the yield finally allowed was no greater and frequently less than the ten-year average for the state. Most of the overstatement in yields was removed by a flat cut applied to all contracts, except in those counties where the allotment committee found evidence that one section of the county had been over-appraised relative to the others. In these cases, some townships were cut more than others. Both original appraisals and adjustments tended to result in high-yield fields being appraised too low and low-yield fields too high. Only the most experienced appraisers were able to estimate unusually high and low yields correctly. Moreover, committeemen knew the average county (or township) yield and tended to make individual appraisals conform to it. Some committeemen, indeed, felt that the farmer with poor land was in greater need of help than the farmer with good land, and appraised accordingly. Finally, though this was not important, appraisers were prohibited by the Corn-Hog Section from making any appraisals in excess of 65 bushels per acre. Most of the adjustments in yield data were made prior to the release of the other county quotas, and no serious difficulty was experienced in making them.

"Hogs for market" adjustments. The real controversy between committeemen and boards of review, and the outstanding adjustment difficulty, developed in connection with the overstatement in the hogs raised for market claimed by producers. Allotment committeemen found, when they really began to examine the contracts and supporting evidence²⁷ minutely, three major causes of overstatement.

²⁷ Contract applicants were required to submit a *Statement of Sup-*

1. *Hogs farrowed prior to December 1, 1931 though marketed in 1932 or 1933.* This constituted a prolific source of overstatement. In the first place, many producers failed to appreciate that it was the time the hogs were farrowed that counted, and not the time that they were marketed—that only hogs farrowed between December 1, 1931 and November 30, 1933 were eligible to be included in the “hogs raised” base. This misconception was accentuated by the *Statement of Supporting Evidence* form, which was so prepared that the emphasis was placed on date of marketing rather than on date of farrowing. This statement was supposed to classify hogs marketed as (1) from 1932 litters, (2) from 1933 litters, and (3) feeder pigs. This statement likewise showed the hogs from 1932 and 1933 litters still on hand, as well as the number of feeder pigs on hand.²⁸ Neighbors were supposed to certify to the latter two items, and sales were to be substantiated by sales receipts, signed statements by buyers, farm account books, etc. These receipts obviously did not show farrowing dates or whether the hogs sold were raised, or bought as feeder pigs and fattened. No evidence, consequently, could be considered absolutely conclusive. Allotment committees therefore had the twofold task of deciding what was satisfactory evidence of *marketing*, and whether the hogs so marketed were *farrowed* during the base period. Most allotment committees sooner or later classified the evidence in some manner. The more careful and systematic committees frequently first checked all the evidence for

porting Evidence which purported to show the disposition of the hogs raised in 1932 and 1933, and to attach to it sales receipts and similar evidence.

²⁸ This form turned out to be deficient in several respects, though this was in part due to delays in the progress of the campaign. No provision was made on the form, for example, to report separately the number of pigs farrowed after Dec. 1, 1933, or the number of feeder pigs bought after that date. If these forms had been used around Dec. 1, 1933 they would have been reasonably though not entirely satisfactory.

accuracy. Some of them visited or corresponded with all persons or agencies who had signed supporting evidence receipts for producers, checking the claims made by producers against the records of the individual or firm. At the same time, committees obtained any additional information that might guide them in deciding whether the producers' claims were legitimate. This included information on sales by classes, grades, and weights, as well as on "dockage" and prices paid.

After producers' claims had been checked for accuracy, and all the additional information possible obtained, allotment committees proceeded to remove from the contracts all hogs that the evidence clearly indicated had been farrowed before December 1, 1931. Most of these were 1931 fall pigs marketed during the summer and early fall of 1932. In many states the extension service prepared a table showing the average weight of pigs at various ages as a guide to local committees.

Obviously hogs averaging 200 pounds when sold in April 1932 must have been farrowed before December 1, 1931, but what about hogs of the same weight marketed September 1, 1932? Owing to the exigencies of the situation, many of these hogs were doubtless removed, though efficient farmers could undoubtedly market hogs farrowed after December 1, 1931 at such weights on September 1, 1932. This procedure obviously penalized the more efficient producers.

Scattered all through 1932 and 1933 marketings, and even among hogs reported as "remaining on farms," were sows, stags, and boars that were farrowed before December 1, 1931. These were very difficult to discover and remove. In at least one minor state where contracts were inspected by representatives of the Corn-Hog Section, as a result of adjustment difficulties, producers' claims in 1932 and 1933 were arbitrarily reduced by the number of sows farrowing in each year.

2. *Feeder pigs.* Feeder pigs, of course, belonged only in the base of the producer who farrowed them. The first step in removing them from the base of producers who fattened them was to cross-check the statements of buyers and sellers of feeder pigs. Most counties eventually did this for all purchases and sales within the county, and some states did it for all intrastate movement of feeder pigs. The difficulty of cross-checking was greatly increased when the pigs moved across county and state lines, through several dealers, or through a stockyards market.⁷⁹ The second step was to deduct from the "hogs for market" claimed by the producer a proportionate share of all death losses. This was necessary because many producers reported that all death losses occurred in the feeder pigs bought and none in the hogs raised.⁸⁰

3. "*Fictitious*" hogs. In this group were hogs claimed on the contract but supported by no evidence, or by falsified evidence. Many cases of the latter came to light, although they formed a small percentage of the total. Many allotment committees inspected evidence with magnifying glasses to make sure that it had not been tampered with. Perhaps the most common change made was to place a one before the left digit in the number of head (that is, raise 7 to 17, or 14 to 114) and a two before the left digit in the figure showing the weight (that is, raise 980 to 2,980 or 3,500 to 23,500).⁸¹ Other prac-

⁷⁹ Feeder pigs shipped interstate are supposed to be immunized against cholera and disinfected. Many states have similar regulations applying to intrastate shipments. No attempt is made to enforce these requirements on pigs moved by truck, however, so that the records of immunization were of little help in cross-checking feeder pig purchases and sales.

⁸⁰ This was particularly troublesome in the cases of garbage hog feeders, who both bought and raised large numbers of hogs and had death losses as high as 50 per cent.

⁸¹ An unusually barefaced attempt of this kind was made by an Iowa farmer who added 100 hogs and 20,000 pounds to each of four receipts. This would have "inflated" his benefit payments by \$1,500. Fortunately for him it was discovered by a committeeman who noticed a difference in the color of the ink, for a Colorado farmer who "got by" with an almost

2. SUMMARY OF RESULTS OF 1934 CORN-HOG REDUCTION PROGRAM—HOGS*

Divisions and States	Number of Litters Farrowed	Litters Allowed under Contracts		Number of Contracts Accepted	Average 1932-33 Litters of Each Contract Signer	Number of Hogs for Market Allowed on Contract	
		Number ^b	Percentage of 1932-33 Litters			Total	Average per Contract
NORTH ATLANTIC	205,000	97,666	°	5,920	16	471,710	80
Maine	10,000	242	°	7	35	1,340	191
New Hampshire	2,000	2,067	°	184	11	11,669	63
Vermont	5,000	2,975	°	545	5	20,879	38
Massachusetts	18,000	27,747	°	234	119	126,212	539
Rhode Island	2,000	372	°	10	37	1,440	144
Connecticut	5,000	2,929	°	92	32	15,611	170
New York	41,000	14,292	35	1,877	8	85,009	45
New Jersey	18,000	27,276	°	307	89	105,584	344
Pennsylvania	104,000	19,766	—	2,664	7	103,966	39
EAST NORTH CENTRAL	3,593	3,063,044	85	335,897	9	16,391,545	49
Ohio	756,000	629,217	83	64,404	10	3,319,210	52
Indiana	984,000	873,279	89	83,433	10	4,698,732	56
Illinois	1,302,000	1,157,195	89	120,808	10	6,006,075	50
Michigan	162,000	118,793	73	24,307	5	720,297	30
Wisconsin	389,000	284,560	73	42,945	7	1,647,231	38
WEST NORTH CENTRAL	6,953,000	6,060,851	87	607,298	10	30,644,476	50
Minnesota	911,000	709,784	78	79,574	9	3,625,619	46
Iowa	2,521,000	2,442,245	97	173,565	14	12,067,815	70
Missouri	1,045,000	854,920	82	107,998	8	4,577,179	42
North Dakota	170,000	123,468	73	19,726	6	584,211	30
South Dakota	509,000	459,741	90	59,164	8	2,357,207	40
Nebraska	1,116,000	917,855	82	88,600	10	4,513,236	51
Kansas	681,000	552,838	81	78,671	7	2,919,209	37
SOUTH ATLANTIC	870,000	171,814	20	23,955	7	790,175	33
Delaware	5,000	959	°	230	4	5,364	23
Maryland	38,000	17,099	°	3,108	6	89,516	29

(370)

was made of either the pigs farrowed after December 1, 1933 or feeder pigs purchased after that date.

In examining the evidence supporting producers' claims, most allotment committees, either consciously or unconsciously, classified it in some manner. Those committees who did the job in the most systematic and careful manner usually classified the evidence as good, fair, questionable, or valueless. "Good" evidence included sales slips showing complete details of the transaction signed by reputable firms, packing houses, and commission agents, and bona fide farm account records showing the same details. "Fair" evidence consisted of evidence of sale which contained less detail or was obtained at a time other than when the sale was made, etc. "Questionable" evidence contained little or no detail, was signed by hired men, truckers, or other individuals or firms known to possess no adequate records. In the "valueless" group were usually included all evidences of sale that had been altered, that stated nothing more than that so many hogs had been sold in 1932 or 1933, or that were signed by persons known to have signed other false statements.

Hog claims supported by no evidence or "valueless" evidence were the first to be thrown out. Most claims supported by first-class evidence were included *in toto*.⁸⁸ Hogs supported by class 2 and class 3 evidence bore the brunt of the remaining cut when no more hogs obviously or most probably ineligible could be found on individual contracts. Usually a small flat cut, 10 to 20 per cent, was applied to all hogs supported by "fair" evidence and cuts up to 50 per cent or more on those hogs supported by "questionable" evidence. This procedure was approved by the Corn-Hog Section when the cuts were adjusted to the class of evidence, provided all other possibilities had been exhausted. Nevertheless, a consider-

⁸⁸ But see p. 116.

able number of counties did make small flat cuts of one kind or another. Many counties cut all hog claims 1 or 1.5 per cent and occasionally as much as 2.5 per cent.³⁴

COMPLETING CONTRACTS AND MAKING BENEFIT PAYMENTS

When producers' claims had been adjusted to the county quota or by an amount acceptable to the state board of review, they were released by the board for typing and preparation for final signatures.³⁵ Original campaign plans proposed to obtain final signatures at a second series of sign-up meetings. In the late spring, when it seemed to the AAA and extension service officials that considerable difficulty might be encountered in obtaining final signatures, plans were laid to sign producers individually.³⁶ As it turned out, no difficulty was experienced regardless of the method used, and sign-up meetings were common. Most final signatures were obtained in June, July, and August 1934, but the date varied widely from state to state and even within the same state.³⁷ Corn-hog contracts were received in Washington in greatest volume in August and September, though the first batch was received on April 10 and contracts continued to straggle in until the end of the year.

The contracts were received by the Mailing and Receiving Unit of the "check factory"³⁸ and checked against

³⁴ An Iowa county reduced every contract claim by one hog in order to remove the last 2,000 "excess" hogs.

³⁵ Preparing the contracts for final signatures involved making an original and two carbon copies of the pertinent data from the original application copy. Typing and checking 1,500 or 2,000 of these contracts frequently took ten days or two weeks. Some counties ran into difficulty by prematurely typing contracts.

³⁶ Many state extension officials confidently predicted that from 15 to 25 per cent of the applicants would not accept their adjusted contracts.

³⁷ In Minnesota some final signatures (to "early pay" contracts) were obtained as early as the first week in February, and the last group of contracts was not completed until the first week in December.

³⁸ The Rental and Benefit Audit Section of the Comptroller's Office. On July 1, 1934 the Contract Records Section of the Commodities Division

“transmittal” sheets approved by the state board of review. These transmittal sheets were supposed to show the adjusted figures of all contract applications and to enable the state board to make sure that the proper adjustments were made.³⁹ The state board’s approval and the statistical data from the county committee, together with a random sample of a dozen contracts, were forwarded to the County Acceptance Unit of the Corn-Hog Section. This unit made sure that the articles of association and budget of the county control association and the bond of the county treasurer had been received and approved;⁴⁰ examined the sample contracts; and reviewed the statistical data to determine whether the county association had made the necessary adjustments before “accepting” the block of contracts and releasing them for general audit.⁴¹

The Computing Unit of the “check factory” next checked all field computations and made the necessary additional calculations and entries. When the amounts of all first benefit payments had been calculated, the contracts went to the Audit Unit where signatures, entries, and adherence to provisions and administrative rulings were checked. All suspended contracts then went to the Correspondence Unit and all approved contracts to the Machine Unit. In the latter the contract data were trans-

was merged with the Rental and Benefit Audit Section, and both were moved from the South Building of the Department of Agriculture to the old Post Office. These two changes naturally disrupted operations and slowed down the output for some time; but the consolidation of the two units eliminated considerable duplication and in the end speeded up the process of recording, auditing, and making payment on commodity contracts.

³⁹ Many counties did not consistently list the data from all applications, regardless of whether they were finally completed or not. This unfortunately limited considerably the analyses of production adjustments, overstatement, etc.

⁴⁰ By the County Associations Unit of the Corn-Hog Section.

⁴¹ When contracts and related data were not being handled, they were in the possession of the Files Unit of the Rental and Benefit Audit Section.

ferred to "punch cards,"⁴³ the transfer verified, and the cards taken to a unit of the Disbursing Office of the Treasury Department. There one machine transferred the necessary data onto blank checks, another signed them for the Secretary of the Treasury, and a third re-wrote the data on an office form for audit. The checks were then sent to the treasurer of the county control association for distribution to farmers.⁴⁵

Suspended contracts went through a similar process when corrections or missing documents had been supplied by the county association. Corn-hog contracts and their accompanying legal documents were in far better shape than those of any other commodity. Less than 3 per cent had to be referred to the Correspondence Unit for correction, as contrasted with from 15 to 20 per cent of the cotton, wheat, and tobacco contracts. Petitions for contract changes were handled by the Adjustment Unit of the Rental and Benefit Audit Section unless they involved changes in the amount of benefit payments. Such cases were handled by the Claims Section of the Comptroller's Office. Requests for cancellation of contracts were handled by the Contract Cancellation Section.

COMPLIANCE

The Compliance Unit of the Corn-Hog Section was responsible for the general supervision of compliance and the development of methods, forms, and instructions.⁴⁴ The county allotment committees and the "super-

⁴³ Electrically operated machines sorted, tabulated, and summarized the data on these punch cards.

⁴⁴ "Early pay" contracts and later the riders showing the adjustments made in these contracts were similarly handled, as were the compliance forms which formed the bases for disbursing the second and third payments.

⁴⁵ In May 1934, a Compliance Section was established in the Commodities Division to co-ordinate the compliance methods of the several commodity sections and, in co-operation with state directors of extension and the chiefs of commodity sections, appoint state compliance officers (to be known as commodities representatives). The activities of this section in

visors" appointed by them were responsible for the field work, however, and the Rental and Benefit Audit Section, together with several units of the Corn-Hog Section, was responsible for making second and third payments on the basis of the evidence furnished by the compliance forms.

The organization set up in the states by the AAA for overseeing the work of county allotment committees and supervisors in checking compliance was far from uniform. In some states a commodities representative was put in charge of the checking of compliance for all commodities; in others, the job was left to the state director of extension (or his appointee). In some states the commodities representative was assisted by a number of district supervisors especially appointed for the purpose and paid directly by the AAA; in others extension agents or specialists acted as district compliance supervisors.

In most counties the local supervisors who actually made the inspections were appointed by the allotment committee, though in a few counties the inspections were made by allotment committeemen themselves. Sometimes these supervisors checked compliance on farms in their own community, sometimes in a neighboring community. In most counties the allotment committee appointed a county compliance supervisor, frequently a member of the allotment committee. These county supervisors checked the work of local supervisors and the work of both was in turn checked by the district supervisors. State supervisors were authorized to and sometimes did request a recheck of part or all of the con-

1934 were limited because wheat compliance was well under way prior to its organization. Commodities representatives have been appointed in some states, while in others compliance work is supervised by the state director of extension. Little or nothing was done to co-ordinate the compliance procedure for the several commodities, except with respect to the issuance of general instructions on methods of measurement, and the conditions under which such measurements might be dispensed with. The section, as such, was continued when the AAA was reorganized in January 1935.

tracts in a county when they were not satisfied with the original check. This was likewise the prerogative of the Compliance Unit.⁴⁵ Though the federal and state extension services bore a large part of the responsibility of instructing local supervisors in compliance procedure, the most workmanlike job of actual checking seems to have been done in those states where it was administered by an organization set up for that specific purpose.

Supervisors visited signers' farms, made their necessary inspections, recorded their findings on a *Proof of Compliance for Second Payment* form (C-H 54), and compared them with the pertinent data from the contract previously transcribed to the compliance form in the association office. Each supervisor usually inspected from 40 to 50 farms. So far as possible at the time of inspection the supervisors made the calculations necessary to determine whether the producer had complied or not. These calculations were later checked in the office. In some counties all calculations were made in the office. If the producer had complied with all the acreage provisions of the contract, and if the number of hogs sold or to be sold did not exceed the market quota by more than 5 per cent,⁴⁶ a *First Certification of Compliance* (C-H 53) was prepared. When signed by the producer, landlord (if any), supervisor, community committeemen, and the members of the county allotment committee, this was forwarded to Washington. If contract violators elected to accept the "penalty," a *Certification for Second Payment in Cases of Partial Compliance* form⁴⁷ was pre-

⁴⁵ The original plan called for a systematic "spot check" of the work of local supervisors, but this procedure was abandoned where visual inspection was substituted for actual measurements.

⁴⁶ This "overage" was permitted to take care of "normal" death losses between the times of the first and second checks of compliance. The inspection likewise included a check on feeder pigs and hogs for home use.

⁴⁷ The term "partial compliance" rather than "non-compliance" was used by the Corn-Hog Section as being more accurate in most cases and having less invidious implications.

pared and forwarded by the allotment committee to the state compliance office. The state compliance offices checked these forms, in some cases also checking the inspection; and when all or almost all of them had been received and checked, forwarded them to Washington.

Before any second and third instalments of benefit payments could be made, even to producers who had been certified as in complete compliance, each contract signer's pro rata share of the local administrative expenses had to be determined.

The County Association Unit of the Corn-Hog Section estimated the total local association expense by adding to the expenses submitted to date: (1) expenses incurred but not at the time submitted; and (2) a budget of expenses not yet incurred but estimated as necessary to complete the 1934 program. These items were furnished by the associations in response to an inquiry by the Corn-Hog Section. When first payment had been made on 95 per cent (or more) of the contracts in a county, the total benefit payments due on these paid contracts were calculated.⁴⁶ The relation that the estimated association expenses bore to total benefit payments was then determined, and the percentage (multiplied by 2) thus obtained was applied to the second corn payment to show the deduction to be made from it. When the rate of deduction had been thus determined, the certification forms were released for auditing and payment by the Receiving Unit of the Rental and Benefit Audit Section. A similar procedure was followed in determining the deductions to be made from the third hog payment. Counties submitted a revised estimate of expenses which was frequently somewhat lower than the first so that the percentage deduction for the third hog payment was frequently a point or more lower than the percentage deduction on the second corn payment.

⁴⁶ By multiplying the first corn payment by 2 and the first hog payment by 2.5, and adding the two items thus obtained.

When contract signers owned, operated, or controlled non-contract farms, it was necessary to check the aggregate corn and hog production on these farms before any second and third benefit payments could be made. Contract signers with non-contract farms in two or more counties had been required to furnish the Multiple Farms Unit of the Corn-Hog Section with a list of their non-contract farms showing the base period corn acreage (and for stock-share landlords the number of hogs produced for market and the number of feeder pigs bought in 1932 and 1933).⁴⁹ These lists were forwarded to the appropriate county allotment committees, who checked both the claims with respect to 1932-33 production and actual production in 1934. When the committees' reports showed no violations the compliance certification forms were released for payment. When the reports showed non-compliance, an appropriate number of certifications were held up until proper penalties had been assessed. In general, the unit did not hold up all the certifications on the contract farms of multiple land holders while awaiting reports from allotment committees, but only on a number of contracts equal to the number of non-contract farms of each landlord. Originally, it was intended to hold up the second payments of landlords only while awaiting reports on non-contract farms. Actually, however, payments to tenants were delayed for some time until a procedure for releasing them was finally evolved.⁵⁰

An additional operation was involved in making second and third payments to producers who had violated

⁴⁹ Considerable delay was caused because many landlords were slow in sending in lists or entirely neglected to do so. When all the non-contract land of the contract signer was in the same county as the land under contract, the whole job was handled by the county allotment committee.

⁵⁰ Payments to tenants and landlords were not delayed, of course, unless (1) certification on non-contract farms had not been received in Washington when the regular certification arrived or (2) aggregate corn acreage or hog production provisions had been violated. Landlords were responsible for aggregate corn acreage on non-contract farms regardless

one or more provisions of the contract and who had elected to accept penalties for them. The assessing of penalties took some time, and the development of the procedure for handling the forms in the Rental and Benefit Audit Section took some more, so that first payments on these certifications were not made until the end of April 1935.

In spite of the numerous modifications in the contract, ten major types of violation were recognized: (1) corn acreage in excess of that permitted for 1934; (2) use of contracted acres other than authorized or permitted by the contract; (3) corn or grain sorghums planted pursuant to administrative rulings but prior to the date permitting such plantings; (4) increase of feed crop, total crop, or basic crop acreage; (5) non-compliance relative to filling silo; (6) non-compliance with aggregate provisions of contract relating to corn production; (7) violation of the provisions relating to production of hogs; (8) violation of feeder-pig provisions; (9) non-compliance with aggregate provisions of contract relative to hog production; (10) failure to operate farm throughout 1934.

In the case of the violation of any acreage provision, the amount of the deduction was obtained by multiplying the acres on which the violation occurred by the appraised corn yield on the contracted acres, and the resultant sum by the penalty rate. For unauthorized use of contracted acres and violation of the aggregate acres of corn on the non-contract farms of contract signers, the maximum rate was 45 cents; for other violations it was somewhat less. For violating the provisions relating to hog production, the maximum penalty was \$20 for each excess hog. The one exception to the regular "comply or cancel" alternatives of the original contract was the provision for a \$20 penalty on excess hogs.

of their leasing arrangements with the tenants on them, but were only responsible for the aggregate hog production on stock-share rented non-contract farms.

APPENDIX C

IMPORTANT BENEFIT PAYMENT AND PROCESSING TAX PROVISIONS OF THE AGRICULTURAL ADJUSTMENT ACT, AS AMENDED AUGUST 24, 1935

PART 2. COMMODITY BENEFITS

GENERAL POWERS

Sec. 8 (1) Whenever the Secretary of Agriculture has reason to believe that:

(a) The current average farm price for any basic agricultural commodity is less than the fair exchange value thereof, or the average farm price of such commodity is likely to be less than the fair exchange value thereof for the period in which the production of such commodity during the current or next succeeding marketing year is normally marketed, and

(b) The conditions of and factors relating to the production, marketing, and consumption of such commodity are such that the exercise of any one or more of the powers conferred upon the Secretary under Sub-sections (2) and (3) of this section would tend to effectuate the declared policy of this title,

he shall cause an immediate investigation to be made to determine such facts. If, upon the basis of such investigation, the Secretary finds the existence of such facts, he shall proclaim such determination and shall exercise such one or more of the powers conferred upon him under Sub-sections (2) and (3) of this section as he finds, upon the basis of such investigation, administratively practicable and best calculated to effectuate the declared policy of this title.

(2) Subject to the provisions of Sub-section (1) of this section, the Secretary of Agriculture shall provide, through agreements with producers or by other voluntary methods,

(a) For such adjustment in the acreage or in the production for market, or both, of any basic agricultural commodity, as he finds, upon the basis of the investigation made pursuant to Sub-section (1) of this section, will tend to effectuate the

declared policy of this title, and to make such adjustment program practicable to operate and administer, and

(b) For rental or benefit payments in connection with such agreements or methods in such amounts as he finds, upon the basis of such investigation, to be fair and reasonable and best calculated to effectuate the declared policy of this title and to make such program practicable to operate and administer, to be paid out of any moneys available for such payments or, subject to the consent of the producer, to be made in quantities of one or more basic agricultural commodities acquired by the Secretary pursuant to this title.

(3) Subject to the provisions of Sub-section (1) of this section, the Secretary of Agriculture shall make payments, out of any moneys available for such payments, in such amounts as he finds, upon the basis of the investigation made pursuant to Sub-section (1) of this section, to be fair and reasonable and best calculated to effectuate the declared policy of this title:

(a) To remove from the normal channels of trade and commerce quantities of any basic agricultural commodity or product thereof;

(b) To expand domestic or foreign markets for any basic agricultural commodity or product thereof;

(c) In connection with the production of that part of any basic agricultural commodity which is required for domestic consumption.

(4) Whenever, during a period during which any of the powers conferred in Sub-section (2) or (3) is being exercised, the Secretary of Agriculture has reason to believe that, with respect to any basic agricultural commodity:

(a) The current average farm price for such commodity is not less than the fair exchange value thereof, and the average farm price for such commodity is not likely to be less than the fair exchange value thereof for the period in which the production of such commodity during the current or next succeeding marketing year is normally marketed, or

(b) The conditions of and factors relating to the production, marketing, and consumption of such commodity are such that none of the powers conferred in Sub-sections (2) and (3), and no combination of such powers, would, if exercised, tend to effectuate the declared policy of this title,

he shall cause an immediate investigation to be made to determine such facts. If, upon the basis of such investigation, the Secretary finds the existence of such facts, he shall proclaim such determination, and shall not exercise any of such powers with respect to such commodity after the end of the marketing year current at the time when such proclamation is made and prior to a new proclamation under Sub-section (1) of this section, except in so far as the exercise of such power is necessary to carry out obligations of the Secretary assumed, prior to the date of such proclamation made pursuant to this Sub-section, in connection with the exercise of any of the powers conferred upon him under Sub-sections (2) or (3) of this section.

(5) In the course of any investigation required to be made under Sub-section (1) or Sub-section (4) of this section, the Secretary of Agriculture shall hold one or more hearings, and give due notice and opportunity for interested parties to be heard.

(6) No payment under this title made in an agricultural commodity acquired by the Secretary in pursuance of this title shall be made in a commodity other than that in respect of which the payment is being made. For the purposes of this sub-section, hogs and field corn may be considered as one commodity. . . .

PROCESSING TAX

Sec. 9(a) To obtain revenue for extraordinary expenses incurred by reason of the national economic emergency, there shall be levied processing taxes as hereinafter provided. When the Secretary of Agriculture determines that any one or more payments authorized to be made under Section 8 are to be made with respect to any basic agricultural commodity, he shall proclaim such determination, and a processing tax shall be in effect with respect to such commodity from the beginning of the marketing year therefor next following the date of such proclamation. . . . The processing tax shall be levied, assessed, and collected upon the first domestic processing of the commodity, whether of domestic production or imported, and shall be paid by the processor. The rate of tax shall conform to the requirements of Sub-section (b). Such rate shall be determined by the Secretary of Agriculture as of the date the tax first takes effect, and the rate so determined shall, at such intervals as the Secre-

tary finds necessary to effectuate the declared policy, be adjusted by him to conform to such requirements. The processing tax shall terminate at the end of the marketing year current at the time the Secretary proclaims that all payments authorized under Section 8 which are in effect are to be discontinued with respect to such commodity. The marketing year for each commodity shall be ascertained and prescribed by regulations of the Secretary of Agriculture. . . .

(b) (1) The processing tax shall be at such rate as equals the difference between the current average farm price for the commodity and the fair exchange value of the commodity, plus such percentage of such difference, not to exceed 20 per centum, as the Secretary of Agriculture may determine will result in the collection, in any marketing year with respect to which such rate of tax may be in effect pursuant to the provisions of this title, of an amount of tax equal to (a) the amount of credits or refunds which he estimates will be allowed or made during such period pursuant to Section 15 (c) with respect to the commodity and (b) the amount of tax which he estimates would have been collected during such period upon all processings of such commodity which are exempt from tax by reason of the fact that such processings are done by or for a state, or a political subdivision or an institution thereof, had such processings been subject to tax. If, prior to the time the tax takes effect, or at any time thereafter, the Secretary has reason to believe that the tax at such rate, or at the then existing rate, on the processing of the commodity generally or for any designated use or uses, or on the processing of the commodity in the production of any designated product or products thereof for any designated use or uses, will cause or is causing such reduction in the quantity of the commodity or products thereof domestically consumed as to result in the accumulation of surplus stocks of the commodity or products thereof or in the depression of the farm price of the commodity, then the Secretary shall cause an appropriate investigation to be made, and afford due notice and opportunity for hearing to interested parties. If thereupon the Secretary determines and proclaims that any such result will occur or is occurring, then the processing tax on the processing of the commodity generally or for any designated use or uses, or on the processing of the commodity in the production of any

designated product or products thereof for any designated use or uses, shall be at such lower rate or rates as he determines and proclaims will prevent such accumulation of surplus stocks and depression of the farm price of the commodity, and the tax shall remain during its effective period at such lower rate until the Secretary, after due notice and opportunity for hearing to interested parties, determines and proclaims that an increase in the rate of such tax will not cause such accumulation of surplus stocks or depression of the farm price of the commodity. Thereafter the processing tax shall be at the highest rate which the Secretary determines will not cause such accumulation of surplus stocks or depression of the farm price of the commodity, but it shall not be higher than the rate provided in the first sentence of this paragraph.

(2) In the case of wheat, cotton, field corn, hogs, peanuts, tobacco, paper, and jute, and (except as provided in paragraph (8) of this sub-section) in the case of sugar cane and sugar beets, the tax on the first domestic processing of the commodity generally or for any particular use, or in the production of any designated product for any designated use, shall be levied, assessed, collected, and paid at the rate prescribed by the regulations of the Secretary of Agriculture in effect on the date of the adoption of this amendment, during the period from such date to December 31, 1937, both dates inclusive. . . .

[Sec. 9-b] (6) (A) Any rate of tax which is prescribed in paragraph (2), (3), (4), or (5) of this sub-section or which is established pursuant to this paragraph (6) on the processing of any commodity generally or for any designated use or uses, or on the processing of the commodity in the production of any designated product or products thereof for any designated use or uses, shall be decreased (including a decrease to zero) in accordance with the formulae, standards, and requirements of paragraph (1) of this sub-section, in order to prevent such reduction in the quantity of such commodity or the products thereof domestically consumed as will result in the accumulation of surplus stocks of such commodity or the products thereof or in the depression of the farm price of the commodity, and shall thereafter be increased in accordance with the provisions

of paragraph (1) of this sub-section but subject to the provisions of subdivision (B) of this paragraph (6).

(B) If the average farm price of any commodity, the rate of tax on the processing of which is prescribed in paragraph (2), (3), (4), or (5) of this sub-section or is established pursuant to this paragraph (6), during any twelve months' period ending after July 1, 1935 consisting of the two months immediately preceding and the first ten months of any marketing year—

(i) is equal to, or exceeds by 10 per centum or less, the fair exchange value thereof, or, in the case of tobacco, is less than the fair exchange value by not more than 10 per centum, the rate of such tax shall (subject to the provisions of subdivision (A) of this paragraph (6)) be adjusted, at the beginning of the next succeeding marketing year, to such rate as equals 20 per centum of the fair exchange value thereof.

(ii) exceeds by more than 10 per centum, but not more than 20 per centum, the fair exchange value thereof, the rate of such tax shall (subject to the provisions of subdivision (A) of this paragraph (6)) be adjusted, at the beginning of the next succeeding marketing year, to such rate as equals 15 per centum of the fair exchange value thereof.

(iii) exceeds by more than 20 per centum the fair exchange value thereof, the rate of such tax shall (subject to the provisions of subdivision (A) of this paragraph (6)) be adjusted, at the beginning of the next succeeding marketing year, to such rate as equals 10 per centum of the fair exchange value thereof.

(C) Any rate of tax which has been adjusted pursuant to this paragraph (6) shall remain at such adjusted rate unless further adjusted or terminated pursuant to this paragraph (6), until December 31, 1937, or until July 31, 1936, in the case of rice.

(D) In accordance with the formulae, standards, and requirements prescribed in this title, any rate of tax prescribed in paragraph (2), (3), (4), or (5) of this sub-section or which is established pursuant to this paragraph (6) shall be increased.

(E) Any tax, the rate of which is prescribed in paragraph (2), (3), (4), or (5) of this sub-section or which is established pursuant to this paragraph (6), shall terminate pur-

suant to proclamation as provided in Section 9(a) of this title or pursuant to Section 13 of this title. Any such tax with respect to any basic commodity which terminates pursuant to proclamation as provided in Section 9(a) of this title shall again become effective at the rate prescribed in paragraph (2), (3), (4), or (5) of this sub-section, subject however to the provisions of subdivisions (A) and (B) of this paragraph (6), from the beginning of the marketing year for such commodity next following the date of a new proclamation by the Secretary as provided in Section 9(a) of this title, if such marketing year begins prior to December 31, 1937, or prior to July 31, 1936, in the case of rice, and shall remain at such rate until altered or terminated pursuant to the provisions of Section 9 or terminated pursuant to Section 13 of this title.

(F) After December 31, 1937 (in the case of the commodities specified in paragraphs (2), (4), and (5) of this sub-section), and after July 31, 1936 (in the case of rice), rates of tax shall be determined by the Secretary of Agriculture in accordance with the formulae, standards, and requirements prescribed in this title but not in this paragraph (6), and shall, subject to such formulae, standards, and requirements, thereafter be effective.

(G) If the applicability to any person or circumstances of any tax, the rate of which is fixed in pursuance of this paragraph (6), is finally held invalid by reason of any provision of the Constitution, or is finally held invalid by reason of the Secretary of Agriculture's exercise or failure to exercise any power conferred on him under this title, there shall be levied, assessed, collected, and paid (in lieu of all rates of tax fixed in pursuance of this paragraph (6) with respect to all tax liabilities incurred under this title on or after the effective date of each of the rates of tax fixed in pursuance of this paragraph (6)), rates of tax fixed under paragraph (2), (3), (4), or (5), and such rates shall be in effect (unless the particular tax is terminated pursuant to proclamation, as provided in Section 9(a) or pursuant to Section 13) until altered by act of Congress; except that, for any period prior to the effective date of such holding of invalidity, the amount of tax which represents the difference between the tax at the rate fixed in pursuance of this paragraph (6) and the

tax at the rate fixed under paragraphs (2), (3), (4), and (5) shall not be levied, assessed, collected, or paid.

[Sec. 9] (c) For the purposes of Part 2 of this title, the fair exchange value of a commodity shall be the price therefor that will give the commodity the same purchasing power, with respect to articles farmers buy, as such commodity had during the base period specified in Section 2; and, in the case of all commodities where the base period is the pre-war period, August 1909 to July 1914, will also reflect interest payments per acre on farm indebtedness secured by real estate and tax payments per acre on farm real estate, as contrasted with such interest payments and tax payments during said base period; and the current average farm price and the fair exchange value shall be ascertained by the Secretary of Agriculture from available statistics of the Department of Agriculture. The rate of tax upon the processing of any commodity, in effect on the date on which this amendment is adopted, shall not be affected by the adoption of this amendment and shall not be required to be adjusted or altered, unless the Secretary of Agriculture finds that it is necessary to adjust or alter any such rate pursuant to Section 9(a) of this title. . . .

APPENDIX D
STATISTICAL TABLES

1. SUMMARY OF RESULTS OF 1934 CORN-HOG REDUCTION PROGRAM—CORN^a

Divisions and States	Average Corn Acreage, 1932-33	Contract Signers' Corn Base		Number of Contracts Accepted	Average 1932-33 Corn Acreage of Each Contract Signer	Number of Contracted Acres	Contracted Acres as a Percentage of Base Acreage	Average 1924-33 Corn Yield (In bushels per acre)	Yield Allowed per Contracted Acre (In bushels)
		In Acres ^b	As Percentage of 1932-33 Average Acreage						
NORTH ATLANTIC.....	2,203,500	78,667	3.6	5,920	13	14,016	17.8	38.0	38.4
Maine.....	16,500	30	0.2	7	4	—	—	39.7	—
New Hampshire...	14,500	438	1.0	184	2	5	1.1	42.0	60.0
Vermont.....	63,500	2,270	3.6	545	4	—	—	41.3	—
Massachusetts....	38,000	504	1.3	234	2	4	.8	41.8	36.0
Rhode Island.....	9,500	15	0.2	10	2	—	—	40.4	—
Connecticut.....	53,500	433	0.8	92	5	20	4.6	40.3	34.7
New York.....	574,500	13,769	2.4	1,877	7	590	4.3	33.9	33.2
New Jersey.....	166,000	4,674	2.7	307	15	1,115	23.9	40.1	40.6
Pennsylvania.....	1,267,500	56,534	4.5	2,664	21	12,282	21.7	39.1	38.4
EAST NORTH CENTRAL	20,282,500	13,597,620	67.0	335,897	40	3,029,931	22.3	34.2	36.2
Ohio.....	3,398,500	1,997,868	58.8	64,404	31	452,308	22.6	35.4	37.3
Indiana.....	4,453,500	3,118,471	70.0	83,433	37	715,620	22.9	33.8	35.8
Illinois.....	8,838,500	7,094,632	80.3	120,808	59	1,625,469	22.9	34.9	36.3
Michigan.....	1,386,000	424,702	30.6	24,307	17	79,197	18.6	29.4	32.6
Wisconsin.....	2,206,000	961,947	43.6	42,945	22	157,337	16.4	33.0	36.0
WEST NORTH CENTRAL	45,919,000	35,688,403	77.7	607,298	59	8,518,848	23.9	26.8	27.5
Minnesota.....	4,895,500	3,586,534	73.3	79,574	45	802,455	22.4	31.1	31.7
Iowa.....	11,493,500	10,576,079	92.9	173,565	61	2,472,720	23.4	37.8	38.6
Missouri.....	6,245,500	4,313,855	69.1	107,998	40	1,080,114	25.0	26.2	25.5
North Dakota.....	1,369,000	794,468	58.0	19,726	40	173,794	21.9	19.2	17.4
South Dakota.....	4,200,000	4,109,333	97.8	59,164	69	1,045,045	25.4	17.8	17.0
Nebraska.....	10,537,500	7,878,940	74.8	88,600	89	1,860,218	23.6	23.2	23.8

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Delaware.....	146,000	7,559	5.2	230	33	1,890	25.0	27.4	33.1
Maryland.....	554,000	90,887	16.4	3,108	29	21,229	23.4	30.6	36.2
Virginia.....	1,533,500	231,228	15.1	10,551	22	54,900	23.7	22.0	29.4
West Virginia.....	455,000	44,999	9.9	2,169	21	10,324	22.9	26.3	34.9
North Carolina.....	2,357,000	107,977	4.6	4,091	26	23,378	21.7	18.1	26.3
South Carolina.....	1,614,500	94,165	5.8	1,644	57	22,218	23.6	13.6	17.5
Georgia.....	3,798,000	43,329	1.1	565	77	9,592	22.1	10.7	11.9
Florida.....	680,000	82,081	12.1	1,597	51	20,658	25.2	10.5	14.2
SOUTH CENTRAL.....	22,927,000	3,679,777	16.0	130,312	28	894,873	24.3	17.3	21.1
Kentucky.....	2,769,000	779,349	28.1	23,156	34	193,588	24.8	23.2	26.6
Tennessee.....	2,868,500	716,832	25.0	23,610	30	179,103	25.0	21.1	24.9
Alabama.....	3,127,500	123,543	4.0	2,833	44	28,219	22.8	12.8	13.2
Mississippi.....	2,402,000	16,553	0.7	256	65	3,886	23.5	15.0	18.5
Arkansas.....	2,023,000	200,056	9.9	11,034	18	45,424	22.7	16.1	20.7
Louisiana.....	1,229,500	23,102	1.9	481	48	5,676	24.6	14.5	16.9
Oklahoma.....	2,943,000	996,346	33.9	36,940	27	231,567	23.2	16.4	17.3
Texas.....	5,564,500	823,996	14.8	32,002	26	207,410	25.2	16.6	18.2
WEST.....	2,983,500	1,566,815	25.5	51,912	30	408,139	26.0	14.8	13.5
Montana.....	215,000	55,310	25.7	4,304	13	14,195	25.7	13.0	16.3
Idaho.....	52,500	20,590	39.2	9,544	2	2,603	12.6	38.0	34.7
Wyoming.....	223,500	163,597	73.2	3,067	53	41,574	25.4	13.8	14.3
Colorado.....	1,956,500	1,159,943	59.3	13,120	88	309,900	26.7	12.3	12.2
New Mexico.....	267,500	130,810	48.9	2,574	51	35,343	27.0	14.5	19.1
Arizona.....	41,000	2,435	5.9	334	7	536	22.0	16.4	23.7
Utah.....	20,500	3,466	16.9	2,752	1	343	9.9	25.7	25.0
Nevada.....	2,000	457	22.8	284	2	115	25.2	23.8	56.8
Washington.....	39,500	3,059	7.7	5,029	1	607	19.8	35.8	36.3
Oregon.....	68,000	21,372	31.4	6,123	3	1,714	8.0	32.2	35.9
California.....	979,500	5,776	5.9	4,781	1	1,209	20.9	31.0	34.2
UNITED STATES.....	105,453,500	55,313,507	52.5	1,155,294	48	13,029,996	23.6	25.2	28.6

^a Estimates of average 1932-33 corn acreage are those of the Bureau of Agricultural Economics, U. S. Department of Agriculture. Other data were supplied by the AAA.

^b Includes allowances made by administrative rulings for corn bases larger than the 1932-33 average.

2. SUMMARY OF RESULTS OF 1934 CORN-HOG REDUCTION PROGRAM—HOGS*

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Divisions and States	Number of Litters Farrowed	Litters Allowed under Contracts		Number of Contracts Accepted	Average 1932-33 Litters of Each Contract Signer	Number of Hogs for Market Allowed on Contract	
		Number ^b	Percentage of 1932-33 Litters			Total	Average per Contract
NORTH ATLANTIC.....	205,000	97,666	•	5,920	16	471,710	80
Maine.....	10,000	242	•	7	35	1,340	191
New Hampshire.....	2,000	2,067	•	184	11	11,669	63
Vermont.....	5,000	2,975	•	545	5	20,879	38
Massachusetts.....	18,000	27,747	•	234	119	126,212	539
Rhode Island.....	2,000	372	•	10	37	1,440	144
Connecticut.....	5,000	2,929	•	92	32	15,611	170
New York.....	41,000	14,292	35	1,877	8	85,009	45
New Jersey.....	18,000	27,276	•	307	89	105,584	344
Pennsylvania.....	104,000	19,766	—	2,664	7	103,966	39
EAST NORTH CENTRAL..	3,593	3,063,044	85	335,897	9	16,391,545	49
Ohio.....	756,000	629,217	83	64,404	10	3,319,210	52
Indiana.....	984,000	873,279	89	83,433	10	4,698,732	56
Illinois.....	1,302,000	1,157,195	89	120,808	10	6,006,075	50
Michigan.....	162,000	118,793	73	24,307	5	720,297	30
Wisconsin.....	389,000	284,560	73	42,945	7	1,647,231	38
WEST NORTH CENTRAL..	6,953,000	6,060,851	87	607,298	10	30,644,476	50
Minnesota.....	911,000	709,784	78	79,574	9	3,625,619	46
Iowa.....	2,521,000	2,442,245	97	173,565	14	12,067,815	70
Missouri.....	1,045,000	854,920	82	107,998	8	4,577,179	42
North Dakota.....	170,000	123,468	73	19,726	6	584,211	30
South Dakota.....	509,000	459,741	90	59,164	8	2,357,207	40
Nebraska.....	1,116,000	917,855	82	88,600	10	4,513,236	51
Kansas.....	681,000	552,838	81	78,671	7	2,919,209	37
SOUTH ATLANTIC.....	870,000	171,814	20	23,955	7	790,175	33
Delaware.....	8,000	959	•	230	4	8,364	23

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Virginia.....	136,000	61,722	45	10,551	6	295,316	28
West Virginia.....	41,000	11,330	28	2,169	5	64,514	30
North Carolina.....	168,000	31,204	19	4,091	8	153,817	38
South Carolina.....	104,000	18,758	18	1,644	11	79,268	48
Georgia.....	270,000	9,783	4	565	17	39,416	70
Florida.....	108,000	20,959	19	1,597	13	62,964	39
SOUTH CENTRAL.....	1,668,000	771,972	46	130,312	6	3,834,898	29
Kentucky.....	224,000	140,355	63	23,156	6	776,373	34
Tennessee.....	207,000	117,097	57	23,610	5	610,396	26
Alabama.....	155,000	21,657	14	2,833	8	96,694	34
Mississippi.....	160,000	4,008	3	256	16	12,747	50
Arkansas.....	184,000	54,651	30	11,034	5	247,221	22
Louisiana.....	123,000	5,969	5	481	12	11,943	25
Oklahoma.....	273,000	215,503	79	36,940	6	1,082,259	29
Texas.....	342,000	212,732	62	32,002	7	997,265	31
WEST.....	527,000	430,220	82	51,912	8	2,186,271	42
Montana.....	51,000	29,599	58	4,304	7	153,184	36
Idaho.....	64,000	67,670	106	9,544	7	359,172	38
Wyoming.....	18,000	16,034	89	3,067	5	74,993	24
Colorado.....	111,000	86,342	78	13,120	7	421,042	32
New Mexico.....	15,000	13,690	91	2,574	5	65,592	25
Arizona.....	8,000	4,957	62	334	15	20,382	61
Utah.....	15,000	12,563	84	2,752	5	61,771	22
Nevada.....	4,000	3,897	97	284	14	16,883	59
Washington.....	50,000	38,168	76	5,029	8	212,260	42
Oregon.....	48,000	38,027	79	6,123	6	229,165	37
California.....	143,000	119,273	•	4,781	25	571,827	120
UNITED STATES.....	13,816	10,595,567	77	1,155,294	9	54,319,075	47

^a The data for number of litters farrowed in 1932-33 are based on semi-annual estimates in *Crops and Markets*, U. S. Department of Agriculture, December 1934, Vol. 11, No. 12, p. 506. Other data were furnished by the AAA and the percentages were computed from them.

^b Allowances for sows sold during emergency campaign and for new producers are included.

^c Many of the litters farrowed by garbage feeders were not included in the census reports, which formed the principal bases of the Division of Crop and Livestock Estimates' figures for the number of litters farrowed in these states.

3. SUMMARY OF RESULTS OF 1935 CORN-HOG REDUCTION PROGRAM—CORN

Divisions and States	Estimated 1932-33 Average Corn Acreage	Base Acreage of Contract Applicants	Percentage of 1932-33 Corn Acreage in Applications	Number of Contract Applications	Average 1932-33 Corn Acreage of Applicants	Number of Retired Acres	Contracted Acres As Percentage of Base Acreage	Average 1924-33 Corn Yield (In Bushels per Acre)	Yield Allowed on Retired Acres
NORTH ATLANTIC	2,203,500	75,141	3.4	4,912	15	15,319	20.4	38.0	40.6
Maine.....	16,500	32	0.2	10	3	—	—	39.7	—
New Hampshire..	14,500	353	2.4	113	3	3	0.8	42.0	55.0
Vermont.....	63,500	1,952	3.1	367	5	40	2.0	41.3	45.2
Massachusetts...	38,000	275	0.7	169	2	2	0.7	41.8	36.0
Rhode Island....	9,500	15	0.2	8	2	—	—	40.4	—
Connecticut.....	53,500	356	0.7	69	5	17	4.8	40.3	34.5
New York.....	574,500	10,560	1.8	1,355	8	572	5.4	33.9	34.3
New Jersey.....	166,000	2,857	1.7	255	11	942	33.0	40.1	37.4
Pennsylvania....	1,267,500	58,741	4.6	2,566	23	13,743	23.4	39.1	41.1
EAST NORTH CENTRAL	20,282,500	12,142,630	59.9	265,905	46	2,323,480	19.1	34.2	36.2
Ohio.....	3,398,500	1,613,550	47.5	46,500	35	297,600	18.4	35.4	37.0
Indiana.....	4,453,500	2,650,000	59.5	64,540	41	489,000	18.5	33.8	36.0
Illinois.....	8,838,500	6,741,700	76.3	103,000	65	1,348,340	20.0	34.9	36.5
Michigan.....	1,386,000	257,380	18.6	14,365	18	50,540	10.6	29.4	31.0
Wisconsin.....	2,206,000	880,000	39.9	37,500	23	138,000	15.7	33.0	34.8
WEST NORTH CENTRAL	45,919,000	34,491,729	75.1	556,140	62	7,858,530	22.8	26.8	26.6
Minnesota.....	4,895,500	3,385,113	69.1	73,231	46	691,274	20.4	31.1	31.7
Iowa.....	11,493,500	9,692,284	84.3	152,602	64	1,963,470	20.3	37.8	37.3
Missouri.....	6,245,500	4,000,000	64.0	93,000	43	1,000,000	25.0	26.2	25.0
North Dakota....	1,369,000	846,332	61.8	19,687	43	194,880	23.0	19.2	19.3
South Dakota....	4,200,000	4,250,000	101.2	61,000	70	1,087,500	25.6	17.8	18.0
Nebraska.....	10,537,500	8,448,000	80.2	91,620	92	2,006,406	23.8	23.2	24.0
Kansas.....	7,178,000	3,870,000	53.9	65,000	60	915,000	23.6	18.6	18.9

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SOUTH ATLANTIC	11,138,000	715,555	6.4	21,443	33	156,333	21.8	16.1	23.4
Delaware.....	146,000	22,647	15.5	748	30	6,765	29.9	27.4	30.0
Maryland.....	554,000	97,220	17.5	3,197	30	22,264	22.9	30.6	33.5
Virginia.....	1,533,500	200,000	13.0	8,000	25	40,000	20.0	22.0	28.0
West Virginia.....	455,000	40,000	8.8	1,500	27	9,600	24.0	26.3	33.5
North Carolina.....	2,357,000	125,000	5.3	4,000	31	23,000	18.4	18.1	21.0
South Carolina.....	1,614,500	112,027	6.9	1,830	61	28,351	25.3	13.6	15.4
Georgia.....	3,798,000	58,100	1.5	818	71	11,800	20.3	10.7	12.0
Florida.....	680,000	60,561	8.9	1,350	45	14,553	24.0	10.5	14.5
SOUTH CENTRAL	22,927,000	4,333,081	1.89	141,299	31	1,091,716	25.2	17.3	19.5
Kentucky.....	2,769,000	807,000	29.1	26,500	30	203,000	25.2	23.2	26.0
Tennessee.....	2,868,500	659,704	23.0	19,560	34	156,798	23.8	21.1	22.8
Alabama.....	3,127,500	193,500	6.2	4,500	43	35,030	18.1	12.8	15.4
Mississippi.....	2,402,000	22,600	0.9	360	63	5,600	24.8	15.0	17.2
Arkansas.....	2,023,000	288,527	14.3	12,829	22	71,788	24.9	16.1	17.6
Louisiana.....	1,229,500	53,750	4.4	1,050	51	13,500	25.1	14.5	15.0
Oklahoma.....	2,943,000	1,100,090	37.4	40,000	28	285,000	25.9	16.4	17.4
Texas.....	5,564,500	1,208,000	21.7	36,500	33	321,000	26.6	16.6	16.6
WEST	2,983,400	1,820,335	61.0	42,879	42	523,896	28.8	14.8	13.4
Montana.....	215,000	52,506	24.4	3,309	16	17,948	34.2	13.0	13.4
Idaho.....	52,500	12,338	23.5	6,816	2	1,804	14.6	38.0	38.0
Wyoming.....	223,500	155,526	69.6	2,532	61	42,622	27.4	13.8	13.7
Colorado.....	1,956,500	1,419,464	72.6	14,700	97	414,652	29.2	12.3	12.5
New Mexico.....	267,500	148,000	55.3	3,000	49	43,000	29.1	14.5	15.0
Arizona.....	41,000	1,569	3.8	131	12	182	11.6	16.4	...
Utah.....	20,500	2,574	12.6	2,000	1	168	6.5	25.7	31.0
Nevada.....	2,000	194	...	188	...	23.8	...
Washington.....	39,500	4,806	12.2	3,397	1	448	9.3	35.8	39.1
Oregon.....	68,000	16,552	24.3	4,100	4	1,484	9.0	32.2	36.4
California.....	97,500	7,000	7.2	2,700	3	1,400	20.0	31.0	32.0
UNITED STATES	105,453,500	53,578,471	50.8	1,032,578	52	11,969,274	22.3	25.2	27.2

^b Contract application data furnished by the AAA. For source of other data, see notes to Table 1, p. 369.

4. SUMMARY OF RESULTS OF 1935 CORN-HOG REDUCTION PROGRAM—HOGS*

Divisions and States	Number of Contract Applications	Number of Hogs for Market Claimed on Applications	
		Total	Average per Application
NORTH ATLANTIC	4,912	421,076	86
Maine.....	10	1,395	140
New Hampshire.....	113	9,583	85
Vermont.....	367	16,416	45
Massachusetts.....	169	112,569	666
Rhode Island.....	8	1,381	173
Connecticut.....	69	14,345	208
New York.....	1,355	74,432	55
New Jersey.....	255	94,975	372
Pennsylvania.....	2,566	95,980	137
EAST NORTH CENTRAL	265,905	12,999,965	49
Ohio.....	46,500	2,817,900	61
Indiana.....	64,540	3,648,000	57
Illinois.....	103,000	4,603,840	45
Michigan.....	14,365	470,225	33
Wisconsin.....	37,500	1,460,000	39
WEST NORTH CENTRAL	556,140	28,360,451	51
Minnesota.....	73,231	3,438,768	47
Iowa.....	152,602	10,606,584	70
Missouri.....	93,000	4,500,000	48
North Dakota.....	19,687	516,599	26
South Dakota.....	61,000	2,444,000	40
Nebraska.....	91,620	4,454,500	49
Kansas.....	65,000	2,400,000	37
SOUTH ATLANTIC	21,443	699,619	33
Delaware.....	748	5,500	7
Maryland.....	3,197	74,469	23
Virginia.....	8,000	230,000	29
West Virginia.....	1,500	45,000	30
North Carolina.....	4,000	150,000	38
South Carolina.....	1,830	85,485	47
Georgia.....	818	54,800	67
Florida.....	1,350	53,365	40
SOUTH CENTRAL	141,299	3,757,528	27
Kentucky.....	26,500	780,000	29
Tennessee.....	19,560	539,660	28
Alabama.....	4,500	142,791	32
Mississippi.....	3,360	15,300	43
Arkansas.....	12,829	247,777	19
Louisiana.....	1,050	14,000	13
Oklahoma.....	40,000	1,100,000	28
Texas.....	36,500	918,000	25
WEST	42,879	1,766,511	41
Montana.....	3,309	106,485	32
Idaho.....	6,816	275,000	40
Wyoming.....	2,532	64,500	25
Colorado.....	14,700	400,000	27
New Mexico.....	3,000	66,000	22
Arizona.....	131	12,283	94
Utah.....	2,000	51,000	26
Nevada.....	194	17,046	88
Washington.....	3,397	166,697	49
Oregon.....	4,100	179,500	44
California.....	2,700	428,000	159
UNITED STATES	1,032,578	48,005,150	46

* Contract application data furnished by the AAA.

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5. PERCENTAGE CHANGE FROM 1934 TO 1935 IN RESULTS OF CORN-HOG REDUCTION PROGRAM*

Divisions and States	Number of Contracts	Base Corn Acreage under Contract	Retired Corn Acres	Base Hog Production under Contract
NORTH ATLANTIC	-17.0	-4.5	+9.3	-10.7
Maine.....	+42.9	+6.7	—	+4.1
New Hampshire.....	-38.6	-19.4	-40.0	-17.9
Vermont.....	-32.7	-14.0	—	-21.4
Massachusetts.....	-27.8	-45.4	-50.0	-10.8
Rhode Island.....	-20.0	—	—	-4.1
Connecticut.....	-25.0	-17.8	-15.0	-8.1
New York.....	-27.8	-23.3	-3.1	-12.4
New Jersey.....	-16.9	-38.9	-15.5	-10.0
Pennsylvania.....	-3.7	+3.9	+11.9	-7.7
EAST NORTH CENTRAL	-20.8	-10.7	-23.3	-20.7
Ohio.....	-27.8	-19.2	-34.2	-15.1
Indiana.....	-22.6	-15.0	-31.7	-22.4
Illinois.....	-14.7	-5.0	-17.0	-23.3
Michigan.....	-40.9	-39.4	-36.2	-34.7
Wisconsin.....	-12.7	-8.5	-12.3	-11.4
WEST NORTH CENTRAL ...	-8.4	-3.4	-7.8	-7.5
Minnesota.....	-8.0	-5.6	-13.9	-5.2
Iowa.....	-12.1	-8.4	-20.6	-12.0
Missouri.....	-13.9	-7.3	-7.4	-1.7
North Dakota.....	-0.2	+6.5	+12.1	-11.6
South Dakota.....	+3.1	+3.4	+4.1	+3.7
Nebraska.....	+3.4	+7.2	+7.9	-1.3
Kansas.....	-17.4	-12.6	-15.6	-17.8
SOUTH ATLANTIC	-10.5	+1.9	-4.8	-11.5
Delaware.....	+225.2	+199.6	+257.9	+2.5
Maryland.....	+2.9	+7.0	+4.9	-16.8
Virginia.....	-24.2	-13.5	-27.1	-22.1
West Virginia.....	-30.8	-11.1	-7.0	-30.2
North Carolina.....	-2.2	+15.8	-1.6	-2.5
South Carolina.....	+11.3	+19.0	+27.6	+9.1
Georgia.....	+44.8	+34.1	+23.0	+39.0
Florida.....	-15.5	-26.2	-29.6	-15.2
SOUTH CENTRAL	+8.4	+17.8	+22.0	-2.0
Kentucky.....	+14.4	+3.5	+4.9	+0.5
Tennessee.....	-17.2	-8.0	-12.5	-11.6
Alabama.....	+58.8	+56.6	+24.1	+47.7
Mississippi.....	+40.6	+36.5	+44.1	+20.0
Arkansas.....	+16.3	+44.2	+58.0	+0.2
Louisiana.....	+118.3	+132.7	+137.8	+17.2
Oklahoma.....	+8.3	+10.4	+23.1	+1.6
Texas.....	+14.1	+46.6	+34.8	-7.9
WEST	-17.4	+16.2	+28.4	-19.2
Montana.....	-23.1	-5.1	+26.4	-30.5
Idaho.....	-28.6	-40.1	-30.7	-23.4
Wyoming.....	-17.4	-4.9	+2.5	-14.0
Colorado.....	+12.0	+22.4	+33.8	-5.0
New Mexico.....	+16.6	+13.1	+21.7	+0.6
Arizona.....	-60.8	+35.6	-66.0	-39.7
Utah.....	-27.3	+25.7	-51.0	-17.4
Nevada.....	-31.7	—	+63.5	+1.0
Washington.....	-32.5	+57.1	-26.2	-21.5
Oregon.....	-33.0	+22.6	-13.4	-21.7
California.....	-43.5	+21.2	+15.8	-25.2
UNITED STATES	-10.6	-3.1	-8.1	-11.6

* These percentages are based upon a comparison of applications in 1935 with accepted contracts in 1934.

6. SUMMARY OF EMERGENCY CATTLE-

State	Number of Emergency Counties	Cattle Population ^b		Number of Vouchers	AUDIT		
		1930	1934		Number of Head		
					2 Years and Over	Yearlings	Calves
Arizona.....	14	695,118	930,000	3,913	65,240	14,855	21,295
Arkansas.....	50	573,451	677,479	43,242	86,739	20,585	30,456
California.....	18	1,031,652	973,645	1,524	14,693	1,452	3,639
Colorado.....	63	1,454,352	1,713,000	21,440	186,883	41,909	60,796
Florida.....	7 ^a	82,500	94,460	240	11,408	1,877	3,050
Idaho.....	30	440,391	520,963	5,484	23,643	8,275	9,889
Illinois.....	12	248,476	267,877	1,047	2,115	229	243
Iowa.....	34	1,238,425	1,346,766	5,814	13,622	3,107	6,344
Kansas.....	105	3,223,772	3,671,000	46,731	302,761	83,333	134,949
Louisiana.....	13	138,485	159,231	18,306	27,676	12,247	17,093
Minnesota.....	54	2,101,590	2,337,850	52,742	136,821	51,270	69,393
Missouri.....	110	2,759,495	2,747,191	112,934	330,627	69,683	111,127
Montana.....	38	985,738	1,178,738	17,369	186,982	63,729	99,215
Nebraska.....	93	3,150,187	3,592,000	64,653	255,719	84,316	140,833
Nevada.....	17	308,482	332,000	1,526	25,515	3,750	7,007
New Mexico.....	31	1,055,327	1,445,000	25,513	332,613	86,837	127,780
North Dakota.....	53	1,454,146	1,835,000	80,153	453,799	217,545	299,645
Oklahoma.....	77	2,097,576	2,462,000	41,865	266,499	93,972	143,004
Oregon.....	12	353,062	384,583	1,123	8,867	1,192	2,423
South Dakota.....	69	1,974,050	2,214,000	74,930	467,631	184,391	262,817
Texas.....	233	5,886,658	6,009,068	183,847	1,164,592	333,084	517,942
Utah.....	29	441,650	474,000	26,648	76,339	22,314	27,442
Wisconsin.....	19	1,148,646	1,049,066	16,018	39,604	7,146	10,168
Wyoming.....	22	813,456	1,009,862	11,526	164,723	45,733	75,258
Total.....	1,203	33,656,685	37,424,779	858,588	4,645,111	1,452,831	2,181,808

^a Table furnished by the Commodities Purchase Section, AAA.

^b Data for 1930 are from the U. S. Census and those for 1934 are estimates prepared by

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BUYING PROGRAM, As of May 31, 1935*

CERTIFICATIONS THROUGH MAY 31, 1935

Total Certified	Number of Head			Amount of Payments			
	Per-centage Distribu-tion	Total Con-demned	Total Accepted	Benefit Payments	Purchase Payments	Total Payments	Rate Per Head
101,390	1.22	18,235	83,155	\$ 529,600	\$ 919,161	\$ 1,448,761	\$14.289
137,780	1.66	39,506	98,274	714,692	878,969	1,593,661	11.567
19,784	0.24	1,656	18,128	106,335	199,380	305,715	15.453
289,588	3.50	38,985	250,603	1,513,085	2,634,856	4,147,941	14.324
16,335	0.20	1,399	14,936	86,983	137,180	224,163	13.723
41,807	0.50	7,305	34,502	212,900	309,494	522,394	12.495
2,587	0.03	85	2,502	14,564	28,086	42,650	16.486
23,073	0.28	2,037	21,036	116,299	210,310	326,609	14.155
521,043	6.29	14,194	506,849	2,638,024	4,885,943	7,523,967	14.440
57,016	0.69	28,888	28,128	278,570	286,963	565,533	9.919
257,484	3.11	8,029	249,455	1,285,455	2,481,151	3,766,606	14.629
511,437	6.18	19,126	492,311	2,665,540	4,810,266	7,475,806	14.617
349,926	4.23	9,787	340,139	1,738,119	3,281,997	5,020,116	14.346
480,868	5.81	15,624	465,244	2,378,275	4,221,494	6,599,769	13.725
36,272	0.44	1,579	34,693	192,861	375,228	568,089	15.662
547,230	6.61	167,877	379,353	2,813,203	4,520,504	7,333,707	13.402
970,989	11.73	49,762	921,227	4,709,272	8,972,651	13,681,923	14.091
503,475	6.08	210,941	292,534	2,497,852	3,244,060	5,741,912	11.405
12,482	0.15	387	12,095	66,431	117,869	184,300	14.765
914,839	11.05	87,125	827,714	4,516,154	8,605,301	13,121,455	14.343
2,015,618	24.34	685,400	1,330,218	10,206,738	14,334,555	24,541,293	12.176
126,095	1.52	34,201	91,894	651,920	1,103,538	1,755,458	13.922
56,918	0.69	1,472	55,446	303,858	562,325	866,183	15.218
285,714	3.45	37,564	248,150	1,442,416	2,742,841	4,185,257	14.648
8,279,750	100.00	1,481,164	6,798,586	\$41,679,146	\$69,864,122	\$111,543,268	\$13.472

the Bureau of Agricultural Economics, U. S. Department of Agriculture.

* Emergency flood counties.

7. HOG PRICES AND RELATED STATISTICS, 1921-22 TO 1934-35

Marketing Year (October through September)	Average Cost to Packers ^a (In dollars per cwt.)	Hog Slaughter under Federal Inspection ^a (In billions of pounds)	Index of National Income ^b (1921-32 = 100)	Index of Export Demand ^c (1921-32 = 100)	Wholesale Spreads ^d (In dollars per cwt.)
1921-22.....	9.06	9.16	87	123	3.90
1922-23.....	7.98	11.44	97	142	3.80
1923-24.....	7.41	12.01	103	136	3.57
1924-25.....	11.18	10.26	109	137	3.45
1925-26.....	12.29	9.78	113	127	4.42
1926-27.....	10.71	10.01	115	98	4.16
1927-28.....	9.24	10.82	117	90	3.93
1928-29.....	10.03	11.32	120	98	3.80
1929-30.....	9.58	10.53	113	88	3.81
1930-31.....	7.21	10.20	97	66	3.51
1931-32.....	4.05	10.62	78	46	2.79
1932-33.....	3.68	10.92	71	43	2.20
1933-34.....	4.07	9.50	76	38	3.77
1934-35 ^d	7.70	6.68	82	36	4.42

^a *Livestock, Meats and Wool Market Statistics and Related Data* (memorandum), Bureau of Agricultural Economics, U. S. Department of Agriculture, p. 99.

^b Adapted from "The Direct Marketing of Hogs," *Miscellaneous Publication No. 222*, U. S. Department of Agriculture, p. 218.

^c Bureau of Agricultural Economics.

^d Partly estimated, cost, volume, and spread being based on data for first ten months of the year.

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