

ADDENDUM
TRANSCRIPT OF RECORD

SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 1935

No. 401

THE UNITED STATES OF AMERICA, PETITIONER

vs.

WILLIAM M. BUTLER ET AL., RECEIVERS OF HOOSAC
MILLS CORPORATION

ON WRIT OF CERTIORARI TO THE UNITED STATES CIRCUIT COURT
OF APPEALS FOR THE FIRST CIRCUIT

PETITION FOR CERTIORARI FILED AUGUST 27, 1935
CERTIORARI GRANTED OCTOBER 14, 1935

SUPREME COURT OF THE UNITED STATES
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1 [Caption omitted.]

ADDENDUM TO THE TRANSCRIPT OF RECORD OF DISTRICT COURT

Filed in Circuit Court of Appeals, March 26, 1935

In United States District Court, District of Massachusetts

No. 3926, Equity Docket

FRANKLIN PROCESS COMPANY, PLAINTIFF,

v.

HOOSAC MILLS CORPORATION, DEFENDANT.

Re Appeal of James A. McDonough and William M. Butler, Receivers of Hoosac Mills Corporation

Cross-praecipe of the United States

Filed February 15, 1935

To the Clerk of the United States District Court for the District of Massachusetts:

Please prepare, in addition to the proceedings and pleadings requested in the praecipe for transcript of record filed by the
2 receivers of Hoosac Mills Corporation February 5, 1935, in the above-entitled cause, for use in the Circuit Court of Appeals for the First Circuit, pursuant to an appeal in said cause taken and allowed the receivers of the Hoosac Mills Corporation, and include in the certified copy of the transcript of record in said cause the following documents, to wit:

1. Statement of evidence as settled and allowed under Equity Rule 75.

[NOTE.—This statement of evidence was not settled and allowed by the Court.

JAMES S. ALLEN, Clerk.]

2. This praecipe.

FRANK J. WIDEMAN,
Assistant Attorney General.

ROBT. N. ANDERSON,
Special Assistant to the Attorney General.

FRANCIS J. W. FORD,
United States Attorney.

By J. DUKE SMITH,

Special Assistant to the United States Attorney,

PREW SAVOY,

Special Assistant to the United States Attorney,
Counsel for the United States.

A copy of the above was handed to Mr. Bennett Sanderson on February 15, 1935.

J. DUKE SMITH,
Special Assistant to the United States Attorney.

Feby. 18, 1935. Cross praecipe denied.

E. H. B., D.J.

In United States District Court

Statement of evidence and testimony

Filed February 15, 1935; denied February 18, 1935

STIPULATION

It was stipulated by counsel for the Receivers of Hoosac Mills Corporation and counsel for the United States that the taxes were correctly computed and the amounts thereof are not herein at 3 issue [corrected transcript pp. 4, 5, 8], and counsel for the said Receivers agreed that no question is being or will be raised in this proceeding with respect to the regularity of the acts of the Secretary of Agriculture, under the Agricultural Adjustment Act, or with respect to the authority of the Secretary of Agriculture, under said Act, to issue the Cotton Regulations (Series 2—Series 2, Supplement 1, hereinafter set forth) or as to the correctness of such Regulations. [Corrected transcript, pp. 5, 6.]

GOVERNMENT EXHIBIT 2-1

There was received in evidence, as Government Exhibit No. 2-1, a certified copy of the proclamation of the Secretary of Agriculture dated July 14, 1933, that "rental and/or benefit payments are to be made with respect to cotton, a basic agricultural commodity." Such proclamation is, as follows:

"THE UNITED STATES DEPARTMENT OF AGRICULTURE,
AGRICULTURAL ADJUSTMENT ADMINISTRATION.

"I, Henry A. Wallace, Secretary of Agriculture of the United States of America, acting under and pursuant to an Act of Congress known as the Agricultural Adjustment Act, approved May 12, 1933, as amended, have determined and hereby proclaim that rental and/or benefit payments are to be made with respect to cotton, a basic agricultural commodity.

"In testimony whereof I have hereunto set my hand and caused the official seal of the Department of Agriculture to be affixed in the city of Washington this 14 day of July 1933.

(Signed) HENRY A. WALLACE,
Secretary of Agriculture."

GOVERNMENT EXHIBIT 2-2

There were received in evidence, as Government Exhibit No. 2-2, Cotton Regulations, Series 2, signed by the Secretary of Agriculture and approved by the President on July 14, 1933; Cotton Regulations, Series 2, Supplement 1, signed by the Secretary of Agriculture and approved by the President on July 28, 1933,

and Cotton Regulations, Series 2, Supplement 2, signed by the Acting Secretary of Agriculture, and approved by the President on November 29, 1933, and effective on and after December 1, 1933.

The provisions of Cotton Regulations, Series 2, are as follows:

"By virtue of the authority vested in the Secretary of Agriculture by the Agricultural Adjustment Act, approved May 12, 1933, as amended, I, Henry A. Wallace, Secretary of Agriculture, do make, prescribe, publish, and give public notice of these regulations with the force and effect of law, to be in force and effect until amended or superseded by regulations hereafter made by the Secretary of Agriculture, with the approval of the President, under said Act.

"I do hereby ascertain and prescribe that for the purposes of said Act the first marketing year for cotton shall begin August 1, 1933.

"I do hereby determine as of August 1, 1933, that the processing tax on the first domestic processing of cotton shall be at the rate of 4.2 cents per pound of lint cotton, net weight, which rate equals the difference between the current average farm price for cotton and the fair exchange value of cotton, which price and value, both as defined in said Act, have been ascertained by me from available statistics of the Department of Agriculture.

"I do hereby establish that the conversion factor for articles (other than nonspinnable waste, hereby defined as including only opener, breaker and finisher picker waste, card motes and fly, sweepings, and clearer waste, and the products thereof), processed from cotton, to determine the amount of tax imposed or refunds to be made with respect thereto, is, per pound of cotton content, 105.2 per centum of the per pound processing tax. The cotton content of such articles shall be deemed to include the weight of cotton in the form of yarn, fabric, thread, twines, roving, sliver, laps, and all other forms. No deduction shall be made from the weight of such articles for normal moisture content, but reasonable deductions shall be made for sizing, buttons, and such other noneotton materials.

5 "In testimony whereof I have hereunto set my hand and caused the official seal of the Department of Agriculture to be affixed in the city of Washington this 14th day of July, 1933.

(Signed) HENRY A. WALLACE,
Secretary of Agriculture."

"Approved:

/S./ "FRANKLIN D. ROOSEVELT,
The President of the United States.

JULY 14, 1933."

The provisions of Cotton Regulations, Series 2, Supplement 1, are as follows:

"By virtue of the authority vested in the Secretary of Agriculture by the Agricultural Adjustment Act, approved May 12, 1933, as amended, I, Henry A. Wallace, Secretary of Agriculture, do make, prescribe, publish, and give public notice of these regulations (constituting a supplement to and in part a revision of Cotton Regula-

tions, Series 2, and to the extent of such revision, but not otherwise, superseding said Regulations) with the force and effect of law, to be in force and effect until amended or superseded by regulations hereafter made by the Secretary of Agriculture, with the approval of the President, under said Act.

"The net weight of lint cotton subject to the processing tax shall be determined by deducting the weight of tare (bagging, ties, and patches) from the gross weight of the bale.

"In lieu of and in revision of the fourth paragraph of the above-mentioned Cotton Regulations, Series 2, I do hereby establish that the conversion factor for articles, processed from cotton, to determine the amount of tax imposed or refunds to be made with respect thereto, is, per pound of cotton content, 105.2 per centum of the per pound processing tax; *Provided, however,* that the conversion factor shall be zero for (a) motes and fly, flat strips, comber waste, slasher waste, cuttings, rags, and other waste (not including substandard products and short-length piece goods), incident to the processing, manufacturing, or fabricating of cotton or of cotton products,
6 (b) second-hand articles, and (c) such part of the content of any article or product as is made from any article or combination of articles described in (a) or (b). No deduction shall be allowed from the weight of any article for normal moisture content, but a reasonable deduction shall be allowable for the sizing, buttons, or other noncotton materials.

"In testimony whereof I have hereunto set my hand and caused the official seal of the Department of Agriculture to be affixed in the city of Washington this 28th day of July, 1933.

(Signed) HENRY A. WALLACE,
Secretary of Agriculture."

"Approved:

/S./ "FRANKLIN D. ROOSEVELT,
The President of the United States.

JULY 28, 1933."

GOVERNMENT EXHIBIT 2-3

There was received in evidence, as Government Exhibit 2-3, the regular monthly publication of the Crop Reporting Board, Bureau of Agricultural Economics, United States Department of Agriculture, dated and issued June 27, 1933, which is as follows:

UNITED STATES DEPARTMENT OF AGRICULTURE,
BUREAU OF AGRICULTURAL ECONOMICS,
CROP REPORTING BOARD,
Washington, D C, June 27, 1933.

Average prices received by farmers for farm products, June 15, 1933, with comparisons

The Crop Reporting Board of the United States Department of Agriculture makes the following estimates of average prices received by farmers at local markets, based on averages of reports from 10,000 correspondents. Reports are weighted according to the relative importance of price-reporting districts and States in computing United States averages (For discussion see page 2)

	5-year average August 1909 to July 1914	June average 1910 to 1914	June 1932	April 1933	May 1933	June 1933
Farm prices						
Cotton, per lb.....ct.	12 4	12 7	4 6	6 1	8 2	8 7
Corn, per bu.....ct.	64 2	68 4	29 4	28 2	38 9	40 2
Oats, per bu.....ct.	39 9	41 8	19 8	17 0	21 7	23 1
Barley, per bu.....ct.	61 9	63 0	28 7	23 4	29 9	28 3
Wheat, per bu.....ct.	88 4	89 0	37 3	44 8	59 0	58 7
Rye, per bu.....ct.	72 0	72 9	28 8	30 1	38 9	43 5
Flaxseed, per bu.....ct.	169 1	171 5	86 2	94 8	118 6	136 3
Hay, per ton.....dol.	11 87	12 16	7 60	6 12	6 37	6 43
Potatoes, per bu.....ct.	69 7	71 8	44 4	42 4	43 7	49 3
Apples, per bu.....ct.	96 1	118 4	92 1	78 6	84 9	88 7
Cottonseed, per ton.....dol.	22.01	22 47	8 85	10 03	12 00	12 96
Hogs, per 100 lbs.....dol.	7 24	7 16	2 82	3 21	3 88	3 96
Beef cattle, per cwt.....dol.	5 20	5 44	3 81	3 54	3 95	4 04
Veal calves, per cwt.....dol.	6 75	6 77	4 63	4 36	4 50	4 51
Lambs, per 100 lbs.....dol.	5 90	6 30	4 49	4 34	4 72	5 18
Sheep, per 100 lbs.....dol.	4 55	4 75	2 36	2 29	2 47	2 46
Eggs, per dozen.....ct.	21 5	16 7	10 6	10 3	11 8	10 1
Butter, per lb.....ct.	25 5	23 2	18 6	18 6	19 9	19 9
Butterfat, per lb.....ct.	26 3	23 1	14 6	16 5	20 2	19 7
Whole milk (wholesale) per cwt.dol.	1 79	1 75	1 17	1 08	1 14	1 21
Whole milk (retail) per quart.....ct.	6 8	6 8	8 4	8 0	8 1	8 3
Wool, per lb.....ct.	17 8	17 5	7 2	10 1	17 7	21 3
Milk cows, each.....dol.	48 00	50 00	36 00	32 00	34 00	35 00
Horses, each.....dol.	142 00	145 00	61 00	67 00	71 00	71 00
Mules, each.....dol.			67 00	73 00	77 00	78 00
Chickens, live, per lb.....ct.	11 4	11 9	11 4	9 8	10 4	10 0
Hog-corn ratios¹						
United States.....bu.	11 3	10 6	9 6	11 4	10 0	9 9
No Central States.....bu.	13 2	12 1	10 4	13 5	11 7	11 7
Iowa.....bu.	14 4	13 1	10 9	16 0	13 2	13 3
Index numbers						
Farm prices, all groups.....	100	101	52	53	62	64
Grain.....	100	103	44	47	62	63
Fruits and vegetables.....	100	113	82	66	68	72
Meat animals.....	100	102	57	57	65	66
Dairy products.....	100	95	62	59	63	65
Chickens and eggs.....	100	83	59	56	62	55
Cotton and cottonseed.....	100	103	37	49	65	69
Unclassified.....	100	102	40	44	47	48
Prices paid by farmers.....	100		108	⁵ 101	⁵ 102	103
Ratio of prices rec'd to prices paid.....	100		48	52	61	62
Farm wages ²	100		72			
Industrial wage level ³			174	165	169	
Wholesale prices⁴						
All commodities.....	100	99	93	88	92	
Foods.....	100	96	91	87	92	
Retail price of food ⁵	100		103	93	97	

¹ Number of bushels of corn required to buy 100 pounds of live hogs, based on averages of farm prices of corn and of hogs for the month

² Average 1910-1914=100

³ Average weekly earnings, N Y State factories, June 1914=100

⁴ Bureau of Labor Statistics, index number converted 1910-1914 base.

⁵ Interpolated

9 Prices received by farmers June 15, 1933

State and division	Wheat, per bu.	Corn, per bu	Oats, per bu	Ba- rley, per bu.	Rye, per bu	Buck- wheat, per bu.	Flax- seed, per bu	Pota- toes, per bu	Sweet- potaoes, per bu.	Cot- ton, per lb	Cot- ton- seed, per ton
	Cts.	Cts.	Cts.	Cts.	Cts.	Cts.	Cts.	Cts.	Cts.	Cts.	Dols.
Me.	90	60	37	65		60		31			
N. H.		65	45					60			
Vt.	90	67	40	57		60		60			
Mass.		70	42					65			
R. I.		70	45					60			
Conn.		70	45	0				60			
N. England	90 0	67 0	37 9	61 0		60 0		36 0			
N. Y.	80	56	35	48	54	50		44			
N. J.	83	57	37	49	56	53		70	115		
Pa.	82	56	36	49	56	55		55			
M. Atlantic	81 6	56 1	35 5	48.3	55 7	52 3		51 4	115.0		
Ohio	71	44	27	35	48	60		55			
Ind.	67	39	23	36	45	60		60	85		
Ill.	65	36	22	39	46	60		75	50		
Mich.	68	44	29	39	45	43		33			
Wis.	66	40	25	40	48	53	128	30			
E. N. Central	68 0	38 7	24 0	39 3	46.5	54 1	128 0	40 3	62 7		
Minn.	60	28	20	29	46	42	141	29			
Iowa	60	30	20	29	41	55	130	70	110		
Mo.	64	43	24	35	52	50	110	75	75	8 4	15 00
N. Dak.	55	24	17	20	40	45	136	26			
S. Dak.	54	26	17	21	39	40	132	30			
Nebr.	56	29	18	20	33	40	110	48			
Kans.	59	35	21	25	38		114	85	90		
W N Central	56 8	31 4	19 5	23 7	40 2	43 8	137 6	43 1	86 1		
Del.	82	55	38		63	60		65	65		
Md.	79	57	35	44	60	60		70	75		
Va.	88	66	40	47	65	65		85	65	8 6	13 00
W. Va.	81	60	39	49	64	64		70			
N. C.	95	79	46	60	79	65		85	50	9 3	15 00
S. C.	85	83	46		85			90	60	9 3	18 00
Ga.	84	73	45		78			85	55	9 0	16 00
Fla.		69	45					90	60	8 7	13 00
S. Atlantic	86 1	71 1	43 8	48 4	70 0	63 7		81 6	57 0	9 2	16.27
Ky.	78	57	36	43	61	65		80	65		
Tenn.	88	65	39	57	70	65		85	35	8 6	13 00
Ala.	88	79	44					85	55	8 9	16 00
Miss.		71	42					85	50	9 1	14 00
E. S. Central	83 0	65 9	40 0	51 4	65 3	65 0		83 1	49 1	8 9	14.56
Ark.	67	54	33		64			85	55	8 8	13 00
La.		54	37					75	65	8 6	12 00
Okla.	59	45	25	32	44			95	45	8 1	11 00
Tex.	61	50	28	32	44			75	50	8 5	11 00
W S Central	59 8	49 5	27 1	32.0	44 0			82 2	55 1	8 5	11.42
Mont.	52	44	27	29	29		124	44			
Idaho	44	48	25	31	35		42				
Wyo.	52	40	28	30	34		125	55			
Colo.	55	35	24	26	32			38			
N. Mex.	56	63	33	30				75		8.5	10 00
Ariz.	75	75	45	44				100		9 4	10 00
Utah	59	59	32	40	59			37			
Nev.		65	40	47				40			
Mountain	50 5	43 4	26 9	30 2	31 3		124 0	42 1		9 0	10 00
Wash.	46	55	34	36	53			60			
Oreg.	51	58	34	40	51			65			
Calif.	66	56	33	30				65	150	8 8	12 00
Pacific	50 5	56 5	33 9	30 9	51 5			63 2	150 0	8 8	12 00
U. S.	58 7	40 2	23 1	28.3	43 5	53 6	136 3	49 4	57 5	8.7	12.96

State and division	Hogs per 100 lbs	Beef cattle per 100 lbs	Veal calves per 100 lbs	Sheep per 100 lbs	Lambs per 100 lbs	Milk cows per head	Horses per head	Mules per head
	Dols	Dols	Dols	Dols	Dols	Dols.	Dols	Dols
Me.	4 90	3 50	5 50	2 95	5 30	39	110	-----
N H.	4 05	3 35	4 80	2 75	6 00	47	89	-----
Vt.	4 35	3 20	4 95	2 65	5 20	48	114	-----
Mass.	4 45	3 35	5 00	2 80	6 00	67	110	-----
R I.	4 55	3 35	6 20	2 80	6 50	71	105	-----
Conn.	5 00	3 35	6 20	3 00	6 50	66	116	-----
N England	4 68	3 35	5 27	2 95	5 30	52 6	109 4	-----
N Y.	4 35	3 15	4 85	2 50	5 80	58	120	105
N J.	5 00	3 65	6 40	2 80	5 80	73	110	103
Pa.	4 60	4 45	5 20	2 70	5 80	44	115	115
M Atlantic	4 59	3 89	5 05	2 60	5 80	53 6	117 2	113 6
Ohio	4 25	4 50	4 60	2 00	5 70	34	106	102
Ind.	4 30	4 65	4 60	2 05	6 10	34	93	98
Ill.	4 15	4 65	4 90	2 25	5 90	38	76	80
Mich.	4 10	4 00	4 90	2 20	5 80	36	120	110
Wis.	3 80	3 40	4 10	2 15	5 70	38	97	90
E N Central	4 16	4 42	4 52	2 10	5 81	36 5	95 2	89 6
Minn.	3 90	4 00	4 45	1 85	5 70	34	83	84
Iowa	4 00	4 70	4 50	2 40	5 50	34	78	84
Mo.	3 95	4 65	4 40	2 55	6 20	29	58	78
N Dak.	3 35	3 50	4 10	2 65	4 85	33	68	70
S Dak.	3 75	4 30	4 45	2 40	5 00	34	61	68
Nebr.	3 96	4 80	5 00	2 40	6 00	36	64	75
Kans.	3 95	4 40	4 55	2 60	5 90	33	59	72
W N Central	3 93	4 47	4 49	2 40	5 53	33 3	68 7	76 7
Del.	4 50	4 10	5 70	3 00	6 80	41	81	105
Md.	4 55	4 85	5 00	2 50	6 50	39	79	91
Va.	4 20	3 90	4 55	2 30	5 80	31	77	88
W Va.	4 50	4 30	4 90	2 95	5 50	33	92	84
N C.	4 45	3 55	4 75	3 55	5 60	31	78	110
S C.	4 20	3 35	4 35	3 50	5 20	33	75	100
Ga.	3 65	2 90	3 95	3 25	5 00	25	64	89
Fla.	3 45	3 35	4 35	3 05	4 85	39	68	92
S Atlantic	4 03	3 58	4 56	2 71	5 70	31 7	79 3	97 1
Ky.	4 05	4 00	4 20	1 80	5 60	27	53	67
Tenn.	3 80	3 50	3 80	2 75	6 10	26	61	86
Ala.	3 65	2 70	3 75	2 80	5 10	22	56	82
Miss.	3 40	2 30	3 50	3 15	5 00	21	54	80
E S Central	3 73	3 18	3 82	2 21	6 26	24 1	55 8	79 4
Ark.	3 25	2 80	3 85	2 50	4 45	24	46	69
La.	3 85	3 35	4 15	2 80	4 35	27	44	73
Okla.	3 60	3 40	4 15	2 85	5 30	26	45	60
Tex.	3 50	3 50	3 90	2 80	4 40	26	41	64
W S Central	3 52	3 44	3 98	2 80	4 42	25 8	43 0	65 2
Mont.	3 90	4 15	5 20	2 60	4 90	37	38	42
Idaho	4 40	3 75	4 30	2 80	5 30	36	55	57
Wyo.	3 55	4 20	4 75	2 50	5 20	38	46	60
Colo.	3 80	4 25	5 00	2 15	5 20	32	48	61
N Mex.	3 90	3 70	4 30	1 75	4 50	28	36	41
Ariz.	5 00	3 80	4 50	2 80	5 00	52	37	45
Utah	3 90	3 90	5 10	2 80	5 30	36	50	46
Nev.	4 25	4 10	5 30	2 40	5 00	45	44	45
Mountain	3 95	4 00	4 83	2 44	5 05	35 5	44 2	50 4
Wash.	4 65	4 55	5 20	2 85	5 00	38	60	66
Oreg.	4 60	4 20	4 95	2 70	5 30	35	64	66
Calif.	4 55	4 25	5 10	2 10	5 00	42	56	64
Pacific	4 58	4 27	5 09	2 43	5 12	39 4	59 8	65 0
U S	3 96	4 04	4 51	2 46	5 18	35 3	71 1	77 8

State and Division	Chickens, per lb	Eggs, per doz	Butter, per lb	Butterfat, per lb	Wool, per lb.	Apples	
	Cts	Cts	Cts	Cts	Cts	Dols	Dols
	Per bushel	Per bar- rel					
Me.	14 0	16 7	23	23	21	.55	1 65
N. H.	14 0	18 0	24	24	21	1 10	2 50
Vt.	13 3	15 0	25	25	23	1.00	2 50
Mass.	14 7	22 5	25	25	20	1 45	3 50
R. I.	17 3	18 6	23	25	17	1 40	4 00
Conn.	15 4	20 0	23	22	17	1 35	4 00
N. England	14.5	19.4	23 6	24 4	21 0	1 124	3.00
N. Y.	13.7	15 0	24	21	24	.80	2 20
N. J.	16 0	18.9	24	24	25	1 05	3 00
Pa.	12 6	13 1	21	22	25	.90	2.70
M. Atlantic	13 5	14 7	22 3	21 5	24.5	852	2.39
Ohio	9 3	9 3	20	18	24	1 10	3.10
Ind.	9 0	8 2	22	19	25	1 20	3.50
Ill.	9 4	8 4	21	19	23	1 20	3.35
Mich.	9 3	9 2	22	20	24	1 00	3 45
Wis.	8 8	9 1	22	24	23	1 30	3 90
E N Central	9 2	8 8	21 1	20 7	23 9	1 109	3 38
Minn.	7 8	8 1	22	21	23	1 45	4.35
Iowa	8 0	7 7	22	21	23	1 50	4 50
Mo.	8 4	7 2	20	18	24	1 10	3 50
N. Dak.	7 6	7 6	20	18	21	-	-
S. Dak.	7 6	7 2	21	18	22	1 50	-
Nebr.	7 5	6 9	18	17	19	1 60	4 50
Kans.	7 1	6 8	19	18	17	1 45	-
W N Central	7 8	7 3	20 2	19 6	21 7	1 423	4 04
Del.	14 1	13 1	21	22	21	1 10	3 30
Md.	13 8	12 5	19	22	24	1 10	3 25
Va.	13 4	11 3	15	18	27	1 00	2 80
W. Va.	10 8	11 0	17	19	27	.85	2 75
N. C.	11 8	12 1	19	17	25	1 10	2 50
S. C.	13 0	13 2	21	20	16	1 25	-
Ga.	12 2	11 0	19	16	20	1 20	3.00
Fla.	13 7	13 6	24	23	22	-	-
S. Atlantic	12 8	11 9	18 1	17 9	26 6	992	2 85
Ky.	8 6	7 7	18	17	27	1 20	3 50
Tenn.	9 1	8 4	14	17	24	1 00	3 30
Ala.	10 4	9 5	18	17	18	1 00	-
Miss.	10 5	8 7	21	17	18	1 20	-
E S Central	9 4	8 4	16.8	17 0	25 0	1 080	3 40
Ark.	8 4	7 7	21	17	20	1 15	3 60
La.	11 5	10 0	22	16	18	1 10	-
Okla.	7 7	7 0	20	17	16	1 00	3 00
Tex.	8 7	8 1	18	16	23	1.50	-
W S Central	8 5	7 8	18 9	16 6	22 7	1 155	3 55
Mont.	10 3	11 7	20	18	23	.70	2 10
Idaho	7 6	10 7	23	19	21	.55	1 65
Wyo.	10 8	12 2	23	18	21	1 00	3 00
Colo.	9 2	9 0	22	17	19	.40	1 20
N. Mex.	10 0	11 6	22	17	16	1 25	3 75
Ariz.	17 0	18 0	23	19	20	1 75	5 25
Utah	9 3	12 3	21	19	19	.70	2 10
Nev.	14 7	15 3	23	22	18	1 20	3 60
Mountain	9 8	11 4	21 4	18 2	20 0	610	1 73
Wash.	10 1	14 6	23	22	19	.70	2 10
Oreg.	10 7	13 4	23	21	21	.65	1 95
Calif.	13 8	15 1	23	23	17	.80	2 40
Pacific	12.6	14 8	23 0	22 2	18.9	.715	2 13
U. S.	10 0	10 1	19 9	19 7	21 3	887	2 45

State and Division	Hay (loose) per ton					Seeds, per bushel		
	All hay	Timothy	Clover	Alfalfa	Prairie	Clover	Timothy	Alfalfa
	Dols	Dols	Dols	Dols	Dols.	Dols	Dols	Dols.
Me.	9 30	10 00	8 40	14 00	7 50			
N H.	14 20	14 80	15 00	13 80	10 00			
Vt.	10 20	10 90	10 00	15 00	7 00			
Mass.	13 10	14 00	14 00	16 80	8 50			
R I.	14 50	17 50	17 00	20.00	12 00			
Conn.	14 50	15 80	18 00	20 00	11 00			
N. England	11 21	11 89	11 26	16 54	7 75			
N Y.	7 00	7 00	7 00	8 50	4.50	7.90		
N J.	13 50	12 90	14 00	16 60	7 00			
Pa.	9 60	9 80	10 80	14 60	8 50	7.20	1 95	
M. Atlantic	8.10	8 21	8 61	10 74	5 58	7 38		
Ohio	5 20	4 90	5 70	7 30		5 30	1.40	
Ind.	5 40	5 70	6 00	7 70	4 50	5 30	1 90	
Ill.	5 40	5 40	6 10	7 50	4 50	5 30	1.30	
Mich.	5 30	4 80	5 50	5 90	4 50	5 80		8 50
Wis.	9 10	9 70	10 20	11 50	5 70	6 40	1 40	10 00
E N Central	6 36	6 52	7 11	7 65	5 57	5.42	1.40	9.21
Minn.	5 50	6 50	5 30	7 70	4 40	6 10	1 00	9 00
Iowa	4 90	5 00	5 50	6 50	3 50	6 10	1 00	
Mo.	6 00	6 20	6 90	7 80	4 60	6 10	1 20	
N Dak.	3 80	4 00	4 40	6 00	4 00	6 00	1 60	8 50
S Dak.	3.80	3.10	3 50	4 85	3 50		1 20	7 50
Nebr.	3 80	4 30	4 50	4 60	3 60	6 00		6 20
Kans.	4 30	3 50	4 25	5 60	3 30	5 70		5 80
W. N. Central	4 61	5 57	5 55	5 95	3 81	6 08	1 03	7.10
Del.	11.00	10 70	10 40	13 00				
Md.	10 80	11 00	12 50	14 00		5 80		
Va.	12 00	11 60	13 00	14 00	5 60	7 50		
W Va.	9 80	9 70	10 10	13 00	6 90			
N C.	12 40	14 30	15 20	16 50	10 70			
S C.	10 60				10 00			
Ga.	8 50			13 50	6 00			
Fla.	10 00							
S Atlantic	10 85	10 99	12 14	13 89	8 17	6 57		
Ky.	7 80	8 50	8 30	9 50	6 60	5 50		
Tenn.	10 00	11 90	10 50	11 80	7 00	5 20		
Ala.	8 00		11 00	11 50	6 60			
Miss.	8.60		9 50	12 00	6 60			
E S. Central	8 69	9 75	9 30	10 34	6 70	5 26		
Ark.	7.30	9 50	9 50	10 50	6 00			
La.	7.50	8 50	7 00	11 90	6 90			
Okla.	4 70	4 80	5.70	6 60	3 50			5 00
Tex.	6 20			9 10	6 40			5.00
W S Central	5 93	8 56	8 39	8 10	4 71			5 00
Mont.	5 80	6 10	5 60	5.50	5.70			8 00
Idaho	5 00	7 20	4 50	4 90	4 00	4 70		7 60
Wyo.	6 40	6 50	6 00	7 40	6 00	4 50		7 20
Colo.	5 90	5 70	5 30	6 10	6 00	4 80		7 50
N Mex.	9 00	6 50	7 00	10 00	6 80			6 50
Ariz.	5 50			6 50	5 00			4 80
Utah	5.50	6 00	6 00	5 50	4.90			6 20
Nev.	4 60	5 50	6 00	4 30	4 20			
Mountain	5 67	6 31	5 38	5 71	5 46	4 70		6 67
Wash.	9 50	10.50	10 20	9.60	6 00			
Oreg.	8 80	10 50	11 00	8 10	6 00	5 50		8.50
Calif.	6 60	6 00	8 00	6 50	5 00			5 40
Pacific	7 76	10 10	10 29	7.18	5 66	5 50		6 05
U S.	6.43	7 57	7 77	6 69	4 30	5 58	1.10	6 82

Index numbers of prices received by farmers

[August 1909-July 1914=100]

Commodity	1932												1933				
	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar.	Apr	May	June		
All groups-----	59	56	52	57	59	59	56	54	52	51	49	50	53	62	64		
Grain-----	50	49	44	42	43	41	36	34	33	34	34	36	47	62	63		
Fruits and vegetables-----	78	80	82	83	79	68	59	57	59	59	57	60	66	68	72		
Meat animals-----	66	59	57	72	69	67	60	57	52	51	53	56	57	65	66		
Dairy products-----	74	69	62	63	65	67	68	68	69	68	62	59	59	63	65		
Chickens and eggs-----	60	60	59	65	75	84	102	115	121	96	57	54	56	62	55		
Cotton and cotton-seed-----	46	42	37	41	51	57	51	47	43	45	44	48	49	65	69		
Unclassified-----	44	43	40	38	40	42	44	43	45	46	44	43	44	47	48		

RELATIVE FARM PRICES

[August 1909-July 1914=100]

	1909	1910	1911	1912	1913	1914	1915	1916	1917	1918	1919	1920	1921	1922	1923	1924	1925
Cotton-----	46	42	37	41	52	58	52	48	44	45	44	49	49	66	70		
Corn-----	49	47	46	47	47	44	34	30	29	30	30	32	44	61	63		
Oats-----	57	55	50	44	37	36	33	33	33	34	33	34	43	54	58		
Barley-----	60	54	46	40	34	32	29	32	31	30	29	30	38	48	46		
Wheat-----	49	48	42	40	44	42	39	37	36	37	37	39	51	67	66		
Rye-----	51	46	40	31	32	33	31	31	29	32	30	32	42	54	60		
Flax-----	69	63	51	48	47	52	52	49	54	52	52	52	56	70	81		
Hay-----	74	71	64	79	57	57	55	55	52	51	50	50	52	54	54		
Potatoes-----	67	67	64	70	74	55	49	49	53	54	53	56	61	63	71		
Apples-----	82	86	96	90	68	60	60	59	64	68	69	73	82	88	92		
Cottonseed-----	44	44	40	39	41	51	47	43	40	40	40	42	46	55	59		
Hogs-----	49	41	39	58	56	52	45	42	38	37	41	44	44	54	55		
Cattle-----	81	75	73	87	84	83	75	72	66	63	64	66	68	76	78		
Calves-----	75	69	69	74	73	76	70	66	62	61	70	68	65	67	67		
Lambs-----	87	81	76	74	70	70	67	66	67	69	71	72	73	80	88		
Sheep-----	63	55	52	52	48	48	45	45	45	46	47	48	50	54	54		
Eggs-----	47	48	49	56	68	80	105	121	131	100	51	47	48	55	47		
Butter-----	86	79	73	72	77	78	79	80	84	81	72	71	73	78	78		
Wool-----	62	51	40	39	42	51	53	53	52	50	49	50	57	99	120		
Horses-----	44	44	43	43	43	42	40	40	39	42	44	45	47	50	50		
Chickens-----	111	107	100	103	103	102	94	89	81	82	82	80	86	91	88		

INDEX NUMBERS OF PRICES PAID BY FARMERS FOR COMMODITIES BOUGHT¹

[1918-1914=100]

	1930			1931			1932			1933			
	June	Sept	Dec	Mar	June	Sept	Dec	Mar	June	Sept	Dec	Mar	June
Prices paid by farmers for commodities bought-----	147	144	137	131	127	120	117	112	108	106	103	100	103
Ratio of prices received to prices paid-----	84	77	71	69	63	60	56	54	48	56	50	50	62
All commodities used for family maintenance-----	182	146	140	134	129	124	118	113	108	106	103	99	102
Food-----	144	135	123	117	114	106	99	94	90	91	85	83	92
Clothing-----	168	164	160	153	145	139	132	124	116	111	108	102	102
Operating expenses-----	124	122	119	115	110	107	107	104	104	103	101	98	96
Furniture and furnishings-----	184	174	171	162	157	149	143	136	129	125	122	117	120
Building materials for house-----	168	163	161	155	151	147	143	139	136	131	131	126	130
All commodities used in production-----	112	142	135	129	125	117	116	112	109	105	104	101	104
Feed-----	136	138	120	108	100	83	80	76	72	67	62	62	77
Farm machinery-----	152	152	152	151	150	150	148	144	142	140	139	135	135
Fertilizer-----	126	125	125	119	119	110	110	103	103	96	96	91	91
Building materials for other than house-----	157	153	150	144	140	137	134	130	127	124	123	119	122
Equipment and supplies-----	132	131	128	124	114	114	114	111	106	106	104	105	97
Seed ² -----	176	176	168	174	174	133	127	109	109	94	94	85	85

¹ Revised. Details regarding the method employed in these revisions may be secured upon request to the Bureau of Agricultural Economics, United States Department of Agriculture, Washington, D. C.² 1912-1914=100.

FARM PRICES

The general level of prices paid farmers for agricultural products in local markets advanced 2 points to 64 percent of the pre-war level during the month ended June 15. Prices of all farm commodities excepting wheat, barley, sheep, eggs, chickens, and butterfat continued the advance that started in March, and gained momentum in April and May. The increase in farm prices moderated somewhat from May 15 to June 15, although prices of wool, flaxseed, potatoes, rye, and lambs increased 10 percent or more. At 64, the mid-June index was 14 points higher than in March and 12 points above a year ago.

The rapid rise in farm prices during the past three months has been accompanied, however, by a rise of 3 points in the Department's index of prices farmers pay for the commodities they buy. Prices paid by farmers for 175 different articles averaged exactly 100 percent of pre-war on March 15 and 103 percent in mid-June. Feed prices gained 15 points during this 3-month period, food prices rose 9 points, building materials were up 4 points, and furniture and house furnishings 3 points. Prices of other groups of commodities purchased were the same on June 15 as in mid-March or had declined slightly. The mid-June average of all groups was 5 points lower than a year earlier, although feed and food items were higher than a year ago.

The ratios of prices received by farmers to prices paid during the past few months show a rise in the value of the farmer's dollar from a record low only 48 percent of pre-war on June 15, 1932 to 50 percent in March of this year and 62 percent in the middle of this month.

Hogs.—The United States average farm price of hogs continued to advance from May 15 to June 15 despite an increase in hogs slaughtered and the usual contraction in consumer demand during hot weather. Prices paid farmers in local markets receded slightly in the Eastern Corn Belt States where the decline in terminal market prices was reflected partially, but these recessions were more than offset by the continued price increases registered in other sections of the country. At \$3.96 per hundred weight in mid-June, farm prices averaged about 2 percent higher than a month earlier and 40 percent above the levels of June 1932.

Hog slaughter at 8 primary markets during the 4 weeks ended June 17 was 4 percent larger than in the preceding 4 weeks and 19 percent above slaughter in the corresponding period of last year. These heavy supplies failed to weaken the local Corn Belt hog markets materially, however, inasmuch as the general price level has advanced slightly and packers have been eager to build up storage accumulations of pork and pork-products in anticipation of a continuance of an upward price trend.

The June 15 hog-corn ratios remained about the same as a month earlier, corn prices having changed in about the same proportion as hog prices in various sections of the country. At 9.9 in mid-June the ratio for the United States was down one-tenth of a point from a month earlier, but up three-tenths over a year ago.

Corn.—Farm prices of corn continued to advance during the month ended June 15 in all sections of the country except the West North Central and Far Western Divisions. Local market price gains in Southern and Eastern States more than offset these recessions, however, and mid-June prices averaged 40.2 cents per bushel as compared with 38.9 cents on May 15 and 29.4 a year earlier. These gains may be attributed primarily to local shortages in supplies outside of the principal corn-producing areas. Continued heavy farm-marketings and increasing commercial stocks depressed prices slightly, however, in Western Corn Belt States.

Wheat.—The United States average farm price of wheat receded slightly from May 15 to June 15. At 58.7 cents per bushel in mid-June, the price paid farmers was only three-tenths of a cent lower than a month earlier and 21.4 cents higher than a year ago. Prices paid farmers for wheat declined sharply in the East North Central States where prospects for the soft winter-wheat crop are reported to have improved somewhat. Declines in this area, the Atlantic Coast and Pacific States, were about offset, however, by increases in other sections of the country. The high quality and limited prospective supplies of new crop grain apparently resulted in a slight price increase in the Southwest. Farm prices in the spring-wheat producing areas advanced somewhat with the decline in the value of the dollar in terms of sterling exchange.

14 *Potatoes.*—A sharp reduction in shipments of old potatoes, the development of a seasonal shortage of supplies in many of the late-potato producing States, and prospects for a crop slightly smaller than last year in the second-early and intermediate States, resulted in a 13 percent increase in the farm price of potatoes from May 15 to June 15. At 49.4 cents per bushel on the latter date, the United States average farm price was about 11 percent higher than in June 1932.

Cotton.—The United States average farm price of cotton advanced approximately 6 percent to 8.7 cents per pound during the month ended June 15. The mid-June price paid farmers was 89 percent above that of a year earlier and the highest recorded since May 1931. A high rate of mill activity, a good export demand, and prospects for a reduction in the acreage of the growing crop favored the increase in the local market price.

Wool again led the procession of advancing local market prices with a 20 percent increase from May 15 to June 15. Farmers were paid an average of 21.3 cents per pound for wool on the latter date as compared with 7.2 cents a year ago. This was the highest price recorded since April 1930. A continued high rate of mill consumption, and the increase in protection against imports through the

depreciation of the dollar in terms of foreign currencies probably have been the principal farm-price strengthening factors.

Eggs.—The 14 percent decline in the average farm price of eggs during the month ended June 15 was in sharp contrast to the seasonal advance usual during that period. At 10.1 cents per dozen, the mid-June farm price had declined to the levels of last March and was 5 percent lower than a year ago. Although the price decline from May 15 to June 15 was accompanied by a seasonal reduction in receipts of eggs at the 4 principal markets, receipts in mid-June were still slightly above last year. Storage holdings in 26 cities, however, had increased to a point about 64 percent larger than in the corresponding weeks of last year.

CROP REPORTING BOARD.

15

GOVERNMENT EXHIBIT 2-4

There were received in evidence, as Government Exhibit 2-4, copies of the schedules sent out monthly by the Division of Live Stock Estimates, Bureau of Agricultural Economics, Department of Agriculture, to obtain information on the prices paid to farmers each month for fifty-two commodities.

The schedules contain the following request:

"DEAR SIR: The Bureau of Agricultural Economics of the United States Department of Agriculture desires to record the average prices paid to producers in each State for various farm products on or about the 15th of each month. For this purpose you are respectfully requested to report on this schedule your estimate of the average prices paid to producers in your locality, about the 15th of this month, for such products as you are familiar with. As only one quotation is desired for each product, it should be representative of all transactions; that is, such a price as, if multiplied by the total quantity sold by the producers, would give approximately the total value of all such sales. Please return on or about the 15th in the accompanying envelope, which requires no postage. In return, a reprint of excerpts from 'Crops and Markets', containing the results of this inquiry, and special releases on items of particular interest in the agricultural situation will be mailed to you. Respectfully, W. F. Callander, Chairman, Crop Reporting Board."

The commodities are: corn; winter wheat; durum wheat; spring wheat; spring wheat other than durum; oats; barley; rye; grain sorghums; threshed grain or heads; buckwheat; flaxseed; cotton lint; cottonseed; potatoes; sweet potatoes; beans (dry edible); peanuts; soybeans; cowpeas; tobacco; hogs; beef cattle; veal calves; sheep; lambs; milk cows; horses; mules; chickens; turkeys; eggs; butter; butterfat; milk (whole), retail and wholesale; wool (unwashed); apples; pears; hay, loose and baled; alfalfa hay; clover hay; timothy hay; mixed clover and timothy hay; prairie hay; alfalfa seed; red clover seed; sweet clover seed; and timothy seed.

GOVERNMENT EXHIBIT 2-5

There were received in evidence, as Government Exhibit 2-5,
copies of questionnaires sent out monthly by the Division
16 of Crop and Live Stock Estimates, Bureau of Agricultural
Economics, Department of Agriculture, to obtain information
with respect to approximately 175 articles farmers buy.

The schedules contain the following request:

"DEAR SIR: The Bureau of Agricultural Economics of the United States Department of Agriculture desires to record the average price paid by farmers for clothing, food, and household articles. The Department is publishing monthly an index of prices received by farmers for what they sell. It is desired to show a corresponding index of prices paid by them for articles bought. A return of this questionnaire on or about the 15th of this month, with your estimate of the general average price for such of the articles listed below as are known to you, will be appreciated. In return, a reprint of excerpts from 'Crops and Markets' will be mailed to you each month showing these indexes and a discussion of the general business and agricultural situation. Respectfully, W. F. Callander, Chairman, Crop Reporting Board."

The articles are: Clothing, felt hats, men's; men's suits, serge, wool, ready-made; extra trousers, woolen fabric; overalls; men's work shirts; men's work socks, cotton; men's work shoes; cotton gloves; canvas gloves, knitted wrists; men's athletic union suits; men's heavy winter union suits; knee rubber boots; gingham; muslin; house dresses; knit rayon bloomers; women's silk hose; women's silk hose, service weight; rayon slips; women's shoes or oxfords; food: sugar; flour; bread, white, per loaf; bread, white, per pound loaf; corn meal; bacon; butter; beef, fresh; pork, fresh; lard; rice; coffee; tea; oranges; lemons; bananas; apples; oatmeal, bulk; vinegar; salt; raisins; cheese; household articles: sheeting, 80 inches wide; sheets, 81 inches x 90 inches, medium quality; blankets, cotton, double-length; comforters, cotton; toweling, 16-inch, extra quality, bleached cotton; bath towels, turkish, 20 inches x 40 inches; laundry soap; laundry starch; toilet soap; kerosene; gasoline, per gallon, including tax; house brooms, for sweeping; dinner plates, plain; fruit jars, Mason, 1-qt.; furniture and floor coverings: dining chairs, wood seat and back; dining table, extension, 42-inch
17 x 52-inch top; living-room suites, 3-piece, upholstered; dressers, 42-inch top, with mirror; bedsteads, metal, double; bedsprings, double, sagless; mattresses, full size, all felted, cotton; sewing machines, drop-head type; kitchen cabinets, with top cupboard, oak finish, 42-inch width; radio receiving set, 6-tube, for battery operation, without accessories; rugs, 9 feet x 12 feet, Axminster, seamless; felt-base floor coverings, 6 feet wide; printed linoleum, 6-ft. width; lumber: 2 inches x 6 inches x 16 feet; 2 inches x 10 inches x 16 feet; rough boards, No. 2; ship-lap, No. 1; yellow-pine flooring, clear, 1 inch, T. and G.; drop-siding, clear, 1 inch x

6 inches; bevel-siding (weather board), clear; building material: shingles, clear; Portland cement; roofing composition, heavy; roofing, steel, galvanized, 2½ inch corrugation, 29-gage; brick, common; lath; windows: barn, 9 inches x 12 inches, 4-light; house, 24 inches x 28 inches, 2-light, complete with frame; house, 24 inches x 28 inches, 2-light, without frame; frames for 24 inches x 28 inches, 2-light house windows; door, 2 feet 8 inches x 6 feet 8 inches, 5-panel, common; door, 2 feet 8 inches x 6 feet 8 inches, 4-panel, common; fencing material: posts, steel; posts, wooden, 4-inch; woven-wire fencing, 32 inches high; barbed wire, galvanized; farm gates, galvanized steel; fuel: hard coal (anthracite); soft coal (bituminous); wood; equipment, supplies, and machinery; cream separators, centrifugal, hand, 250-qt. capacity; cream separators, centrifugal, hand, 400-pound hourly capacity; milk cans, 10-gallon, standard weight; gas engines, 3-hp.; farm wagons, double, complete; wagon boxes, triple, standard size; horse collars, leather; iron pipe, galvanized, 2-inch; auto tires, 30 by 4.50 inches (4.50 x 21) balloon; cylinder oil, medium; stoves, 6-hole kitchen range, wood or coal burning; kerosene stoves, 4-burner range, with built-in oven; wash boilers, copper bottom, galvanized-steel sides; wash boilers, copper bottom, heavy tin-plated sides; wringers, hand-power; washing machines, hand-power; incubators, 250-egg capacity; binder twine, with handle; nails, 8d., wire; wire-screen cloth, 30 inches wide; barbed wire; galvanized; 18 milk pails, heavy tin-plated; lead arsenate; poultry netting, medium weight, galvanized after weaving; ensilage cutters, 16-inch blade; corn shellers, 1-hole, standard type; hoes, 7-inch blade; potato diggers, elevator type; feed grinders, power type, 8-inch burr; house paint, ready-mixed; machine oil; horse blankets, woolen; pumps, windmill force; pitchforks, 3-tine; halters, leather; windmills, 8-feet, double-geared, without tower; bushel baskets, wood; nail hammers with handle; manure spreaders, 70-bushel capacity; rope, manila; corn planters, 2-row, check; grindstones, foot-operating; grain threshers, steel, 28-inch cylinder, 46-inch rear; Ford 8-cylinder Tudor sedans, factory equipped; grain drills, disk drills, 12 tubes; 1-horse walking cultivators; Chevrolet master coaches, factory equipped; walking plows, 1-horse, 8-inch bottom; 1-row riding cultivators, 6-shovel; Buick 4-door sedans, 119-inch wheel base, factory equipped; walking plows, 2-horse, 14-inch bottom; mowers, 5-foot; Ford 8-cylinder trucks, complete; plows, 2-bottom, horse-drawn, 12-inch bottoms; hayrakes, sulky; plows, 2-bottom, tractor-drawn, 14-inch bottoms; disk harrows, 7-feet, single, 16-inch disks; hay loaders; spike-tooth harrows, 3-section, 15-foot width; grain binders, 7 feet; John Deere tractors, 15-30 hp.; combined harvester-thresher, tractor-drawn with auxiliary engine, 16-foot cut; I. H. C. Farmall tractors; combined harvester-thresher, tractor-drawn, with power take-off, 10-foot cut; L. I. Case General purpose, model CC tractors; scythes with handles; feed: alfalfa hay, baled; bran; middlings: cottonseed meal; linseed meal; corn meal; corn gluten; mixed dairy feed; tank-

age; rock salt; seed: sweetclover seed; red-clover seed; timothy seed; alfalfa seed; bluegrass seed; cottonseed for seed; certified seed potatoes; fertilizer: commercial fertilizer 5-8-7; commercial fertilizer 4-12-4; commercial fertilizer 3-8-3; commercial fertilizer 2-12-2; commercial fertilizer 2-10-2; acid phosphate, 16 percent; muriate of potash; nitrate of soda; sulphate of ammonia; ground limestone.

GOVERNMENT EXHIBIT 3-1

19 There was received in evidence, as Government Exhibit 3-1, the testimony of Nils A. Olsen, Chief of the Bureau of Agricultural Economics, United States Department of Agriculture. This testimony was received in the form of an affidavit, duly verified on April 24, 1934, counsel for the receivers conceding that Olsen would so testify if called as a witness and objecting to the testimony only on the grounds that it is irrelevant. The court overruled the objection, and an exception was taken to the ruling.

This witness testified as follows:

That he is at present Chief of the Bureau of Agricultural Economics of the United States Department of Agriculture; that he has been so engaged since July 17, 1928; that from May 1, 1925, to July 16, 1928, he was Assistant Chief of the Bureau of Agricultural Economics, in charge of Research; that he has been on the staff of the United States Department of Agriculture since November 3, 1919.

That the Department of Agriculture has collected current average farm prices of crops at monthly intervals since January 1903, and has published this material since February 1908; that the Bureau of Agricultural Economics of the Department of Agriculture is at present in charge of this work and has been since the formation of that Bureau in 1931; that data on farm prices of cotton have been collected since January 1908, and published monthly since March 1908; that this price recording service covers the following commodities:

- | | |
|--------------------------------------|------------------------|
| 1. Corn | 11. Potatoes |
| 2. Wheat | 12. Sweetpotatoes |
| a. Winter Wheat | 13. Beans, dry, edible |
| b. Spring Wheat | 14. Peanuts |
| (1) Durum Wheat | 15. Soybeans |
| (2) Spring Wheat other
than durum | 16. Cowpeas |
| 3. Oats | 17. Tobacco |
| 4. Barley | 18. Hogs |
| 5. Rye | 19. Cattle |
| 6. Grain Sorghums | 20. Calves |
| 7. Buckwheat | 21. Sheep |
| 8. Flaxseed | 22. Lambs |
| 9. Cotton | 23. Milk Cows |
| 10. Cottonseed | 24. Horses |
| | 25. Mules |

- | | |
|-----------------------------|-------------------------------------|
| 26. Chickens | 37. Alfalfa Hay |
| 27. Turkeys | 38. Clover Hay |
| 28. Eggs | 39. Timothy Hay |
| 29. Butter | 40. Mixed Clover and Timothy
Hay |
| 30. Butterfat | 41. Prairie Hay |
| 31. Milk (Retail) | 42. Alfalfa Seed |
| 32. Milk (Wholesale) | 43. Red Clover Seed |
| 33. Wool | 44. Sweet Clover Seed |
| 34. Apples | 45. Timothy Seed |
| 35. Pears | |
| 36. All Hay | |

that Government Exhibit 2-4 hereinabove summarized comprises samples of schedule sheets for prices paid to producers sent out to reporters by the Department of Agriculture, covering commodities on which price reports are obtained (the nature of the schedules sent out depends on the section of the country to which they are sent); that all of the forty-eight states are covered by the reports for all commodities; that individual monthly averages of prices are reported for sixteen states on cotton; that as further illustrating the scope of this service 11,493 price report schedules were returned by special price correspondents in reply to the inquiry concerning prices as of March 15, 1934, 1,498 of these schedules for March 1934 showing the current average farm price of cotton; that the average prices for these commodities are computed in the following manner:

"Straight arithmetic averages of the individual price reports are computed for each crop reporting district within the State. Weighted averages of these reporting district averages are then calculated for the States as a whole. Available production statistics are utilized as weights. Monthly averages of prices for the United States are computed by weighting individual State averages with the production of the commodity in each State. The computation of yearly averages of prices in the United States involves two steps.

First, State averages of prices for each month of the year
21 are weighted with statistics on monthly marketings of the commodity concerned to obtain annual State averages. Second, these annual State averages are weighted by the production of the commodity concerned in each State during the current year to obtain a United States yearly average."

That the bases of the figures given in the column entitled "Five-year Average August 1909 to July 1914" and the column "June Average 1910 to 1914" (Government Exhibit 2-3 hereinabove set forth) are the same as the bases of the other columns giving current average farm prices for commodities; that current average farm prices of commodities receive wide-spread distribution and recognition. Mimeographed reports similar to Government Exhibit 2-3 are sent to approximately 1,000 persons throughout the United States. Two hundred of these reports are furnished each month to the press. The report is printed in "Crops and Markets" which

is distributed to approximately 12,500 persons each month; members of Congress have made extensive use of these farm prices of commodities in the past. For example, these data were employed as basic information in the investigation conducted by a subcommittee for the Senate Committee on Agriculture in the winter of 1931 in regard to the determination of the reasons for the failure of the price of bread to reflect the decline in the price of wheat and flour and similar investigations in regard to milk, other dairy products, meat and meat food products.

That Government Exhibit 2-3 is a copy of the mimeographed report showing "average prices received by farmers for farm products, June 15, 1933, with comparisons", issued by the Crop Reporting Board of the Bureau of Agricultural Economics of the United States Department of Agriculture at Washington, D. C., on June 27, 1933; that the latest statistics available to the Secretary of Agriculture on July 14, 1933, were these prices as of June 15, 1933; that the schedules on which the report of June 15, 1933, farm prices were based were sent out by the Department of Agriculture during the period June 11-13, 1933; that these schedules were re-

turned to the Department during the period June 16-19, 1933;

22 that average prices as of June 15, 1933, were published on

June 27, 1933; that the method used in arriving at the average price of cotton on June 15, 1933, was the same as the method used in arriving at the corresponding figures for previous months; that the current average farm price of cotton as of June 15, 1933, was 8.7 cents per pound; that the average farm price of cotton during the prewar period August 1909 to July 1914 was 12.4 cents per pound; that the United States Department of Agriculture has no other statistics which could be confused with the foregoing for the purpose of determining the difference between the current average farm price of cotton and the fair exchange value of cotton, "the price therefor that will give" cotton "the same purchasing power, with respect to articles farmers buy, as such commodity had during the base period", August 1909-July 1914.

The Department of Agriculture has collected information on prices of articles farmers buy for the period since 1909 and published the index of prices based on this information in August, 1928; that since August 1928 this information has been collected and published at quarterly intervals; that this information is obtained by questionnaires sent to special price correspondents at regular periods; copies of such questionnaires, showing the numerous articles under the headings of clothing, food, household articles, furniture, floor coverings, building material, fencing material, fuel, equipment, supplies, machinery, feed, seed and fertilizer covered by the survey, are Government Exhibit 2-5; that such statistics so compiled cover all forty-eight States; that for the survey of September 15, 1933, 6,844 individual schedules of prices farmers pay were tabulated.

That the index of prices farmers pay is computed in the following manner:

A simple average of the prices of different commodities from reporters is obtained for each State and an average for the United

States is obtained by weighting the State averages according
23 to the amount of a commodity ordinarily bought by farmers

in each State. The index number for each group of commodities is then computed by weighing the price of each commodity for any period of time by an annual average of the amount of these goods purchased by farmers during the years 1924-1929. These weighted prices are then combined into an aggregate and the aggregate for each period of time divided by the average of the aggregate for the period 1910-1914, thus giving an index number showing the value of a fixed bill of goods at any period of time as a percentage of the value of this same bill of goods during the years 1910-1914. Thus, if fixed amounts of the commodities bought by farmers are combined in proportion to farmer purchases of each and were worth an average of \$100,000 during the base period 1910 to 1914, while the same amounts of the same combination of articles were worth \$120,000 on March 15, 1934, the index of prices farmers pay would be 120 for March 15, 1934, as compared with 100 during the 5-year pre-war base period, since the aggregate value of these commodity purchases on March 15, 1934, was 120 percent of, or 20 percent higher than the average aggregate value of the same commodities during the 5 years 1910-1914.

That the latest figures relative to prices of articles farmers buy that were available in the Department of Agriculture on July 14, 1933, were the figures relating to June 15, 1933; that the schedules upon which prices as of June 15, 1933, were reported by voluntary correspondents of the Department of Agriculture were sent out during the five days from June 9 to June 13, 1933, that these schedules were returned to and received again by the Department of Agriculture during the 6 days from June 16 to June 21, 1933; that the method used in arriving at the index of prices of articles farmers buy as of June 15, 1933, was the same as the method used in arriving at the index of prices of articles farmers buy in previous quarters; that the monthly indexes of prices farmers pay for the

months intervening between quarterly inquiries represent
24 straight interpolations between the quarterly indexes; that the

latest index of prices of articles farmers buy that was available up to July 14, 1933, was published on June 27, 1933; that the index of prices of articles farmers buy is shown on pages 1 and 7 of the publication showing prices received by farmers; that the index of prices of articles farmers buy was 103 on June 15, 1933; that the average index for the pre-war period, August 1909 to July 1914 equals 100; that data used in the construction of the index during that period were collected only once a year; that the average of the annual inquiries from 1910 to 1914 was taken to represent the pre-

war period, August 1909 to July 1914; that these are the only statistics of the Department of Agriculture that are "available statistics of the Department of Agriculture with respect to articles farmers buy" for use in calculating the purchasing power of agricultural commodities; that Government Exhibit 2-6 is an official publication of the Department of Agriculture of June, 1933 "Index Numbers of Prices Farmers Pay for Commodities Purchased"; that the index of prices of articles farmers buy received widespread distribution; that it is published in the same mimeographed reports and issues of "Crops and Markets" as the prices received by farmers for agricultural products and is widely used; that members of Congress have made use of this index of prices farmers pay in the past.

That the monthly publication of the Bureau of Agricultural Economics containing statistics of current average farm prices received by farmers, and index numbers of prices farmers pay, above described [Government Exhibit 2-3], is the only study of its kind compiled and published by the Department of Agriculture; and the prices and index numbers contained herein are the official figures used by the Department of Agriculture.

GOVERNMENT EXHIBIT 3-2

There was received in evidence, as Government Exhibit 3-2, further testimony of Nils A. Olsen, Chief of the Bureau of Agricultural Economics of the United States Department of Agriculture. This testimony was received in the form of an affidavit, duly verified on April 24, 1934, counsel for the receivers conceding that Olsen would so testify if called as a witness, and objecting to the testimony only on the grounds that it is irrelevant. The court overruled the objection and an exception was taken to the ruling.

The witness testified as follows:

That cotton is sold in the United States on a gross weight basis, with the exception of American-Egyptian cotton and cotton packed in round bales; that cotton is sold to Southern Mills under the Southern Mill Rules of 1925, Rule vii (a) of these Rules specifying that on uncompressed cotton the tare shall not exceed 4.4 percent, and on compressed cotton the tare shall not exceed 4.8 percent; that based on the 500-pound gross weight bale, the tare allowance in the case of uncompressed bales is 22 pounds, and on compressed bales, 24 pounds; that cotton is sold to Northern Mills on New England Terms, Section 55 of these terms specifying that the allowance for tare shall be 4.8 percent of the invoice weight; that the allowance used is therefore 24 pounds of tare to a 500-pound gross weight bale; that the tare of a so-called "square" bale of cotton consists of the combined weight of bagging, ties, and patches used in covering the bales; that the tare of a so-called "round" bale of cotton consists of the burlap used in covering the bale.

That the data collected by the Bureau of Agricultural Economics of the United States Department of Agriculture for the 1930-1931 crop indicate that the average weight of tare on the so-called "square" bale as turned out at the gin was approximately 21 pounds; that the average gross weight of these bales as reported by the Bureau of Census was 506.4 pounds for the same season; that at the time of compressing square bales to greater density the weight of tare usually is increased by the addition of patches; that the weight of patching material applied varies from 2 to 9 pounds per bale;

that the average weight of tare on two round bales having
26 a combined weight of 500 pounds is 5 pounds; that the range in weight of tare for square bales as turned out at the gin is from 13½ pounds to 30 pounds; that according to the information of the Bureau of Agricultural Economics, the weight of tare on the round bale is uniformly 2½ pounds.

GOVERNMENT EXHIBIT 3-3

There was received in evidence, as Government Exhibit 3-3, the testimony of Lawrence Myers, Acting Chief of the Cotton Processing and Marketing Section of the Agricultural Adjustment Administration, United States Department of Agriculture. This testimony was received in the form of an affidavit, duly verified on August 24, 1934, counsel for the receivers conceding that Myers would so testify if called as a witness, and objecting to the testimony only on the grounds that it is irrelevant. The court overruled the objection and an exception was taken to the ruling.

The witness testified as follows:

That he is at present Acting Chief of the Cotton Processing and Marketing Section of the Agricultural Adjustment Administration, United States Department of Agriculture; that he has been so engaged since January 2, 1934; that from July 1, 1933, to January 1, 1934, he was Economic Adviser to the Agricultural Adjustment Administration and assigned to work on cotton; that from July 1, 1927, to June 30, 1933, he was on the staff of the Bureau of Agricultural Economics of the United States Department of Agriculture, during which time he gave his principal attention to cotton economics and statistics; that at the time of his appointment as Economic Adviser to the Agricultural Adjustment Administration he was serving as a senior Agricultural economist in the Bureau of Agricultural Economics, United States Department of Agriculture.

That the marketing year for cotton in the United States is taken to begin on August 1 of each calendar year; that August 1 has
27 been taken as the beginning of the cotton marketing year since 1914, when by general acceptance the date of the beginning of the marketing year was changed from September 1 to August 1, in order to adjust the statistical year to the seasonal trend of cotton movement and of market supplies; that the date August

1 immediately precedes the time that the new crop starts to move in volume; that some new cotton crop moves as early as June and ginnings uniformly get under way in the extreme southern portions of the Cotton Belt in the United States in July, but, prior to August 16, ginnings are comparatively small and in only two of the nine years immediately preceding August 1, 1933, did ginnings up to August 16 exceed five hundred thousand (500,000) bales; that August 1 is the date used in calculating the annual carry-over of unmanufactured cotton and is taken as the beginning of the year in calculation of annual consumption and supplies and for similar statistical calculations, except for special purposes; that August 1 is accepted as the beginning of the cotton marketing year in United States by governmental agencies, such as the United States Department of Agriculture and the United States Department of Commerce and by private agencies both in the United States and in foreign countries; that the cotton marketing year is recognized by members of Congress from the Cotton Belt to begin August 1, as evidenced by members' speeches contained in the Congressional Record; that August 1 is recognized as the beginning of the cotton marketing year in an Act authorizing the Secretary of Agriculture to collect and Publish Statistics of the Grade and Staple Length of Cotton, Publish, No. 704, 69 Congress, S. 4746, as follows: ". . . The Secretary of Agriculture . . . is hereby authorized and directed to collect and publish annually, on dates to be announced by him, statistics or estimates concerning the grades and staple length of stocks of cotton, known as the carry-over, on hand the first of August of each year . . ."

28 STATEMENT IN LIEU OF TESTIMONY OF CARL C. FARRINGTON

There was received in evidence, in support of the Government's position, a statement in lieu of the testimony of Carl C. Farrington, Assistant Chief of the Cotton Processing and Marketing Section, Agricultural Adjustment Administration, United States Department of Agriculture, upon agreement of counsel that if the witness appeared he would so testify, counsel for the receivers objecting to the testimony only on the grounds that it is irrelevant. The court overruled the objection and an exception was taken to the ruling.

The statement is as follows:

That under the supervision of the Department of Agriculture a spinning laboratory is maintained at Clemson College, South Carolina; that for a period of some 10 years this laboratory has made tests of various grades of cotton; that prior to July 14, 1933, the results of these tests were sent to the Cotton Division of the Bureau of Agricultural Economics of the Department of Agriculture; that these tests showed that the percentage of nonspinnable waste, in cotton processing, ran from 3.25 percent for Strict Good Middling Cotton to 10.7 percent for Good Ordinary Cotton; that the witness had

been a field man in the Grade And Staple Estimate Section of the Division of Cotton Marketing of the Department of Agriculture (which such Section operates under an Act of Congress entitled "An Act Establishing Grade and Staple Estimates") and was at the time the figures were given and computed engaged in making cotton utilization studies; that multiplying the average nonspinnable waste of each grade by the officially estimated quantity of that grade produced, taking the 1932 cotton crop, a weighted average was obtained which showed five percent to be the nonspinnable waste in cotton processing, and that such five percent, or 95 percent divided into 100, establishes a conversion factor of 105.2 percent, that this is the 29-30 conversion factor established in Cotton Regulations, Series 2, to determine the amount of tax imposed or refunds to be made with respect to articles processed from cotton.

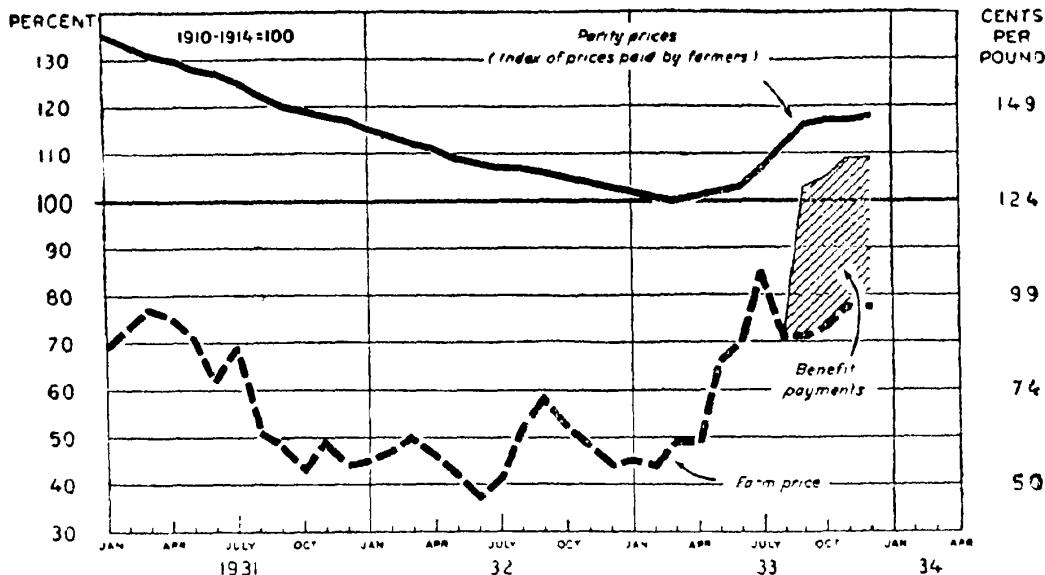
GOVERNMENT EXHIBITS 4, SUBEXHIBITS 4-1 TO 4-88

There were received in evidence, as Government Exhibit 4, 88 subexhibits identified as documents 1 to 88. Counsel for the receivers objected to Government Exhibit 4 on the sole grounds that the 88 subexhibits contained therein were irrelevant. This objection was overruled and an exception was taken. Documents 1 to 20, inclusive, 27 to 36, inclusive, 39, 40, 41, 44, 46, 47, 48, 49, 50, 83, 84, 86, 87, and 88 are duly certified as official publications or excerpts from official publications of the United States Department of Agriculture. The identity, and a summary of the pertinent parts, of each of the 88 sub-exhibits of Government Exhibit 4 are, as follows:

Government Exhibit 4-1 is "Agricultural Adjustment", a report of administration of the Agricultural Adjustment Act, May 1933 to February 1934, made by the Administrator to the Secretary of Agriculture on February 15, 1934. The pertinent facts and figures are on page 37 thereof and follow:

"Official estimates of the Crop Reporting Board of the Department of Agriculture indicate that the total income received by the South from the cotton crop of 1933, including rental payments and potential option profits, is more than twice the income received from the crop of 1932.

"The figures upon which this calculation is made include the farm value of lint cotton for the 1933 season, estimated at the December 1 price to be \$617,716,000, as compared with \$371,861,000 for lint cotton in 1932. In addition, rental payments totaling \$112,000,000 and option profits totaling \$48,000,000 have been or are being distributed. The farm value of cottonseed in 1933 has been calculated at \$79,532,000 compared with a value of \$53,627,000 for seed in 1932. Thus the combined farm value of the 1933 cotton crop plus the total rental payments and the profits from options, is \$857,248,000, as compared with \$425,488,000, the value of the cotton crop in 1932.

31-32 CHART 4.—*Farm and parity prices of cotton and benefit payments*

"The significance of these figures becomes apparent if one reviews the situation which would have prevailed if the Government had not intervened on behalf of the cotton growers. The world carryover of American cotton on August 1, 1933, amounted to 11,600,000 bales, making a total supply for the year 1933-34 of 24,800,000 bales, or 1,200,000 bales less than the record supply of the previous year. Had the Government not acted to reduce the 1933 crop acreage, the supply as of December 1 would have been 29,200,000 bales or approximately 3,000,000 bales greater than the previous year's supply. Many observers are of the opinion that if this had happened, the price would have ranged around 5 cents with little or no market. That would have meant utter economic disaster throughout the Cotton Belt. This was not only averted, but the price increased from the low level of 1932 to a probable average of 9½ cents for the 1933 crop. Prices received by producers averaged 8.8 cents per pound in August and September, 9 cents in October, and 9.6 cents in November and December, compared with 5.4 cents per pound in December 1932."

Government Exhibit 4-2 is Economic Bases for the Agricultural Adjustment Act, by Mordecai Ezekiel, Economic Adviser to the Secretary of Agriculture, and Louis H. Bean, Economic Adviser, Agricultural Adjustment Administration, United States Department of Agriculture, published by the Department of Agriculture in December, 1933. The pertinent charts contained in this exhibit follow:

33-34

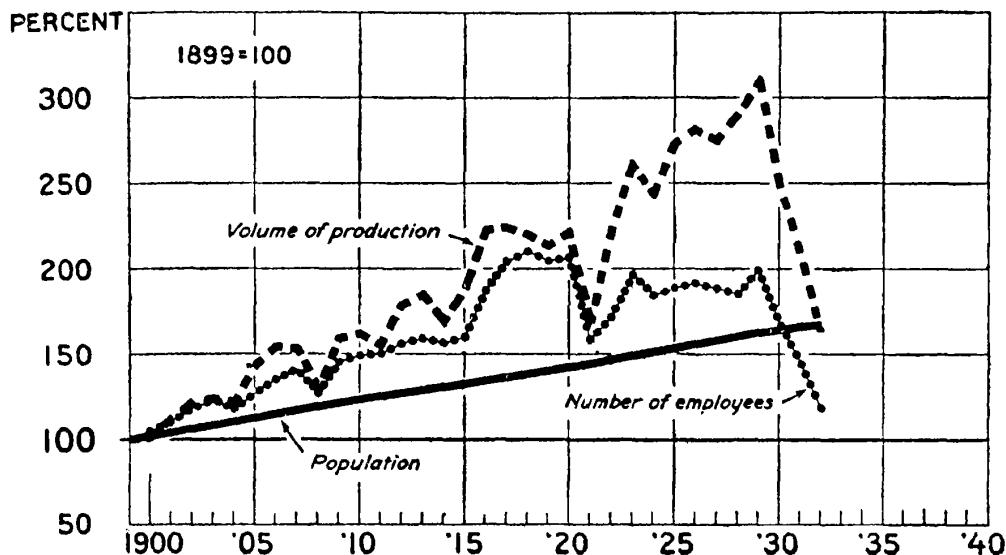


FIGURE 1—Production of manufactures, factory employment, and population, United States, 1899–1932.

Industrial conditions affect agriculture vitally. When industrial activity declined in 1930, 1931, and 1932, wiping out the per capita increase of the previous 30 years, factory employment diminished so greatly that the purchasing power of the urban community fell by more than half. In these circumstances farm products could not be sold except at sacrifice prices.

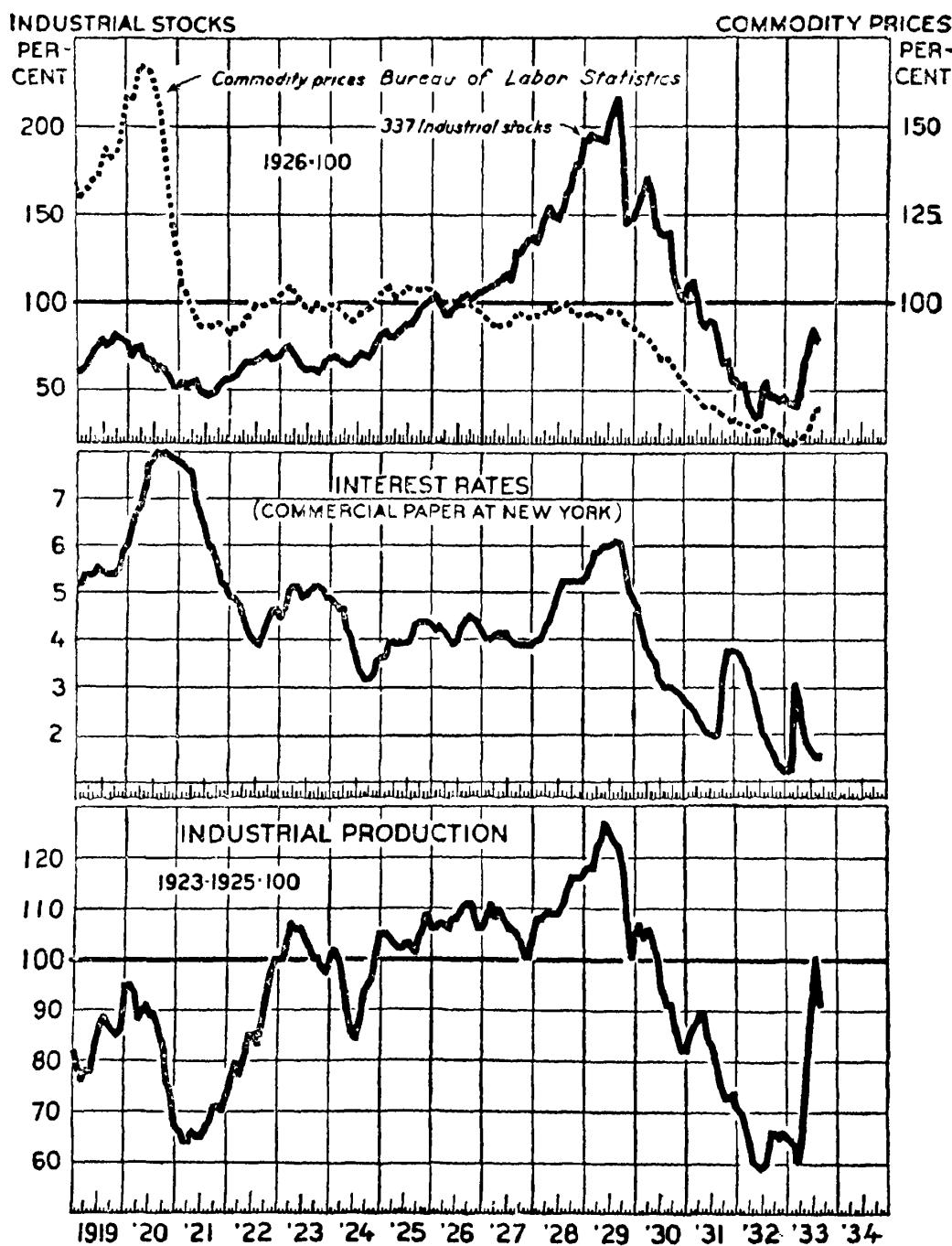


FIGURE 2.—Indexes of prices of industrial stocks and commodities, interest rates, and industrial production.

Such support as agricultural prices and income had received during the years 1922-29 from the industrial and speculative booms was completely lost after 1929. By the end of 1932 industrial activity was cut in half; security values lost in 4 years the rise of the preceding 8 years; commodity prices fell to below pre-war levels

35-36

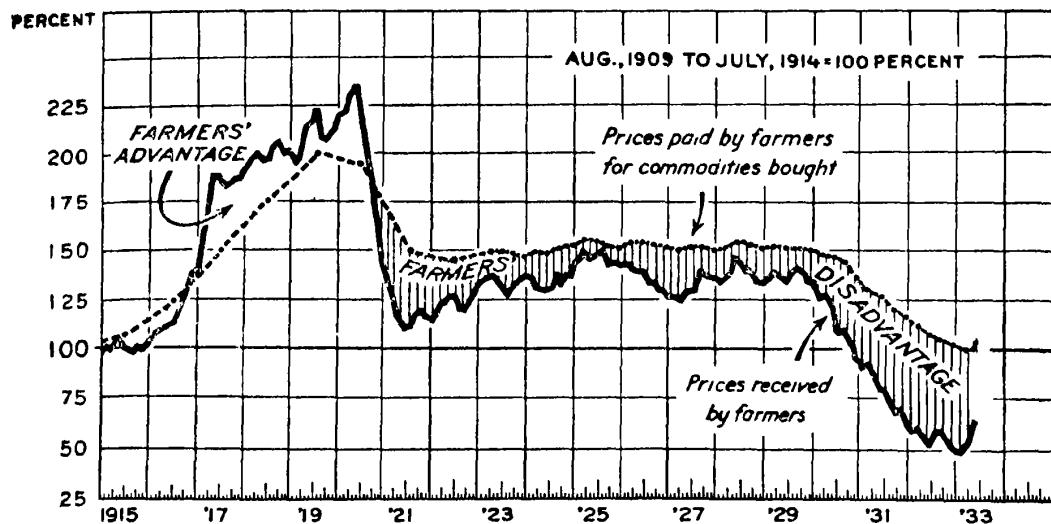


FIGURE 4.—Index of prices received and paid by farmers.

The advantage that farmers gained during the war when prices received for farm products rose to higher levels than prices paid for industrial goods was lost in the 1920-21 depression. Relative to other prices, farm prices have been low ever since 1920, and the disparity was accentuated during 1930-32 when farm prices fell so low that they had only half their pre-war purchasing power.

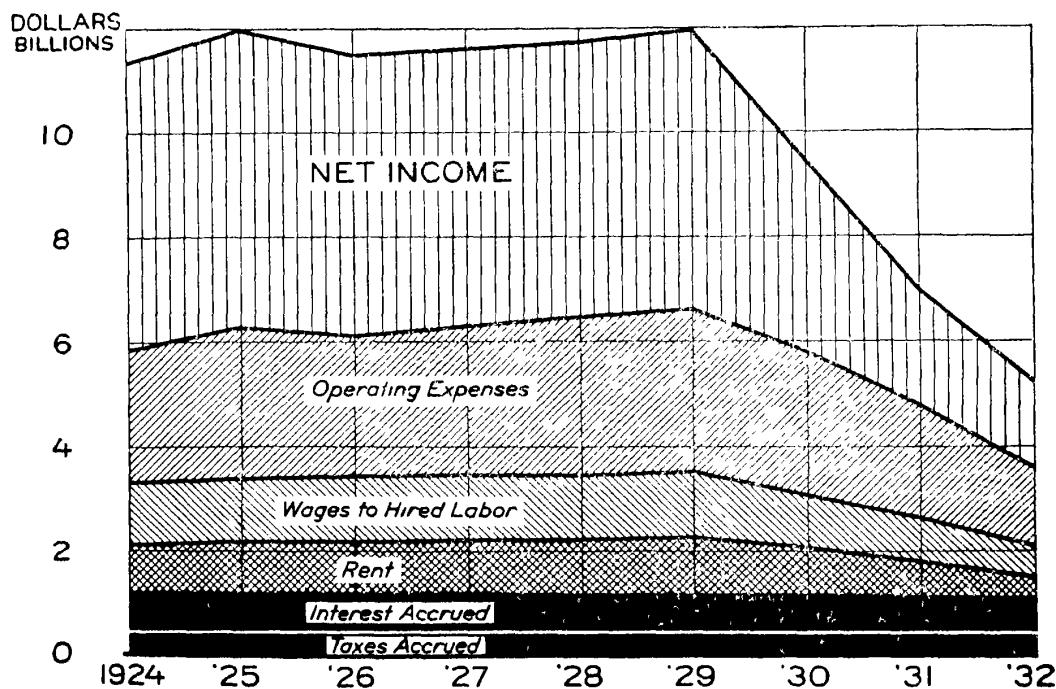


FIGURE 5.—Gross farm income and expenditures

By 1932, the net income from farm products had been reduced to a point where farmers were earning neither an adequate reward for their own labor nor a return on their investment. As farmers lost their former standard of living, industries dependent on the farm market released their employees.

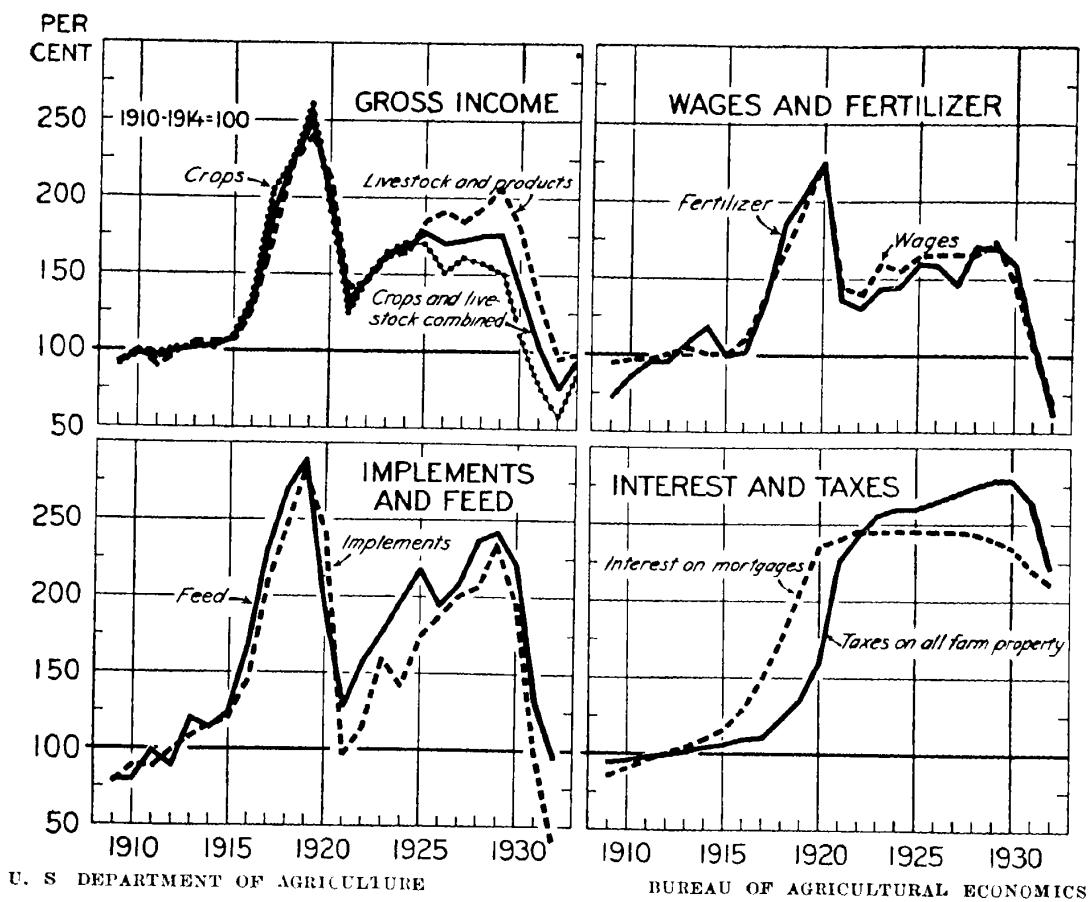
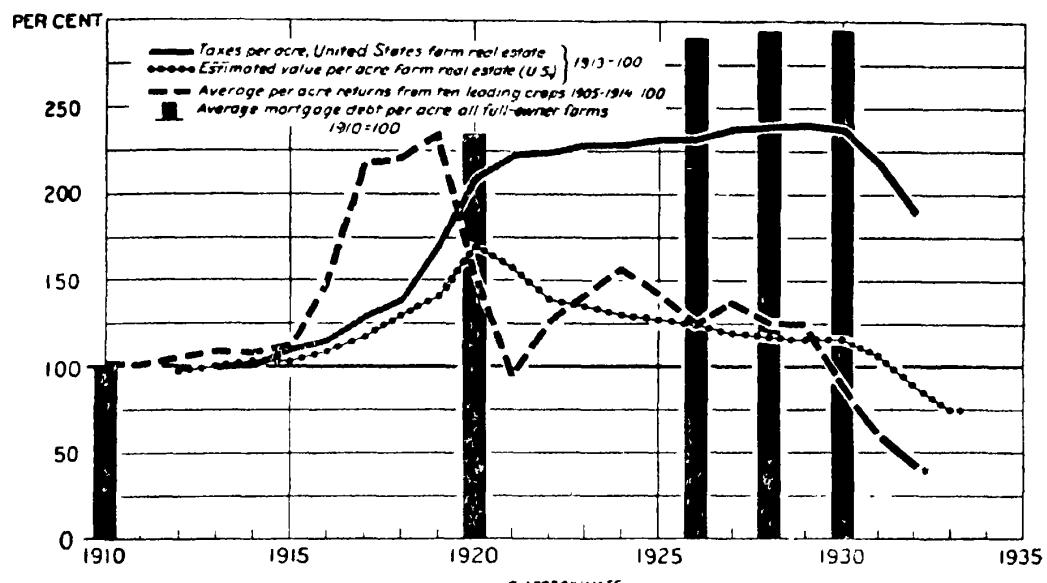


FIGURE 6.—Gross farm income and selected expenditures 1909–32.

As in the 1921 depression, the decline in farm income after 1929 was accompanied immediately by a curtailment in cash outlays for machinery, fertilizer, feed, and hired labor. Taxes and interest payments, though somewhat reduced, took a heavier toll than ever before out of the meager net income.

37-38

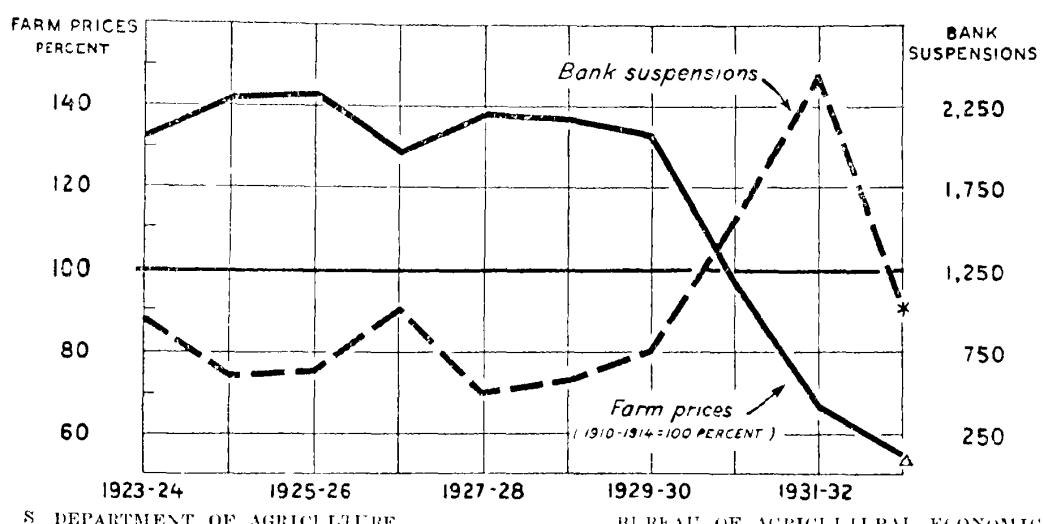


U. S. DEPARTMENT OF AGRICULTURE

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FIGURE 7.—Returns per acre of 10 leading crops, and taxes, land values, and mortgage debt per acre of farm real estate.

Returns per acre for 1932-33 were about 60 percent less than in the pre-war years, while average mortgage debt per acre was nearly three times and taxes about twice as high. Consequently, land values fell still further to about three-fourths of their pre-war value for the country as a whole. This disparity between prices, land values, and fixed charges—the heart of the agricultural depression—retards general recovery.

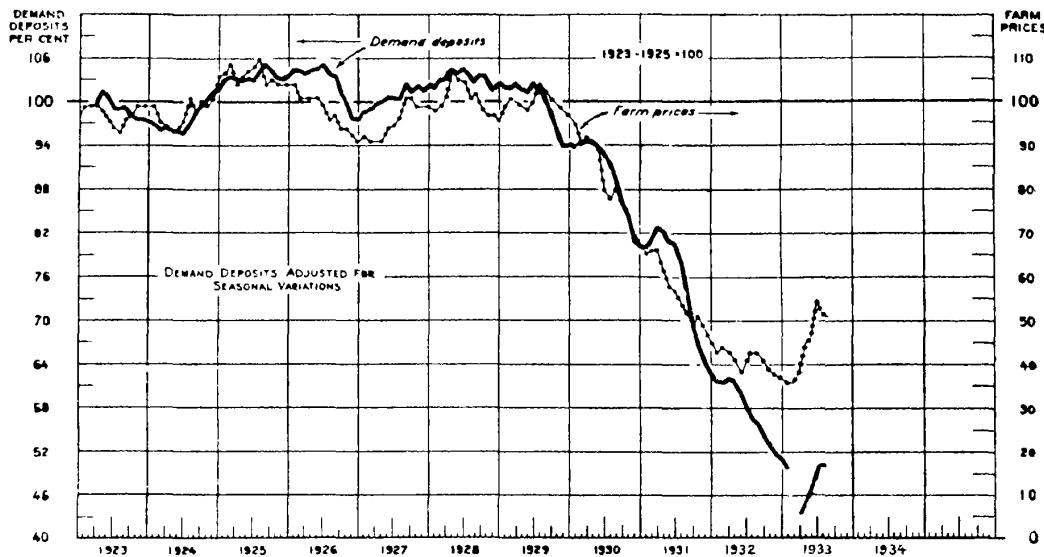


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FIGURE 8.—Prices received by farmers and bank suspensions, 1923-32

It is not agriculture alone that suffers when agricultural prices fall. From the end of 1929 to the end of 1932, the farm-price slump was accompanied by a tremendous increase in bank suspensions. The financial structure was undermined as capital values crumbled.



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FIGURE 9.—Farm prices and demand deposits of country banks in 20 States.

Following the financial collapse of 1929, the decline in farm prices undermined the rural-credit structure and the restriction of country-bank credit in turn added its depressing effect on farm prices

39-40

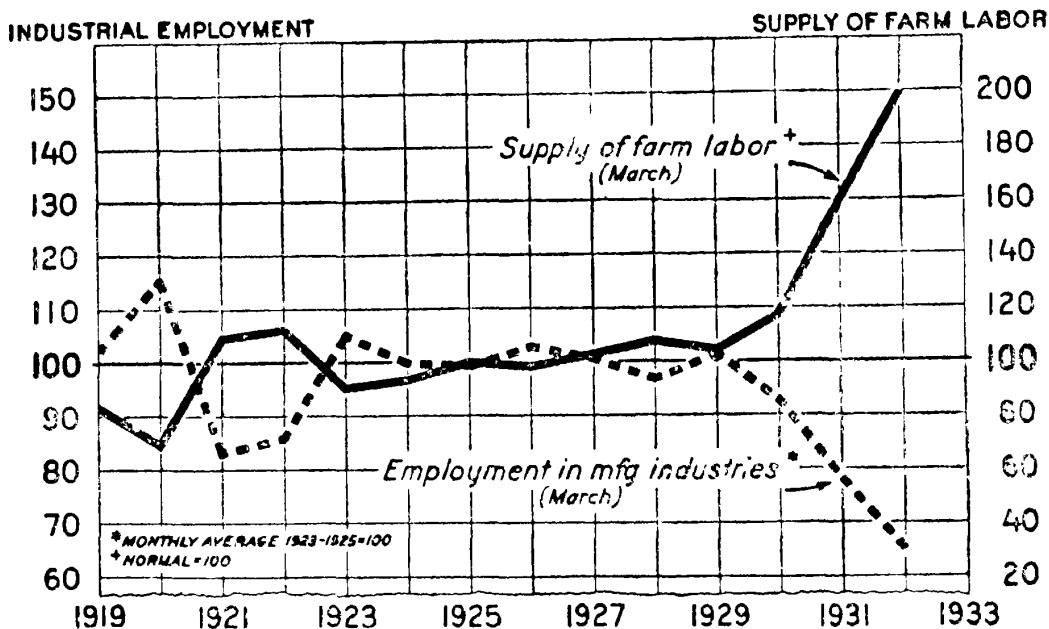
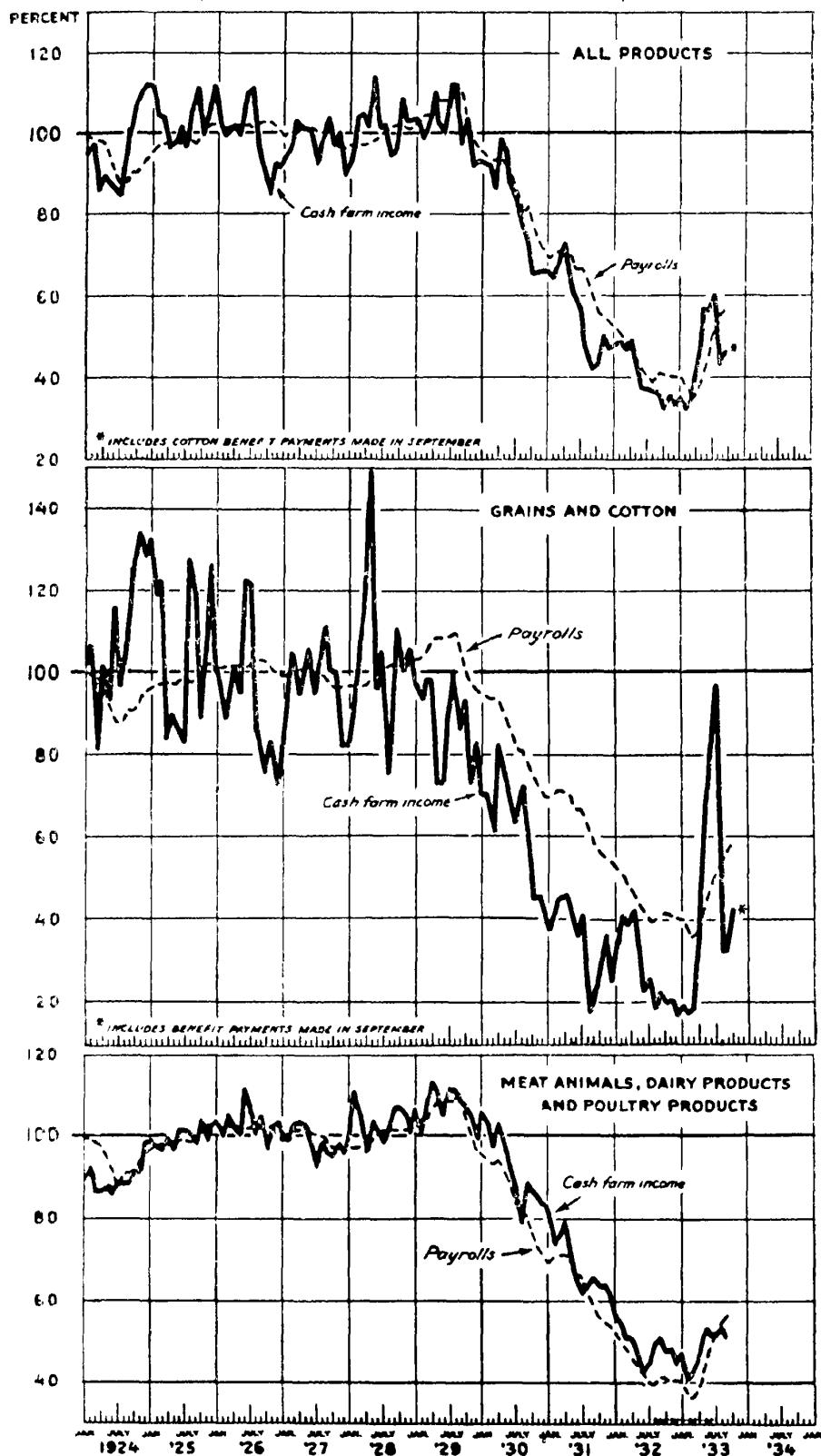


FIGURE 19.—Farm, labor, and industrial employment

The industrial depression of 1929-33 checked the movement of farm population to cities, increased the movement of city people to farm communities, and thus increased the farm population. The undirected and uncoordinated shift of city population to farms means not only a reduction in city demand for farm products but also a greater commercial supply of farm products, in the immediate future, and aggravates the agricultural-industrial disparity.

FACTORY PAYROLLS AND CASH INCOME FROM FARM PRODUCTS
 (ADJUSTED FOR SEASONAL VARIATION, 1924-1929=100)

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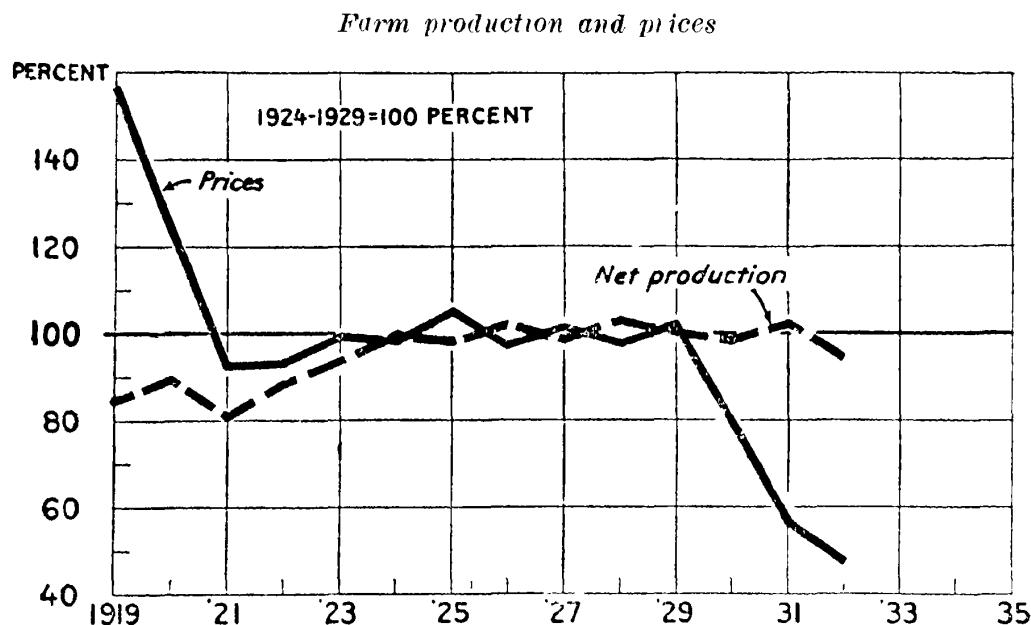
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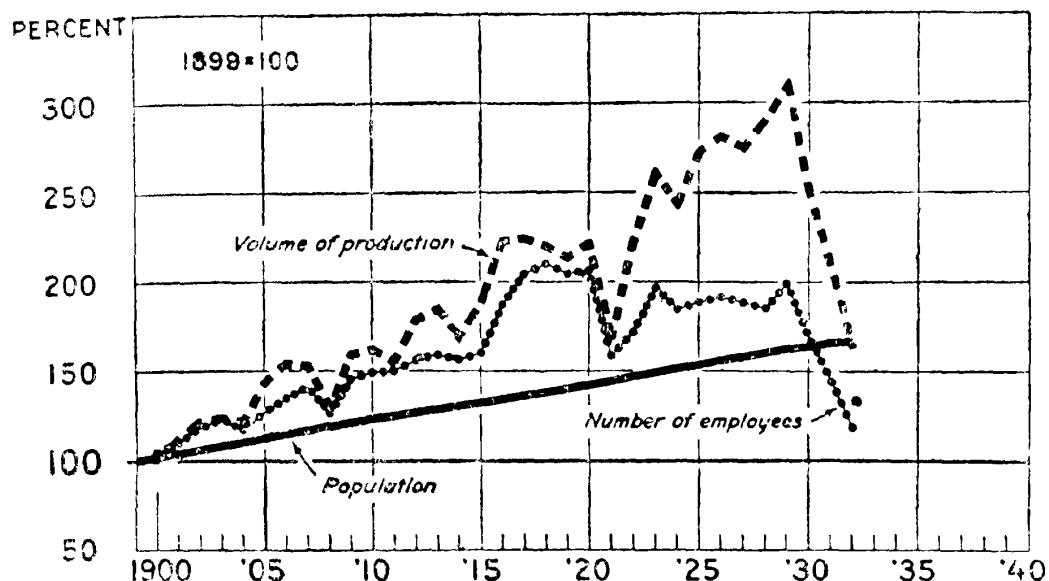
FIGURE 22.—Factory pay rolls and cash income from farm products.

Returns to farmers for their marketings of farm products depend by and large on the money income of consumers in general. This is particularly true of returns from the production of meat animals, dairy and poultry products, and other commodities that are sold chiefly in the domestic markets. The income from commodities that depend on foreign markets, such as grains and cotton, are additionally influenced by international conditions of supply and demand. For that reason, the cash income from grains and cotton declined to 20 percent of the predepression level by the end of 1932, while cash income from livestock products declined to about 40 percent.

41-42 Government Exhibit 4-3 is "Economic Trends Affecting Agriculture", by Louis H. Bean, Senior Agricultural Economist, and Arthur P. Chew, Assistant to the Director of Information, United States Department of Agriculture, published by the Department of Agriculture, July 1933. The pertinent charts contained therein, which do not duplicate other charts hereinabove, follow:



Indexes of net agricultural production and prices, United States, 1919-32. From 1924 to 1932 our total agricultural production remained fairly stable, although some farm enterprises expanded and others contracted. Growth of population in the period was at a slower rate than formerly, and the export demand for our farm products declined. The decline of agricultural prices after 1929 reflected these changes, and also the influence of deflation generally. Stocks of certain basic farm commodities piled up.

Factory production and employment

Production of manufactures, factory employment, and population, United States 1899–1932. Industrial conditions affect agriculture vitally. Industrial output in this country increased tremendously from 1900 to 1929, without a proportionate increase in the number of factory employees. When industrial activity declined in 1930, 1931, and 1932, wiping out the per capita increase of the previous 30 years, factory employment diminished so greatly that the purchasing power of the urban community fell by more than half. In these circumstances farm products could not be sold except at sacrifice prices.

43-44 *Interdependence of farm and factory*

Data showing importance of manufacturing industries using chiefly agricultural raw materials¹

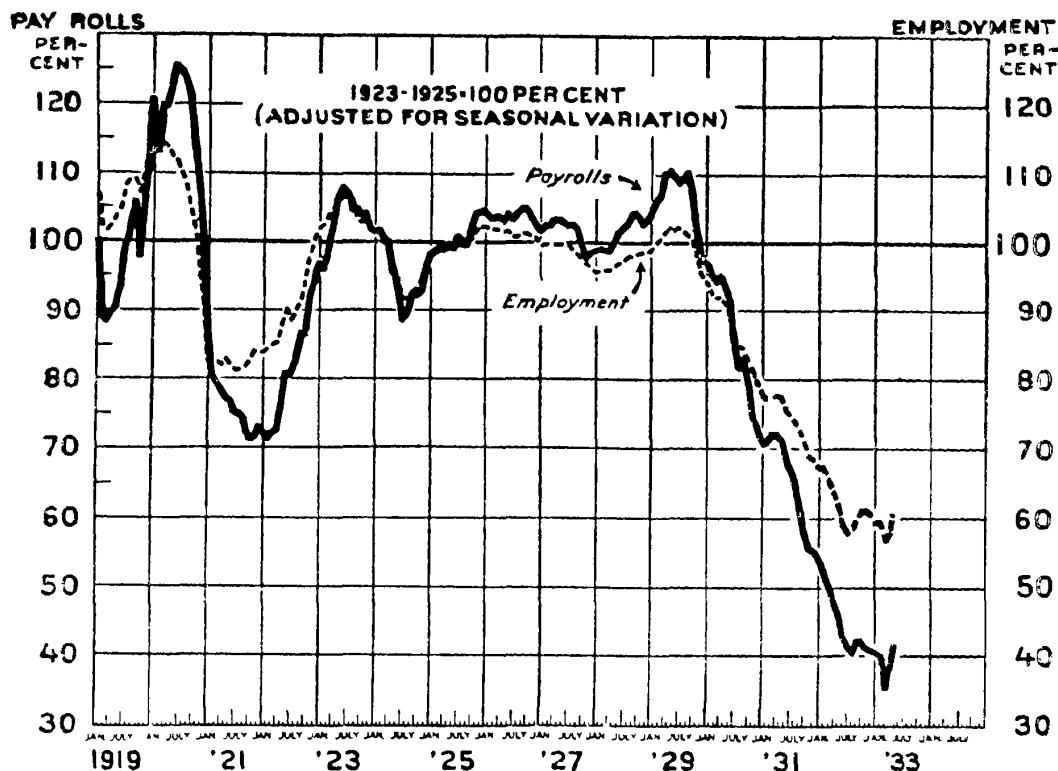
Item	Percentage of all manufacturing industries			Item	Percentage of all manufacturing industries		
	1879	1904	1929		1879	1904	1929
Value of capital.....	43.9	39.9	Cost of materials.....	60.4	52.9	41.1
Number of wage earners.....	42.5	38.1	33.1	Value added by manufacture.....	41.3	37.3	28.9
Wages paid.....	37.2	32.2	26.8	Value of products.....	53.4	46.3	35.5

¹ Groups of industries included Foods and kindred products, textiles and their products, vegetable oils, soap, grease, dyestuffs, and extracts, turpentine and rosin, leather and its finished products, tobacco, liquor and beverages, and brooms.

Practically everything produced on the farm enters the industrial world as raw material for manufacturing industries, as material for transport by railway or steamship, or as the basis for various services. The interdependence thus created between agriculture and industry requires stability and continuity in farm production, rather than alternations of glut and shortage. Industries using agricultural raw

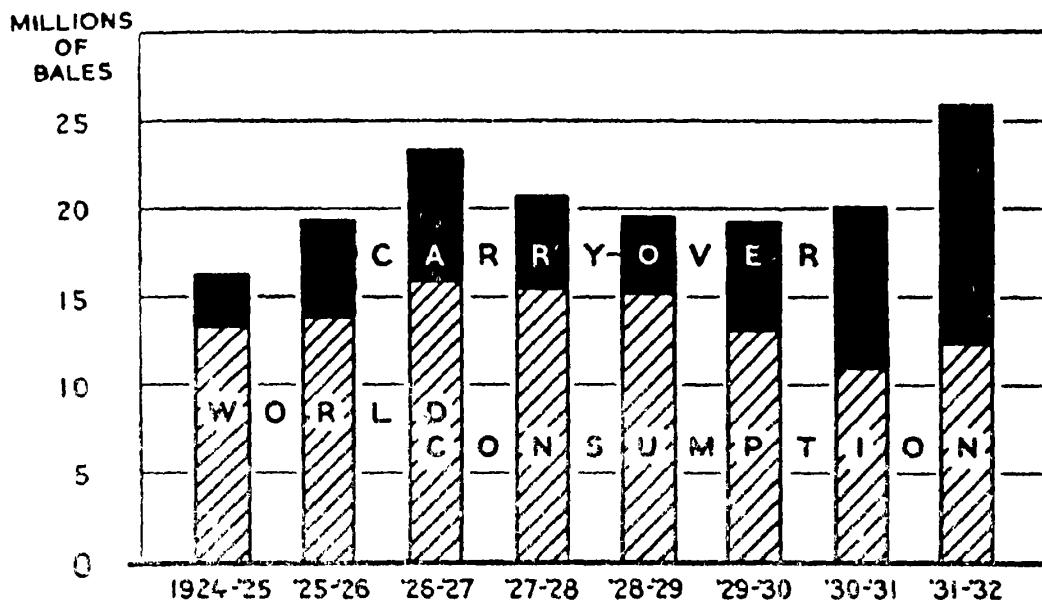
materials handle more than 41 percent of the materials consumed in manufacturing in this country. This percentage, however, is less than it formerly was. The decline indicates an industrial change to which agriculture must progressively adapt itself.

Factory employment and pay rolls

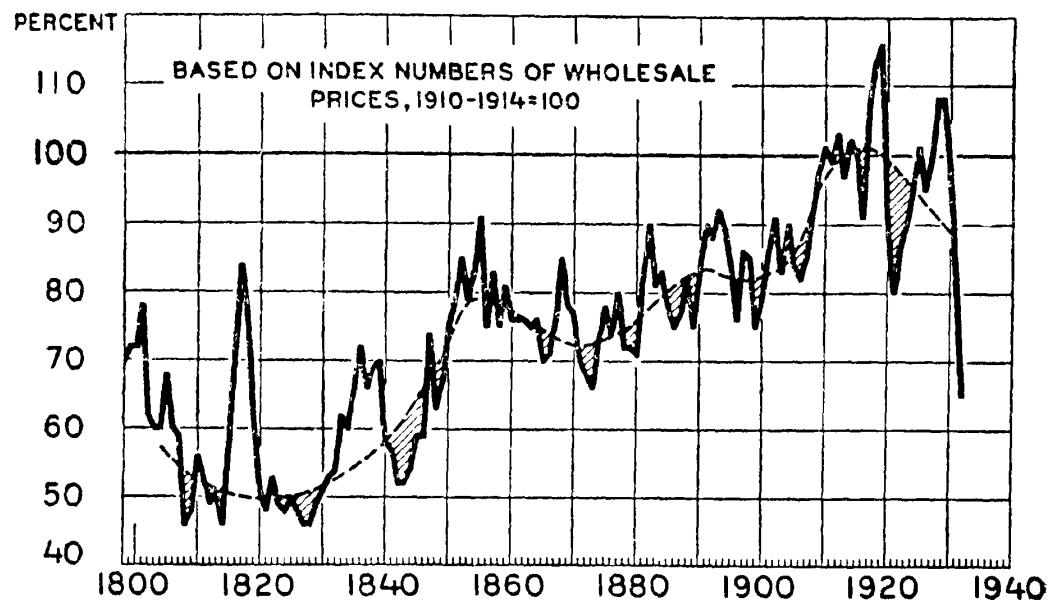


Indexes of factory employment and pay rolls. Farmers marketed their fairly even flow of total production of 1930-32 in the face of a greatly reduced consumer purchasing power. The money income of one large group—factory wage earners—was 65 percent lower at the beginning of 1933 than the years 1923-29. The reduction in wage rates contributed about a third to this shrinkage in earnings and the reduction in numbers employed and hands worked contributed the other two-thirds.

45-46

Cotton consumption and carry-over

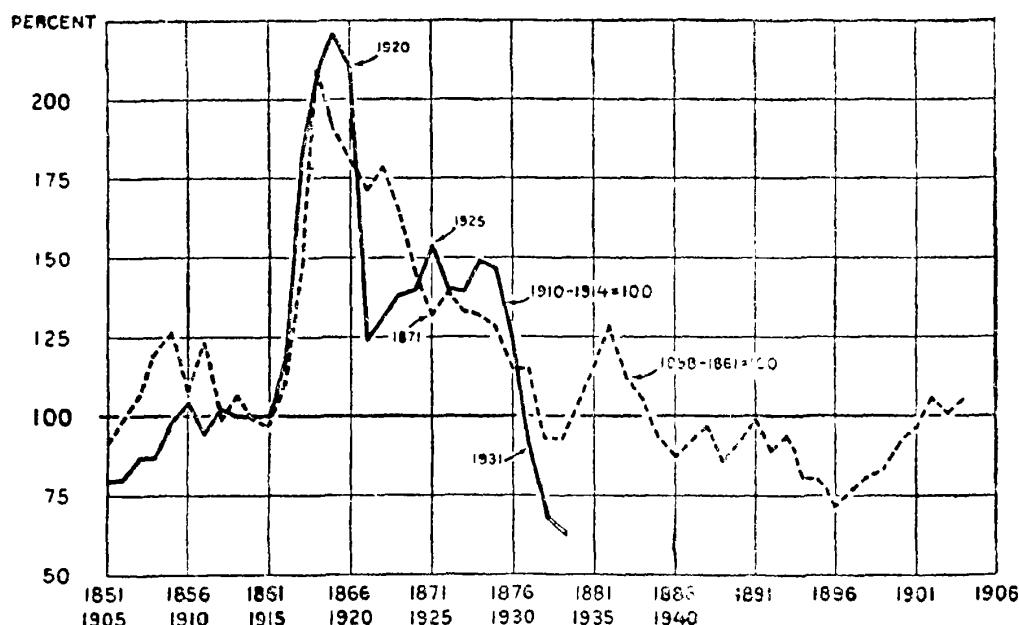
Cotton carry-over increases as consumption declines. By the end of 1931 the industrial depression had increased the carry-over to twice what it was at the end of 1929. The inopportune large crop of 1931 increased it still more.

Exchange value of farm products

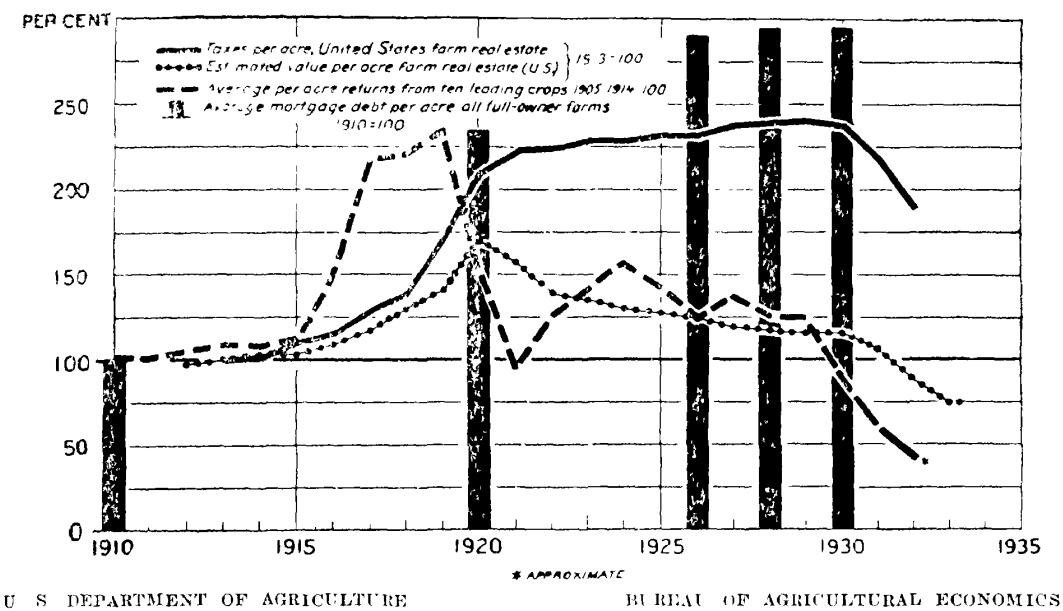
Ratios of prices of farm products to prices of nonagricultural products, 1798-1932. Farm products generally rose in exchange value in the century preceding the war. As the country became more and more industrialized, the domestic market for agricultural commodities improved and the prices of factory goods declined. This was not in itself a proof of agricultural well-being, since farmers had continually to increase their outlay for industrial prod-

ucts. It is nevertheless true that a fair exchange value for agricultural products is essential to agricultural prosperity. This basis does not now exist. The war reversed the favorable trend that had persisted for a century, and the second post-war depression (1930-32) wiped out the relative gains of 90 years.

47-48

Farm price trends in two periods

Index numbers of wholesale prices of farm products for two periods, 1851-1904 and 1905-33. Except for the sharp decline of 1920 and the relatively stable price period of 1923-29, the post-war deflation in farm prices has followed a course similar to that of the post-Civil War Period, 1864-79. The former deflation period, which ended in 1896, was temporarily interrupted by higher prices in 1880-83 accompanying industrial revival, increased foreign demand for American surplus farm products, and credit expansion following the resumption of specie payments in 1879.

Debt and tax burdens of farmers

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Returns per acre of 10 leading crops, and taxes, land values, and mortgage debt per acre of farm real estate. Returns per acre in 1932-33 were about 60 percent less than in the pre-war years, while the average mortgage debt per acre was nearly three times and taxes about twice as high. Consequently, land values have fallen still further to about three-fourths of their pre-war value for the country as a whole.

49-50 Government Exhibit 4-4 is Factors Affecting the Price of Cotton, by Bradford B. Smith, Economic Analyst, Bureau of Agricultural Economics, United States Department of Agriculture, published by the Department of Agriculture in January 1928. The pertinent facts, figures, and charts contained therein are found on pages 4, 5 to 7, inclusive, and 18, and relate to the mathematical measurement of the effect of supply and demand factors on prices of agricultural products.

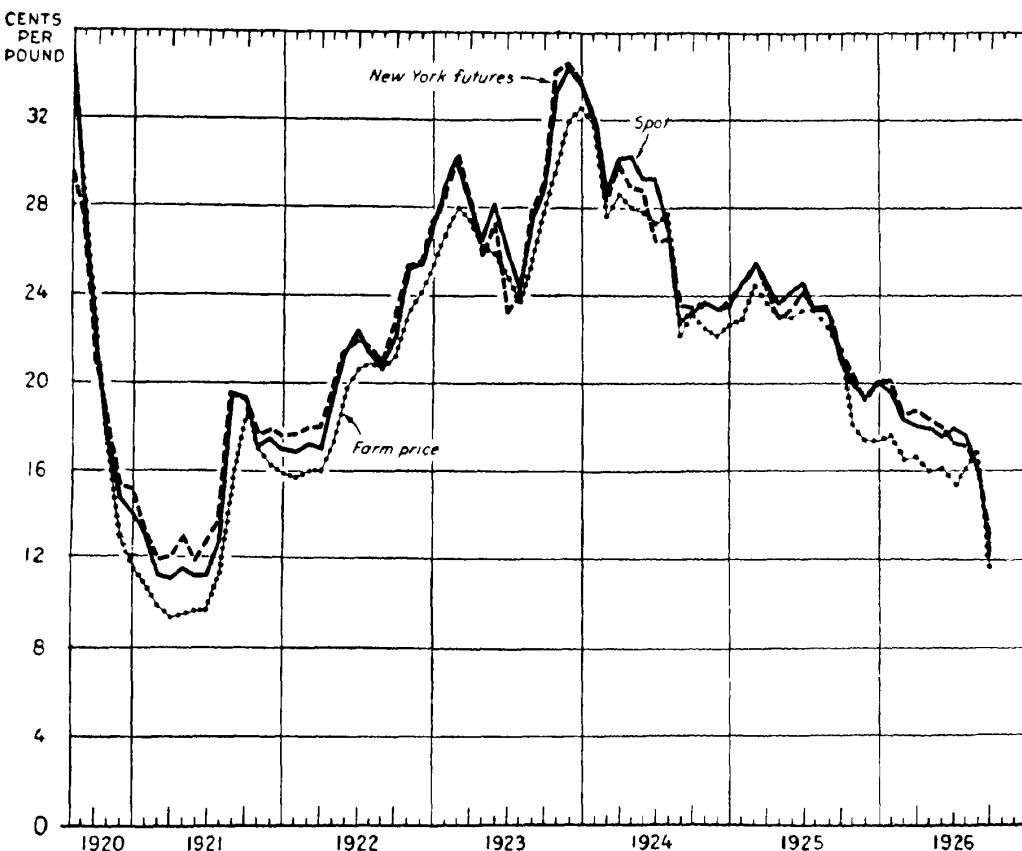


FIGURE 2.—Comparison of the price of cotton at farm, middling spot in 10 markets, and New York futures for next active month.

The local farm price of cotton used is that reported on the 15th of each month. Monthly average prices at the 10 designated spot markets and New York futures market have been used. It will be seen that these prices move closely together each month and from year to year.

"If the influence of this factor—the general level of commodity prices—is removed from the price of cotton, a fairly definite relationship can be established between the price of cotton thus adjusted and the size of the supply. In Figure 4 this relationship is shown. The horizontal measurements are the size of the supply in millions of bales; the vertical measurements are the New Orleans prices of cotton in cents per pound in December, adjusted to a commodity price level 150 percent of the average prices in 1913—approximately the level in 1926–27. The curve in the body of the chart traces the relationship between these two. Thus for a supply of 12,000,000 bales the price of cotton at current commodity price levels would normally be about 30 cents per pound. If we multiply the price per pound times the number of pounds in the supply (12,000,000 times 478) we obtain for the value of 12,000,000 bales supply approximately \$1,700,000,000. On the other hand, with a supply of 18,000,000 bales, the price would be about 15 cents per pound and the value of the supply would be \$1,300,000,000. This means, 51–52 other things being equal, that the larger the supply the less the value of that supply. The value-supply curve shown in the figure was secured, as just illustrated, by multiplying the market

price for given supply figures by the supply in pounds. This value-supply curve shows a consistent downward trend as we go from small supplies to large supplies. Relationships similar to that shown in Figure 4 obtain also between supply and the yearly average price at the central market or at the farm.

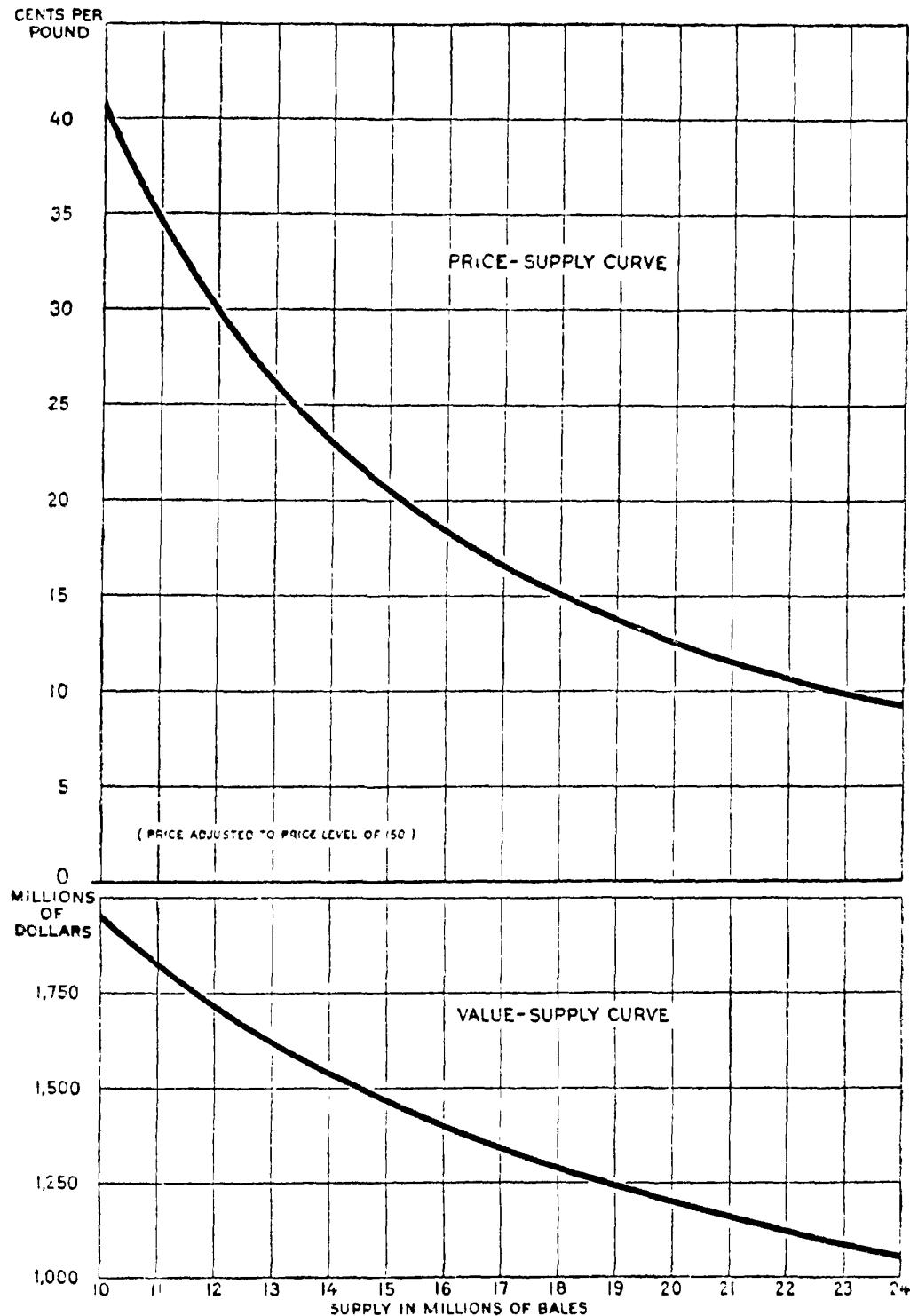


FIGURE 4—Relation of the supply of cotton to price and value

Prices and values are adjusted to a current price level of 150—that is, 50 per cent higher than in 1913. If there is no change in general commodity prices a given change in supply produces a somewhat greater change in price, so that a larger supply tends to sell for less than a smaller one. This chart is based on December prices and supply data for 1905 to 1924.

"This relationship between the size of the supply and the market value of the supply has an important bearing upon the amount of money that producers will receive for their crop, for the largest element in the supply for any given season is the crop. The other element is the carry-over at the beginning of the year. If the carry-over is 2,000,000 and the producers raise a crop of 16,000,000 bales, the supply would be 18,000,000 bales, the price would be about 15 cents, and the value of the 16,000,000-bale crop would be $0.15 \times 478 \times 16,000,000$, or approximately \$1,150,000,000. If, however, the crop were 10,000,000 bales, the supply would be 12,000,000 bales, the 53-54 price would be 30 cents, and the value of the 10,000,000-bale crop would be $0.30 \times 478 \times 10,000,000$, or approximately \$1,430,000,000. Evidently it would be to the interest of producers to raise the small crop. They would get 25 percent more money for it and their producing and harvesting costs would be less. Their profits would be much greater.

"The significance to producers' gross income of this relationship between size of supply (chiefly crop) and value of supply has been amply illustrated during the past seasons, as shown by the figures in Table 1.

TABLE 1.—*Relationship between size and value of cotton crop*

Year	Cotton production in United States	Average price received by producers	Gross income
	Million bales	Cents	Million dollars
1924.....	13,628	23 0	1,567
1925.....	16,104	19 5	1,570
1926.....	17,977	12 4	1,115

"The increase in production of 5,000,000 bales from 13,600,000 to 18,600,000 in 1926, resulted in a decrease in income of more than \$500,000,000. The larger crop in 1925, however, though bringing a lower price, sold for the same amount as the smaller crop of 1924, largely because of improved commodity price levels. But the 1925 crop, being in excess of consumption, increased the stocks on hand at the beginning of the 1926-27 season. Consequently the addition of another large crop in 1926 to a plentiful carry-over reduced the average price from 19.5 to approximately 12.4 cents and the value of the crop from \$1,570,000,000 to about \$1,115,000,000."

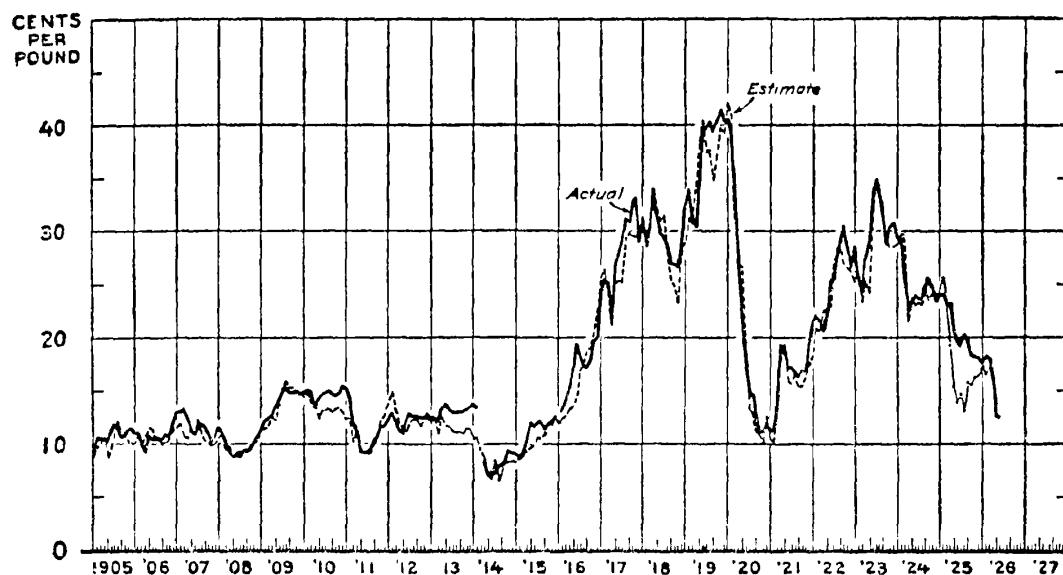


FIGURE 11.—*Actual price of middling spot cotton, New Orleans, and price estimated from factors of supply and demand*

More than 90 per cent of the monthly fluctuations in the actual price of cotton can be accounted for by the several factors of supply, domestic and foreign consumption, the general commodity price level, and business conditions, as indicated by the closeness of prices estimated from these factors to the actual prices from 1905 to 1925.

55-56 Government Exhibit 4-5 is The World Cotton Situation with Outlook for 1931-32 and the Long-Time Outlook for Southern Agriculture, prepared by the Bureau of Agricultural Economics, United States Department of Agriculture, published December 1930. The pertinent charts are found on pages 27 and 40 and follow:

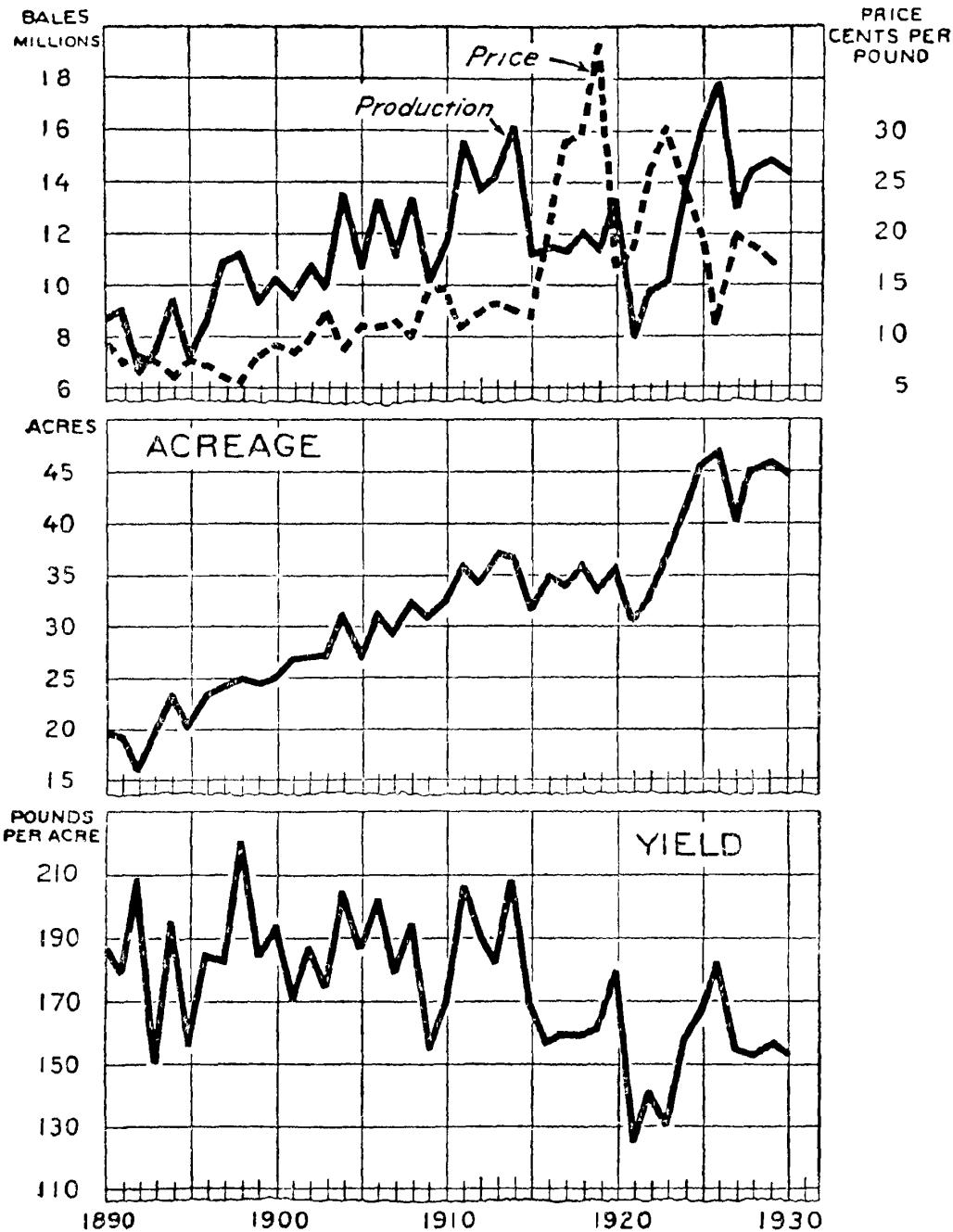


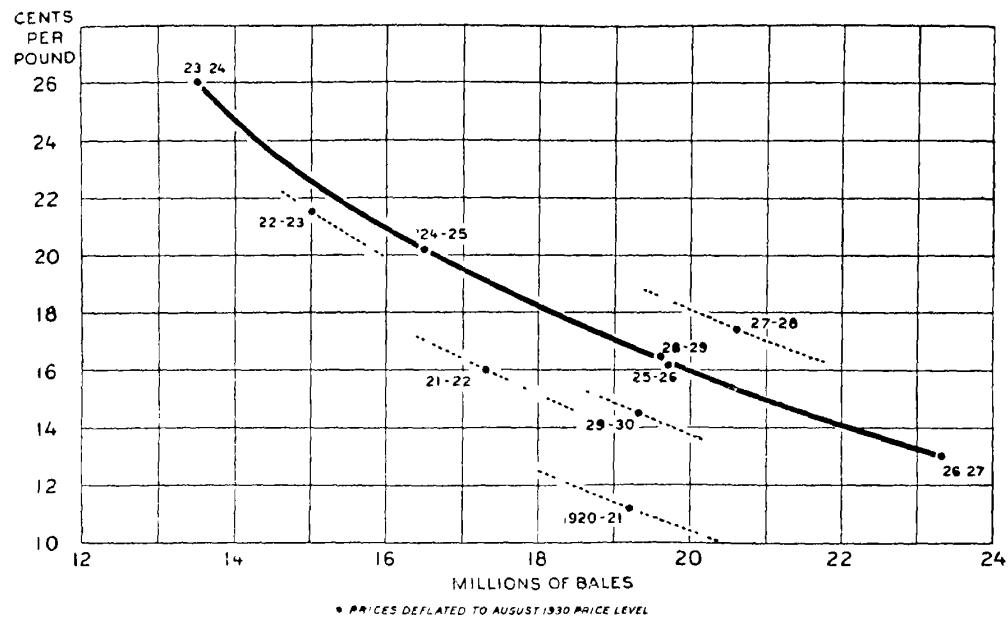
FIGURE 25—Cotton: Production, price average, and yield, 1890-1929

Cotton production was increasing at a rapid rate before the World War. The boll weevil reduced yields, resulting in short crops and higher prices. High prices in turn stimulated acreage expansion in the North and West, while producers in the weevil-infested areas were learning to produce cotton in spite of the weevil. The result has been large crops and low prices during recent years.

57-58

Staple length of American cotton

The wide range of staple lengths of cotton give rise to a complicated set of supply and demand conditions for the different groups.

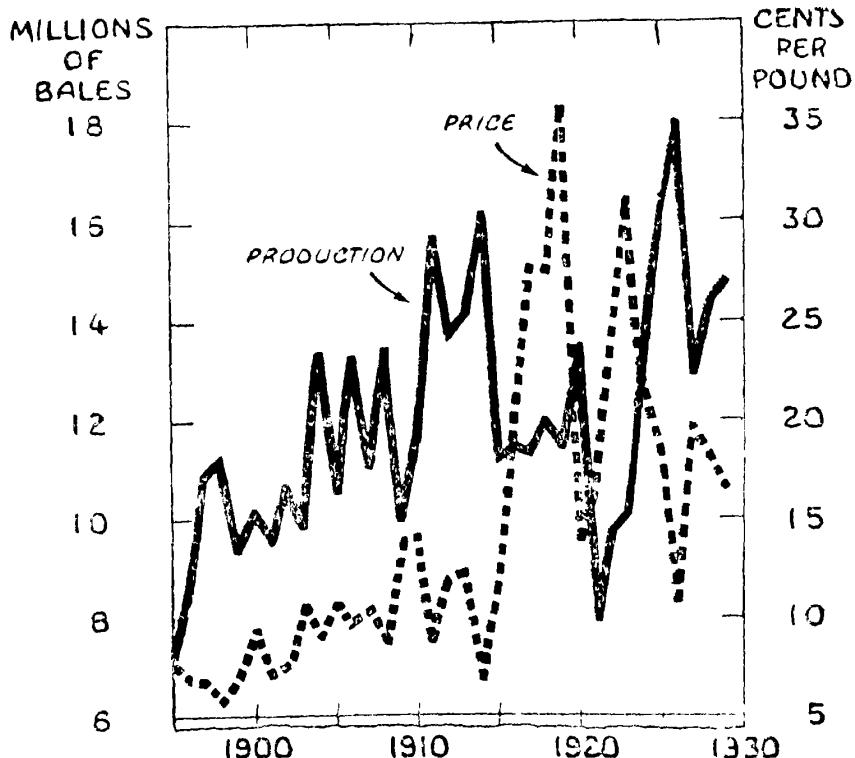


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FIGURE 35.—Relation between prices and supplies of American cotton.

By itself, an increase of 1,000,000 bales in the supply of American cotton lowers the price a little over 1 cent per pound. After eliminating changes due to general price levels, comparisons between supplies and average prices show the effects of changes in demand. From 1920-21 to 1923-24 demand improved materially and this, as well as the lower supplies, raised prices. During 1927-28 demand was especially strong, but during the last two years depressions have lowered demand.



59-60 Government Exhibit 4-8 is the Farm Real Estate Situation, 1932-33. Prepared by B. R. Stauber, Assistant Agricultural Economist, Division of Land Economics, Bureau of Agricultural Economics, published by the United States Department of Agriculture, December 1933. The pertinent chart and figures are to be found on pages 7 to 9 and follow:

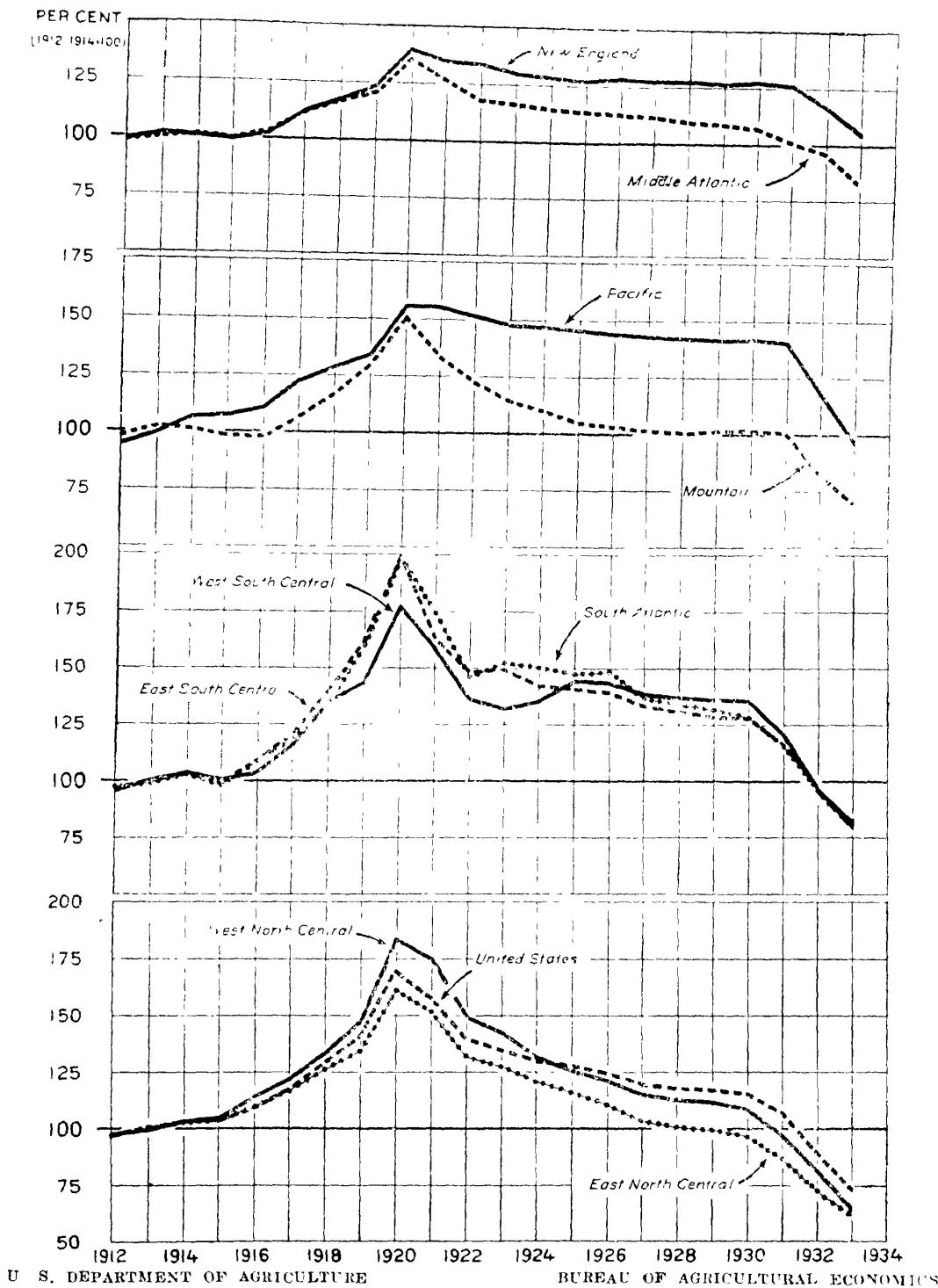


FIGURE 1—Farm real estate: Index numbers of estimated value per acre, as of March 1, by geographic divisions, 1912-33

Further declines in farm real estate values occurred during the year 1932-33. In only seven States were average values as of Mar. 1, 1933, higher than pre-war. During the decade from 1919-20 to 1929-30, the average value per acre of farm real estate, as measured by the Bureau index, declined 32 per cent, but during the 3 years 1929-30 to 1932-33, it declined 37 per cent.

61-62 TABLE 1—*Farm real estate. Index numbers of estimated value per acre, by geographic divisions and States, 1912-33*¹

Geographic division and State	1912	1913	1914	1915	1916	1917	1918	1919	1920	1921	1922	1923	1924	1925	1926	1927	1928	1929	1930	1931	1932	1933	Net change over 1932 ²	Per- cent -18					
United States.....	97	100	103	103	108	117	129	140	170	157	139	135	130	127	124	119	117	116	115	106	89	73	-16	-16	-18				
Geographic divisions																													
New England.....	99	101	100	99	102	112	117	123	140	135	134	130	128	127	128	127	127	126	126	127	116	105	-11	-9	-9				
Middle Atlantic.....	98	100	102	100	104	112	117	121	136	151	118	116	114	114	113	111	111	110	109	106	101	96	82	-14	-15				
East North Central.....	97	100	103	103	104	110	116	127	135	161	151	132	128	121	116	111	104	101	100	96	87	73	62	-11	-15				
West North Central.....	97	100	103	105	114	122	134	147	184	174	150	142	132	126	121	115	113	112	109	97	81	64	-17	-21	-21				
South Atlantic.....	98	100	103	98	108	119	135	161	198	174	146	152	148	149	149	149	149	149	137	134	128	116	96	-16	-17	-17			
East South Central.....	97	100	103	99	109	120	140	162	199	163	149	149	142	141	139	139	139	139	133	130	129	117	97	-18	-19	-19			
West South Central.....	96	100	104	100	98	106	116	134	113	177	159	136	132	136	144	144	144	144	137	136	121	97	82	-15	-15	-15			
Mountain.....	98	102	100	98	106	107	111	122	129	134	156	155	151	148	147	147	147	146	105	103	101	101	100	82	-13	-16			
Pacific.....	94	99	106	107	111	122	129	134	156	155	151	148	147	146	144	143	143	142	142	142	140	118	96	-22	-19	-19			
New England.....	100	102	98	96	98	110	115	124	142	132	127	129	127	127	124	124	124	124	124	124	123	111	94	-17	-15	-15			
Maine.....	97	101	102	101	98	103	111	116	129	123	118	111	109	111	111	111	111	112	112	112	111	110	92	-10	-10	-10			
New Hampshire.....	101	101	98	104	115	127	133	136	150	150	145	134	130	125	126	126	126	123	123	123	121	112	101	-11	-10	-10			
Vermont.....	98	100	102	98	100	110	114	119	140	134	134	134	132	131	131	131	131	131	131	131	130	120	112	-8	-7	-7			
Massachusetts.....	98	100	102	98	100	106	112	118	123	130	130	127	124	126	128	128	130	133	134	134	134	133	126	118	-8	-6	-6		
Rhode Island.....	100	101	100	102	102	106	112	118	123	130	130	127	124	126	128	128	130	133	134	134	134	133	133	124	-9	-7	-7		
Connecticut.....	98	100	102	100	102	110	116	121	137	134	140	137	134	134	134	134	134	137	138	138	139	140	140	133	-9	-7	-7		
Middle Atlantic.....	98	100	102	100	103	109	115	118	133	123	116	115	112	111	111	111	111	112	112	112	108	106	103	96	92	-10	-11	-11	
New York.....	98	100	102	100	102	100	102	111	115	119	130	121	115	120	124	124	124	124	124	124	125	123	118	110	108	-8	-7	-7	
New Jersey.....	98	100	102	100	105	110	114	119	124	140	131	120	118	116	114	114	114	112	112	111	110	107	101	96	-8	-7	-7		
Pennsylvania.....	98	100	102	100	105	110	115	119	124	140	131	120	118	116	114	114	114	112	112	111	110	107	101	96	-8	-7	-7		
East North Central.....	98	100	102	101	107	113	119	131	135	159	134	124	122	118	110	105	105	99	96	94	90	82	70	59	-11	-16	-16		
Ohio.....	97	100	103	102	102	110	116	128	135	161	148	120	116	108	102	95	95	87	84	83	80	72	60	53	-7	-12	-12		
Indiana.....	97	100	103	103	105	111	116	119	130	160	153	126	123	116	115	109	99	96	95	95	91	80	66	54	-12	-18	-18		
Illinois.....	97	100	103	103	105	111	120	134	137	154	152	148	145	138	133	129	127	125	124	124	121	115	97	80	-17	-18	-18		
Michigan.....	98	99	103	103	105	111	120	134	137	154	152	148	145	138	133	129	127	125	125	125	122	119	117	104	91	80	-11	-12	-12
Wisconsin.....	97	100	103	104	117	124	133	143	171	168	154	147	139	130	125	125	120	119	117	117	104	101	91	80	-11	-12	-12		
West North Central.....	98	100	102	101	107	113	119	131	135	159	134	124	122	118	116	105	99	96	94	90	82	70	59	-11	-16	-16			
Ohio.....	96	99	104	112	128	134	145	145	160	213	197	162	156	143	136	130	121	117	112	104	99	96	92	87	-22	-28	-28		
Iowa.....	96	99	104	104	108	115	115	118	124	145	141	136	127	117	112	104	100	99	96	95	92	79	67	55	-12	-18	-18		
Missouri.....	97	100	103	102	108	115	115	125	137	167	167	156	133	128	114	114	109	105	100	99	98	95	85	73	66	-7	-10	-10	
North Dakota.....	97	100	103	103	112	118	124	124	145	141	141	136	128	128	117	117	115	107	97	96	95	93	83	67	-12	-18	-18		
South Dakota.....	96	101	103	101	108	116	126	145	181	173	146	126	117	117	115	115	107	107	100	99	96	95	93	87	-21	-23	-23		
Nebraska.....	98	100	102	101	104	110	116	127	145	179	166	144	139	128	123	119	117	115	115	113	113	113	106	90	69	-21	-23	-23	
Kansas.....	101	99	99	99	103	109	115	122	132	151	149	130	127	127	122	122	118	118	118	118	118	113	113	103	70	-19	-21	-21	

¹ All farm land with improvement as of Mar. 1. Owing to rounding of figures, 1912-14 will not always equal exactly 100 percent.² Minus (-) denotes decrease

TABLE 1.—*Farm real estate Index numbers of estimated value per acre, by geographic divisions and States, 1912–33—Continued*

Geographic division and State	[1912-14=100 percent]												Per- cent												
	1912	1913	1914	1915	1916	1917	1918	1919	1920	1921	1922	1923	1924	1925	1926	1927	1928	1929	1930	1931	1932	1933	Net change over 1932 ¹		
South Atlantic																									
Delaware	100	101	99	100	105	115	124	129	139	119	119	107	112	114	111	111	111	107	95	80	-15	-16	-16		
Maryland	97	100	103	104	109	118	129	136	146	141	136	133	131	130	126	124	123	120	106	90	-16	-15	-15		
Virginia	97	100	103	97	117	125	142	167	189	180	157	170	162	154	148	138	137	136	134	117	99	-11	-11	-11	
West Virginia	97	100	103	101	104	112	122	135	154	141	125	127	125	120	116	119	109	108	105	98	81	74	-7	-9	
North Carolina	97	99	104	102	114	130	152	176	223	196	166	195	192	187	185	178	172	165	158	135	114	86	-28	-25	
South Carolina	101	98	101	94	98	107	122	162	230	186	126	128	136	138	128	113	110	110	104	90	73	57	-16	-22	
Georgia	98	101	101	94	105	116	131	172	217	172	136	125	123	116	112	104	102	101	100	90	70	57	-13	-19	
Florida	96	99	105	97	103	109	126	143	178	176	157	155	163	172	223	183	176	174	172	166	141	121	-20	-14	
East South Central																									
Kentucky	97	100	103	100	111	127	146	170	200	172	151	147	141	140	139	134	130	129	127	115	97	80	-17	-18	
Tennessee	96	100	104	100	119	121	145	168	200	169	154	158	148	137	134	130	127	125	123	114	96	79	-17	-18	
Alabama	98	98	103	98	98	103	128	143	177	147	135	143	144	154	154	145	145	143	143	129	102	88	-14	-14	
Mississippi	97	102	102	97	111	121	131	155	218	150	148	143	134	136	134	126	123	122	122	112	92	73	-19	-21	
West South Central																									
Arkansas	98	101	101	95	109	129	149	169	222	186	174	170	160	160	153	150	147	145	141	118	104	80	-24	-23	
Louisiana	99	102	99	95	106	112	143	157	198	163	140	144	137	141	143	135	135	132	132	121	103	89	-14	-14	
Oklahoma	98	101	101	95	104	114	130	140	166	160	139	133	125	131	130	128	127	127	116	94	76	-18	-19		
Texas	95	100	105	103	108	115	133	111	174	156	133	128	137	146	146	141	139	138	138	122	96	83	-13	-14	
Mountain																									
Montana	97	100	103	100	94	100	106	114	126	105	96	87	81	75	72	70	71	72	70	58	48	-10	-17		
Idaho	100	101	99	96	99	114	130	140	166	160	139	133	125	123	119	117	116	116	116	114	96	76	-20	-21	
Wyoming	97	103	103	103	94	97	121	147	176	146	134	121	112	100	95	94	92	89	82	82	83	81	65	-19	
Colorado	98	103	98	93	102	107	110	118	141	132	123	113	98	92	89	82	80	108	106	108	109	109	89	-17	
New Mexico	100	104	96	100	111	118	127	144	125	115	110	110	110	108	108	108	108	108	108	123	123	104	90	-16	
Arizona	95	100	105	97	105	105	125	140	165	148	135	124	128	121	125	125	125	125	125	122	122	98	83	-14	
Utah	100	102	98	98	104	117	122	144	167	137	133	131	130	129	128	127	127	127	126	122	122	98	83	-13	
Nevada	96	100	103	102	99	96	103	117	135	123	119	112	108	102	99	99	99	99	97	78	65	-13	-17		
Pacific																									
Washington	98	100	103	100	102	112	118	122	140	132	124	117	115	113	112	111	110	110	110	108	91	74	-17		
Oregon	97	100	103	99	100	104	112	118	130	122	115	113	110	107	106	106	106	106	106	107	106	83	72	-16	
California	93	99	108	111	116	130	136	142	167	142	136	136	136	165	164	163	162	161	160	160	158	133	109	-24	

63-64 Government Exhibit 4-11 is a Statement of Expenditures May 12, 1933, to March 31, 1934, inclusive, Office of the Comptroller, Agricultural Adjustment Administration, United States Department of Agriculture, and follows:

EXHIBIT A.—Summary of expenditures through Mar. 31, 1934, analyzed by States and character, United States Department of Agriculture, Agricultural Adjustment Administration

State	Total expenditures	Character of expenditures		
		General administration	Rental and benefit	Removal of surplus
Washington, D. C.	\$5,920,199.77	\$5,263,847.82		\$656,351.95
Europe	3,244.73	3,244.73		
China and Japan	1,979.36	1,979.36		
Alabama	10,193,227.50	583,480.29	\$9,609,747.21	
Arizona	297,719.93	15,686.37	282,033.56	
Arkansas	11,219,378.33	389,751.97	10,829,626.36	
California	1,144,980.33	86,536.49	942,427.91	116,015.93
Colorado	1,482,272.52	49,769.02	1,432,503.50	
Connecticut	213,737.52	15,118.28	198,619.24	
Delaware	83,431.63	7,630.63	75,801.00	
Florida	369,804.29	44,671.55	325,132.74	
Georgia	8,514,070.91	430,157.26	8,004,886.87	79,062.78
Hawaii	4,804.90	4,804.90		
Idaho	2,331,864.74	47,279.92	2,284,524.82	
Illinois	28,826,521.27	153,264.67	1,693,224.20	26,980,032.40
Indiana	1,403,382.53	78,669.82	1,324,712.71	
Iowa	388,997.21	94,782.61	294,214.60	
Kansas	16,717,249.72	115,508.91	16,601,740.81	
Kentucky	271,494.77	55,869.48	215,625.29	
Louisiana	5,243,913.52	238,738.10	5,005,178.42	
Maine	5,216.50	5,216.50		
Maryland	606,764.68	51,268.17	555,496.51	
Massachusetts	135,503.42	39,203.82	96,299.60	
Michigan	642,591.86	65,847.42	576,744.44	
Minnesota	4,034,828.38	87,911.64	1,282,587.76	2,661,328.98
Mississippi	10,561,345.10	464,740.08	10,096,605.02	
Missouri	6,384,000.83	138,004.19	2,908,120.44	3,337,877.20
Montana	3,747,096.92	66,110.00	3,680,986.92	
Nebraska	19,174,355.58	125,273.45	3,961,438.71	15,087,643.42
Nevada	27,305.47	6,623.17	20,682.30	
New Hampshire	8,458.85	6,170.25	2,288.60	
New Jersey	49,246.51	41,226.10	8,020.41	
New Mexico	728,586.45	23,055.29	705,531.16	
New York	178,183.06	123,855.31	54,327.75	
North Carolina	3,155,502.99	293,565.64	2,861,937.35	
North Dakota	9,373,523.90	80,749.54	9,292,774.36	
Ohio	2,197,929.01	141,688.61	1,491,914.51	564,325.89
Oklahoma	16,644,059.95	390,631.61	16,343,428.34	
Oregon	4,689,533.23	38,618.46	1,789,895.27	2,861,019.50
Pennsylvania	716,517.16	88,438.00	628,079.16	
Rhode Island	6,209.92	6,209.92		
South Carolina	5,045,950.88	327,537.96	4,718,412.92	
South Dakota	3,530,422.92	104,745.50	3,425,677.42	
Tennessee	3,582,567.47	167,029.79	3,415,537.68	
Texas	47,951,791.14	963,965.18	46,987,825.96	
Utah	478,461.21	21,362.34	457,098.87	
Vermont	9,391.22	7,166.27	2,724.95	
Virginia	591,006.95	76,775.76	514,231.19	
Washington	3,950,774.13	33,852.89	3,916,921.24	
West Virginia	82,212.66	30,356.84	51,885.82	
Wisconsin	523,716.89	65,785.56	457,931.33	
Wyoming	299,659.31	22,376.60	277,282.71	
Total	243,745,460.03	11,696,150.04	179,702,687.94	52,346,622.05

65-66 Government Exhibit 4-16 is a publication called "Crops and Markets", published monthly by the United States Department of Agriculture, Washington, D. C., July 1933, vol. 10, no. 7. The pertinent portion thereof is contained on page 234, and follows:

Estimate of cotton acreage, by States

State	10-year average abandonment, 1923-32	Area in cultivation		
		July 1, 1932	July 1, 1933	
			Percentage of 1932	Acreage
Virginia	1.7	71,000	110	78,000
North Carolina	1.2	1,261,000	105	1,324,000
South Carolina	2.1	1,678,000	106	1,779,000
Georgia	2.5	2,705,000	106	2,867,000
Florida	4.1	107,000	114	122,000
Missouri	3.4	410,000	110	451,000
Tennessee	1.8	1,081,000	108	1,167,000
Alabama	1.4	3,661,000	106	3,245,000
Mississippi	1.6	3,897,000	101	3,936,000
Louisiana	1.8	1,702,000	106	1,804,000
Texas	3.2	13,592,000	116	15,767,000
Oklahoma	3.7	3,171,000	130	4,122,000
Arkansas	2.4	3,436,000	106	3,642,000
New Mexico	7.2	114,000	102	116,000
Arizona ¹	0.8	114,000	120	137,000
California	1.7	124,000	179	222,000
All other	3.2	18,000	107	19,000
United States total	2.6	36,542,000	111.6	40,798,000
Lower California (Old Mexico) ²	0.9	27,000	200	54,000

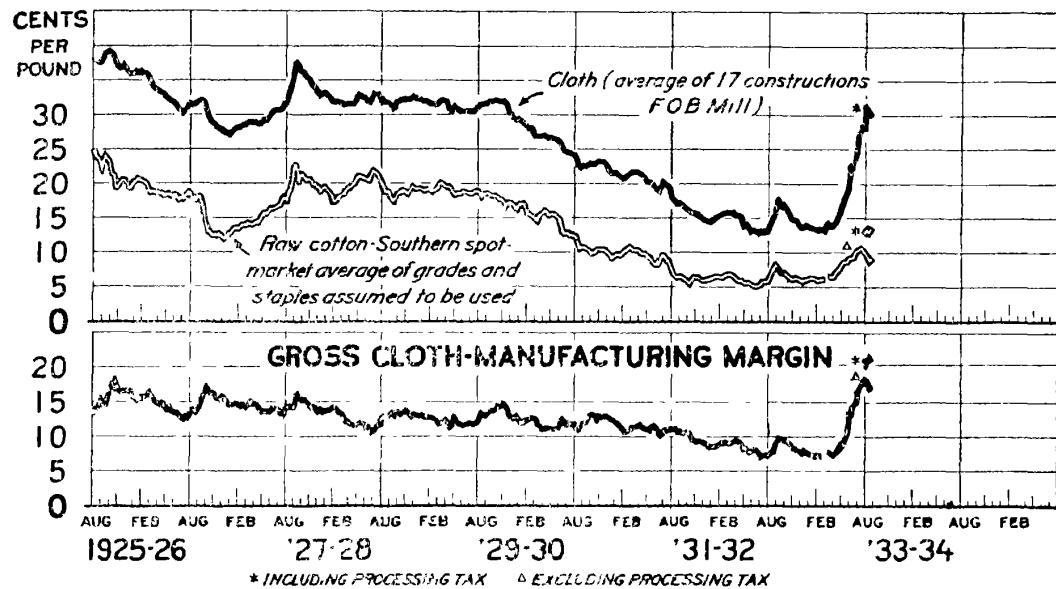
¹ Including Pima Egyptian long-staple cotton estimated at 27,000 acres this year compared with 22,000 acres in cultivation July 1, 1932

² Not included in California figures, nor in United States total

Government Exhibit 4-19 is a study designated as "Recent Developments in the Domestic Cotton Textile Industry", by Frederick B. Waugh, Carl C. Farrington, and Maurice R. Cooper, Bureau of Agricultural Economics, United States Department of Agriculture, September 15, 1938. The pertinent charts are figures 1, 5, and 6, which follow:

67-68

Average price of raw cotton per pound and of gray cloth per 0.85 pound and margin between these prices, 1925-26 to date



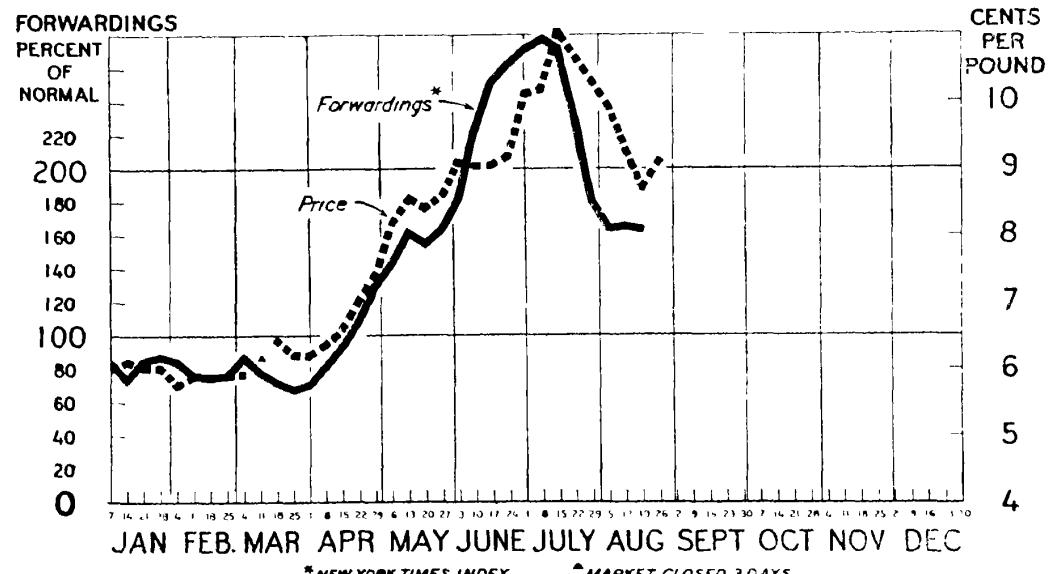
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FIGURE 1

69-70

*Cotton: Average price at 10 markets and index of forwardings, January 1933
to date*



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FIGURE 5.

Prices of cotton, industrial stocks, and five speculative commodities other than cotton, 1933

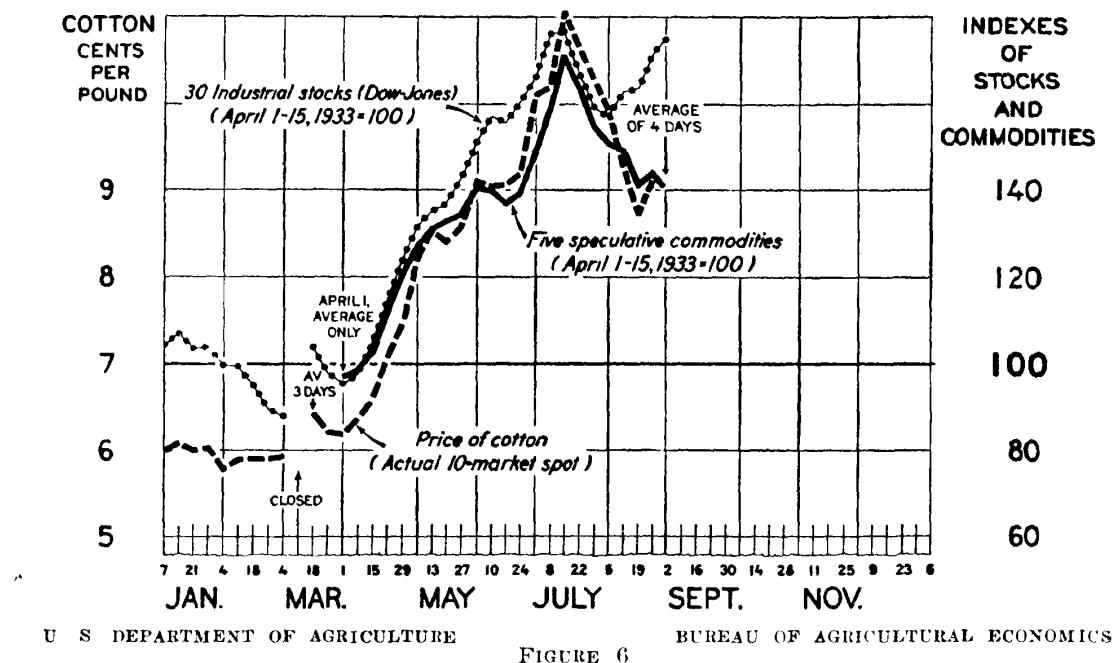


FIGURE 6

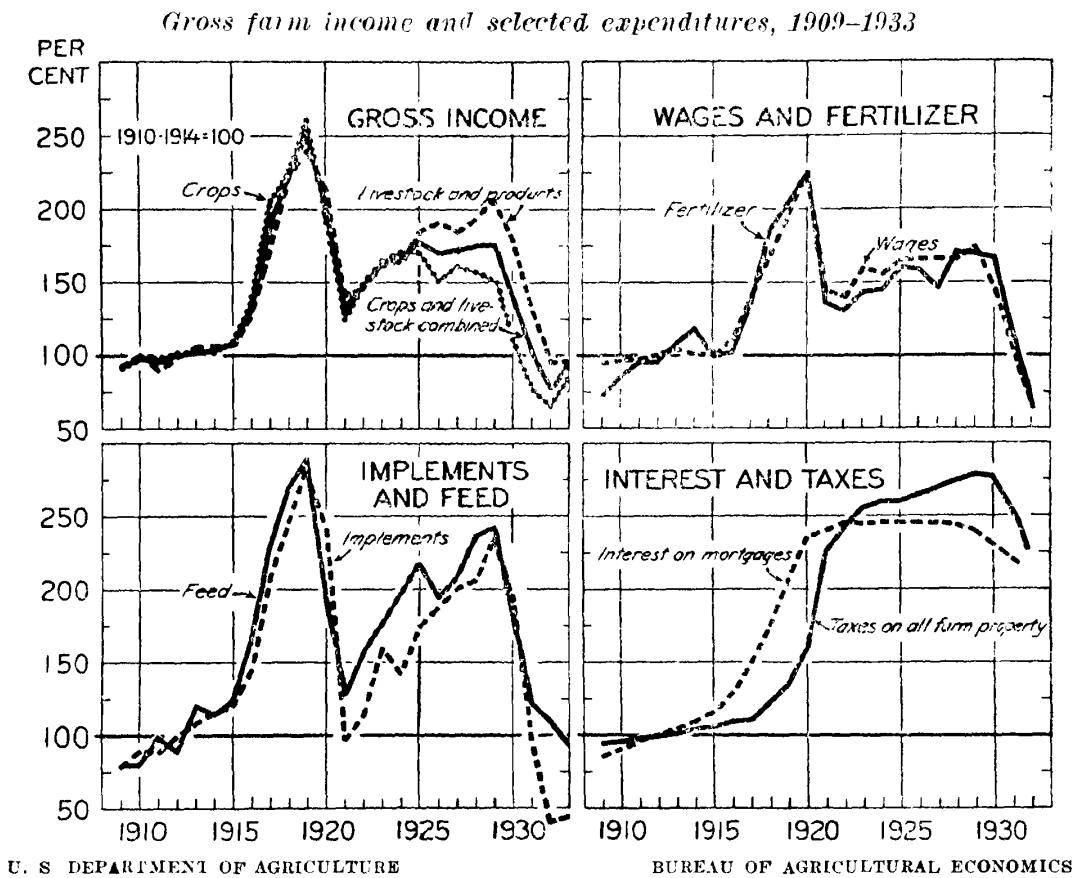
73, 74 Government Exhibit 4-20 is a publication called "Crops and Markets" published monthly by the United States Department of Agriculture, Washington, D. C., December 1933, Volume 10, No. 12. The pertinent part thereof is found on Page 466 as follows:

Cotton lint¹

State	Acreage in cultivation July 1—		Acreage abandoned after July 1—		Acreage harvested		Yield per acre	Production	Farm price Dec. 1	Total value, basis Dec 1 farm price	
	1932	1933	1932	1933 ²	1932	1933			1932	1933	1932
	1,000 acres	1,000 acres	Pct	Pct	1,000 acres	1,000 acres	1,000 bales	1,000 bales	Ct per lb.	Ct per lb.	1,000 doll.
Missouri	410	458	1 0	24 7	406	345	362	340	9 5	5 2	1,000 doll.
Virginia	71	76	1 0	14 5	70	65	233	279	38	5 8	7,982
North Carolina	1,261	1,319	0 8	17 5	1,251	1,088	252	303	690	6 1	986
South Carolina	1,678	1,813	1 0	23 9	1,661	1,379	206	257	716	6 1	20,130
Georgia	2,705	2,855	2 0	24 8	2,651	2,147	154	247	742	6 1	33,465
Florida	107	121	5 0	20 7	102	96	78	134	17	5 8	24,766
Tennessee	1,081	1,163	1 6	22 8	1,064	898	216	245	460	5 7	9,4
Alabama	3,061	3,246	1 3	25 5	3,021	2,417	150	194	947	5 7	11,638
Mississippi	3,897	3,891	1 5	23 8	3,839	2,964	147	190	1,180	6 1	35,990
Arkansas	3,436	3,593	1 7	26 8	3,378	2,631	188	194	1,327	5 6	57,820
Louisiana	1,702	1,751	0 8	26 7	1,688	1,283	173	181	611	5 7	31,120
Oklahoma	3,171	4,128	2 0	29 0	3,108	2,932	167	210	1,084	5 4	12,960
Texas	13,592	16,014	1 9	28 4	13,334	11,467	162	187	4,500	5 7	46,060
New Mexico	114	123	1 7	25 2	112	92	307	448	4,475	5 6	205,855
Arizona ⁴	114	137	1 0	15 3	113	116	293	338	86	9 7	4,171
California	124	222	0 8	6 3	123	208	503	497	129	7 9	4,305
All other	18	19	0 0	11 3	18	16	393	290	15	10 5	2,726
United States	36,542	40,929	1 7	26 4	35,939	30,144	173 3	209 4	13,002	5 7	4,386
Lower California ⁵	27	54	0 0	0 0	27	54	248	169	14	9 4	371,861
Pima Egyptian ⁶	22	27	0 0	0 0	22	27	186	220	8	12	617,710

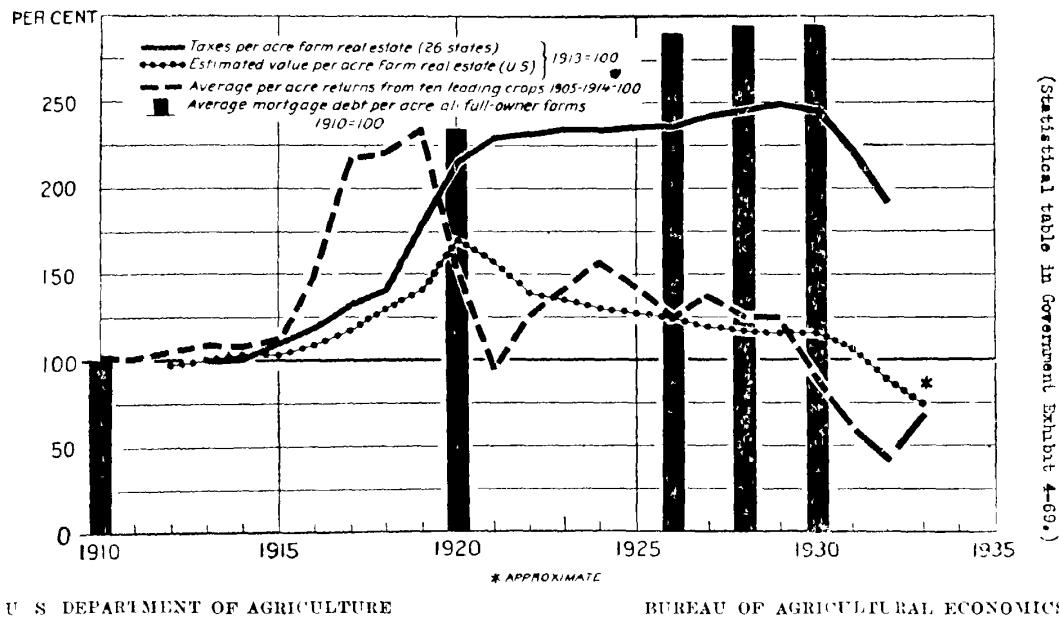
¹ December preliminary estimate for 1933² A. A. remove plus abandonment³ Area in cultivation July 1 less removal of acreage reported by the Agricultural Adjustment Administration, less abandonment on area not under contract.⁴ Pura Egyptian included in Arizona⁵ Not included in California figures nor in United States total.

75-76 Government Exhibit 4-27 is a chart designated as "Gross Farm Income and Selected Expenditures, 1909 to 1933", negative number 24292, published by the Bureau of Agricultural Economics, United States Department of Agriculture. (Statistical table in Government Exhibit 4-68.)



77-78 Government Exhibit 4-28 is a chart designated as "Returns Per Acre of Ten Leading Crops and Taxes, Land Values, and Mortgage Debt Per Acre of Farm Real Estate", negative number 25319, published by the Bureau of Agricultural Economics, United States Department of Agriculture. (Statistical table in Government Exhibit 4-69.)

Returns per acre of ten leading crops and taxes, land values, and mortgage debt per acre of farm real estate



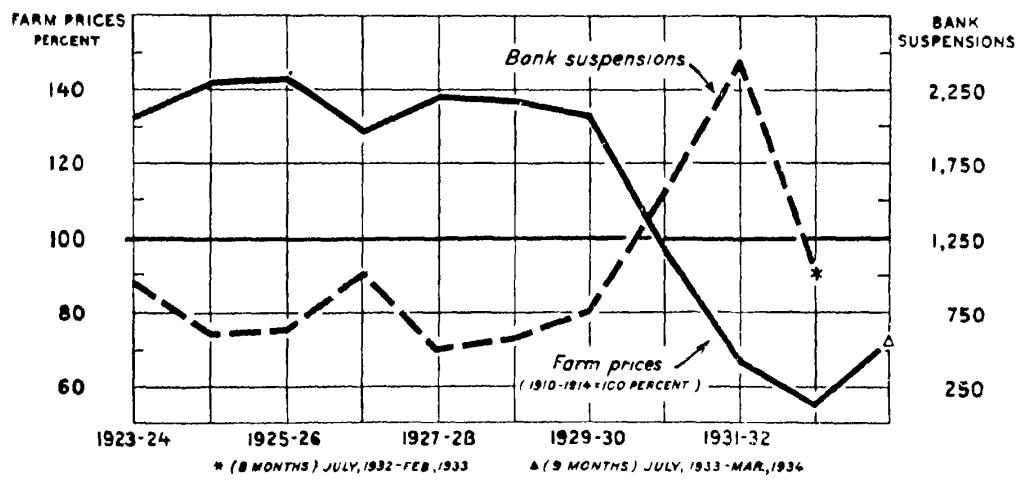
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(Statistical table in Government Exhibit 4-69.)

79-80 Government Exhibit 4-29 is a chart designated as "Prices Received by Farmers and Bank Suspensions, 1923-1933", negative number 26006, published by the Bureau of Agricultural Economics, United States Department of Agriculture.

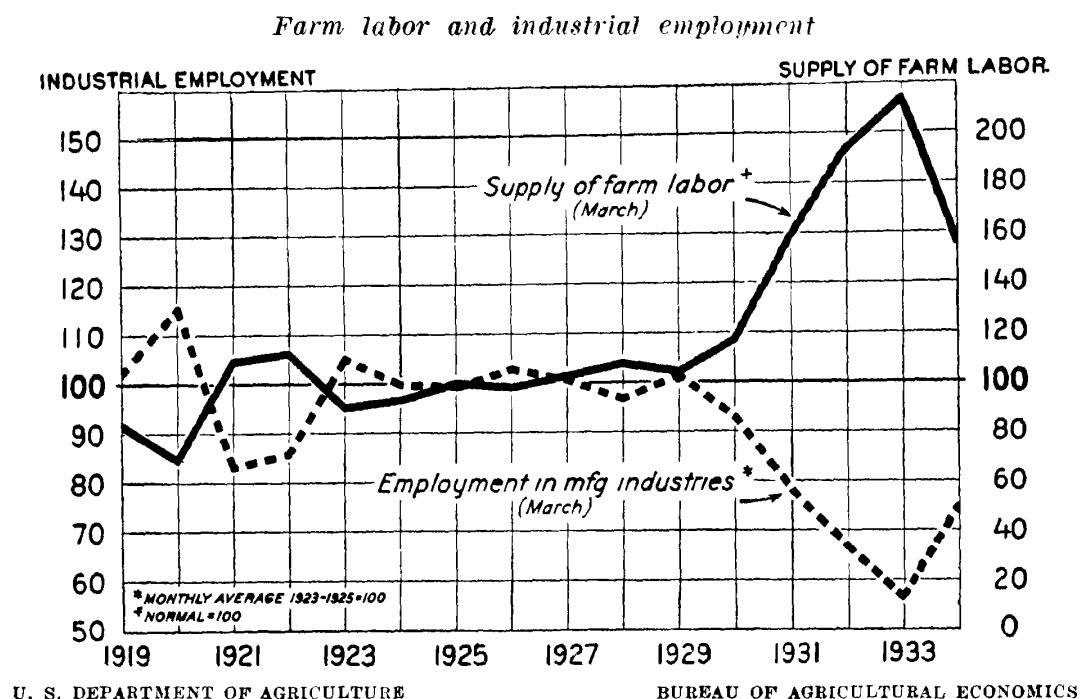
Prices received by farmers and bank suspensions, 1923-1933



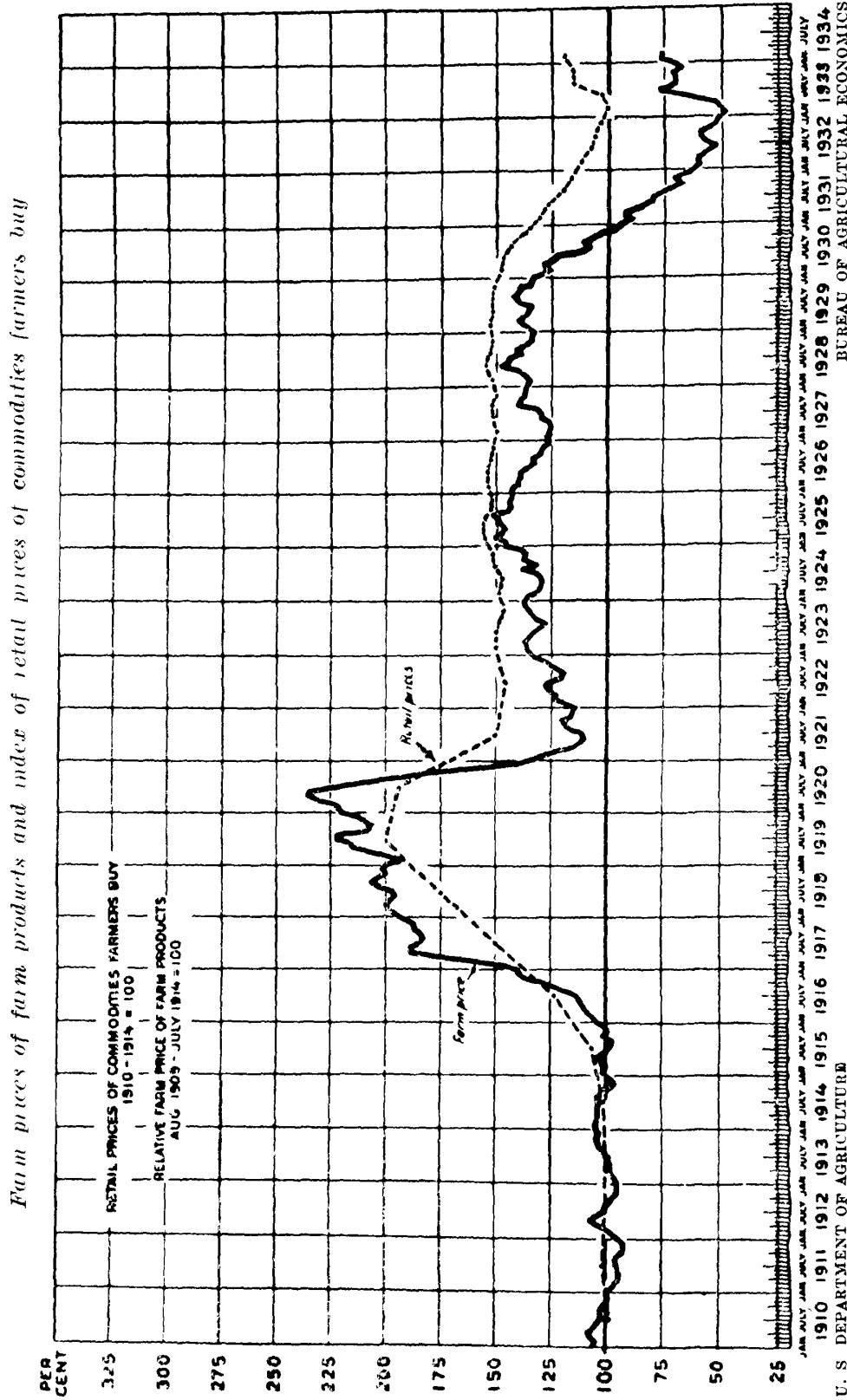
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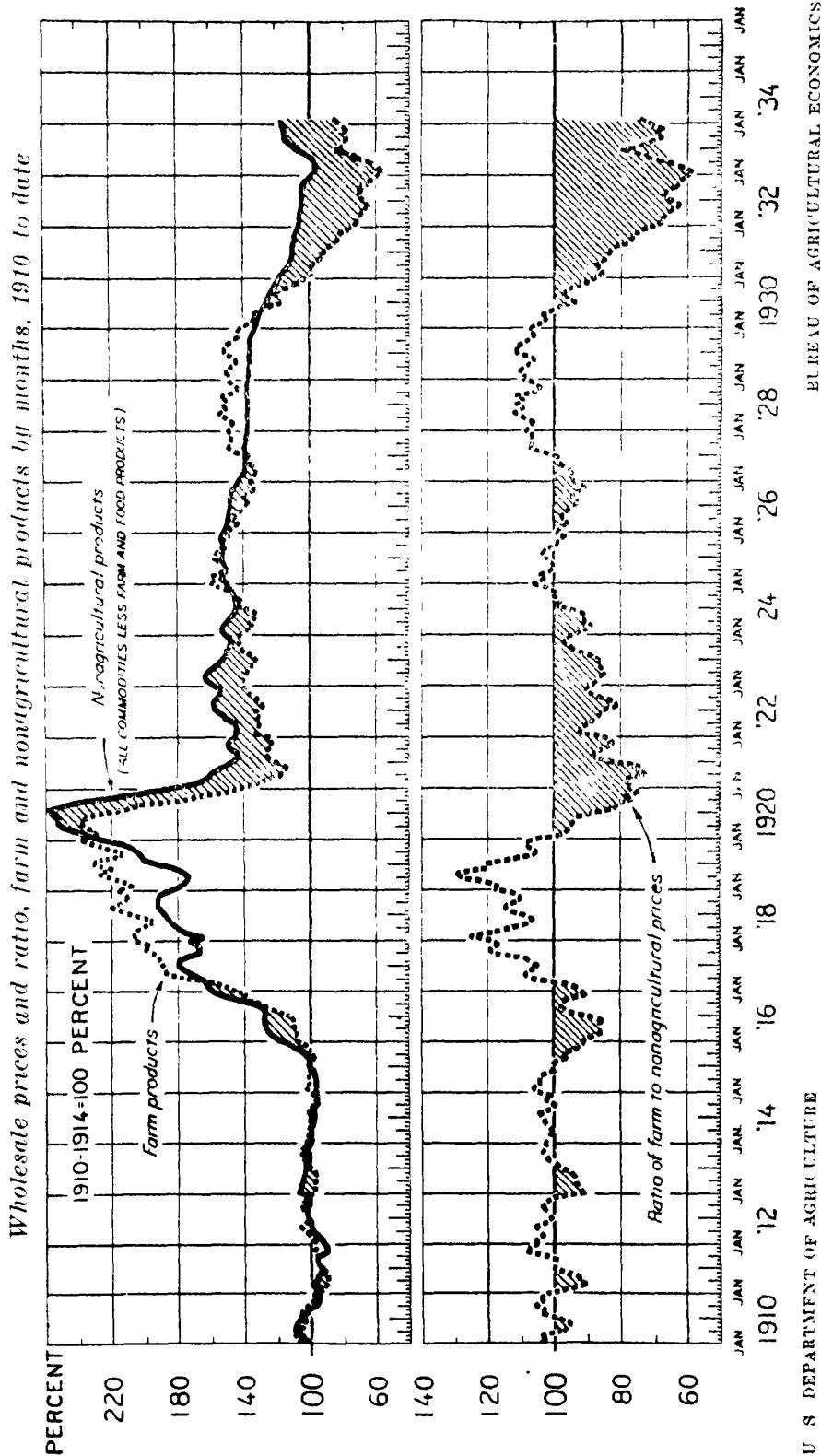
81-82 Government Exhibit 4-30 is a chart designated as "Farm Labor and Industrial Employment", negative number 21524-B, published by the Bureau of Agricultural Economics, United States Department of Agriculture. (Statistical table in Government Exhibit 4-71.)



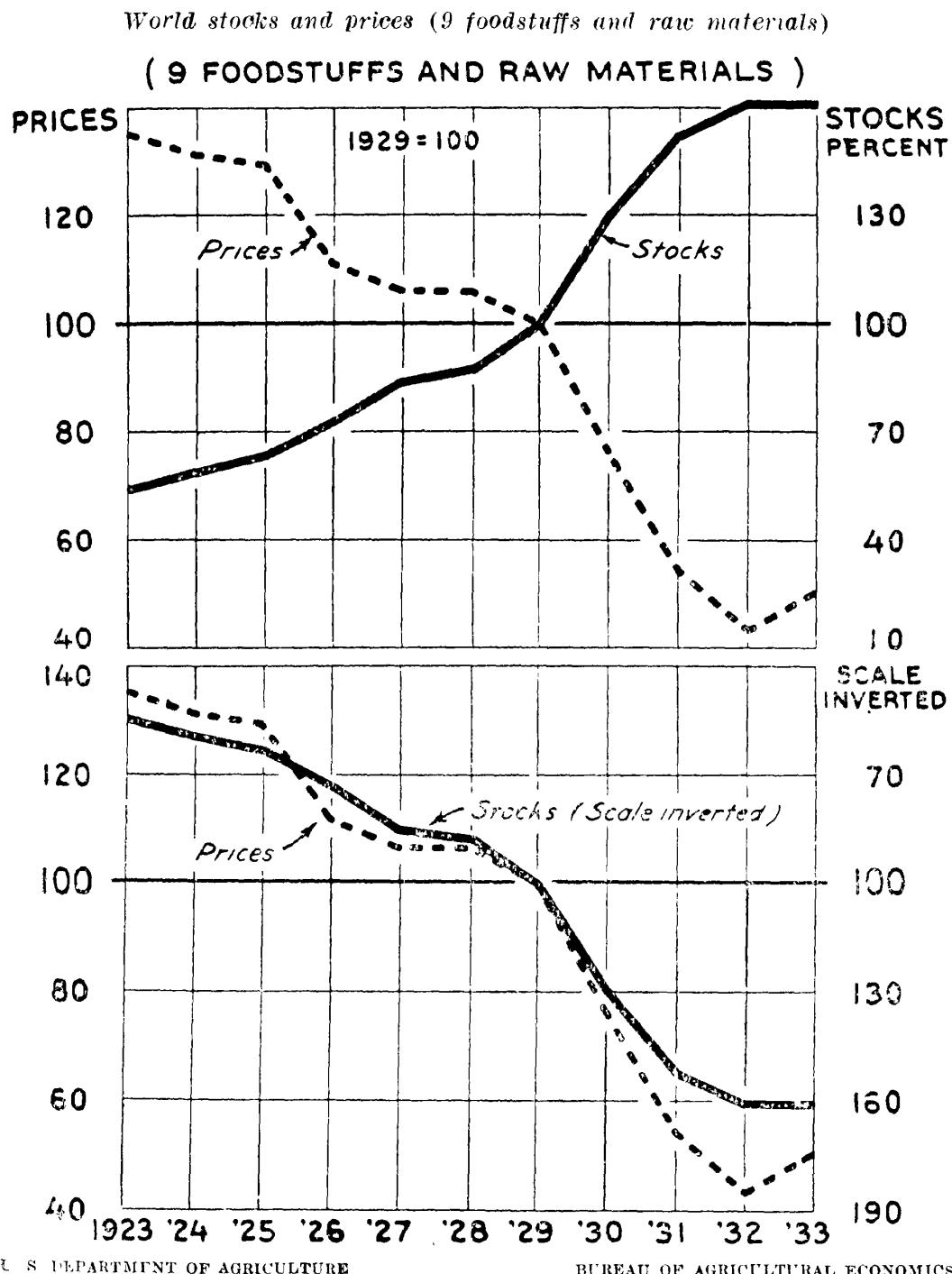
83-84 Government Exhibit 4-31 is a chart designated as "Farm Prices of Farm Products and Index of Retail Prices of Com-modities Farmers Buy", negative number 18796, published by the Bureau of Agricultural Economics, United States Department of Agriculture. (Statistical table in Government Exhibit 4-72.)



85-86 Government Exhibit 4-32 is a chart designated as "Wholesale Prices and Ratio, Farm and Nonagricultural Products by Months, 1910 to date", negative number 24992, published by the Bureau of Agricultural Economics, United States Department of Agriculture. (Statistical table in Government Exhibit 4-73.)



87-88 Government Exhibit 4-33 is a chart designated as "World Stocks and Prices (9 Foodstuffs and Raw Materials)", negative number 26351, published by the Bureau of Agricultural Economics, United States Department of Agriculture.



89-90 Government Exhibit 4-34 is a chart designated as "Commodity Carry-overs in the United States at the Beginning of Each Crop Season", being Figure 17, page 19, of the publication "Economic Bases for the Agricultural Adjustment Act", by Mordecai Ezekiel, Economic Adviser to the Secretary of Agriculture, and Louis H. Bean, Economic Adviser, Agricultural Adjustment Administration, published by the United States Department of Agriculture, Washington, D. C., 1933. (Exhibit 4-2.)

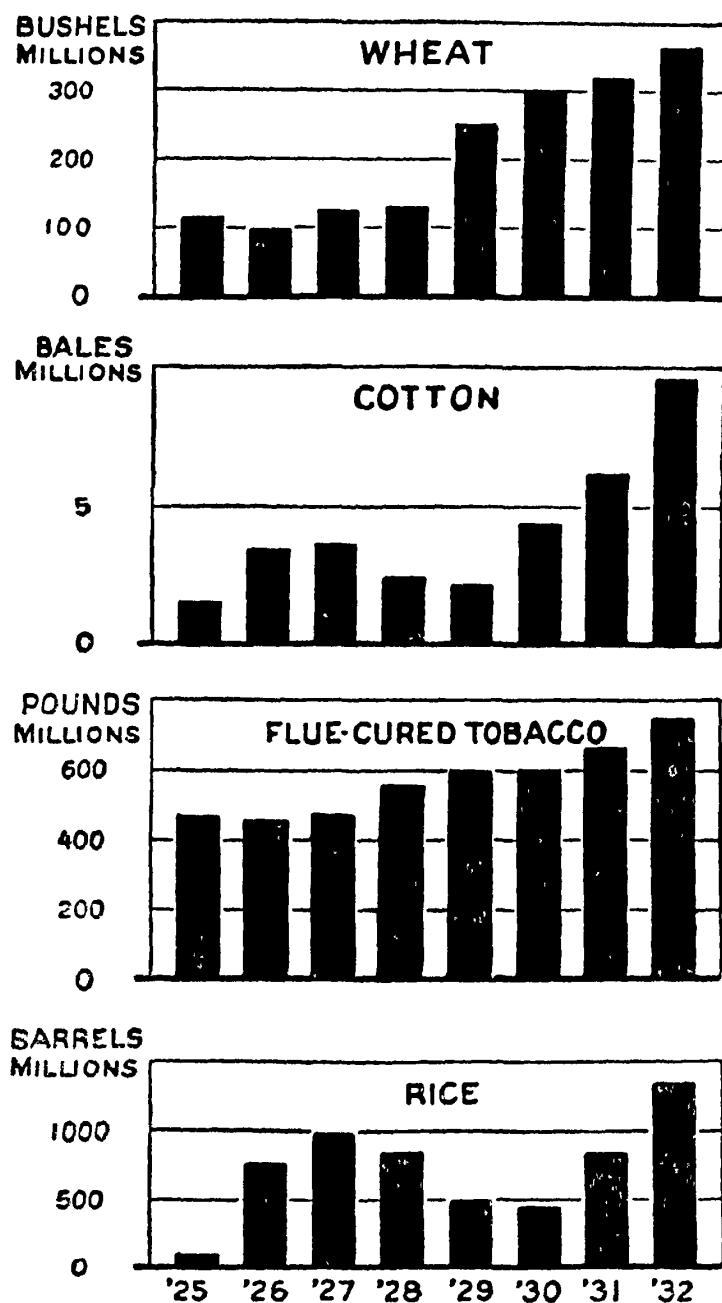
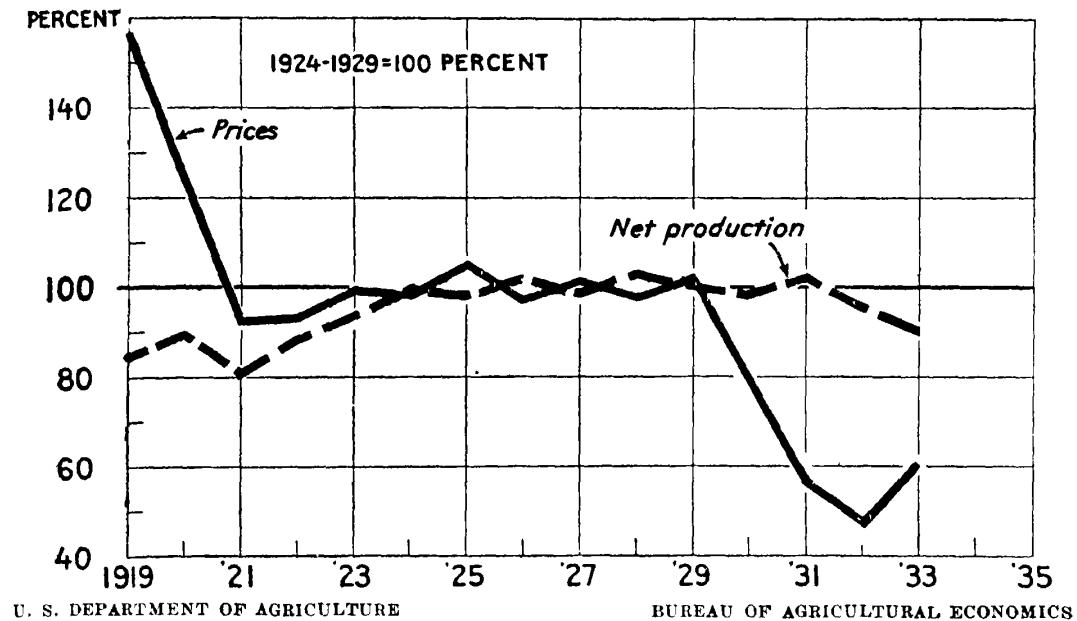


FIGURE 17.—Commodity carry-overs in the United States at the beginning of each crop season.

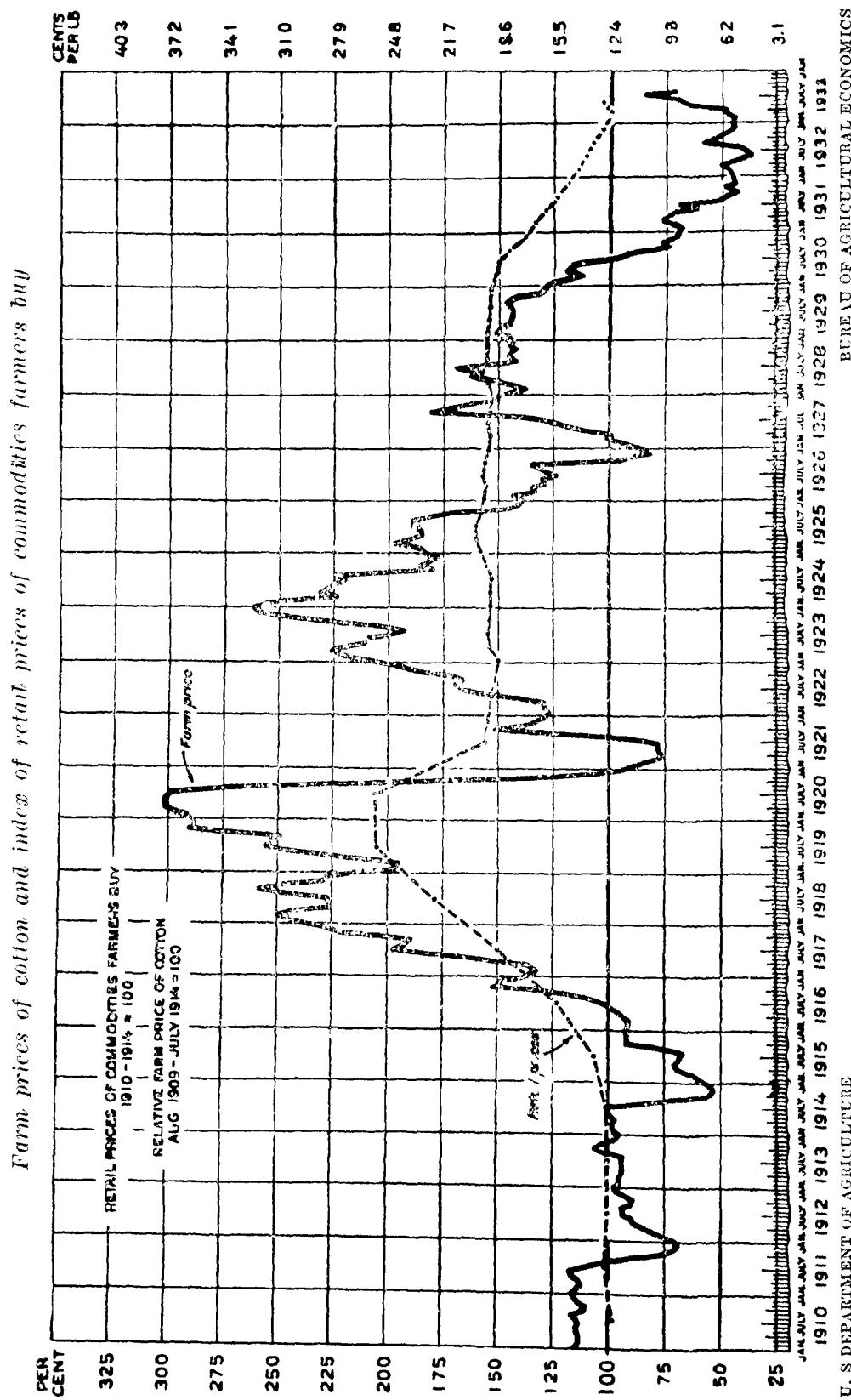
Even before the depression began excess stocks had begun to pile up. Since then continued production and underconsumption have carried supplies to record levels in many lines.

91-92 Government Exhibit 4-35 is a chart designated as "Indexes of Net Agricultural Production, and Prices, United States, 1919 to date", negative number 26001, published by the Bureau of Agricultural Economics, United States Department of Agriculture.

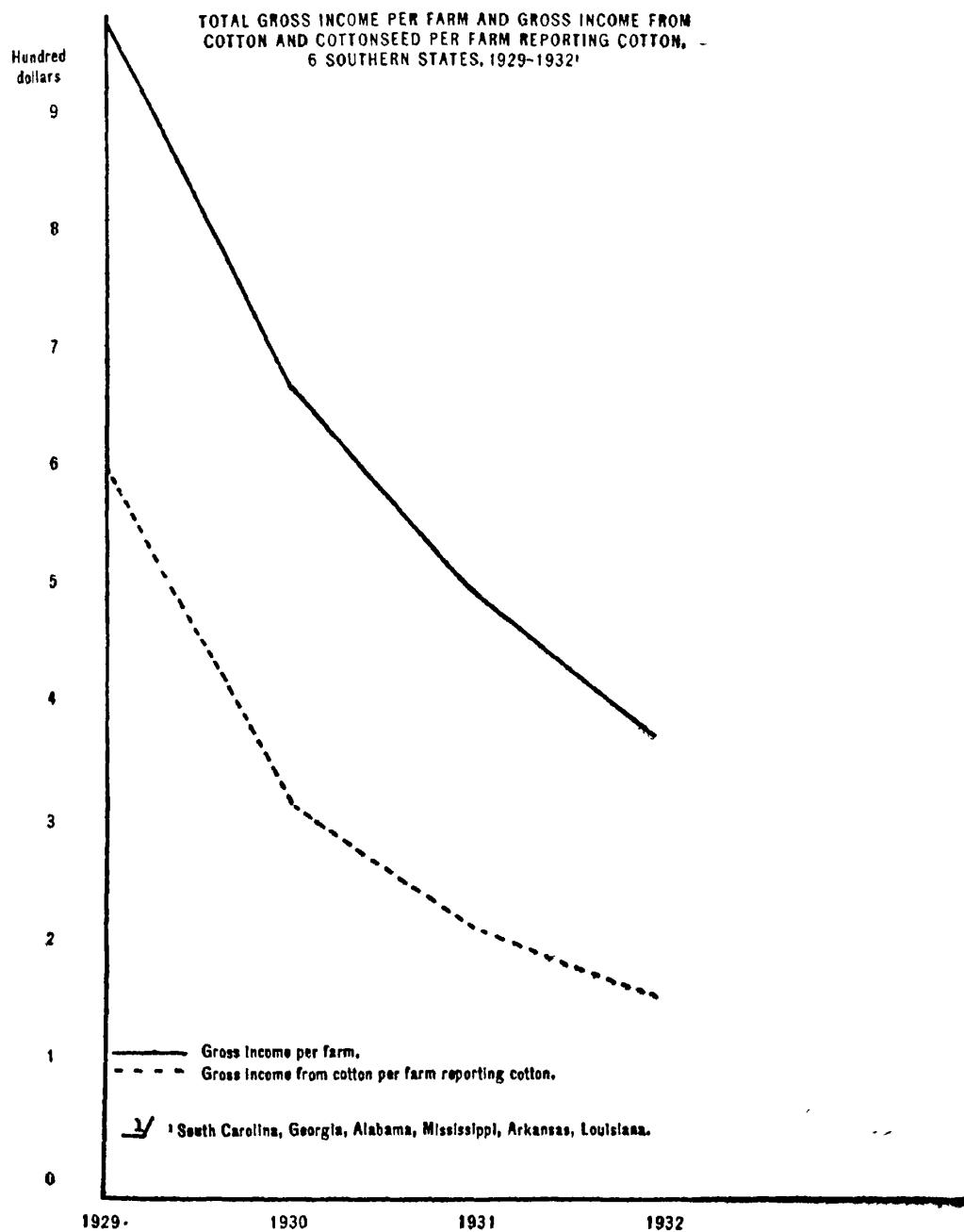
Indexes of net agricultural production, and prices, United States, 1919 to date



93-94 Government Exhibit 4-36 is a chart designated as "Farm Prices of Cotton and Index of Retail Prices of Commodities Farmers Buy", negative number 17608, published by the Bureau of Agricultural Economics, United States Department of Agriculture.

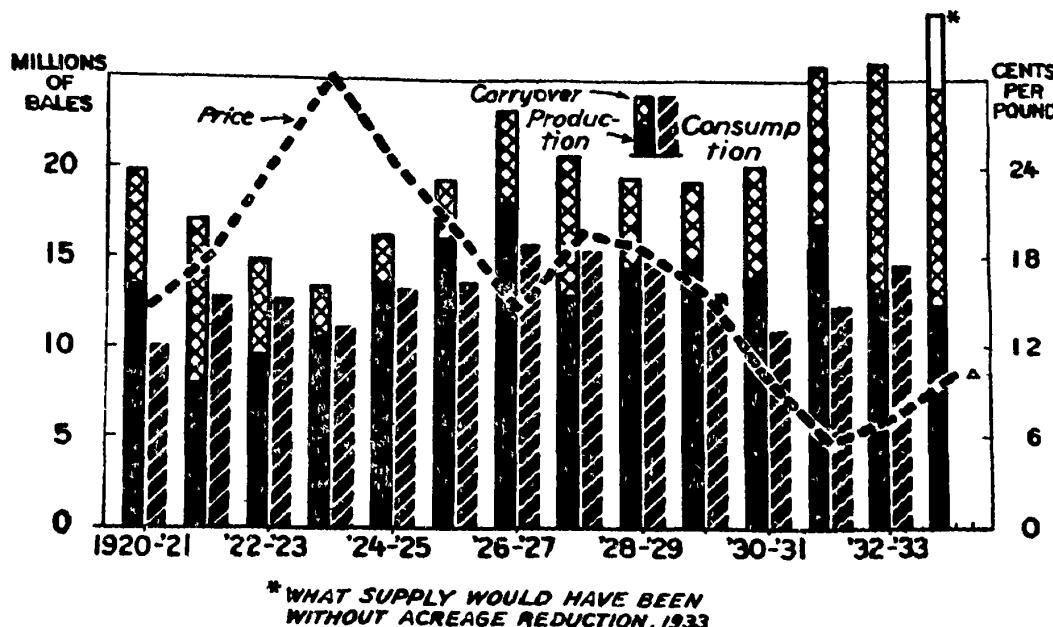


95-96 Government Exhibit 4-37 is a chart designated as "Total Gross Income Per Farm and Gross Income from Cotton and Cottonseed per Farm Reporting Cotton, 6 Southern States, 1929-1932." (Statistics on these items, for the States of South Carolina, Georgia, Alabama, Mississippi, Arkansas, and Louisiana, are contained in Government Exhibit 4-85.)



97-98 Government Exhibit 4-38 is a chart designated as "Production, World Consumption, Carryover and Price of American Cotton", negative number 24871-C-FSS, published by the Bureau of Agricultural Economics, United States Department of Agriculture.

Production, world consumption, carryover, and price of American cotton.



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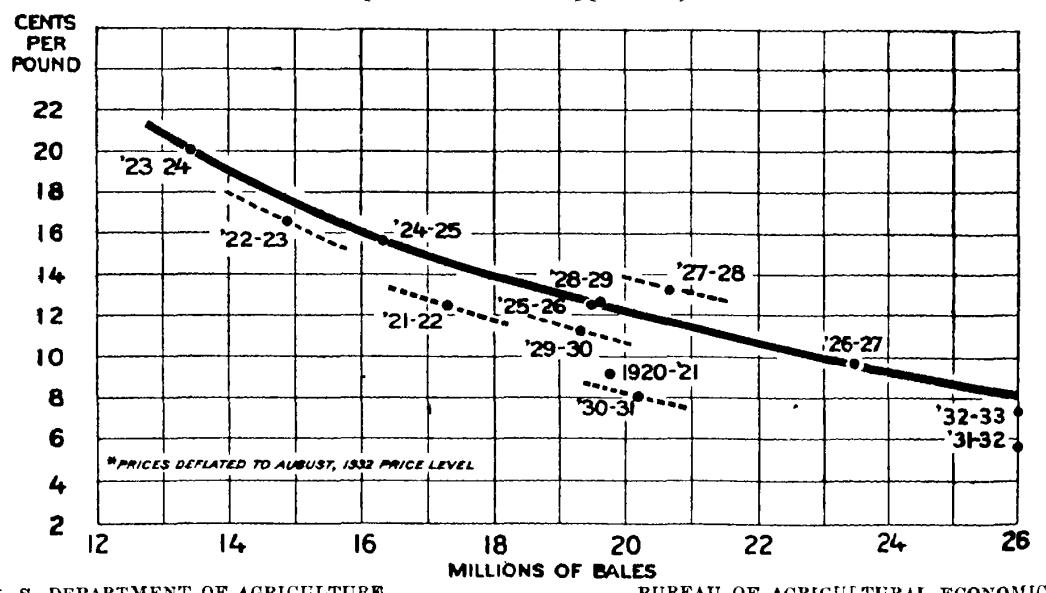
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FIGURE 5.—The seriousness of the present cotton price situation is shown by the decline since 1923. The present cotton surplus was built up after 1928 through low consumption and continued heavy production. The surplus is still larger despite the 1933 acreage reduction campaign, but without the campaign the supply would have been in the neighborhood of 29 million bales

8 Month Av.

99-100 Government Exhibit 4-39 is a chart designated as "Relation Between Prices and Supplies of American Cotton", negative number 21838-B, published by the Bureau of Agricultural Economics, United States Department of Agriculture.

*Relation between prices * and supplies of American cotton*

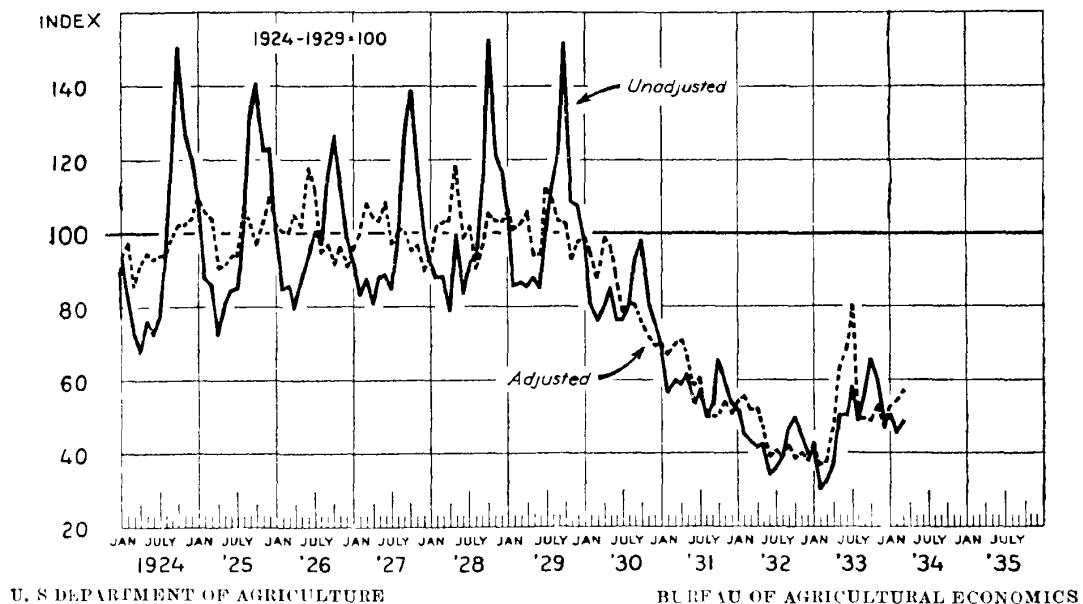


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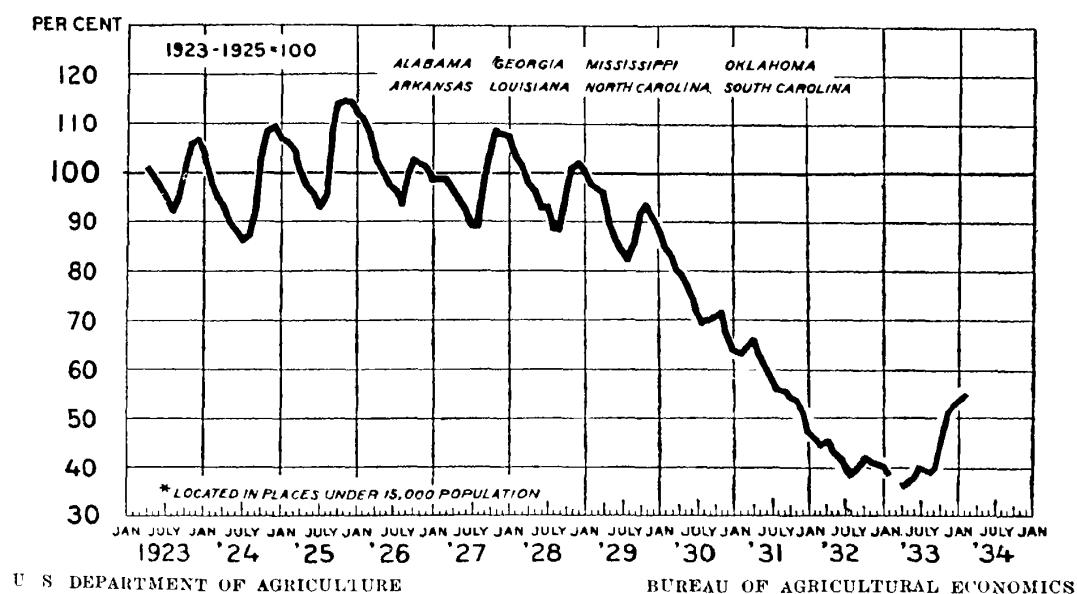
101-102 Government Exhibit 4-40 is a chart designated as "Indexes of Income from Sales of Farm Products, 1924 to Date", negative number 27016, published by the Bureau of Agricultural Economics, United States Department of Agriculture.

Indexes of income from sales of farm products, 1924 to date

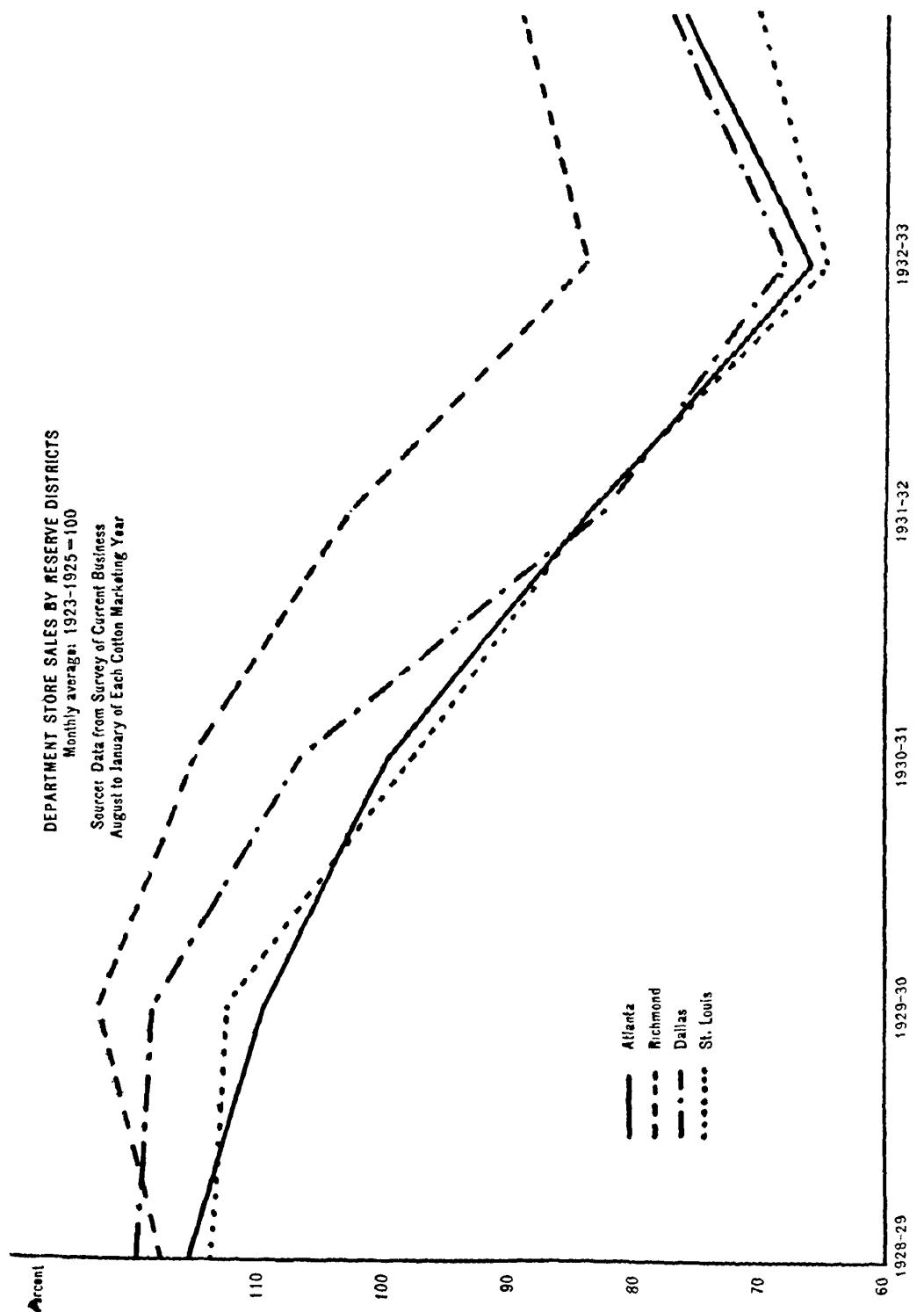


103-104 Government Exhibit 4-41 is a chart designated as "Index of Demand Deposits of Member Banks", negative number 21710-B, published by the Bureau of Agricultural Economics, United States Department of Agriculture. (Statistical table in Government Exhibit 4-75.)

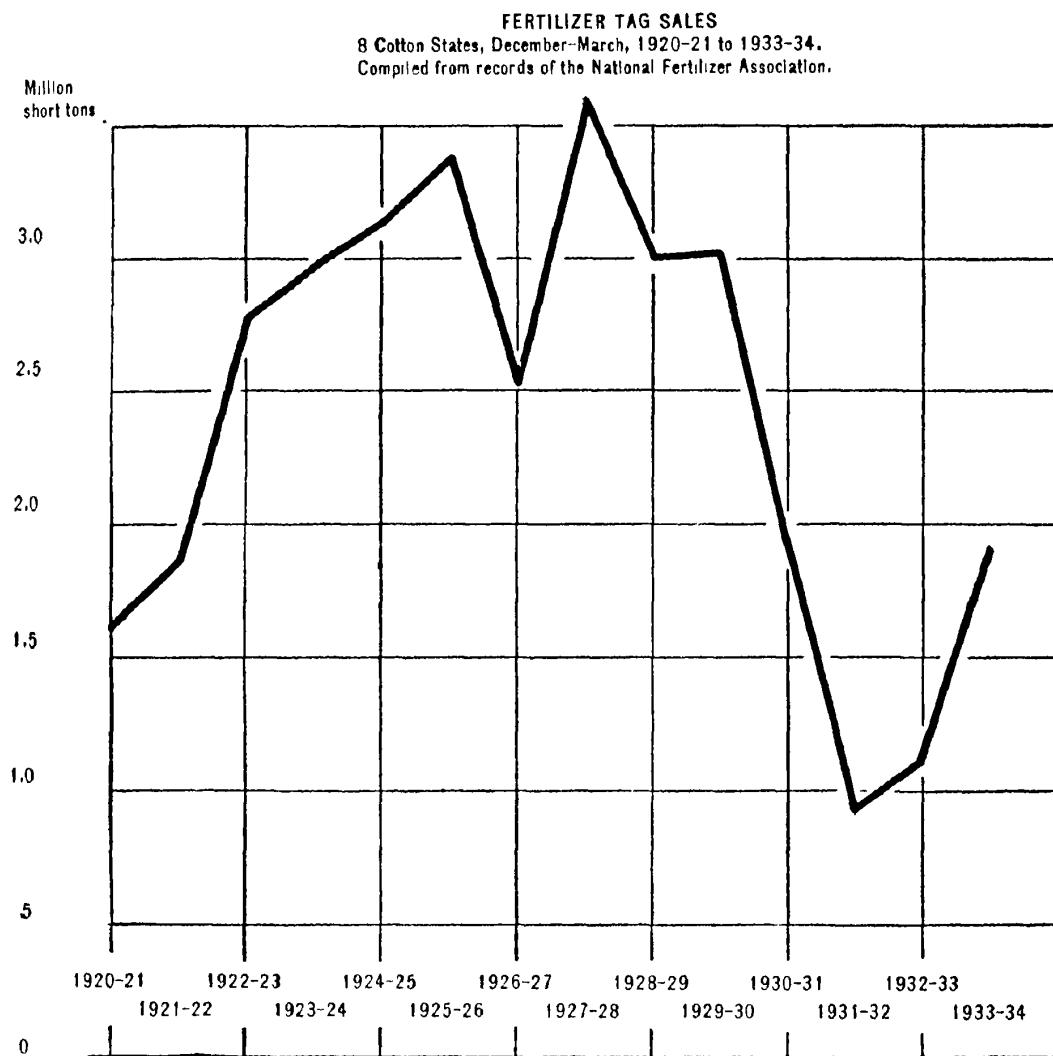
*Index of demand deposits of member banks**



105-106 Government Exhibit 4-42 is a chart designated as "Department Store Sales by Reserve Districts." (Statistics contained in Government Exhibit 4-77.)

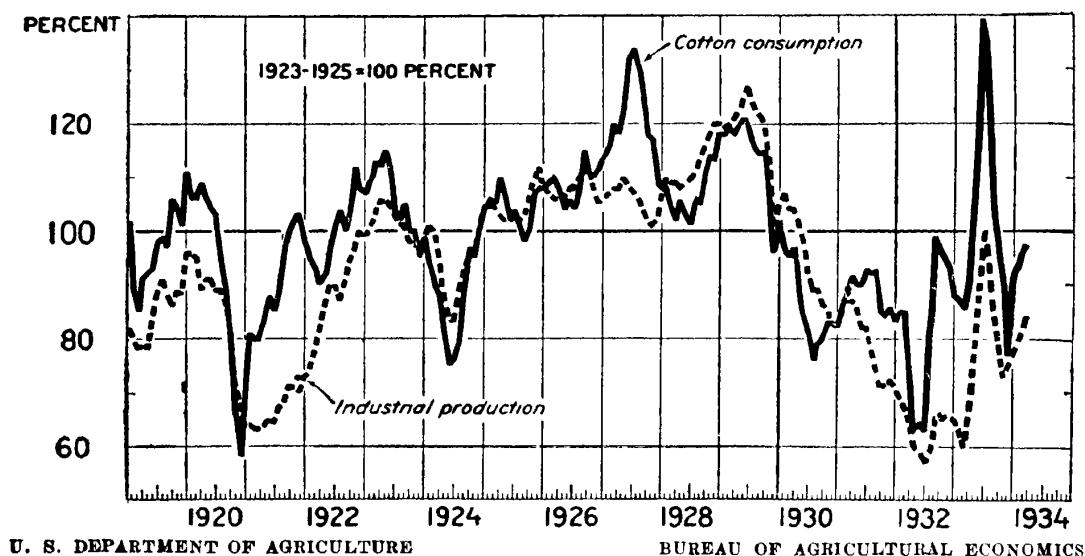


107-108 Government Exhibit 4-43 is a chart designated as "Fertilizer Tag Sales." (Statistics contained in Government Exhibit 4-78.)

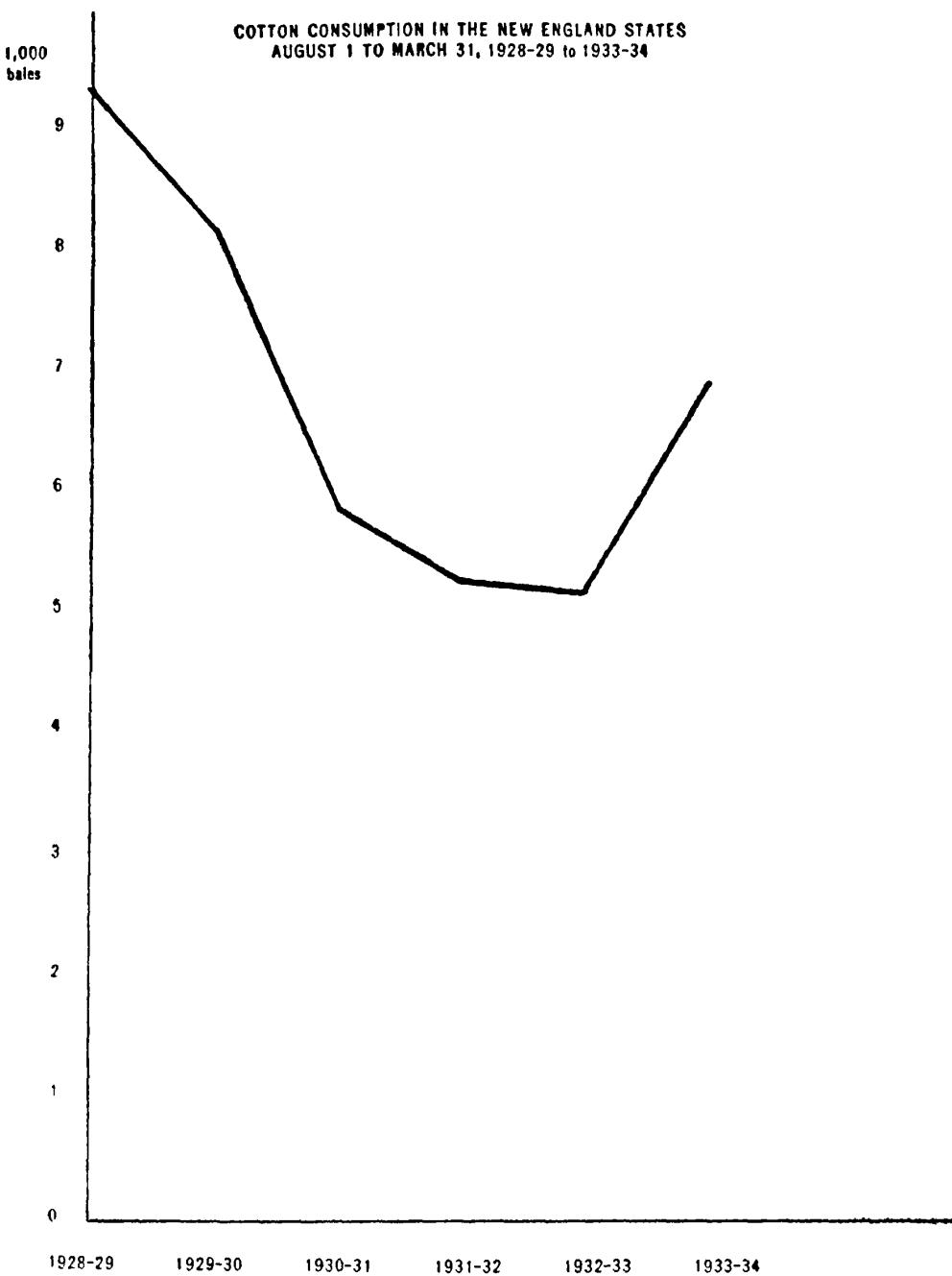


109-110 Government Exhibit 4-44 is a chart designated as "Cotton Consumption and Industrial Production in the U. S., 1919-1934", negative number 20570-B, published by the Bureau of Agricultural Economics of the United States Department of Agriculture. (Statistical table in Government Exhibit 4-81).

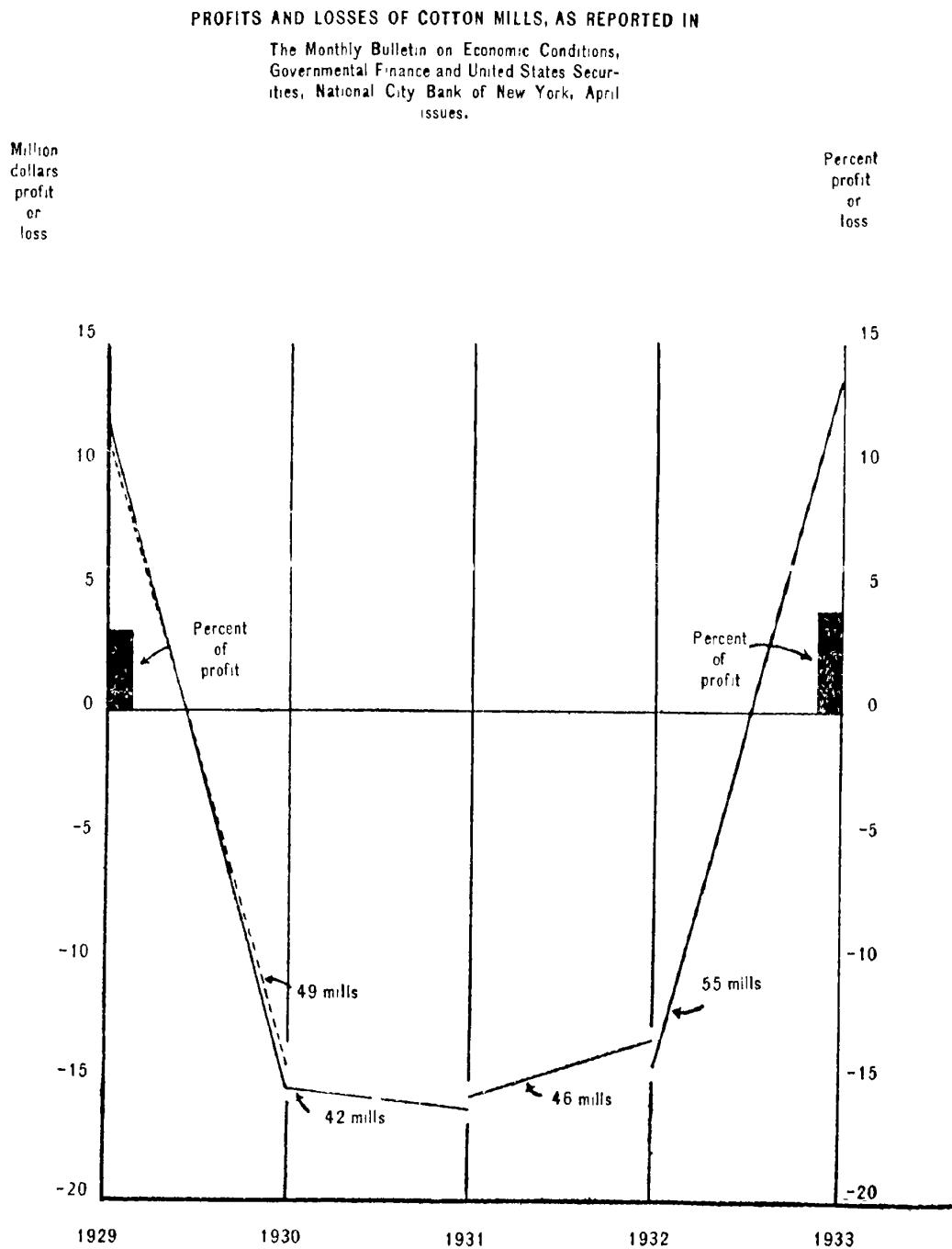
Cotton Consumption and Industrial Production in the U. S., 1919-1934



111-112 Government Exhibit 4-45 is a chart designated as "Cotton Consumption in the New England States August 1-March 31, 1928-29 to 1933-34." (Statistical table in Government Exhibit 4-82.)

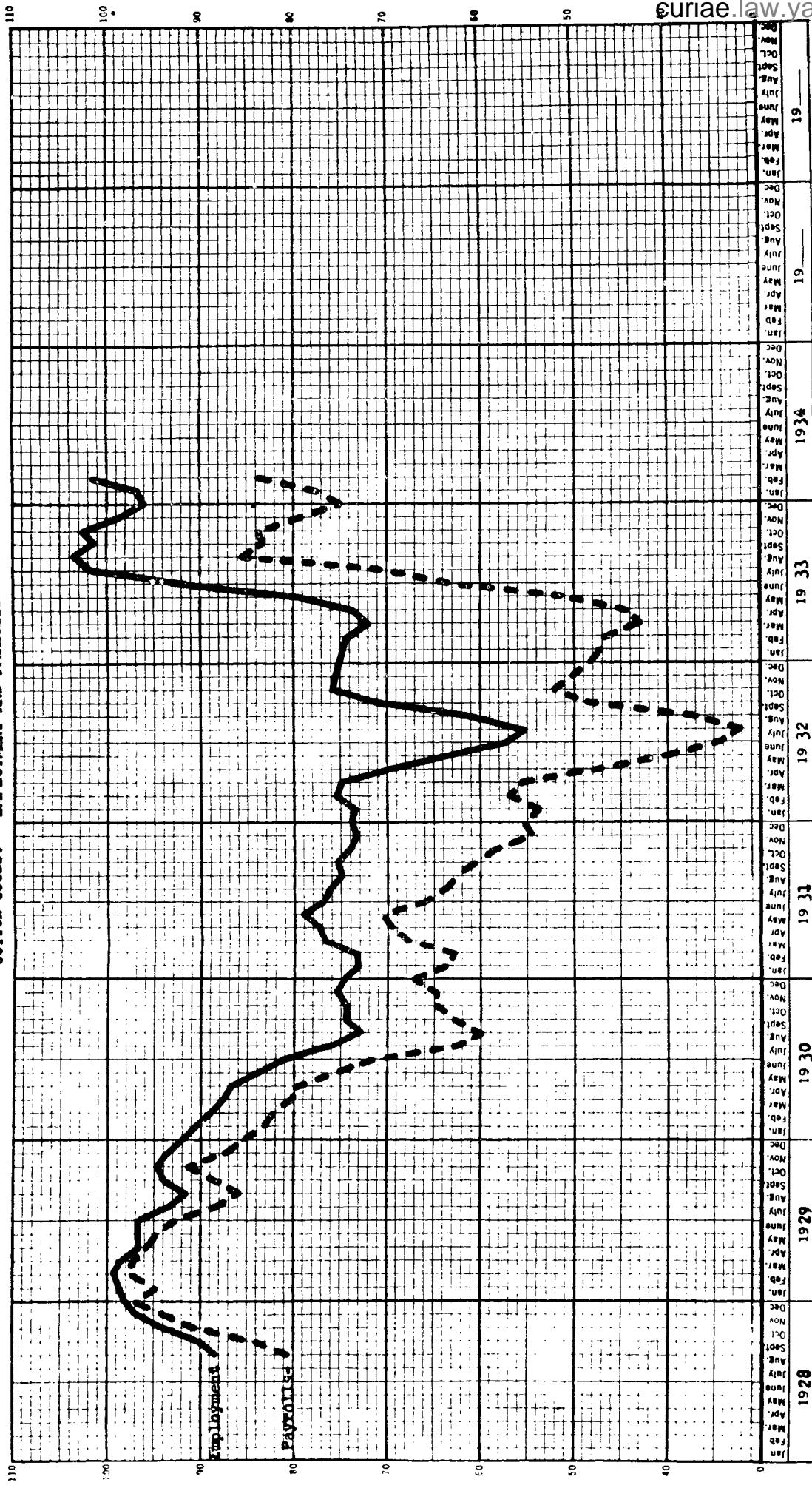


113-114 Government Exhibit 4-51 is a chart designated as "Profits and Losses of Cotton Mills", compiled from excerpts from the National City Bank of New York monthly bulletin on economic conditions, governmental finance, and United States securities of the issues for April 1934, April 1933, April 1932, and April 1931. (Statistical table in Government Exhibit 4-25.)

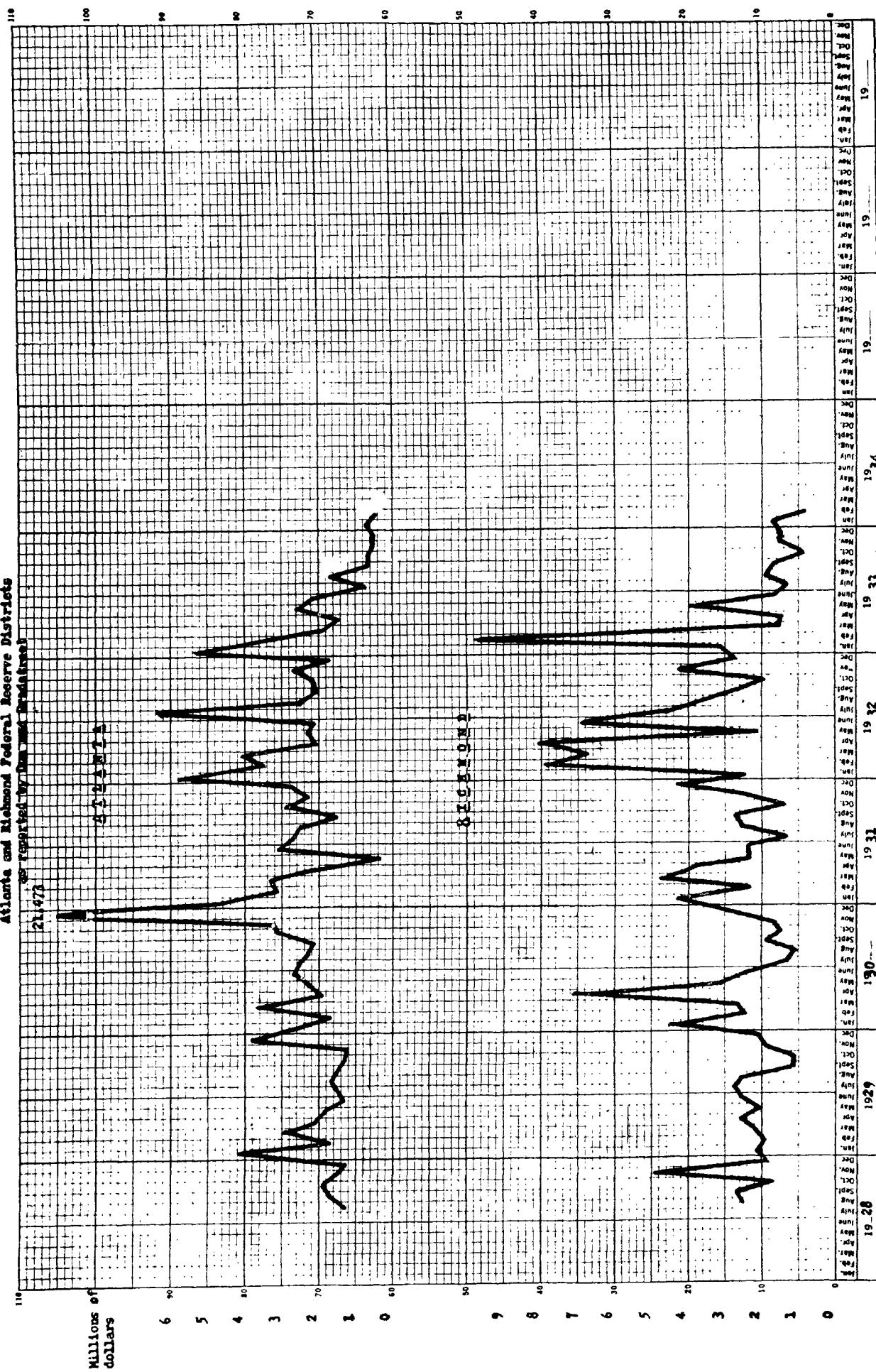


115 116 Government Exhibit 4-52 is a chart designated as "Factory Employment and Pay Rolls" taken from the report of the Federal Reserve Board and Federal Reserve Bulletins. (Statistical table in Government Exhibit 4-80.)

FACTORY EMPLOYMENT AND PAYROLLS
Index numbers without seasonal adjustment; monthly average 1923-1925 equals 100
COTTON GOODS - EMPLOYMENT AND PAYROLLS



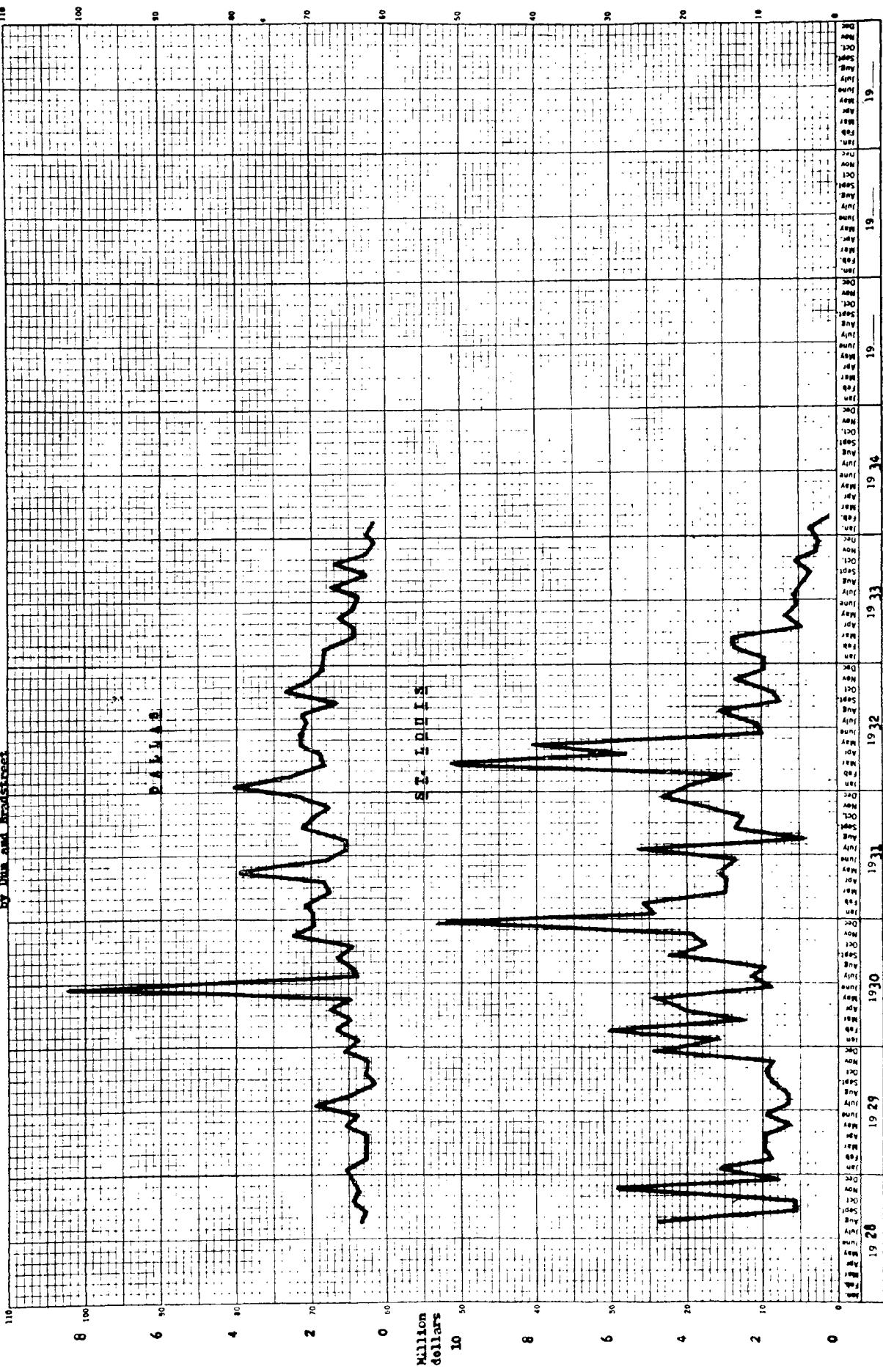
**COMMERCIAL FAILURES, LIABILITIES,
Atlanta and Richmond Federal Reserve Districts**



117-118 Government Exhibit 4-53 is a chart designated as "Commercial Failures, Liabilities, Atlanta and Richmond Federal Reserve Districts," as published in the Federal Reserve Bulletin and reported by Dill and Bradstreet. (Statistical table in Government Exhibit 4-76.)

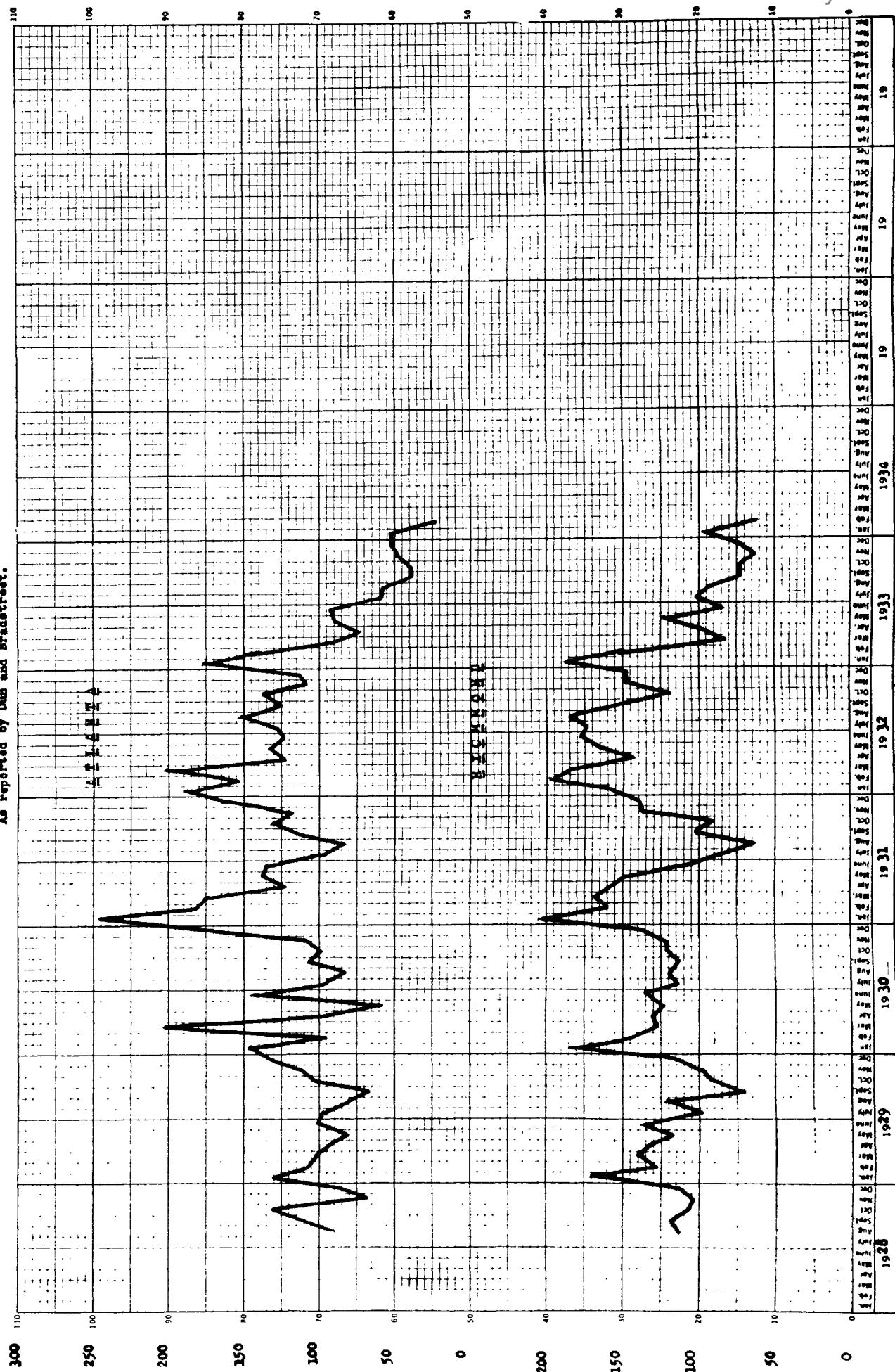
119-120 Government Exhibit 4-54 is a chart designated as "Commercial Failures, Liabilities, Dallas and St. Louis Federal Reserve Districts", as published in the Federal Reserve Bulletin and reported by Dun and Bradstreet. (Statistical table in Government Exhibit 4-76.)

COMMERCIAL FAILURES: LIABILITIES
Dallas and St. Louis Federal Reserve Districts, as reported
by Dun and Bradstreet



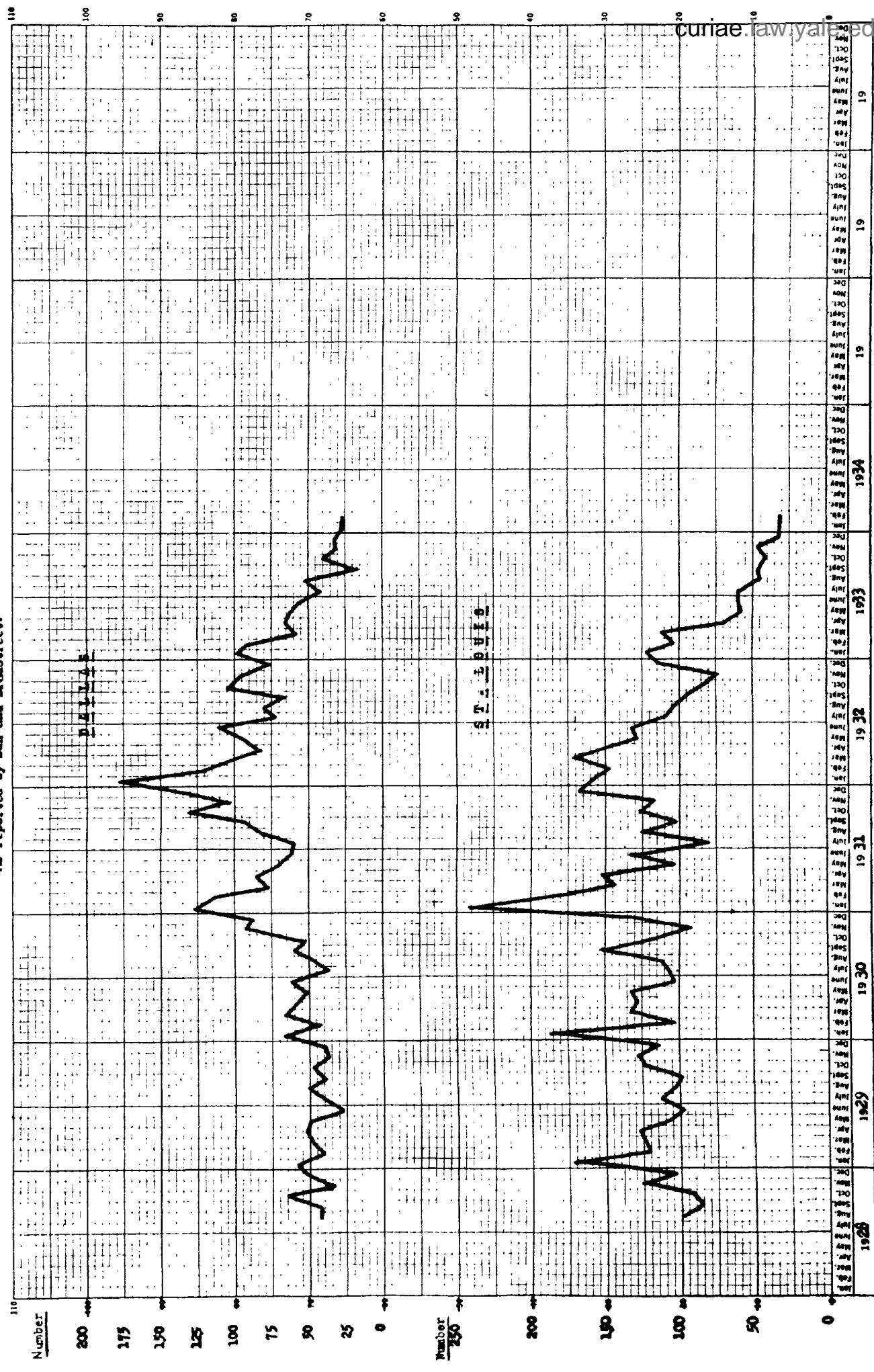
121-122 Government Exhibit 4-55 is a chart designated as "Number of Commercial Failures, Atlanta and Richmond Federal Reserve Districts," published in the Federal Reserve Bulletin and reported by Dun and Bradstreet. (Statistical table in Government Exhibit 4-76.)

Number

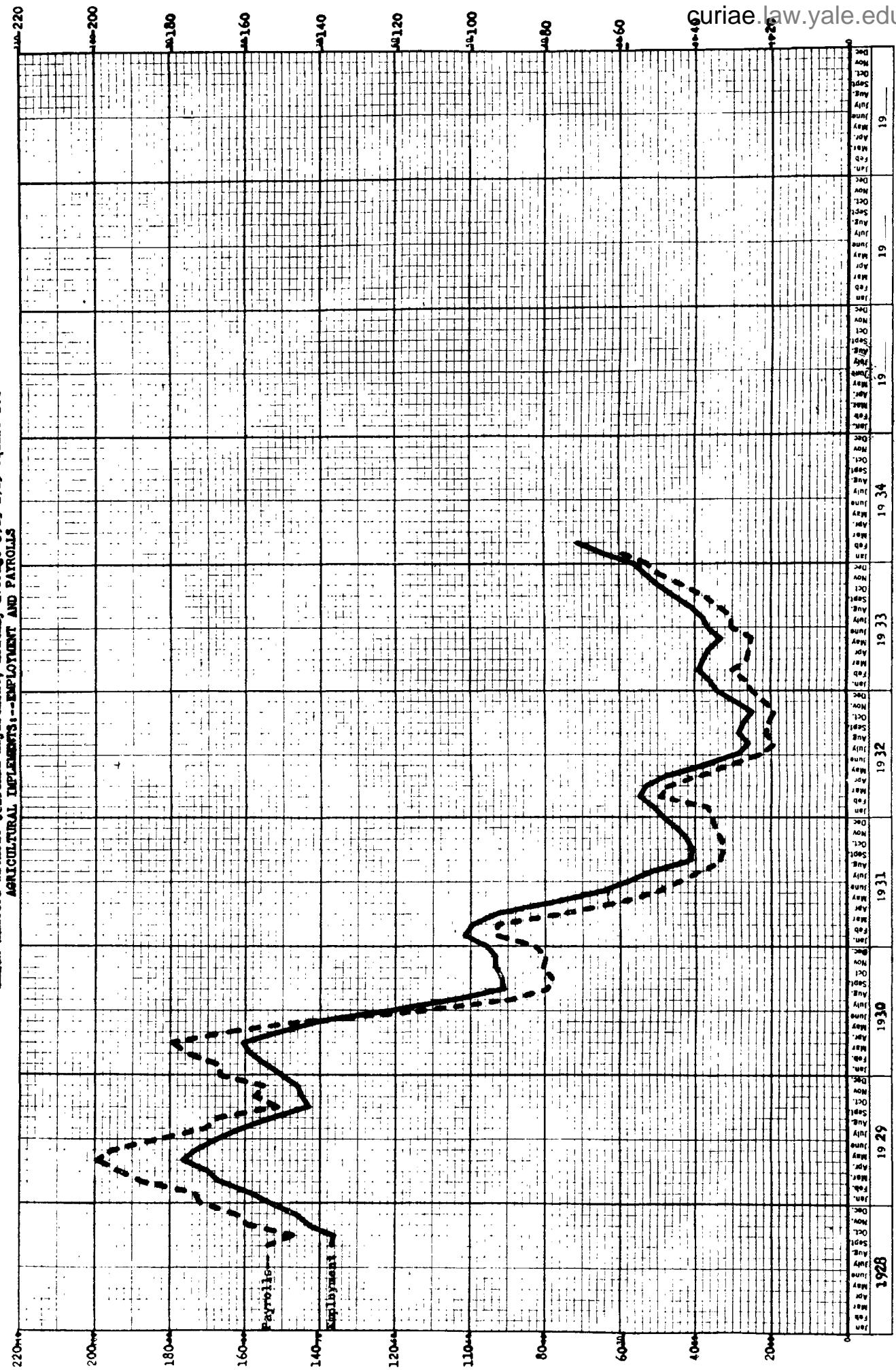


123-124 Government Exhibit 4-56 is a chart designated as "Number of Commercial Failures, Dallas and St. Louis Federal Reserve Districts", published in the Federal Reserve Bulletin and reported by Dun and Bradstreet. (Statistical table in Government Exhibit 4-76.)

NUMBER OF COMMERCIAL FAILURES, DALLAS AND ST. LOUIS FEDERAL RESERVE DISTRICTS
As reported by Dun and Bradstreet.



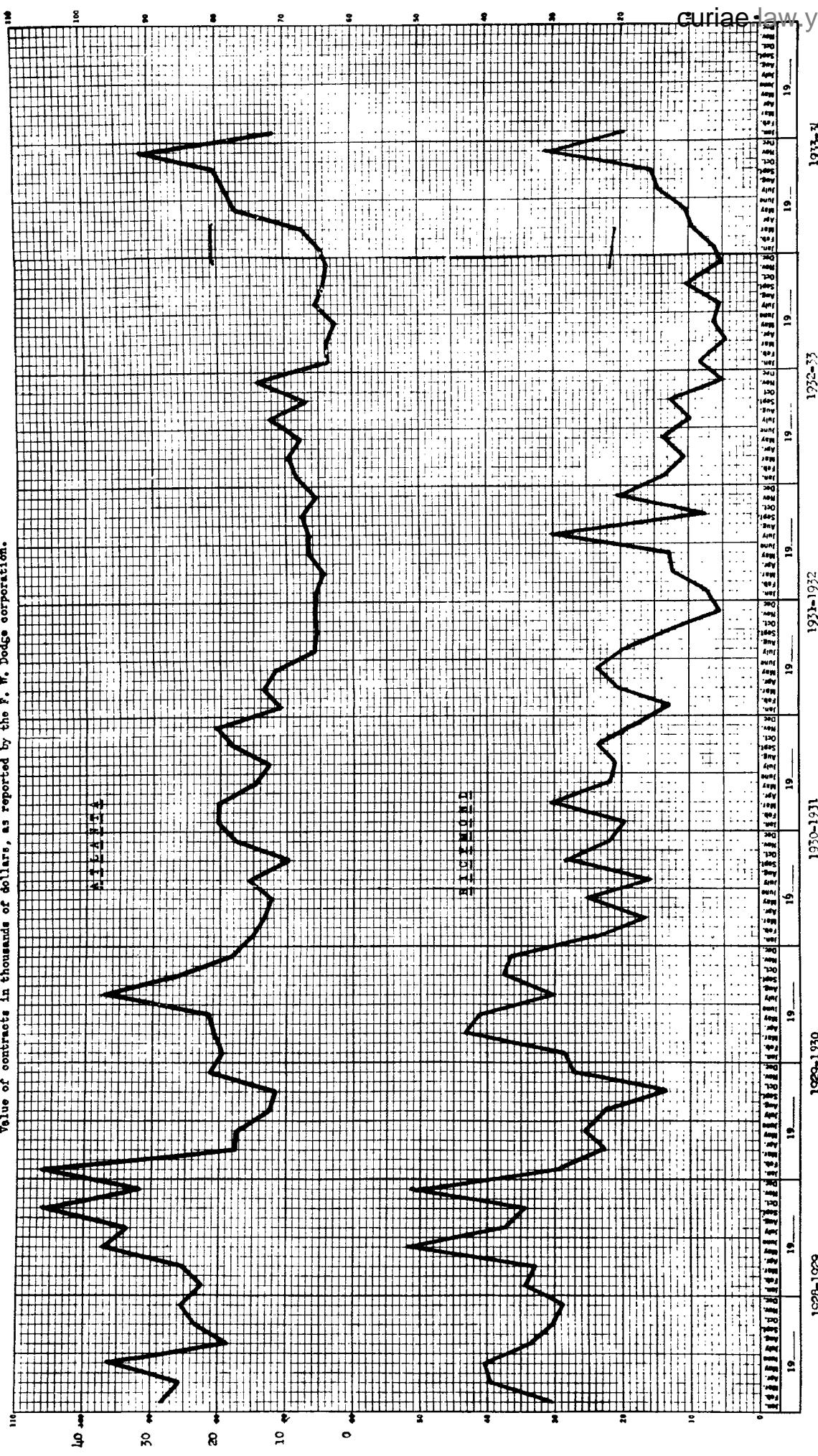
FACTORY EMPLOYMENT AND PAYROLLS
AGRICULTURAL IMPLEMENTS--EMPLOYMENT AND PAYROLLS



125-126 Government Exhibit 4-57 is a chart designated as "Factory Employment and Payrolls * * * Agricultural Implements--Employment and Payrolls." (Statistical table in Government Exhibit 4-80.)

127-128 Government Exhibit 4-58 is a chart designated as "Building Contracts Awarded, by Federal Reserve Districts," compiled from the Federal Reserve Bulletin and reported by the F. W. Dodge Corporation. (Statistical table in Government Exhibit 4-79.)

BUILDING CONTRACTS AWARDED, BY FEDERAL RESERVE DISTRICTS
Value of contracts in thousands of dollars, as reported by the F. W. Dodge corporation.



26396-35. (Trce p. 68) No 7

1928-29

1928-1929

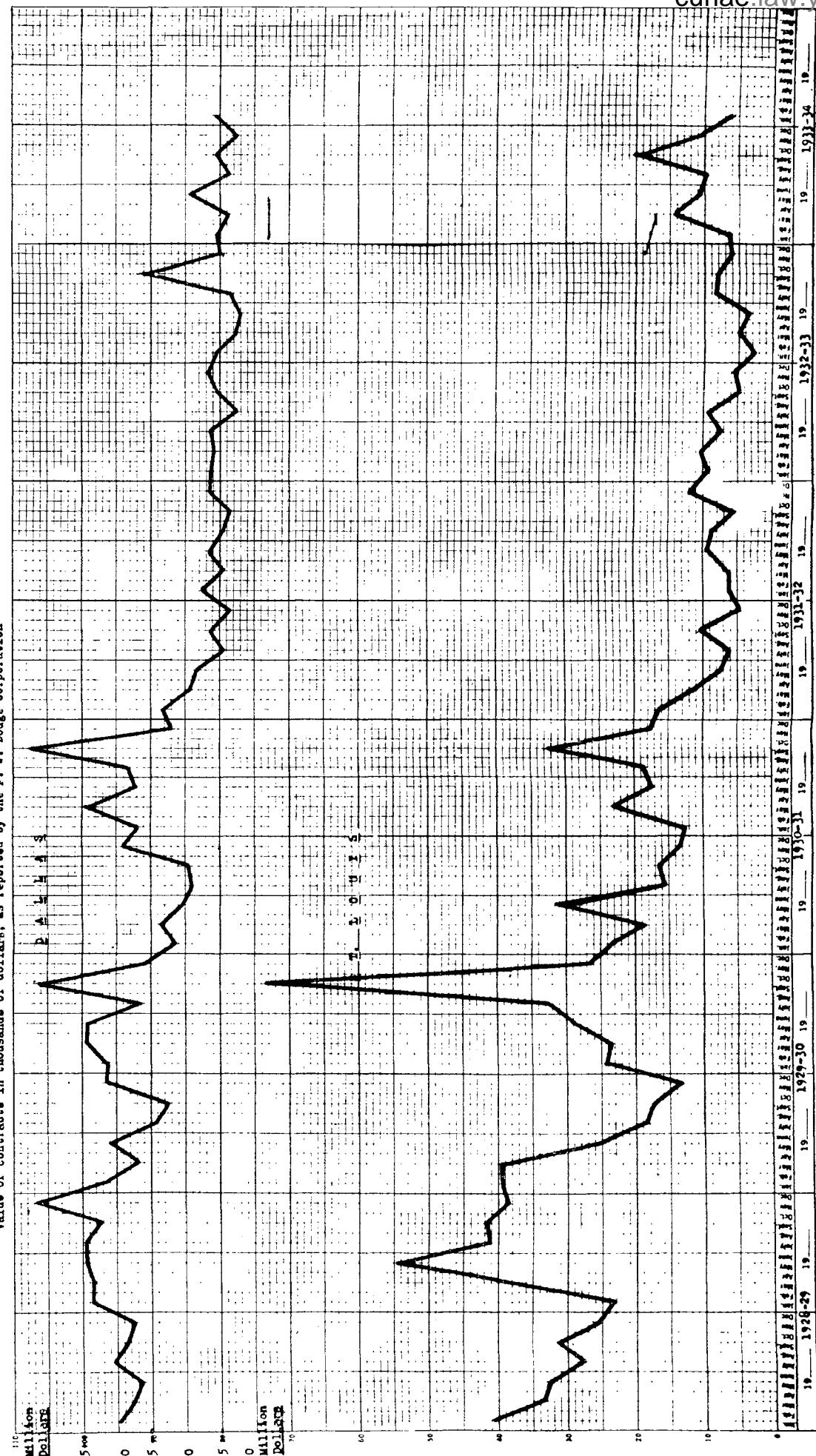
1930-1931

1931-1932

1932-33

129-130 Government Exhibit 4-59 is a chart designated as "Building Contracts Awarded, by Federal Reserve District," compiled from tissues of the Federal Reserve bulletin and reported by the F. W. Dodge Corporation. (Statistical table in Government Exhibit 4-79.)

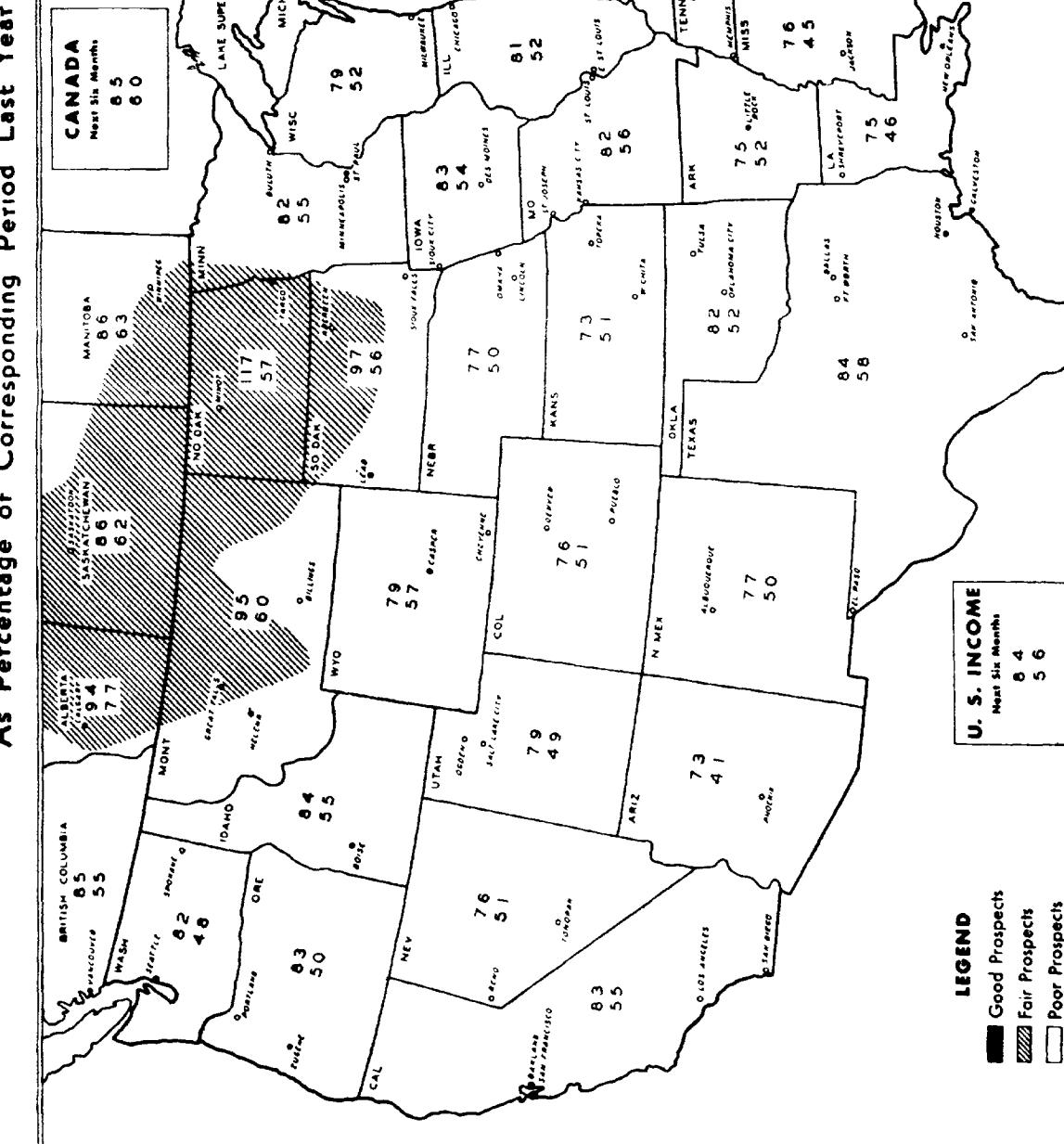
BUILDING CONTRACTS AWARDED, BY FEDERAL RESERVE DISTRICTS
Value of contracts in thousands of dollars, as reported by the F. W. Dodge corporation



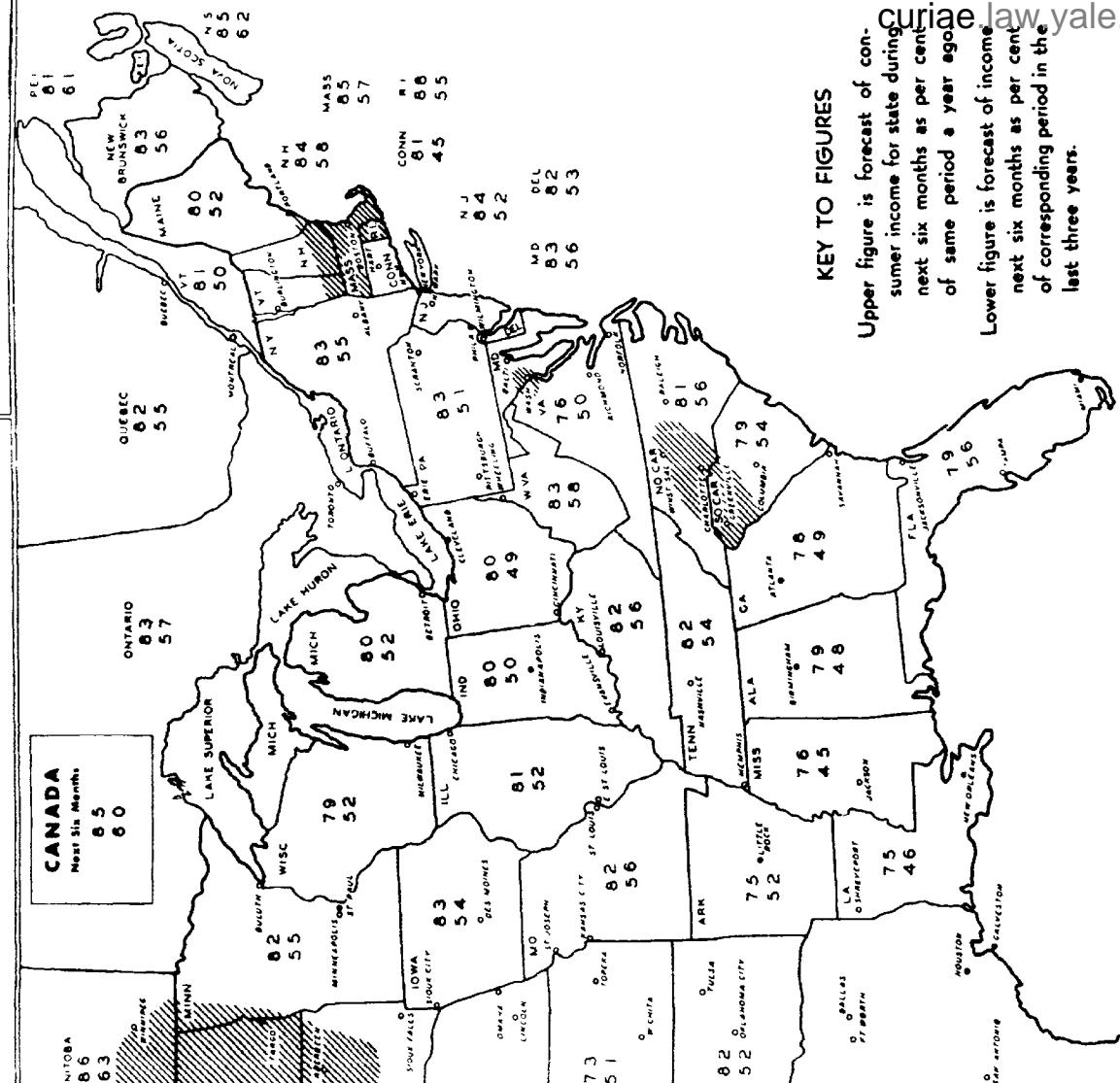
131-132 Government Exhibit 4-60 is a chart designated as "The Brookline Sales and Credit Map, Estimated Consumer Income Next Six Months as Percentage of Corresponding Period Last Year and Average", published by The Brookline Economic Service, Inc., New York City, February 28, 1933.

February 28, 1923

Estimated Consumer Income As Percentage of Corresponding Period	Next Six Months	Last Year and Average
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SAC
**BROOKMIRE
SALES and CREDIT MAP**



Upper figure is forecast or consumer income for state during next six months as per cent of same period a year ago. Lower figure is forecast of income next six months as per cent of corresponding period in the last three years.

KEY TO FIGURES

Upper figure is forecast of consumer income for state during next six months as per cent of same period a year ago.

Lower figure is forecast of income next six months as per cent of corresponding period in the last three years.

LEGEND

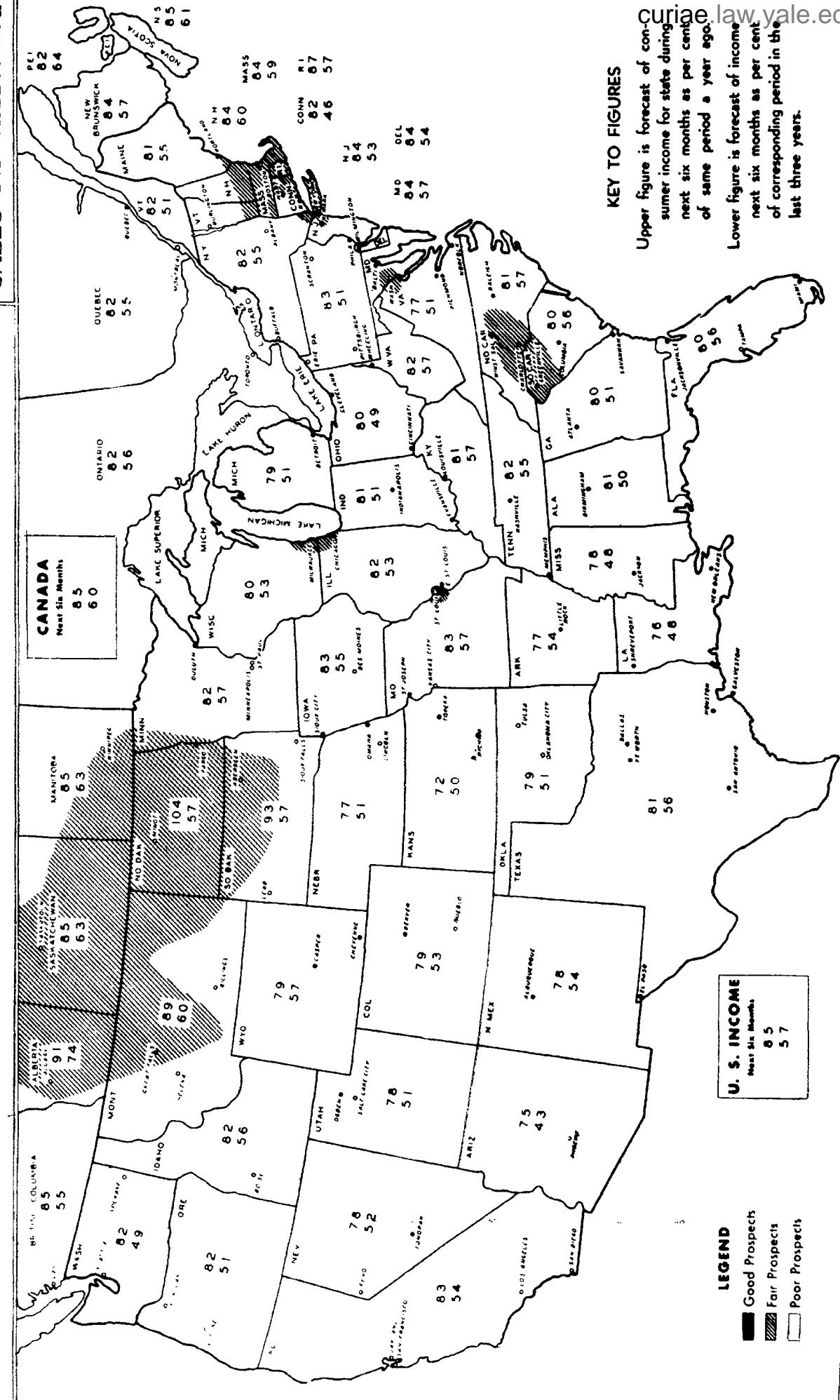
	Good Prospect
	Fair Prospects
	Poor Prospects

133-134 Government Exhibit 4-61 is a chart designated as "The Brookmire Sales and Credit Map, Estimated Consumer Income Next Six Months as Percentage of Corresponding Period Last Year and Average, April 30, 1933", published by The Brookmire Economic Service, Inc., New York City.

April 30, 1933

**Estimated Consumer Income Next Six Months
As Percentage of Corresponding Period Last Year and Average**

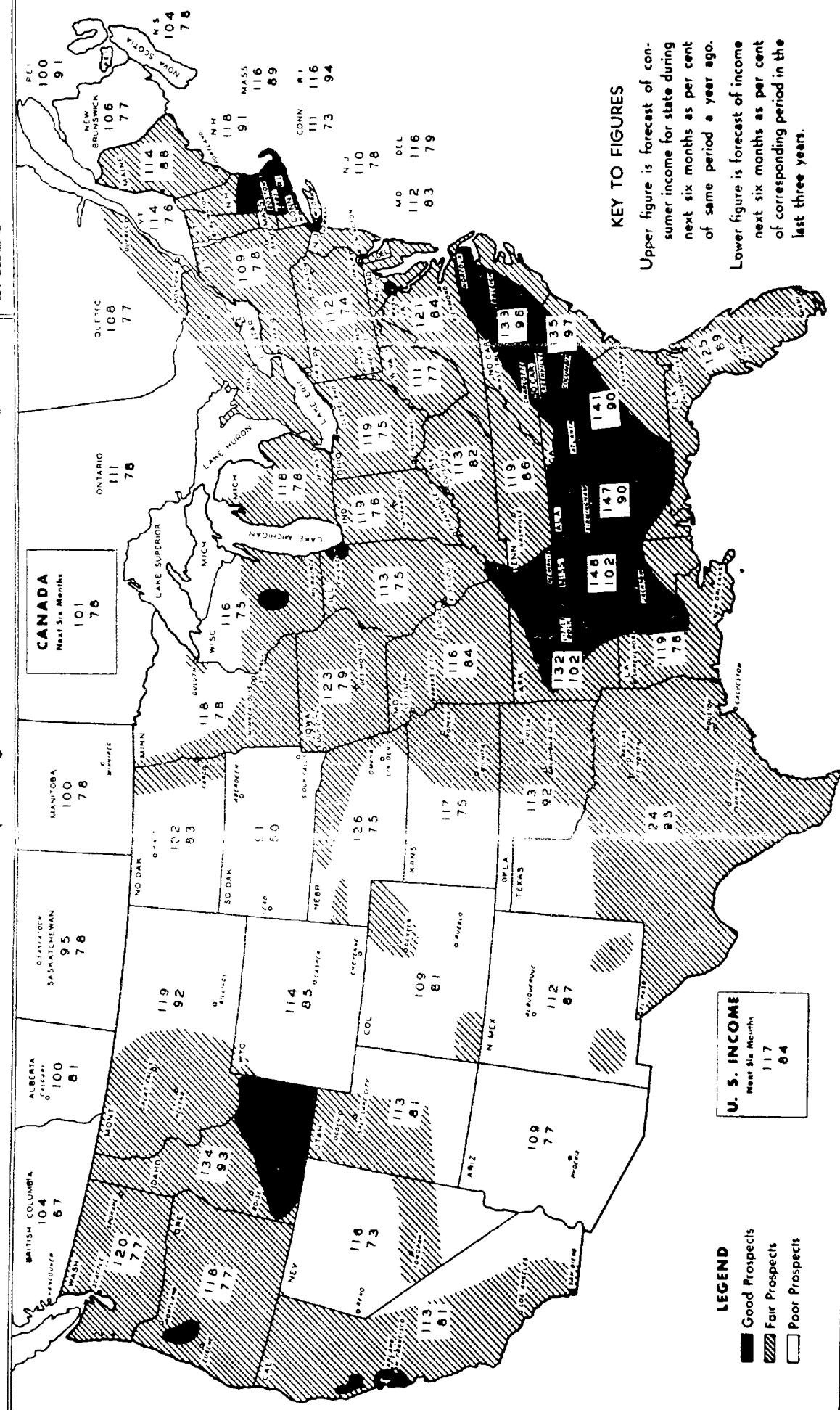
The
**BROOKMIRE
SALES AND CREDIT MAP**



135-136 Government Exhibit 4-62 is a chart designated as "The Brookline Sales and Credit Map, Estimated Consumer Income Next Six Months as Percentage of Corresponding Period Last Year and Average," published by the Brookline Economic Service, Inc., New York City, on July 28, 1933.

July 28, 1933

Estimated Consumer Income As Percentage of Corresponding Period	Last Year	Average	Next Six Months
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KEY TO FIGURES

Upper figure is forecast of consumer income for state during next six months as per cent of same period a year ago.

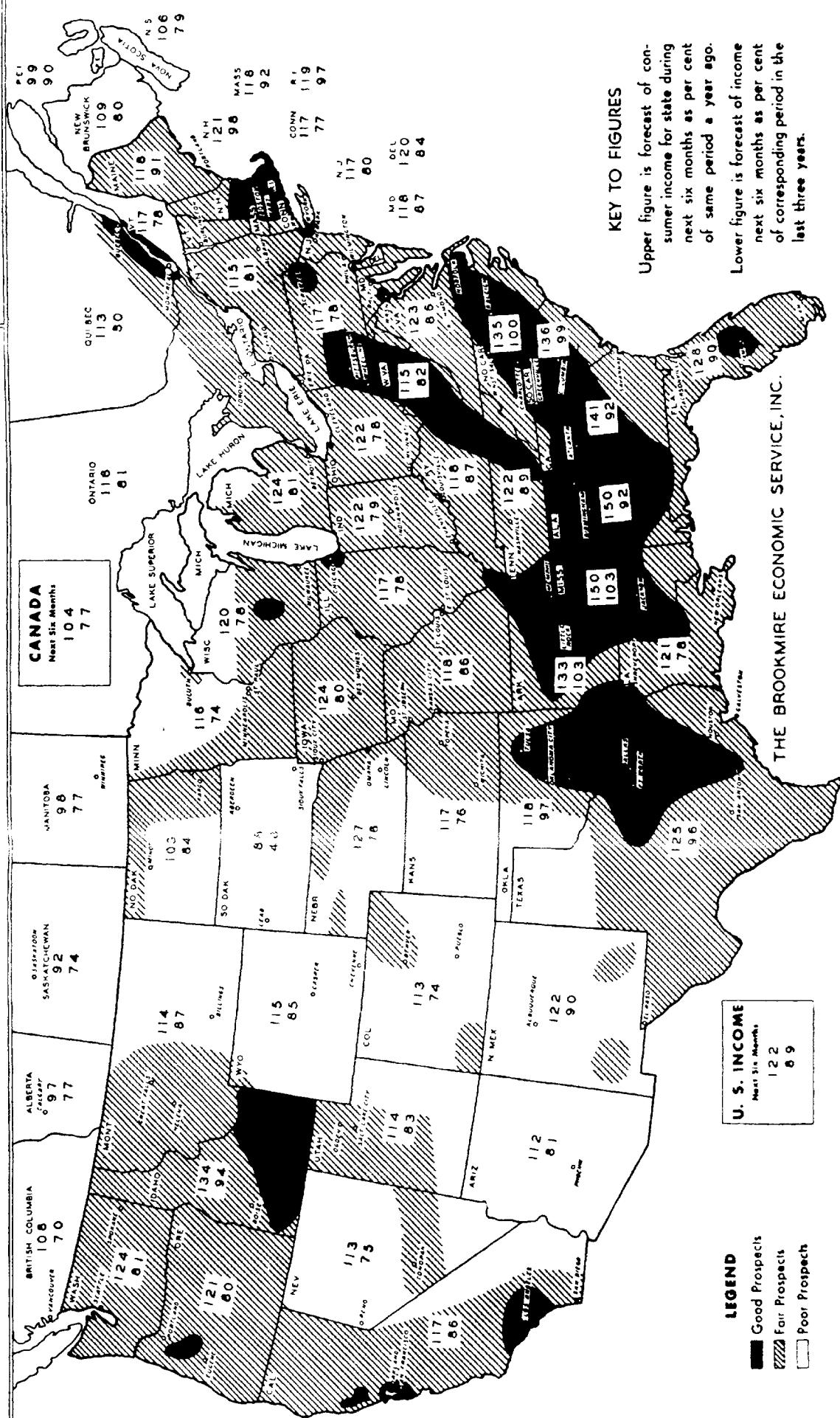
Lower figure is forecast of income next six months as per cent of corresponding period in the last three years.

26396 - 26 (Dec 1988) No 11

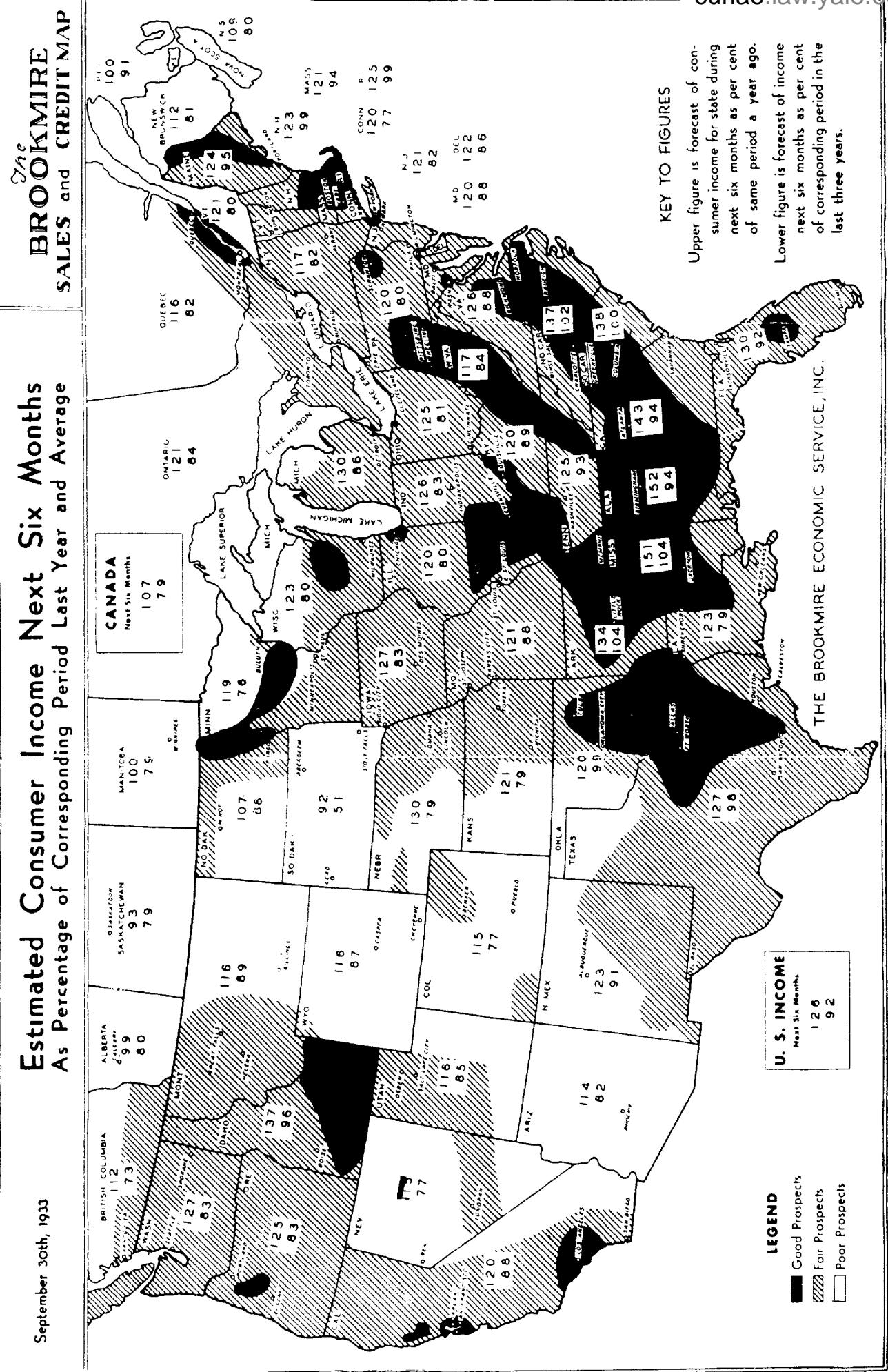
37-138 Government Exhibit 4-63 is a chart designated as "The Brookmire Sales and Credit Map, Estimated Consumer Income Next Six Months as Percentage of Corresponding Period Last Year and Average," published by the Brookmire Economic Service, Inc., New York City, August 31, 1933.

The BROOKMIRE SALES and CREDIT MAP

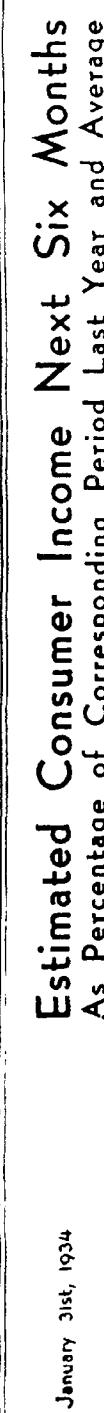
August 31, 1933
**Estimated Consumer Income Next Six Months
As Percentage of Corresponding Period Last Year and Average**



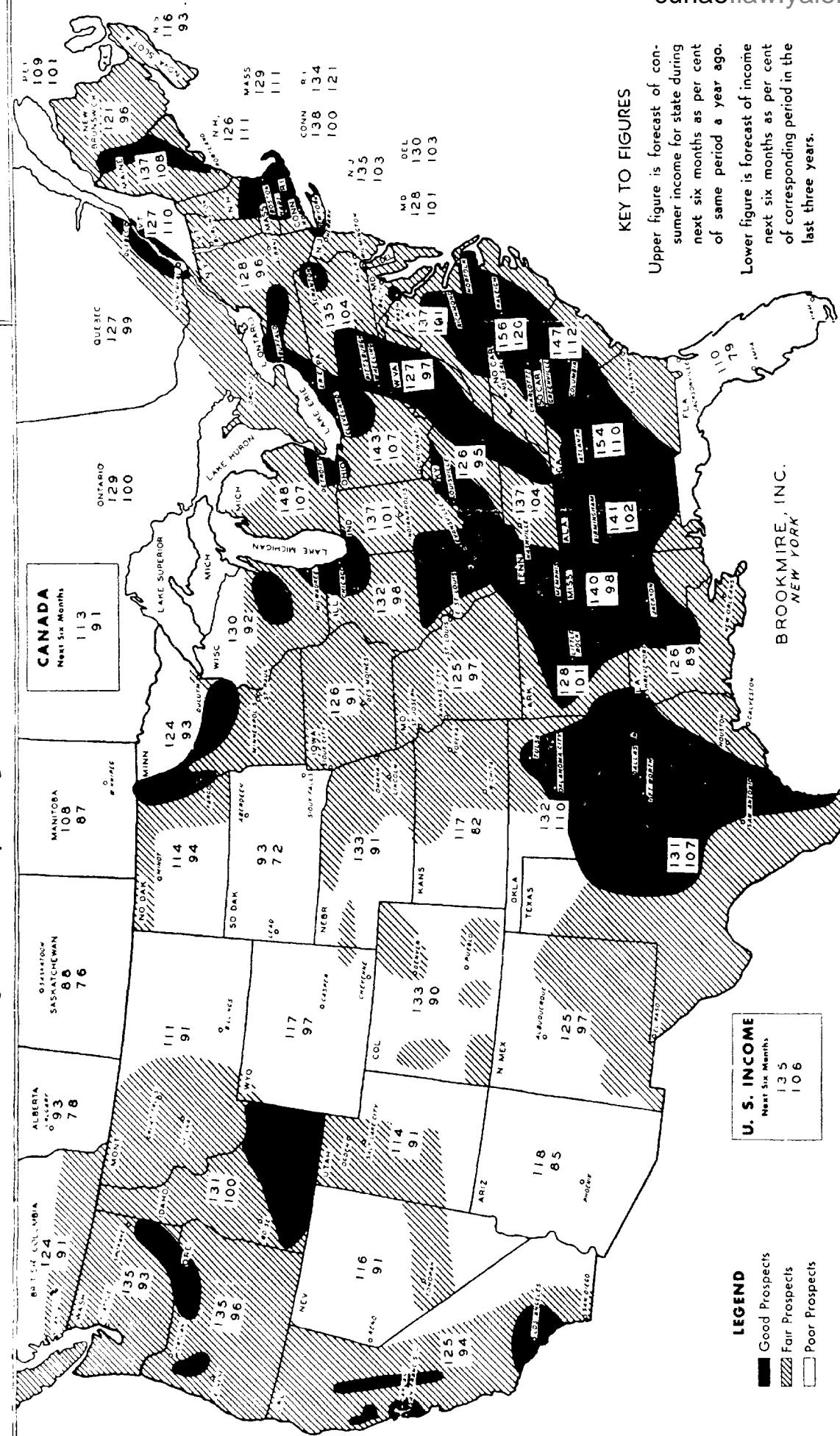
139 140 Government Exhibit 4-64 is a chart designated as "The Brookmire Sales and Credit Map, Estimated Consumer Income Next Six Months as Percentage of Corresponding Period Last Year and Average," published by The Brookmire Economic Service, Inc., New York City, September 30, 1933.



111 142 Government Exhibit 4-65 is a chart designated as "The Brookmire Sales and Credit Map, Estimated Consumer Income Next Six Months, as Percentage of Corresponding Period Last Year and Average", published by Brookmire, Inc., New York City, January 31, 1934.



The
**BROOKMIRE
SALES and CREDIT MAP**



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Upper figure is forecast of consumer income for state during next six months as per cent of same period a year ago.

Lower figure is forecast of income next six months as per cent of corresponding period in the last three years.

BROOKMIRE, INC.
NEW YORK

Next Six Months

LEGEND

	Good Prospects
	Fair Prospects
	Poor Prospects

143-144 Government Exhibit 4-66 is a statistical table of "Imports of Cotton into the United States from Egypt by months, 1920-21 to 1922-23, and 1929-30 to 1931-32", obtained April 17, 1934, from the official tables of the Bureau of Agricultural Economics and compiled from the monthly summary of Foreign and Domestic Commerce of the United States and follows:

EXHIBIT 66—Imports of cotton into the United States from Egypt by months, 1920-21 to 1922-23, and 1929-30 to 1931-32

Year	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Total
	500-lb bales												
1920-21-----	12,876	2,492	12	2,941	8,085	7,055	7,908	13,588	15,190	6,369	8,202	2,452	87,168
1921-22-----	4,728	3,396	18,972	27,123	41,224	25,930	36,242	47,636	8,817	7,357	7,005	5,296	233,729
1922-23-----	11,217	2,261	16,776	30,399	52,191	89,626	8,325	37,006	16,991	14,031	6,580	3,929	329,335
1929-30-----	17,279	16,017	4,186	19,441	18,727	23,125	10,990	16,110	50,512	37,701	968	122	215,181
1930-31-----	22	3	174	842	2,541	1,960	2,178	6,032	4,670	3,132	1,348	22,902	
1931-32-----	2,989	2,388	1,139	1,137	4,812	3,889	4,825	5,816	12,319	18,705	16,578	6,194	81,091

April 17, 1934

Compiled from monthly summary of Foreign Commerce of the United States

145-146 Government Exhibit 4-67 is a statistical table of cotton, long staple, 1 $\frac{3}{8}$ inch or over: Imported into the United States October 1921 to date, copied from the official tables of the Bureau of Agricultural Economics on April 17, 1934, which tables had been compiled from the monthly summary of Foreign and Domestic Commerce of the United States and follows:

EXHIBIT 67—Cotton, long staple, 1 $\frac{3}{8}$ inch or over: Imports into United States, October 1921 to date

Season	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Total
	500-lb bales												
1921-22-----	4,361	3,612	4,104	1,476	8,290	9,465	5,169	1,686	1,999	1,784	41,946		
1922-23-----	4,403	2,164	16,086	18,616	32,534	31,037	11,609	12,633	9,259	5,160	4,100	3,737	154,338
1923-24-----	1,386	5,412	7,315	6,659	15,613	35,048	8,887	15,809	11,461	5,077	7,126	2,451	122,244
1924-25-----	1,561	4,313	2,968	6,522	28,16	22,483	17,718	3,406	8,178	2,953	5,093	1,686	105,403
1925-26-----	3,812	4,882	3,410	13,227	13,731	28,356	14,314	17,096	11,274	5,162	5,348	4,368	124,982
1926-27-----	1,108	763	2,788	6,945	10,383	14,471	9,981	11,237	13,599	6,573	15,612	11,891	105,351
1927-28-----	12,903	11,043	8,055	13,761	10,034	8,148	6,486	10,159	3,575	8,287	5,725	5,606	103,782
1928-29-----	7,857	5,127	5,132	5,452	13,757	11,899	9,824	10,201	24,031	15,176	5,911	3,363	117,730
1929-30-----	9,366	3,474	1,030	4,081	5,097	6,788	3,324	5,033	10,316	20,567	859	122	100,057
1930-31-----	22	70	214	291	657	162	147	898	-----	670	322	3,453	
1931-32-----	1,430	1,542	842	406	1,957	610	1,388	1,594	1,170	8,324	834	2,340	22,637
1932-33-----	737	2,480	1,149	2,865	1,536	2,792	2,112	3,220	3,493	2,903	5,234	3,868	32,389
1933-34-----	2,654	2,981	4,162	4,425	3,628	3,091	2,875	-----	-----	-----	-----	-----	

April 17, 1934

Compiled from monthly summary of Foreign Commerce of the United States

147-148 Government Exhibit 4-74 is a statistical table of production, carryover, supply, consumption, exports, and price per pound of cotton, by kinds, 1920-21 to 1933-34, compiled from the official tables of the Bureau of Agricultural Economics, United States Department of Agriculture.

EXHIBIT 74.—*Production, carry-over, supply, consumption, exports and price per pound of cotton, by kinds, 1920-21 to 1933-34*

Season beginning August 1	American						All kinds							
	Average price, 10 spot markets	Exports from the U S.	U S pro- duction	Carry-over, begin- ning season		Total supply	Consumption		World pro- duc- tion in- clud- ing China	Carry-over, begin- ning season		Total supply	Consumption	
				U S	World		U S	World		In U S.	World		In U S.	World
Census	1,000 <i>running bales, net</i>	1,000 <i>478-lb bales</i>	1,000 <i>running bales</i>	1,000 <i>running bales</i>	1,000 <i>mixed bales¹</i>	1,000 <i>running bales</i>	1,000 <i>running bales</i>	1,000 <i>running bales</i>	1,000 <i>bales, net</i>	1,000 <i>mixed bales²</i>	1,000 <i>mixed bales³</i>	1,000 <i>running bales⁴</i>	1,000 <i>running bales</i>	
1920-21	5,745	13,429	3,278	9	6,338	19,767	10,035	12,755	21,089	4,677	3,563	2	32,274	17,600
1921-22	6,184	7,945	6,360	7	9,393	17,338	5,613	15,391	6,534	13,774	5,910	21,165	—	—
1922-23	4,823	9,755	2,664	9	5,162	14,917	6,322	12,665	19,360	2,831	5	9,636	28,936	6,666
1923-24	5,656	10,140	2,129	0	3,304	13,444	5,353	11,100	19,700	2,325	0	6,869	26,569	5,681
1924-25	8,005	13,630	1,439	4	2,705	16,335	5,917	13,270	24,802	1,555	5	6,002	30,804	6,183
1925-26	8,051	16,105	1,503	8	3,386	19,491	6,176	13,736	27,901	1,609	8	6,936	34,837	6,456
1926-27	10,927	17,978	3,413	6	5,495	23,473	6,880	15,777	28,401	3,542	6	9,484	37,885	7,190
1927-28	7,542	12,936	3,663	0	7,696	20,652	6,535	15,407	24,001	3,762	4	11,657	35,658	6,834
1928-29	8,044	14,477	2,425	6	5,114	19,591	6,778	15,066	26,899	2,536	6	9,657	36,556	7,091
1929-30	6,690	14,825	2,129	8	4,497	19,322	5,803	13,015	26,497	2,312	0	9,250	35,747	6,106
1930-31	6,760	13,932	4,321	7	6,287	20,219	5,084	10,901	25,800	4,530	4	11,281	37,081	5,263
1931-32	8,419	17,092	6,262	7	8,868	25,963	4,744	12,316	27,499	6,370	0	13,634	41,133	4,866
1932-33 ⁷	7,15	13,002	9,580	5	12,981	25,983	6,003	14,171	23,600	9,677	8	16,955	40,555	6,136
1933-34 ⁷	—	13,177	8,083	4	11,597	24,774	—	—	25,500	8,170	0	16,026	41,526	—

¹ U S production in 478-lb bales, carry-over in running bales.² American carry-over in running bales, foreign carry-over in approximate 478-pound bales. Bureau of the Census³ Stocks at specified locations, tables 58 and 59, foreign stocks converted from running bales to approximate 478-lb bales.⁴ Garside's estimates⁵ Estimate of the Merchants' National bank of Boston⁶ Preliminary

APRIL 25, 1934.

149-150 Government Exhibit 4-87 is a statistical table of farm value, gross income, and cash income from farm production, 1889-[19]33, cotton lint, being a report published by the Bureau of Agricultural Economics, United States Department of Agriculture, March 1934, and follows:

UNITED STATES DEPARTMENT OF AGRICULTURE,
BUREAU OF AGRICULTURAL ECONOMICS,
March 1934.

*Farm value, gross income, and cash income from farm production, 1889-1933,
cotton lint*

Year	Production		Farm price ¹	Farm value	Gross income	Cash income
	Bales	Pounds				
	<i>1,000 bales</i>	<i>1,000 pounds</i>	<i>Cents</i>	<i>1,000 dollars</i>		
1889	7,473	3,736,500	8 5	319,334	Same as	Same as
1890	8,653	4,283,235	8 6	368,108	Farm	Farm
1891	9,035	4,472,325	7 2	323,943	Value	Value.
1892	6,700	3,329,900	8 3	277,556		
1893	7,493	3,716,528	7 0	260,096		
1894	9,901	5,009,906	4 6	230,071		
1895	7,162	3,573,838	7 6	272,378		
1896	8,533	4,257,967	6 7	283,463		
1897	10,899	5,493,096	6 7	367,065		
1898	11,278	5,763,058	5 7	330,282		
1899	9,346	4,672,597	6 98	326,208		
1900	10,124	5,061,357	9 2	463,295		
1901	9,508	4,754,708	7 0	334,075		
1902	10,630	5,315,472	7 6	403,717		
1903	9,851	4,925,562	10 5	516,764		
1904	13,438	6,719,006	8.98	603,433		
1905	10,576	5,287,507	10 8	569,788		
1906	13,274	6,636,918	9 6	635,537		
1907	11,106	5,553,591	10 4	575,207		
1908	13,241	6,620,898	9 0	596,608		
1909	10,005	5,002,477	13 6	680,246		
1910	11,609	5,804,307	13 95	809,724		
1911	15,694	7,846,350	9 6	752,925		
1912	13,703	6,851,832	11 5	787,232		
1913	14,153	7,076,393	12 5	884,926		
1914	16,112	8,056,111	7 4	592,830		
1915	11,172	5,586,005	11 2	626,774		
1916	11,448	5,723,774	17 3	992,304		
1917	11,284	5,641,465	27 1	1,529,862		
1918	12,018	6,008,768	28 9	1,738,071		
1919	11,411	5,705,493	35 4	2,020,398		
1920	13,429	6,714,950	15 9	1,069,257		
1921	7,945	3,972,765	17 0	675,773		
1922	9,755	4,877,458	22 9	1,115,578		
1923	10,140	5,069,834	28 7	1,454,320		
1924	13,630	6,813,796	22 9	1,561,022		
1925	16,105	8,051,840	19 6	1,577,091		
1926	17,978	8,988,688	12 5	1,121,210		
1927	12,956	6,478,020	20 2	1,308,090		
1928	14,477	7,238,939	18 0	1,302,040		
1929	14,825	7,412,433	16 8	1,244,847		
1930	13,932	6,965,800	9 5	659,047		
1931	17,095	8,547,797	5 7	483,666		
1932	13,002	6,500,752	6 5	424,032		
1933 ²	13,177	6,588,500	9 2	604,376		

¹ 1889-1908, December 1 price, 1909-33, weighted average price received by producers for crop marketing season.

² Preliminary.

DIV OF C AND L. E.

151-152 Government Exhibit 4-88 is a statistical table of processing taxes collected (gross) to February 28, 1934, as reported by the Bureau of Internal Revenue classified by State and Commodities, published by the Agricultural Adjustment Administration, United States Department of Agriculture, Office of the Comptroller of the A. A. A.

Processing taxes collected (gross) to Feb. 28, 1934, as reported by the Bureau of Internal Revenue, classified by State and commodities, United States Department of Agriculture, Agricultural Adjustment Administration

	Total	Wheat	Cotton	Tobacco	Field corn	Hogs	Paper and jute	Unclassified
Alabama-----	\$5,091,620 79	\$110,925 27	\$4,983,439 40	\$20,486 06	\$20,454 38	\$30,465 84	\$23,739 87	\$389 97
Arizona-----	196,447 05	120,989 88	30,139 17	2,423 55	1,511 44	1,957 98	1,957 98	88 24
Arkansas-----	469,458 12	99,175 98	316,434 07	16,152 45	11,739 69	11,148 76	6,942 49	7,543 58
California-----	6,001,803 57	3,269,673 08	2,012,613 38	231,304 11	20,151 28	310,271 00	207,561 03	10,229 69
Colorado-----	1,851,602 54	1,255,911 14	364,020 96	10,646 45	4,469 67	76,491 94	120,013 64	45 94
Connecticut-----	1,384,014 98	98,227 07	1,198,925 25	17,667 15	2,161 13	63,076 05	3,994 08	9 95
Delaware-----	255,102 00	47,811 34	163,428 08	21,582 20	5,263 51	11,427 82	2,417 01	102 04
Florida-----	388,316 23	79,153 75	134,235 25	14,777 41	4,426 11	22,687 79	10,740 31	205 38
Georgia-----	11,120,734 24	579,285 51	10,136,867 91	28,911 14	25,575 23	71,885 96	121,121 91	156,602 58
Hawaii-----	173,450 21	24,678 93	5,419 70	5,402 27	261 24	9,602 77	294,480 74	23,654 58
Idaho-----	249,460 40	153,639 94	53,820 01	3,255 67	1,137 71	24,948 10	10,884 66	1,474 31
Illinois-----	24,397,693 06	5,119,316 81	4,444,039 95	236,303 47	29,638 18	13,922,187 05	25,619 19	123,208 41
Indiana-----	2,937,240 30	1,495,521 08	643,140 04	68,131 79	111,137 53	570,205 72	29,185 73	19,907 41
Iowa-----	3,072,561 95	117,081 03	380,247 43	27,209 15	211,044 74	1,942,979 60	30,481 49	54,519 11
Kansas-----	7,508,324 66	6,723,243 56	425,817 14	11,836 62	12,467 83	69,650 60	51,288 67	214,030 24
Kentucky-----	2,406,263 04	978,593 18	577,900 19	625,771 16	103,562 37	84,853 83	31,709 45	3,842 56
Louisiana-----	1,050,098 41	130,521 98	790,723 39	25,144 81	10,913 12	32,317 52	60,049 43	28 16
Maine-----	1,451,325 07	69,092 11	1,322,013 28	8,625 47	1,199 07	19,831 65	20,215 36	
Maryland-----	2,306,295 05	193,737 70	523,671 06	33,326 37	5,323 90	234,300 44	108,200 00	
Massachusetts-----	13,779,396 22	462,960 53	12,461,775 52	52,832 16	21,881 17	673,816 96	62,832 88	43,165 01
Michigan-----	2,683,614 02	1,373,006 93	913,190 69	157,125 78	52,757 17	113,693 09	13,619 41	47,251 05
Minnesota-----	14,570,497 01	13,031,850 78	660,418 68	36,140 03	22,015 89	869,753 92	92,120 50	37,166 96
Mississippi-----	5,589,976 24	89,217 13	469,633 45	14,851 36	5,923 23	5,766 63	3,133 77	870 67
Missouri-----	9,706,075 15	5,607,166 15	2,737,562 10	351,159 31	61,719 66	672,942 64	261,418 36	14,975 73
Montana-----	986,596 88	862,195 77	64,466 41	5,555 18	2,919 75	26,537 92	8,509 98	15,994 87
Nebraska-----	2,275,044 38	1,752,529 12	207,328 98	10,879 68	24,247 94	215,003 06	14,328 86	148,74
New Hampshire-----	11,162,181 25	88,593 34	1,029,614 48	5,516 55	6,619 73	3,001 28		
New Jersey-----	3,479,328 25	319,996 75	1,435,833 82	394,679 26	10,892 32	23,625 08	2,316 01	
New Mexico-----	115,140 40	64,314 60	1,029,614 48	3,035 94	1,136 34	4,991 41	1,461 70	
New York-----	23,171,412 12	8,739,026 55	13,272,154 18	2,007,519 92	4,033,828 33	768,631 16	614,128 63	
North Carolina-----	18,880 719 49	805,720 54	15,255,516 86	2,721,913 81	16,280 91	14,263 95	22,442 75	45,021 04
North Dakota-----	725,331 41	607,001 32	667,735 36	2,071 69	43,507 93	5,815 02		
Ohio-----	7,121,822 15	3,196,979 57	2,370,152 79	424,10 14	71,391 25	983,539 85	155,180 73	240,379 23
Oklahoma-----	2,150,179 41	1,591,605 65	416,929 82	14,946 49	17,274 81	89,349 85	20,019 96	303 03
Oregon-----	1,761,020 31	1,327,199 81	1,758,017 64	8,807 69	3,285 79	48,695 84	12,144 20	
Pennsylvania-----	6,526,753 31	1,409,885 35	3,207,917 98	513,058 49	46,486 65	650,235 08	187,273 51	12,213 84
Rhode Island-----	2,160,552 41	54,169 79	2,376,959 20	8,521 41	5,204 06	22,688 89	1,718 40	
South Carolina-----	10,141,514 41	96,757 57	10,254,018 67	32,975 06	15,081 91	33,054 79	11,141 55	2,016 13
Tennessee-----	2,841,683 25	3,196,979 57	70,278 78	3,942 85	1,429 95	35,227 65	3,128 03	
Texas-----	6,215,735 68	1,423,671 77	1,321,602 27	243,018 79	21,098 66	201,284 25	71,711 20	
Utah-----	237,320 01	122,642 25	84,080 28	2,759 89	43,277 48	163,771 30	77,397 18	
Vermont-----	175,933 40	43,944 53	116,626 47	3,525 88	1,185 78	23,258 97	3,215 15	
						5,866 33	5,866 33	11.29

Virginia-----	3,705,042.86	869,322.46	1,657,604.52	933,023.91	15,581.65	65,561.31	162,251.11	1,697.90
Washington-----	2,340,229.92	1,880,961.02	276,397.64	16,179.58	10,303.74	127,865.19	28,379.85	142.90
West Virginia-----	754,889.83	211,612.44	363,544.26	132,527.47	7,269.56	21,907.19	17,898.56	130.35
Wisconsin-----	1,740,877.05	433,572.71	612,405.13	35,419.71	47,735.09	555,569.38	49,524.60	6,650.43
Wyoming-----	128,461.99	92,623.87	24,434.21	2,377.76	649.52	7,573.73	729.81	73.09
Totals-----	216,778,069.95	72,096,234.29	103,886,073.55	9,728,048.87	2,359,547.45	24,033,045.27	3,472,627.32	1,202,493.20

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Counsel for Receivers of Hoosac Mills Corporation.

FRANK J. WIDEMAN,
Assistant Attorney General.

ROBT. N. ANDERSON,
Special Assistant to the Attorney General.

PREW SAVOY,
Special Assistant to United States Attorney.

Clerk's certificate

UNITED STATES OF AMERICA,

District of Massachusetts, ss:

I, James S. Allen, clerk of the District Court of the United States for the District of Massachusetts, do hereby certify that the foregoing are true copies of the cross-praecipe of the United States, and the statement of evidence and testimony requested in said praecipe, filed February 15, 1935, and denied February 18, 1935, in the matter of the appeal of James A. McDonough and William M. Butler, Receivers of Hoosac Mills Corporation, in the cause entitled:

No. 3926, Equity Docket

FRANKLIN PROCESS COMPANY, PLAINTIFF

v.

HOOSAC MILLS CORPORATION, DEFENDANT

now pending in said District Court.

Said papers are certified as an addendum, pursuant to a provision of Rule 14, par. 3, of the U. S. Circuit Court of Appeals, to the transcript of record in the above-entitled case, already filed by the said Receivers in said U. S. Circuit Court of Appeals on March 5, 1935.

In testimony whereof I have hereunto set by hand and affixed the seal of said District Court at Boston, in said District, this twenty-third day of March, A. D. 1935.

[SEAL]

JAMES S. ALLEN, *Clerk.*

I, Arthur I. Charron, Clerk of the United States Circuit Court of Appeals for the First Circuit, certify that the foregoing printed pages, numbered 1 to 153, inclusive, are a true copy of the Addendum to Transcript of Record filed by the appellee in the cause in said court numbered and entitled "William M. Butler et al., receivers, appellants, v. United States of America, claimant, appellee."

In testimony whereof I hereunto set my hand and affix the seal of the United States Circuit Court of Appeals for the First Circuit, at Boston, in said First Circuit, this twenty-second day of August, A. D. 1935.

[SEAL]

ARTHUR I. CIARRON, Clerk.

d (Endorsement on cover:) File No. 39,955. U. S. Circuit Court of Appeals, First Circuit. Term no. 401. The United States of America, petitioner, vs. William M. Butler et al., Receivers of Hoosac Mills Corporation. Petition for writ of certiorari and exhibit thereto. Filed August 27, 1935. Term No. 401 O. T., 1935.