

Congressman Urges Tobacco Compact In State

Cooley Familiar With Situation, North Carolina

Congressman Makes Urgent Plea For The Passage Of A State Compact Law In Recent Magazine Article

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The following article, which appeared in the May Issue of the Carolina Co-operator, farm publication printed in Raleigh, contributed by Congressman Harold D. Cooley, who is thoroughly familiar with the tobacco situation in North Carolina, is published again in this paper with the permission of the editor of the Carolina Co-operator:

I need not discuss in this brief article the benefits and blessings which came during the life of the Agricultural Adjustment Act and the Kerr-Smith Tobacco Act. The Tobacco Program undertaken by this Administration under these two measures was a complete success, in that the producers received reasonable fair prices, the manufacturers continued to make their millions, and the government continued to collect its enormous tax, yet the consumer carried no burden.

On January 6th, when the Supreme Court invalidated the Agricultural Adjustment Act, which was followed by a repeal of the Kerr-Smith Tobacco Act by Congress, the government, after paying all cooperating tobacco farmers all benefits due under the law, actually profited to the extent of nine million dollars. This was truly a self sustaining program which brought a degree of prosperity to the poverty-stricken, taxridden tobacco farmers of the nation.

In the Supreme Court opinion, in validating the Agricultural Adjustment Act, Mr. Justice Roberts, speaking for the Court, used the following language: "The Act invades the reserved rights of the states. It is a statutory plan to regulate and control agricultural production, a matter beyond the powers delegated to the federal government." There may be a "twilight zone" in the field of law, in which, under our form of government, neither the federal nor the state government has a right to operate but the language quoted above it at least an intimation that the right to regulate and control agricultural production is a right and a power reserved by the states and not delegated to the Federal Government.

States Can Regulate
Since the Supreme Court held that the United States had no power to intermeddle in this particular field of action, is it not reasonable to assume that the sovereign states of this nation can, themselves, by law, regulate the depletion of natural resources and control the production of price-depressing surpluses? Therefore, I shall assume for the time being, at least, that there is no "twilight zone" in this particular field of activity and that the several states have a right, under their own Constitutions, to enact laws regulating and controlling

ilar type, those of us who are interested in the welfare of the tobacco farmers have sponsored legislation which provides for congressional authorization to the several states growing similar types, to the end that similar and uniform control measures can be enacted by the states, providing for a coordination of effort in the control of the production of tobacco, a commodity which is produced in a very small area and consumed not only in all section of this nation, but abroad. This legislation by Congress is necessary to enable the states to enter into compacts because of the language in that part of Article 1, Section 10 of the Federal Constitution, which provides: "No state shall, without the consent of Congress . . . enter into an agreement or compact with another state . . ."

The passage of this legislation will enable the states producing a given type of tobacco to enter into a compact or compacts for the purpose of holding down production, to the end that producers may receive a fair price for the product of their toil. Under this legislation, therefore, crop control may or may not be exercised by the states, determined by the wishes of the producers themselves as may be expressed in a referendum provided by state law.

All States Must Cooperate
Realizing that if the production of tobacco was to be controlled in any one state, that it should, likewise, be controlled in other states producing a sim-

ilar type, those of us who are interested in the welfare of the tobacco farmers have sponsored legislation which provides for congressional authorization to the several states growing similar types, to the end that similar and uniform control measures can be enacted by the states, providing for a coordination of effort in the control of the production of tobacco, a commodity which is produced in a very small area and consumed not only in all section of this nation, but abroad. This legislation by Congress is necessary to enable the states to enter into compacts because of the language in that part of Article 1, Section 10 of the Federal Constitution, which provides: "No state shall, without the consent of Congress . . . enter into an agreement or compact with another state . . ."

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Whether crop control is good or bad; whether it is un-American or not; whether farmers want it or not, is a matter which farmers themselves may determine. No one is in a better position to express an opinion upon these vital questions than the farmers. They know what usually follows the production of huge surpluses. They are familiar with their hardships and vicissitudes of the past. They likewise know the benefits, and of the faults and failures of other control programs, and they know better than anyone else whether or not it is now too late for them to be

benefited by the control of the 1936 tobacco crop. Certainly no one should be willing to deny them the right to express their views in a matter which so vitally affect their welfare and prosperity.

The Virginia Law

The control contemplated by the Act of the General Assembly of Virginia, which is the basis for the formation of the compacts, provides for state quotas and farm quotas, and for a tax or commission upon tobacco produced in excess of the allotted quota, and for a similar tax or commission upon tobacco produced upon a farm to which no quota is allotted. The money so collected will not go into the general treasury of the states but will be held in a special fund for the benefit of cooperating farmers and will provide a degree of insurance in the event of drought, hail, and other disasters.

The Act of Congress authorizes the Secretary of Agriculture of the United States to furnish the several compacting states with the best expert advice available as to marketing conditions, statistical data and other information requested by the state commissions.

Upon the failure of any state mentioned in the Act of the General Assembly of Virginia to enact a similar control measure, or to cooperate in the manner provided therein, the compact fails. No state allotment can be materially increased or decreased except with the consent of a majority of each state commission and of a majority of the central commission in the compacting area. The Federal Government is charged with no responsibility in administering the control program, other than to furnish the advice and information hereinbefore mentioned.

Decrease Needed

The report of the Bureau of

Agricultural Economics of the United States Department of Agriculture, issued March 23, 1936, indicates the necessity of a decrease in acreage in the 1936 tobacco crop, rather than an increase in production which is indicated by reported intentions of growers. The 1935 flue-cured tobacco crop was second to the largest ever produced. This was, of course, due to the increased allotments allowed in 1935 over 1934 and to the unusually high yields per acre in 1935. The 1935

crop was approximately eight hundred and five million pounds, in the face of world consumption of approximately six hundred and fifty million pounds. While the tobacco farmers will, no doubt, receive great benefit from the Soil Conservation and Domestic Allotment Act, passed at this session of Congress, it will, in my opinion, be wholly inadequate to meet the situation now confronting the tobacco growers of the nation. The failure of the Soil Conservation and Do-

mestic Allotment Act to solve this particular problem is the peculiar character of the tobacco crop. No other major crop has so high a value per acre, cost so much to produce, or involves as much labor as does tobacco production in the flue-cured area. It is true that unless some means are provided, there will be a corresponding trend downward in the production of tobacco and a responding trend downward in the price of tobacco. (Continued on Page 5)

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