



Pieces of Iowa's Past, published by the Iowa State Capitol Tour Guides weekly during the legislative session, features historical facts about Iowa, the Capitol, and the early workings of state government. All historical publications are reproduced here with the actual spelling, punctuation, and grammar retained.

THIS WEEK: Agriculture Adjustment Act (AAA)—Enacted May 12, 1933

BACKGROUND:



J.P. Gallagher served in the 40th, 44th, 45th, 46th, and 47th general assemblies. He listed his occupation as farming, but he was also the editor of the *Williamsburg Journal Tribune* for more than thirty years.

Gallagher of Iowa offered the following resolution:

HOUSE CONCURRENT RESOLUTION 14

A concurrent resolution petitioning Congress to amend all codes or laws so as to prohibit the use of imported black strap molasses in the manufacture of alcohol and to grant distillers' permits to the people of Iowa or any other state.

Whereas, On or about the time of the repeal of the Eighteenth Amendment, the distillery code enforced by the AAA provided that all alcohol should be made from grain grown in the United States of America, coincident with the repeal of the Eighteenth Amendment under authority of the President there was created a Federal Alcohol Control Administration working in conjunction with the National Industrial Recovery Administration. The code authorities of the AAA were hopeful that its requirements for distillers to use grain in the manufacture of alcohol instead of imported black strap molasses would lead to the building of distilleries in the grain growing sections of the United States of America. But inasmuch as the number and capacity of distilleries in the grain-growing regions is insufficient to provide sufficient alcohol for the nation's requirements, for a period of more than a year past it has been the custom of the FACA from time to time, because of insufficient grain alcohol distillery capacity, to extend for forty-five (45) to sixty (60) day periods of time, the AAA requirements to make alcohol of grain. These distillery interest, rather than build new distilleries located for the economic use of grain in the manufacture of alcohol, have in this manner continuously defeated this requirement of the AAA to use grain, and

Whereas, The State of Iowa, desiring to provide outlet for our grain in the distillery industry, have passed laws providing for its manufacture, and

Whereas, The State of Kentucky has imposed a tax of fifty (50) cents per proof gallon on whiskey, approximately one (1) dollar and fifty (50) cents per case, the state of Maryland one (1) dollar and ten (10) cents per proof gallon, or three (3) dollars and thirty (30) cents per case; the state of Pennsylvania a tax of two (2) dollars per proof gallon or six (6) dollars per case, and New York and other states have imposed a state tax upon this commodity, and

Whereas, The Federal Alcohol Control Administration has refused to grant permits for the establishment of both alcohol and whiskey distilleries in the grain-growing regions, and in so doing have defeated the purpose of AAA and are depriving the grain growers of America of an annual outlet for more than 100,000,000 bushels of grain per annum and in so doing have made the United States of America the dumping ground for the world's production of black strap molasses in order that the tank steamers of petroleum interests might have a return cargo of black strap molasses, and

Whereas, The Federal Alcohol Control Administration, upon objection of code authority, have denied also to grant distillers' permits to citizens of Iowa that they might make in Iowa, distilled products for which the people of Iowa are now required to pay a state tax to Kentucky, Maryland, Pennsylvania, New York and other states, as well as the federal tax, and

Whereas, The distilling interests of the United States of America are largely intermingled with and dominated by the petroleum interests, not only for excessive profit but for the purpose of preventing a blended motor fuel, and further interest of enforcing upon the general public excessively high prices for their products, including their synthetic alcohol products made from petroleum or natural gas, and the unlawful restriction of competition through its own code authority, now, therefore,

Be It Resolved by the House, the Senate Concurring: That they hereby petition and ask Congress to amend all codes or laws to prohibit use of imported black strap molasses in the manufacture of alcohol; to grant distillers' permits to the people of Iowa or any other state because it is most unfair to refuse an economic development in one state and in so doing compel it to pay tax or tribute to another state to obtain any commercial commodity, and

Be It Further Resolved: That a copy of this resolution be referred to the attorney general of the state of Iowa and if relief against this condition is not quickly obtained through this memorial to the Congress of the United States of America, that in such an event suitable laws against use of any product sold in Iowa using alcohol made from black strap molasses or the synthetic product, and to further advise the legislature of any alternative or steps of reprisal to provide outlet grain and prevent the people of Iowa from being taxed by other states upon commodities that could be made in Iowa, and

Be It Further Resolved: That the Chief Clerk of the House be and he is hereby directed to forward a copy of this resolution to the President of the Senate and the Speaker of the House of the United States Congress.

Laid over under Rule 34.