DEPARTMENT OF AGRICULTURE
WASHINGTON

The President,

The White House.

Dear Mr. President:

The following is a brief statement of the needs of the wildlife refuge program:

1. The desired area for the migratory waterfowl program which will insure perpetuation of the birds is conservatively put at 7,500,000 acres.

2. To date we have acquired or have obligated money for 1,300,850 acres.

3. We immediately need an additional 73 units containing 1,415,000 acres as the minimum requirement for breeding grounds, resting places along the flyways and for wintering grounds.

4. With control of the units acquired and being acquired and those immediately needed, further additions can be made more gradually to provide the total acreage necessary but we need the minimum number of units mentioned above and located on the map submitted to you.

5. With the big game ranges now being set aside in west we will soon be in a good position to care for all western species on national refuges except grizzly bear, mountain goats, marten and fisher. We are trying to evolve a program for these species.

6. In order to care for eastern species in the same way we need a tract in Maine, one in Dismal Swamp in Virginia, and an area in northern Vermont, New Hampshire or New York.
7. The Singer tract (80,000 acres) in Louisiana should be purchased immediately to save the small colony of ivory-billed woodpeckers found there. It also would be valuable for waterfowl, deer and wolves.

8. About 20,000 acres of Santee River bottoms in South Carolina should be purchased immediately. It contains the finest and purest stock of wild turkeys in southeastern United States, a small colony of ivory-billed woodpeckers, and within the last few weeks the existence in this tract of a small colony of Carolina parakeets has been confirmed. This species has been presumed to be extinct for over thirty years. Here is an opportunity to save and restore this striking bird. The area is also an excellent general wildlife refuge.

9. The total cost of the immediate program would be $25,000,000.

10. It will insure the perpetuation of migratory waterfowl and provide refuge units in the native habitat of practically all the major species of American mammals and birds.

11. It should be completed during this administration which has already done so much for wildlife. So far as the ivory-billed woodpecker and the Carolina parakeet are concerned, it is the last chance, and the waterfowl program is also an immediate necessity.

Respectfully,

[N. H. Walker]

Secretary.
Dear Mr. President:

The FDR-HAW cuff buttons are prized for their utility, beauty and symbolism. May your Cabinet Members in the future as in the past be linked to you by the deepest ties of affection and loyalty.

Respectfully,

[Signature]

Secretary.

The President,

The White House.
TELEGRAM

79 wu or 190 Govt Collect
Washington
Key West Fla Feb 5th-1935.

Miss Margaurite LeHand,

The White House.

Please tell President I am being besieged by requests from Department of Agriculture people who want me to tell them what to do. They all want to resign with Jerome Frank. I fear situation may develop into what would look like liberal desertion of administration only way to prevent many resignations is to persuade Frank to take another job. I have just talked to him and am positive only way to do this is for the President to persuade him personally. I think any job offered must look like a better one than he now has. The whole Department is seething and I am afraid my own situation may become impossible unless things quiet down. All Franks friends are conscious of his great services to Secretary Wallace and they feel he has been badly treated on an issue in which he followed the Presidents and the Secretary's policy if possible an issue of principles ought to be avoided by convincing Frank his services are really needed elsewhere and that his past efforts were appreciated. This will give me time to get home and work things out with his friends.

R. G. Tugwell.

6:25 PM
June 17, 1935.

MEMORANDUM FOR THE SECRETARY OF AGRICULTURE:

Will you please look over these papers relating to the State Park Bill. I wonder why Asst. Chief Forester L. F. Kneipp of the Forest Service is opposing this Bill without my knowledge or approval.

F.D.R.

Memo to Sec. Ickes June 3 from A. E. Demaray, Natl. Park Service.

RE: State Park Bill (S. 3724 and H.R. 9788) Are informed that action in the Senate is being taken by Sen. Carey at the request of Mr. L. F. Kneipp, as the Forest Service objects to the national forests coming under the provisions of this bill in any form. Suggest that Mr. Ickes ask Pres. to urge both houses to pass H.R. 6594 this session. The only apparent objection to the bill is that of Sen. Carey.

FDR/dj
Memorandum for the Secretary:

During the second session of the Seventy-third Congress, the State Park Bill (S. 3724 and H.R. 9788) was reported out favorably and placed on the calendars. On June 18, 1934, Senator Wagner asked unanimous consent of the Senate bill, but Senator Carey of Wyoming objected, desiring to ascertain the provisions of the bill. It was suggested at that time that you take the matter up with the President in an effort to get the bill through Congress during the last few days of the session but, due to the desire of the administration to allow Congress to adjourn as soon as the important administrative bills had been passed, you felt that you would not be justified in taking this step. No further action was taken before Congress adjourned.

The bill was reintroduced in the present session of Congress and identified as S. 738 and H.R. 6594. (S. 738 is the old bill with a few changes. H.R. 6594 is the desired form, has been approved by you and has cleared the Director of the Budget.) The bill was again reported out favorably and placed on the calendars. It has been called off the Senate calendar twice, but on both occasions has been passed over without prejudice at the request of Senator Carey. We are informed that this action is being taken by Senator Carey at the request of Assistant Chief Forester L. F. Kneipp of the Forest Service, Department of Agriculture, as the Forest Service objects to the national forests coming under the provisions of this bill in any form. Senator Carey is not and has not been friendly to the National Park Service, and it is feared that his objections are made merely to block action on the bill without any serious objections to the bill itself.

We feel that this bill is of great importance to the recreational development of the country and that it will give this Department the necessary authority to provide for a well-rounded national recreational system. The passage of the bill at this particular time is important because a Forest Service bill has already passed the House, which provides for the establishment, development and maintenance of State forests by the States and which would authorize the Forest Service to do work similar to that intended in the State Park Bill by the National Park Service.

We respectfully suggest that you ask the President to urge both houses to pass H.R. 6594 this session. The only apparent objection to the bill is that of Senator Carey.

Enclosure 552659

A. E. Demaray
Associate Director.
"A Bill To aid in providing the people of the United States with adequate facilities for park, parkway, and recreational-area purposes, and to provide for the transfer of certain lands chiefly valuable for such purposes to States and political subdivisions thereof."

1. The Secretary of the Interior is authorized and directed to have the National Park Service make a comprehensive study of recreational needs and provisions for recreation in the United States, and of lands chiefly valuable for recreation. The Secretary is authorized, through the National Park Service, to seek and accept assistance of Federal, State or private agencies in the accomplishment of the study.

2. The Secretary is authorized to assist the States and their political subdivisions, through the National Park Service, in planning, establishing, improving, and maintaining their parks and other recreational areas.

3 and 4. The Secretary, subject to approval by the President, is authorized to lease or patent to States or political subdivisions thereof, any Federal lands chiefly valuable for park and recreational purposes, subject to approval by the head of the department having jurisdiction and subject to reservation of all mineral rights to the United States.

5. Transfers of lands will be effective sixty days after transmission to Congress, unless Congress by law provides for an earlier effective date.

6. The Secretary shall obtain from the patentee or lessee of land such contracts, agreements and information as he judges necessary to assure administration of the land in the public interest.

7. The Secretary is authorized to accept, deposit and expend, for the purposes of this Act, private funds donated or bequeathed for such purposes.

8. The States are authorized to make interstate compacts in planning, establishing and maintaining parks or recreational areas, subject to approval by State legislatures concerned and by Congress, and upon condition that a National Park Service representative shall be appointed by the President to participate in negotiations and report proceedings to Congress.

9. "State" as used in the Act includes Hawaii, Alaska, Puerto Rico, the Virgin Islands and the District of Columbia.

10. Congress is authorized to appropriate funds to carry out the provisions of the Act.

11. The Secretary is authorized to make and publish such rules and regulations and to do such acts as may be necessary to carry out the purposes of the Act.
The President,

The White House.

Dear Mr. President:

In response to your note of June 17; authority which will provide for a well rounded national recreational system is unquestionably desirable. There is, therefore, real need for legislation of the general character covered by H.R. 6594. But I wonder if it is realized that this Bill as it now stands applies to all lands of the United States; that it would apparently place in another bureau and department the functions of studying and planning recreational uses on some 160 odd million acres of National Forest lands which are under jurisdiction of this Department?

Stripped of details, this was the basis for my objection to the National Park Bill in its original, and its present, form.

As you know, the National Forests contain - by reason of their character, cover, and terrain - many areas used by the public for various forms of simple, democratic, informal recreation. In fact, for some years past, the total number of people visiting the National Forests, - which are located in 37 States, Alasks, and Puerto Rico, - has been in excess of 30 million annually; some 5 to 10 million making much more than a passing use of these lands. And on these lands recreational resources - as well as others - have been studied, planned, developed and administered by this Department's Forest Service for a period of some 30 years.

The Department of Interior is, of course, primarily concerned with National Park matters. Since this is so, I recommended to Senator Wagner, by letter of June 12, 1934, that in event the then proposed legislation (S. 3724, second session 73rd Congress) were enacted, amendments be incorporated which would in effect except National Forest lands from the terms of the legislation.

Bill S. 738 as first introduced in the 74th Congress, recognized this Department's objections and carried the amendments I had previously suggested. I therefore notified Senator Wagner that this
Department knew of no reason why this specific proposed legislation should not be enacted, but suggested that his Committee might wish to obtain a report from Secretary Ickes. Later, S. 738 was reported out of Committee with the changes I had suggested, deleted. This obviously left the Bill in such shape that this Department's objections to S. 3724 (73rd Congress) applied with equal force to it.

Report upon S. 738, thus amended, was not requested from this Department, but when this situation was discovered, Assistant Forester L. F. Kneipp, acting on this Department's known position, called the original objections to the attention of the Clerk of the Committee on Public Lands and Surveys, who stated that the reasons for deletion would have to be obtained from members of the special Sub-Committee which had deleted the language. Following that suggestion, Mr. Kneipp interviewed Senators Adams and Carey, and the latter expressed the opinion the language recommended by this Department should remain in the Bill.

This Department was not requested nor afforded opportunity to report on H.R. 6594, which was reported out by the House Committee on Public Lands in a form comparable to that of S. 3724 (73rd Congress). When that action became known, Mr. Kneipp apprised Representative Robinson, who had charge of the Bill, of my report on the preceding Bill, and furnished him with a copy of that report. In relation to both Bills, his action was to inspire consideration of the views of this Department as I had expressed them.

Despite the fact that legislation of this general character is desirable, passage of S. 738 or H.R. 6594 in their present shape would, it seems to me, lead to confusion and might well create a situation analogous in some respects to that which was corrected when you and the Congress transferred the Soil Erosion Service to the Department of Agriculture. I trust, therefore, that you will appreciate this Department's desire to have S. 738 or H.R. 6594 as they now stand so amended that they do not apply to the National Forests. The papers attached to your note of June 17 are returned.

Sincerely,

[Signature]

Secretary.

Enclosures.
June 29, 1935.

The President,

The White House.

Dear Mr. President:

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Sincerely,

[Signature]

Secretary.

Enclosures.
IN THE HOUSE OF REPRESENTATIVES

MARCH 9, 1935

Mr. Robinson of Utah introduced the following bill; which was referred to the Committee on the Public Lands and ordered to be printed

APRIL 4, 1935

Committed to the Committee of the Whole House on the state of the Union and ordered to be printed

A BILL

To aid in providing the people of the United States with adequate facilities for park, parkway, and recreational-area purposes, and to provide for the transfer of certain lands chiefly valuable for such purposes to States and political subdivisions thereof.

1 Be it enacted by the Senate and House of Representa-
2 tives of the United States of America in Congress assembled,
3 That the Secretary of the Interior (herein called the "Secre-
4 tary") is authorized and directed to cause the National
5 Park Service to make a comprehensive study of the public
6 park, parkway, and recreational-area programs of the United
7 States, and of the several States and political subdivisions
8 thereof, and of the lands throughout the United States which
9 are or may be chiefly valuable as such areas. The said study
shall be such as, in the judgment of the Secretary, will pro-
vide data helpful in developing a plan for coordinated and
adequate public park, parkway, and recreational-area facili-
ties for the people of the United States. In making the said
study and in accomplishing any of the purposes of this Act,
the Secretary is authorized, through the National Park
Service, to cooperate and make agreements with and to seek
and accept the assistance of Federal agencies and instru-
mentalities, States, political subdivisions thereof and the
agencies and instrumentalities of either of them, and may
accept unconditional donations and gifts from private agen-
cies, instrumentalities, and individuals.

Sec. 2. For the purpose of developing coordinated
and adequate public park, parkway, and recreational-area
facilities for the people of the United States, the Secretary
is authorized to aid the several States and political sub-
divisions thereof in planning, establishing, improving, and
maintaining such areas therein, and in cooperating with one
another to accomplish these ends. Such aid shall be made
available through the National Park Service acting in
cooperation with such appropriate regional interstate or
State agencies or the agencies of subdivisions thereof as the
Secretary deems best.

Sec. 3. That for the purposes of this Act and subject
to the approval of the President of the United States, the
Secretary is authorized to transfer to any State or political subdivision thereof by lease, for such terms as he may deem best, or by patent, such right, title, or interest in or to the land described in section 4 hereof as he may deem advisable:

Provided, That all minerals in the land patented or leased shall be reserved to the United States. No lands shall be transferred, however, except with the approval of the head of the department having jurisdiction thereof. In the event that title to any land eligible for transfer is held in the name of any Federal agency or instrumentality, the Secretary is authorized to accept transfer thereof on behalf of the United States. All right, title, or interest in or to the said land shall revert to and vest in the United States upon a finding by the Secretary, subject to review by local Federal courts, that for a period of five consecutive years the land has not been used by the patentee, lessee, or successor, transferee, or assignee thereof for such purposes.

Sec. 4. The following land shall be subject to be patented or leased under section 3 hereof:

(1) Any land heretofore or hereafter acquired by the United States or any agency or instrumentality thereof, if in the judgment of the Secretary, the land is chiefly valuable for park, parkway, or recreational-area use by States or political subdivisions thereof.
(2) Such land donated or devised to be devoted to the purposes of this Act as the Secretary in the exercise of authority hereby granted may accept in behalf of the United States.

SEC. 5. Whenever the Secretary makes a transfer of lands embraced in subsection (1) of section 4, such transfer shall be submitted to Congress while in session and shall not become effective until after the expiration of sixty calendar days after such transmission, unless Congress shall by law provide for an earlier effective date of such transfer: Provided, That if Congress shall adjourn before the expiration of sixty calendar days from the date of such transmission such Executive order shall not become effective until after the expiration of sixty calendar days from the opening of the next succeeding regular or special session.

SEC. 6. The Secretary shall obtain from the patentee or lessee of any land such contracts and agreements and such information pertaining to the park, parkway, and recreational-area program of the patentee or lessee as in his judgment may be necessary to assure administration of the said land in the public interest.

SEC. 7. The Secretary is hereby authorized to accept, on behalf of the United States, deposit in a special fund in the Treasury, and expend for the purposes of this Act, private funds donated or bequeathed for such purposes.
SEC. 8. Consent of Congress is hereby given to each of the several States to negotiate and enter into any compact or agreement with one another with reference to planning, establishing, developing, improving, and maintaining any park, parkway, or recreational area. Such consent is given upon condition that a representative of the United States from the National Park Service shall be appointed by the President to participate in any negotiations and shall make report to Congress of the proceeding and of any compact or agreement entered into. No compact or agreement shall be effective until approved by the legislatures of the several States which are parties thereto, and by the Congress of the United States.

SEC. 9. As used in this Act the term "State" shall be deemed to include Hawaii, Alaska, Puerto Rico, the Virgin Islands, and the District of Columbia.

SEC. 10. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as Congress may deem necessary to carry out the provisions of this Act.

SEC. 11. The Secretary is authorized from time to time to make and publish such rules and regulations, and to do such acts as may be necessary, for carrying out the provisions of this Act.
A BILL

To aid in providing the people of the United States with adequate facilities for park, parkway, and recreational-area purposes, and to provide for the transfer of certain lands chiefly valuable for such purposes to States and political subdivisions thereof.

By Mr. Robinson of Utah

March 9, 1935
Referred to the Committee on the Public Lands and ordered to be printed

April 4, 1935
Committed to the Committee of the Whole House on the state of the Union and ordered to be printed.
AN ACT

To authorize cooperation with the several States for the purpose of stimulating the acquisition, development, and proper administration and management of State forests and coordinating Federal and State activities in carrying out a national program of forest-land management, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,
That for the purpose of stimulating the acquisition, development, and proper administration and management of State forests and of insuring coordinated effort by Federal and State agencies in carrying out a comprehensive national program of forest-land measurement, the Secretary of Agriculture is hereby authorized to enter into cooperative agreements with appropriate officials of any State or States for
acquiring in the name of the United States, by purchase
or otherwise, such forest lands within the cooperating State
as in his judgment the State is adequately prepared to
administer, develop, and manage as State forests in accord-
ance with the provisions of this Act and with such other
terms not inconsistent therewith as he shall prescribe, such
acquisition to include the mapping, examination, appraisal,
and surveying of such lands and the doing of all things
necessary to perfect title thereto in the United States:

Provided, That, since it is the declared policy of Congress
to maintain and, where it is in the national interest to
extend the national-forest system, nothing herein shall be
construed to modify, limit, or change in any manner whatso-
ever the future ownership and administration by the United
States of existing national forests and related facilities, or
hereafter to restrict or prevent their extension through the
acquisition by purchase or otherwise of additional lands for
any national-forest purpose: Provided further, That this Act
shall not be construed to limit or repeal any legislation
authorizing land exchanges by the Federal Government, and
private lands acquired by exchange within the limits of any
area subject to a cooperative agreement of the character
herein authorized shall hereafter be subject to the provisions
of this Act.
SEC. 2. No cooperative agreement shall be entered into or continued in force under the authority of this Act or any land acquired hereunder turned over to the cooperating State for administration, development, and management unless the State concerned, as a consideration for the benefits extended to it thereunder, complies in a manner satisfactory to the Secretary of Agriculture with the following conditions and requirements which shall constitute a part of every such agreement:

(a) In order to reduce the need for public expenditures in the acquisition of lands which may be brought into public ownership through the enforcement of appropriate tax delinquency laws, and, by bringing about the handling of such lands upon a sound social and economic basis, to terminate a system of indeterminate and unsound ownership injurious to the private and public interest alike, no additional lands shall be acquired within any State by the United States under this Act after June 30, 1942, unless the State concerned has prior thereto provided by law for the reversion of title to the State or a political unit thereof of tax-delinquent lands and for blocking into State or other public forests the areas which are more suitable for public than private ownership, and which in the public interest should be devoted primarily to the production of timber
crops and/or the maintenance of forests for watershed protection, and for the enforcement of such law: Provided, That in the administration of this Act prior to June 30, 1942, preference will be given to States applying for cooperation hereunder which provide by law for such reversion of title under tax delinquency laws.

(b) In order to insure a stable and efficient organization for the development and administration of the lands acquired under this Act, the State shall provide for the employment of a State forester, who shall be a professionally trained forester of recognized standing, and of a State forest organization in which the personnel is technically qualified and employed, advanced, and retained upon the basis of merit. In the administration of this Act preference will be given to those States which have provided by law for such employment on a merit basis.

(c) The Secretary of Agriculture and the appropriate authorities of each cooperating State shall work out a mutually satisfactory plan defining forest areas within the State which can be most effectively and economically administered by said State, which plan shall constitute a part of the cooperative agreement between the United States and the State concerned: Provided, That nothing herein shall be held to prevent the Secretary of Agriculture from later agreeing with the proper State authorities to desirable modifications in such plan.
(d) No payment of Federal funds shall be made for land selected for purchase by the United States under this Act until such proposed purchase has been submitted to and approved by the National Forest Reservation Commission created by section 4 of the Act approved March 1, 1911 (36 Stat. 9661; U. S. C., title 16, sec. 513).

(e) Subject to the approval of the National Forest Reservation Commission, the Secretary of Agriculture is authorized to pay out of any available money appropriated for carrying out the purposes of this Act any State, county, and/or town taxes, exclusive of penalties, due or accrued on any forest lands acquired by the United States under donations from the owners thereof and which lands are to be included in a State or other public forest pursuant to this Act.

(f) The State shall prepare such standards of forest administration, development, and management as are necessary to insure maximum feasible utility for timber production and watershed protection, and are acceptable to the Secretary of Agriculture and shall apply the same to lands acquired and placed under the jurisdiction of the State pursuant to this Act.

(g) That with the exception of such Federal expenditures as may be made for unemployment relief, the State shall pay without assistance from the Federal Government the entire future cost of administering, developing, and
managing all forest lands acquired and over which it has been given jurisdiction under this Act.

(h) During the period any cooperative agreement made under this Act remains in force, one-half of the gross proceeds from all lands covered by said agreement and to which the United States holds title shall be paid by the State to the United States and covered into the Treasury. All such payments shall be credited to the purchase price the State is to pay the United States for said land, such purchase price to be an amount equal to the total sum expended by the United States in acquiring said lands. Upon payments of the full purchase price, either as herein provided or otherwise, title to said lands shall be transferred from the Federal Government to the State, and the Secretary of Agriculture is authorized to take such action and incur such expenditures, as may be necessary to effectuate such transfer.

(i) Upon the request of the State concerned, any agreement made pursuant to this Act may be terminated by the Secretary of Agriculture. The Secretary of Agriculture may, with the consent and approval of the National Forest Reservation Commission, after due notice given the State and an opportunity for hearing by said Commission, terminate any such agreement for violations of its terms and/or the provisions of this Act. If such agreement is terminated, the United States shall reimburse the State for
so much of the State funds as have been expended in the administration, development, and management of the lands involved as the Secretary of Agriculture may decide to be fair and equitable.

(j) The State shall furnish the Secretary of Agriculture with such annual, periodic, or special reports as he may require respecting the State's operations under its agreement with him.

(k) When a State or political unit thereof acquires under tax delinquency laws title to forest lands without cost to the United States and which lands are included within a State or other public forest, the Secretary of Agriculture, on behalf of the Federal Government, may contribute annually out of any funds made available under this Act not to exceed one-half the cost of administering, developing, and managing said lands.

Sec. 3. For the purposes of this Act, there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, not to exceed $20,000,000.

Passed the House of Representatives May 22, 1935.

Attest: SOUTH TRIMBLE,

Clerk.
AN ACT

To authorize cooperation with the several States for the purpose of stimulating the acquisition, development, and proper administration and management of State forests and coordinating Federal and State activities in carrying out a national program of forest-land management, and for other purposes.

MAY 13 (calendar day, MAY 23), 1935
Read twice and referred to the Committee on Agriculture and Forestry.
When the TVA situation changes,
you can depend on the proper support.
DEPARTMENT OF AGRICULTURE
WASHINGTON

January 28, 1936

The President

The White House

Dear Mr. President:

This is the statement which I discussed with you yesterday. I am convinced that lobbyists working on the Hill will have made sufficient progress in the next few days to seriously threaten the effectiveness of such a statement as this if it is delayed. The cotton textile folks, for example, will be here in force Wednesday or Thursday.

At the moment public sentiment is with us, but skilled molders of public opinion are getting on the job in increasing numbers and unless prompt action is taken our record before history will be very bad. Any way out has its serious drawbacks, but this line of action seems to me to have a maximum of justice and political capital.

In closing, I want to emphasize that time is of the essence. In order to utilize the splendid public opinion which is now behind us before the lobbyists get their lines more fully set both in the Congress and among the technical workers in the executive branches of the government, it seems to me that we must strike quickly. The public will be thoroughly aroused about this no matter what we do, but you can well direct the indignation.

Respectfully,

H. A. Wallace

Enclosure

Secretary

I understand our people have a draft of bills meant for us on page 3 but Treasury does not see quite eye to eye with us.
Processing taxes impounded by the lower courts amounting to 180 million dollars have been ordered returned to the processors by the Supreme Court of the United States. These taxes were not paid by the processors but were passed on to consumers and producers. The processors acted in effect merely as collectors of the taxes. The enrichment of processors with money paid by the people of the United States as taxes to their government is indefensible.

Suits to restrain collection of the processing tax were brought in the first place to test its constitutionality. It was generally admitted that the processing companies had not absorbed the tax. They could not possibly have absorbed it. Refunds of impounded moneys already ordered, representing collection of taxes for a period of only a few months, amount to more than all the profit the processing companies ever made in any two years. The processors in certain instances agreed to give as much as a third of such refunds to their lawyers.

This order of the court may open the way for an unwarranted theft of a billion dollars more unless prompt action is taken by the Congress.

Already a powerful lobby is being built up to secure the billion dollars paid to the Treasury in processing taxes during the period since May 1933 when the Agricultural Adjustment Act was passed by Congress. Lawyers have been retained on a contingent fee basis. Certain persons of political influence are working with them. In an attempt to color public opinion in favor of this conspiracy to bring about what would be the most gigantic steal in history, some processors have already announced that if they get this billion-dollar loot, it will be divided with the wholesalers and retailers who have bought their goods. It is hinted that if necessary to build up
popular support, even their employees will be given a share. The consuming public and the press will be appealed to through an advertising campaign to help these ghouls use the opportunity given them by the Supreme Court to fatten on the general welfare. The public paid this money. There is no way to restore it to the individuals who paid it. To serve the public, to preserve the public interest, this money should be retained in the Federal treasury.

Proposals to amend the present law regarding refunds may be used to open the door wider while appearing to close it.

It should be said on behalf of the hundreds of honest processors, that they have no more desire to engage in this conspiracy than they had to engage in injunction suits against the AAA processing tax collection. I know of individual processors who have expressed sincere regret at the return of impounded tax money, saying that they were in no way entitled to it. I know others who foresee in such return a long series of suits brought against them by their customers, suits that will make for chaos in these business fields. Advertisements in trade journals already reflect this conflict of interest. But even the most honest business men when they see their competitors using the rules of the game to acquire vast sums of money at the expense of the government or the general welfare, feel compelled to do likewise. Shyster lawyers who are adepts in utilizing openings which they believe have been or will be presented by unfriendly courts work first with unfriendly or unscrupulous businessmen, and then reputable lawyers and honest business men are forced to go out after the blood money which they know does not belong to them.
I recommend to the Congress that legislation be immediately adopted to prevent this gigantic steal and at the same time to end confusion and conflict in the business groups affected. Such legislation is urgently needed to protect the general welfare. Congress should use every precaution to see that the government is protected and that no injustice is done to honest business.

I must warn the Congress against these representatives of dishonest business who will use every possible effort to delay and distort legislation of this sort.

I would suggest that such legislation should deal inclusively with the following objectives:

1. The recovery of impounded processing taxes ordered returned by the courts and those still unpaid possibly through the levying of taxes on processors of basic agricultural products heretofore subject to tax for the past calendar year with credits for amounts actually paid into the treasury during such period.

2. The safeguarding of the billion dollars in processing taxes already paid into the treasury by strengthening the existing provisions of law.

The courts by their procedure and action have opened the way for the conspiracy referred to above. This places upon the Executive and especially upon the Congress responsibility for preventing the most unconscionable grab in history. I urge action at the earliest possible moment to forestall any further attempts by unscrupulous interests to raid the public treasury of these taxes, paid by the general public of the United States.
March 11, 1936.

MEMORANDUM FOR

THE SECRETARY OF AGRICULTURE

Will you be thinking over the possibility of a speech on agriculture by an outstanding private citizen, not a member of the Administration, and preferably a city business man -- such a speech to be widely advertised and to have a national hook-up? It is my thought that it should give a review of the Republican agricultural policy from 1931 to 1933, its promises, its mistaken policies, its failures. Go on from there to our own record covering prices, reduction of surpluses, increase of exports, etc.

F. D. R.
March 19, 1936

This is the statement of the proposed release which the President asked to have by noon today.

Secretary.

The Pres. talked to Chester about this 2 or 3 weeks ago & Ed O'Neal about it yesterday.
Three weeks ago, when I signed the Soil Conservation and Domestic Allotment Act, I said that this administration had not abandoned and would not abandon the goal of equality for agriculture. I pointed out that although the act is addressed primarily to the serious and long-neglected problem of soil conservation, the reestablishment and maintenance of farm income was also a major objective.

Today, as a national soil conservation program is being launched in accordance with the Act by the Agricultural Adjustment Administration, the need for protecting not only the soil but also farm prices and income appears even greater than when the act was adopted.

This fact has been made evident by the reports of farmers' intentions to plant compiled by the Department of Agriculture. These reports, announced a few days ago, showed that farmers were planning an increase of 19 per cent in their acreage of spring wheat, 6 per cent in their acreage of corn, 11 per cent in rice, 9 per cent in tobacco, and 8 per cent in peanuts. These reports are not compiled for cotton, but unofficial reports circulated in the trade and recorded in the press have indicated an increase of around 15 per cent in cotton acreage.

In conformance with the Supreme Court's decision, the farmers' production control programs have been stopped, but their chronic surplus problem goes on. Export markets for wheat, pork, and tobacco, lost following the enactment of the Smoot-Hawley Tariff of 1930, have only in small part been regained. The huge carryover of cotton which was accumulated during the stabilization operations of the Federal Farm Board has not yet been reduced to normal. Although reduction has begun well for these years, the carryover is still probably twice as big as it ought to be for the maintenance of a reasonable price in the future.
Although the production control programs have been stopped, farmers are not entirely at the mercy of unbridled competition with their fellow producers, as they were in the years preceding 1933. The new farm act provides for financial assistance by the government to those farmers who, heeding the warnings contained in the intentions-to-plant reports, wish to shift from the production of unneeded, soil-depleting crops to the production of needed soil-building crops.

I believe that farmers will find the new program is in the national interest, and in their own individual interest, too. Every farmer takes pride in the productivity of his soil. Every farmer wants to hand on his farm to his children in better shape than he found it. The conservation payments offered by the government in accordance with the act will help him to do this.

If farmers for any reason should fail to take advantage of the new act, and especially if they should carry out their intentions as indicated in the Department of Agriculture reports, the consequent excessive production of such cash crops as cotton and wheat and tobacco in might result once more, the wrecking of their prices and the mining of their soil. But if the farmers, in operating the soil conservation program, display the same energy and cooperative spirit which they showed in making the production control programs work, they will go far to protect both their soil and their income. This is an appeal to all farmers to cooperate for their own, and the national good to help in preventing excessive production.
Congress has gone as far as it could within judicial limitations to enable farmers to keep the gains they have made in the last three years and to permit their buying power to continue the powerful upward lift it has given to national recovery.

I hope that farmers will not complete their plans for this year's crops until they have had opportunity to study the new act and that all those to whom it offers advantages may cooperate in the program now being launched.
STATEMENT BY THE PRESIDENT

Three weeks ago, when I signed the Soil Conservation and Domestic Allotment Act, I said that this administration had not abandoned and would not abandon the goal of equality for agriculture. I pointed out that although the act is addressed primarily to the serious and long-neglected problem of soil conservation, the reestablishment and maintenance of farm income was also a major objective.

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In conformance with the Supreme Court's decision, the farmers' production control programs have been stopped, but their chronic surplus problem goes on. Export markets for wheat, pork, and tobacco, lost following the enactment of the Smoot-Hawley Tariff of 1930, have only in small part been regained. The huge carryover of cotton which was accumulated during the years leading up to 1933 has not yet been reduced to normal. Although reduction has progressed well for three years, the carryover is still probably twice as big as it ought to be for the maintenance of a reasonable price in the future.

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I hope that farmers will not complete their plans for this year's crops until they have had opportunity to study the new act and that all those to whom it offers advantages may cooperate in the program now being launched.
My dear Mr. President,

I would like you to know how much I enjoyed the ride down the bay and up the Potomac on your last week end of this season.

We were both happy to see you looking so
unnaturally well.

It was such a pleasure to meet the Tays of whom you spoke in your letter. I became very fond.

Thanking you again for the pleasure which you gave us, I am,

Yours faithfully

[Signature: Lo Wallace]
Dear Mr. President,

I greatly appreciated receiving your telegram of July 12 telling me you had seen Mr. Chester Davis. He writes me matters are starting nicely now.

With regard to the Gallup poll published July 12 I thought you would be interested in a slant which I picked up from Carl Smyth, former Statistician of the New York Federal Reserve Bank who is attending a Statistical Summer School out here as a Lecturer.

July 15, 1936.
Carls June of 1932 predicted the November result with unusual accuracy. Carl is in no sense a New Dealer and therefore his prejudices do not enter in when he says "proper statistical analysis of the Gallup poll indicates that at the present time Roosevelt has the majority of the electoral vote."

He says the great change indicated in many of the States since the last poll is altogether beyond the realm of statistical probability. He says the samples
in the individual states are too small and that any for the county as a whole is the vote large enough to have great significance and therefore he (Snyder) thinks the proper statistical procedure is to apply any trend for the county as a whole to the individual states. When this is done it shows you in safe position in the Electoral College...

Frankly I am beginning to question the Gallup poll even though I have faith in Gallup's own integrity. There is too much chance for prejudice against you to enter in the cause of the newspaper hook-up.
MAYSMOUNT
GREEN MOUNTAIN FALLS
COLORADO

Nevertheless I have enough faith in the Gallup poll to be concerned about the situation in the Middle West. It is going to be necessary especially in that region to strip the hypocritical mask off the National Republican Party and show up Landon as a weak and amiable tool.

We shall win, Mr. President, I am sure of it. But we shall have to work for it. Strength and joy to you. We must keep the West and South United to a progressive East.

Respectfully yours,

Henry A. Wallace
THE SECRETARY OF THE INTERIOR

Washington

August 19, 1936

The Honorable,

The Secretary of Agriculture.

My dear Mr. Secretary:

Under date of April 29, 1936, the Senate Committee on Agriculture and Forestry ordered printed as Senate Document No. 199, a report entitled "The Western Range." This report was submitted to you by the Chief of the Forest Service, ostensibly in compliance with Senate Resolution 289, 74th Congress, 2nd Session. This resolution requested the Secretary of Agriculture to transmit to the Senate a report incorporating certain information accumulated as a result of many years of research and administration of the national forests, and in addition to transmit recommendations as to measures.

The report contains more than 600 pages of printed material, tables, maps and other illustrations. It was forwarded to the Senate four days after approval of the resolution requesting the information purported to be contained therein. Obviously the report was prepared prior to the resolution and I feel some justification in assuming that the resolution was introduced at the request of some member of your Department.

The report sets forth recognized principles of conservation and reasonably well established facts, but interwoven therewith are expressions of ill-considered opinions and discussions concerning matters within the jurisdiction of the Interior Department. All of the report
is given the dignity of an authoritative pronouncement by a statement in a letter of transmittal from the Chief of the Forest Service that the report contains all pertinent information that could be obtained from any Federal agency. The Interior Department, however, a Federal agency more definitely concerned with "The Western Range" than is the Forest Service, was not called upon for information to be used in the report, was not consulted as to its issue and had no part in its preparation.

The report covers an area of 728 million acres, about 39 per cent of which is under Federal jurisdiction. A total of 12 per cent of the land is said to be under control of the Forest Service. The remaining 27 per cent comprises land in which regulation of the range is, for the most part, an Interior Department function. For this land, as well as for the public land within national forests, the General Land Office, the Geological Survey, Office of Indian Affairs, the Bureau of Reclamation, the National Park Service, and the Division of Grazing, in connection with their regularly assigned duties, have assembled a volume of factual material that should be incorporated in any comprehensive report on the western range region.

Failure to consult the Interior Department in the preparation of the Western Range report has resulted in an incomplete and inaccurate discussion, especially in outlining national land policies adopted in the administration of the public domain. The administration of these policies is a major Interior Department function and the report implies throughout that outstanding leadership for the proper performance of this function has been lacking. The report then offers as con-
structive suggestions conservation measures for the public domain that
comprise part of a program not only advocated by this Department for
more than a half century but now rounded out by the enactment of the

The report also insists that management of the public domain
should be centered in one Department, and that, the Department of Agri-
culture. Such activities as relate to power reserves, reservoir site
reserves, irrigation projects, recreation and scenic withdrawals, stock
water reserves, stock driveway withdrawals, mineral reservations, pub-
lic range reserves, grazing districts, leasing or other disposal of
isolated tracts of public lands, and various miscellaneous purpose
reservations on the public domain are now largely centered in the
Interior Department. They contemplate conservation of every natural
resource on the Federal domain except timber in national forests and
wild life in Federal game reservations. These accepted activities are
under the jurisdiction of your department but in the administration of
the public domain not included in forest and game refuges, conserva-
tion of timber and game is a function of the Interior Department.

The Taylor Grazing Act under which range conservation on the
public domain is established as a function of the Interior Department
is made a topic of extensive discussion. Delay in enacting this leg-
islation is given special emphasis in the report. It is strange that
attention should be invited to this delay by that agency in your De-
partment which exerted every effort to secure the veto of the legisla-
tion. This same agency for many years has interposed intangible but
real obstructions to such legislation mainly by attempting to incor-
porate in legislative proposals for the public domain, inapplicable rules and regulations adopted by your Department for forest reservations. Apparently the assumption that administration of grazing lands should be identical with the administration of the national forests is now abandoned by a statement in the report that the Forest Service and Grazing Service should be maintained as separate entities.

In a chapter headed "Unsuitable Land Policy" the report discloses either a reckless disregard for accuracy, or lack of proper consideration of opinions heretofore propounded by the best minds in the nation including experts of your Department. In discussing enlarged homesteads the chapter states:

In spite of the growing appreciation that crop agriculture was unsuited to most of the west and that economic range use must be substituted as the basis for land disposal, laws continued to pass which encouraged passage of title to private ownership with little regard to the area required, under proper use, to support a family.

The enlarged homestead act of 1909, sometimes known as the dry farm homestead law, is then described as among the "less wisely conceived" enactments establishing a national land policy. The influence exerted by your department in the formulation of that national land policy however is not mentioned, although the public records contain abundant evident of the exercise of that influence.
Early in this century the Department of Agriculture began a systematic study and promotion of dry-land farming and the annual report of the department for 1908 states that a vast region formerly considered as of little use for cultivation is rapidly becoming of considerable agricultural importance under guidance of the department. Even in 1916 your department reported that it had introduced improved methods of dry farming that had opened up "vast areas of semiarid country which before were given over to sagebrush and cactus, the rattlesnake and the prairie dog." Should not your department, therefore accept basic responsibility for the subsequent economic distress of settlers on dry farm homesteads in this area which contains most of the "abandoned shacks", "worn-out tractors" and "fallen-down barns", cited by the Forest Service as witnesses of improper national land policies?

The stock raising homestead law is described in the report as the most unfortunate of the land disposal laws and in a quoted statement by the Assistant Chief of the Forest Service as an outstanding example of a reasonably good law unwisely and improvidently administered. Apparently the reader is supposed to select which of these two inconsistent positions the report presumes to establish. Actual factual basis to support neither theory is submitted. Tables are copied from Interior Department reports in support of the alleged unwise administration but the discussion of these tables and their interpretation is erroneous. Whether the stock-raising homestead act was in fact mainly beneficial, or mainly detrimental, to the West, is unknown.
and can be determined only by exhaustive research studies.

The discussion also states that a procedure for making water-
hole withdrawals was not developed, while as a matter of fact since
March 29, 1912, every application to appropriate land under the public
land laws has been examined to determine whether valuable public water-
ing places or key areas were involved. Where appropriate the involved
land has been included in a public water reserve and the application
rejected. In addition, since April 17, 1926, every applicant for pub-
lic lands has been required to submit an affidavit certifying that no
springs or water holes needed for public purposes were involved therein,

The operation of the Mispaх-Pumpkin Creek grazing district, which
has been under Interior Jurisdiction since its organization under the act
of March 29, 1928 (45 Stat. 380), is discussed in one chapter and it is
indicated that this district has been successful because of the counsel
and advice of the Forest Service. The plan followed in that area, however,
contains the essential elements of a grazing plan proposed by the Interior
Department long prior to the creation of the Forest Service and is consis-
tent with plans now being developed by this Department in organizing graz-
ing districts under the Taylor Grazing Act.

The report repeatedly urges transfer of administration of the
Taylor Grazing Act to the Department of Agriculture. Underlying this
proposal is the calm assumption that all competence in the administration
of grazing resides in the Department of Agriculture, and that the Interior
Department is entirely innocent of competence in this field. I shall not
comment further on such an assumption by one department of government
about another, or upon the propriety of thus seeking to create a prejudice against this Department.

The report is critical of several provisions of the Taylor Grazing law based upon a legal construction of the act. Some of these criticisms are a reiteration of objections that were urged upon the President in an effort to secure a veto of the original law at the time of its passage by the Congress. Others have been cured by the amendatory legislation enacted June 26, 1936. The President referred the objections offered in favor of a veto to the Attorney General who reported that in his opinion they were without substance. Thereafter, on June 26, 1934, the President approved the Taylor Grazing Act and issued a statement from which the following passage is quoted:

"The passage of this act marks the culmination of years of effort to obtain from Congress express authority for Federal regulation of grazing on the Federal domain in the interests of conservation and the livestock industry. *** The Federal Government by enacting this law has taken a great forward step in the interest of conservation which will prove of benefit not only to those engaged in the livestock industry but also to the nation as a whole."

Repetition in this report of criticisms heretofore held inadequate to justify a veto of the Taylor Act is a criticism of the President. Furthermore, under the guise of an objective technical document the report not only contains propaganda by one department of the Federal Government against another, but also attacks the private owners of western
range lands. The report gives the Forest Service alone a creditable record. I am truly amazed that an organization composed of technically trained experts who have selected as a career the protection of the public interest in a most valuable natural resource should sponsor a report of this character. I am even more amazed at such sponsorship in the light of the valuable help in organizing the administration of the Taylor Grazing Act that has been afforded by many members of the Forest Service other than those who contributed to the writing of this report. The most astonishing thing of all is that one department, at public expense, and without presidential sanction, should issue what is a thinly veiled attack upon a sister department. Such a report tends to create public prejudice against the good faith of all Federal agencies and in my opinion is injurious to the public service and to the administration.

Sincerely yours,

/s/          HAROLD L. ICKES

Secretary of the Interior
September 19, 1936

In President's handwriting:

"H. Wallace
Farmers Union in Okla. working for Landon?
Lemke not in ticket.
(Jed Johnson says this)"

FDR/dJ
FILE MEMO

September 21, 1936.

Returning to the Secretary of Agriculture, by direction of the President, two sketches of "Forget-me-nots" - one Bur Forget-me-not 351 - 2nd - Alpine Forget-me-not 352.
Dear Mr. President:

I am leaving the train this evening. I want to thank you from my immost being for the joy of seeing a great soul in action. The trip is a great success.

I gave Sam a few of the high lights of the matter about which we talked.

If you can see the two people of whom we talked—our two mutual friends— at Hyde Park (or Washington) for 15 minutes it might be worth while. They both have a profound admiration and affection for you.

Respectfully yours,

A. Wallace
November 13, 1936.

The Honorable,

The Secretary of the Interior.

Dear Mr. Secretary:

Your letter of August 19 raised so many basic questions of interdepartmental functions, jurisdictions, and relationships, and of national policies of agricultural and range land use and management, as to call for a considered reply, rather than an immediate one. My reply is in the main confined, within the matter at issue, to certain major points which you specifically mention. It may, therefore, omit references to others which can be developed later, if the need arises.

If correctly construed, your letter does not attempt specifically to controvert those parts of the report "The Western Range" which express and interpret the physical, biological, economic, and social facts relating to the present condition of the western range lands which in substance do not markedly differ from statements you personally have made in relation to the subject. In the main, your letter emphasizes three points, namely: (1) that the report is an invasion of the field and functions of the Department of the Interior, (2) that it misinterprets or misstates the national land policies adopted in the administration of the public domain and (3) that the Interior Department, a Federal agency more definitely concerned with the western range than is the Forest Service, was not called upon for information to be used in the report, and was not consulted as to its issuance, and had no part in its preparation.
Consideration of the problem of western range lands by this Department is motivated by one dominant objective. That, in brief, is to conserve and restore soil and native forage resources for the support of a pastoral economy which, based upon the production of meat, hides, and wool, has definite relationships to local and national crop agriculture, and of supplemental production of game animals and birds for the sport, recreation, and education of the people of America.

Unquestionably that is an agricultural objective. The Bureau of Plant Industry, the Bureau of Animal Industry, the Bureau of Dairy Industry, the Bureau of Biological Survey, the Bureau of Agricultural Economics, the Bureau of Chemistry and Soils, the Soil Conservation Service, the Agricultural Adjustment Administration, and the Forest Service are all assigned by law to this Department. The technical activities of these several bureaus cover the entire field of problems relating to the western ranges, save and except administrative jurisdiction over that part of the western grazing lands which is vested in your Department. Even the administration of that land ramifies into the entire field of animal husbandry, since the whole western range is and must continue to be closely integrated with crop agriculture and the livestock it produces influences major sectors of the economic structure of agriculture. It thus is evident that in bringing together the material published in the report "The Western Range" this Department did not go outside of its clearly defined functional fields.

The broad scope of the functions of the Department of Agriculture, in matters of the open range, is defined in such legislation as our organic act; the National Forest Administration Act of 1897 as interpreted by the Supreme Court, where the impact of various problems of outside
range lands is frequently such as to compel consideration in national forest supervision; the McSweeney-McNary Act of May 22, 1928; and the Agricultural Research Act of June 29, 1935.

But had this Department gone beyond its statutorily defined field, ample justification for such a course could be found in your own activities in promoting the proposed Department of Conservation. If correctly understood, your concept of such a Department would indubitably include a series of agricultural functions of which range management, with its tie-in to crop agriculture, is one; could be given reality only by impairment of the structure now established for the conduct of Federal activities relating to agriculture. Consequently it would constitute a major attack on American agriculture; since distribution of agricultural functions of the Federal Government between two executive departments inevitably would result in duplications, overlappings, conflicts in policies, philosophies, etc., so that the net effect would be a curtailment rather than an increase of the constructive contributions to agricultural progress and welfare by the Federal Government. Placing agricultural functions in an agency not primarily agricultural, when an agricultural agency exists, would only make for inexpert handling from an agricultural point of view, and for administrative confusion.

Denial of a long-standing divergence of the philosophies of the Department of the Interior and the Department of Agriculture in the discharge of their respective functions in matters fundamentally agricultural in character would, of course, be futile. So far as the public interest is concerned, it makes no difference whether these agricultural functions relate to privately owned lands or to publicly owned lands, whether forest or range. National agricultural economy is affected by the one
as well as by the other. Deterioration of western ranges adversely affects the livestock industry and interdependent crop agricultural generally. Lack of correlation in principles of range management which influence livestock production and marketing may cause serious and widespread economic disturbances and heavy losses. So long as Federal function of such vital importance continue to be exercised by two separate executive departments of the Federal Government, important problems of agricultural and range economy will continue without effective solution. A lasting and adequate adjustment of this situation can be made only by placing in the Department of Agriculture the agricultural functions now discharged by the Department of the Interior. Such unification of Federal administration of agriculture as an important and closely integrated phase of conservation has greater support in logic, economy, and efficiency of Federal action, than can be found in the proposed division of Federal agricultural functions between two executive departments in the name of conservation.

If the report states or construes the national land policies adopted in the administration of the public domain in ways differing from the views of your Department, the explanation may lie in the fact that this Department has formed its views of such policies in the light of their practical application and consequences rather than on the basis of their textual presentations. During the past half century particularly, those policies have vitally affected many phases of agricultural economy, which fact has brought this Department into close association with them and has caused its members to observe their practical application and results with direct technical interest, and with grave concern. The physical, economic, and social consequences of such policies are readily
apparent. They are also demonstrable and measurable. They speak for themselves. Admitting all the beneficial results of public land policies and laws, the fact remains that human occupancy of the western range country has been characterized by a tremendous wastage of human values, of hopes and creative effort, of soil values, of forage resources, of wildlife and scenic values, and of capital. This waste might have been minimized or largely averted if the policies governing the use and disposal of the public domain had been more constructive and far-seeing, and more effectively applied. No other conclusion is tenable. Published statements by your Department place responsibility for the existing deplorable conditions at the door of the Congress. They do not deny that the conditions exist.

Proof of an "Unsuitable Land Policy" as embodied in the range report on pages 238 to 246, seems conclusive. The crazy-quilt ownership pattern shown in Figures 63 and 64 (page 239); the description by Dr. Renne on page 240; the extent of dry-farm abandonment; the prevalence of tax delinquency; and the over-organization of local governments therein described, hardly can be refuted.

The section of that subject simply attempted, by briefly discussing a few laws selected from the great number of such laws, to show that our national land policy has had unfortunate consequences. Authoritative works of such men as Hibbard, Ise, Cameron, and others express such a conclusion. The surprising thing is that such a chapter could be written with so little bitterness and so devoid of caustic comment. If the author honestly concluded that the main cause for failure to enact a proper land policy and place it in effect was lack of inspired leadership in the Department responsible for land disposal, it was because the facts left
him no alternative. Credit was freely given to outstanding men of your Department, such as Powell and Newell.

Theodore Roosevelt and Gifford Pinchot did furnish the leadership necessary to make a tremendous start in forest conservation. They also found ways and means to prevent the passage of innumerable power sites to private ownership, they made a valiant fight for coal in Alaska, and they sponsored legislation to correct the inequities of unsatisfactory laws enacted before the true requirements of national interest had been defined. It is significant that Pinchot was a member of a committee of three, two of whom were from Interior, which in 1904 and 1905 recommended that all the remaining Public Domain be withdrawn from all forms of entry until such time as the land could be properly classified as to its best use and disposition. Leadership to follow up on this report did not materialize, although two members of the committee were from the Department of the Interior.

In the preparation of the report, all material bearing on the subject which has been published by the Department of the Interior in printed, mimeographed, or manuscript form and which was available to this Department was freely consulted and carefully reviewed. However, it is true that the Department of the Interior was not requested to cooperate in the preparation of the report, nor were its members specifically consulted in relation thereto. The extended experience of this Department justified the conclusion that such courses of action would have no affirmative result and would not add appreciably to the value of the report. It was very definitely known that the field officers of the General Land Office had little time, opportunity, or technical qualifications for a systematic study of the physical or the economic aspects of the range use. Correspondence between
the Forest Service and the former Director of the U. S. Geological Survey, Mr. George Otis Smith, and later with other members of that organisation, clearly established differences of philosophy and factual interpretation so irreconcilable as to preclude any probability of mutually satisfactory adjustment. The Division of Grazing, a new agency with hardly a year of actual administrative experience, found it necessary to solicit the cooperation of the Forest Service through the detail of certain qualified administrative officers. The administration of range use on real- lamation withdrawals, as known to this Department, afforded no bases for the belief that the Reclamation Service was prepared to make affirmative contributions on the subject. The Indian Service was the only bureau of the Department of the Interior known to have made constructive progress in attacks upon range problems, and it necessarily dealt primarily with pastoral conditions definitely influenced by Indian conditions and customs and legislation which affects Indian Reservations rather than the public domain. In these circumstances processes of cooperation, collaboration or consultation between the two Departments would have bred only conflicts of philosophy and factual interpretation. The range resource is basic to the whole structure of crop and other agriculture in the West. It is, therefore, an appropriate subject for the Department of Agriculture to consider, on the basis of its own factual determinations and interpretations.

The report in question, "The Western Range", printed as Senate Document No. 199, was in large part inspired by me personally. One of the matters which impressed me most strongly during my trip through the western States in 1934 and again in 1935 was the gravity of the social and economic situation in the western range country. This emphasized similar impressions from earlier trips and studies made over the years,
and from reports brought to my attention. There was evidence on every hand that in a great empire of 728 million acres of range land, progressive wastage and destruction of natural resources was a serious menace to the permanency and growth of the States concerned, and to the Nation as an entity. Physical deterioration was manifest in depleted forage resources, overgrazing, serious and widespread erosion, dust storms, and floods. Economic deterioration was evidenced by the increasing financial difficulties confronting the range livestock industry. These conditions were resulting in direct demands on the national government in such forms, for example, as the federal livestock purchasing program of 1934, requests for federal aid in the shape of feed and seed loans, and new requirements of farm credit finance.

Widespread federal participation in the solution of existing and prospective problems of such acute character seemed wholly inevitable and unavoidable. Adequate federal participation requires a realistic determination of the true conditions, development of dependable factual bases upon which federal action safely could be predicated, and enlightenment of the public as to the necessity that corrective action be taken before it was too late. These were matters in which the Department of Agriculture was directly and vitally interested, since the basic conditions fundamentally affected a wide array of agricultural interests. My natural desire, therefore, was that the Department of Agriculture should take an aggressive and constructive part in meeting the situation and should have available, in properly correlated and understandable form, the vast amount of factual data bearing on the situation which it had accumulated over the years through its research and administrative activities.
Of the several bureaus of the Department of Agriculture, the Forest Service was perhaps most intimately in touch with the situation and its requirements. For almost thirty years it had successfully administered the grazing use of approximately 80 million acres of national forest land. Additionally, and under direct authority of Congress, it had conducted an extensive program of range research applicable not only to national forest ranges but to foothill and desert ranges as well. The Jornada and Santa Rita Experimental Ranges had contributed data for nearly 20 years; those near Miles City (Montana), Dubois (Idaho), Milford (Utah), and that in the San Joaquin Valley (California) for shorter periods. Forest Service contacts with the range livestock industry were close, constructive, and characterized by mutual confidence and understanding. Its field organization, consisting of men with wide experience and knowledge of western range conditions, had accumulated a vast store of information vitally essential to the treatment of the existing problems. Only three years previous to the range report, the Forest Service had prepared "A National Plan for American Forestry", and during the preceding year it had collaborated with the National Resources Committee in a study of the forest and range lands of the United States. Both of these studies necessarily impinged upon the western range problem. In effect, then, in relation to a situation of truly national proportions and pregnant with tragic consequences, there existed a wide array of scientifically determined facts, an extensive administrative knowledge, and an organization qualified by experience and accomplishment to assemble the essential information. This Department would have been remiss in its duties and obligations if it had failed to take advantage of this obvious requirement of public service.
In order that every bit of information in the Agricultural Department might be brought together, correlated, and analyzed, I requested preparation for my information of a report on the past, present, and potential carrying capacity of the western range by seasonal zones and forage types, with such supplemental comment on land policy, economic influences and other factors as might add to the value of the basic information. Many persons worked on the study. Many persons in other bureaus and in Land Grant Colleges were consulted and, of course, knew of the work. That Congress also knew of it, and that one of its members should ask that the material be printed as a Senate Document, is not at all surprising. Although submitted as a report of the Forest Service, subsequent study of it caused me to accept it as a Departmental statement, and I feel that even though it had not been made public at the time it was, it should soon thereafter have been made public in any case. Under such circumstances, it would have been distinctly regrettable if information of such vital necessity and great public value should have been withheld from Congress and the people of the United States who directly and indirectly are vitally interested in the subject.

Your letter refers to "a program not only advocated by this (the Interior) Department for more than half a century but now rounded out by the enactment of the Taylor Grazing Act, June 26, 1934, as amended June 26, 1936.", and implies in one place that the delay in enacting legislation to regulate the use and conserve the resources of the public domain was due to efforts of the Department of Agriculture to impose impracticable conditions. One specific citation of delay is the effort exerted to secure the veto of the Grazing Act. Reference is made to "intangible
but real obstructions" which "this same agency (meaning, of course, the
Forest Service) for many years has interposed *** mainly by attempting
to incorporate in legislative proposals for the public domain, inappli-
cable rules and regulations adopted by your Department for forest
reservations."

A review of the history of the public domain legislation will
demonstrate that these are not fair statements. It is true that as
early as 1878 Major Powell of your Department made recommendations for
a western land policy that was surprisingly sound and far-sighted for
that day. But nothing was ever done about them. For more than thirty
years the Department of Agriculture has repeatedly recommended that
sound legislation be enacted. In this connection the following quota-
tion from an address by former Secretary Houston before the American
National Livestock Association, held in Denver, Colorado, January 21,
22, and 23, 1919, is of interest:

"The Department of Agriculture has been urging this
(improving of grazing on public lands) for fifteen years.
The Department of Agriculture has been urging classifica-
tion of public lands - not that there should be a rigid
classification which could not be changed, but one which
might be reconsidered at frequent intervals. Clearly,
grazing should be regulated on the public lands so that
they may support many more animals. I was glad to hear a
representative of the Department of the Interior say yest-
ernight that he is now in favor of this policy. I have been
surprised that he has not been in favor of it from the out-
set. We tried to get the Kent Bill through. It might have
gone through if there had been a favorable report on it from both Departments. Now comes the suggestion, at this late day, from the Interior Department, that there should be regulated grazing on the public domain * * *.

If it is a fact that "inapplicable rules and regulations" were a cause of delay, the Department of the Interior must share the blame equally with the Department of Agriculture. The original Taylor Act, H.R. 2835, introduced during the first session of the 73rd Congress, was the outgrowth of a measure which was drafted and agreed to by members of the Forest Service, representing the Department of Agriculture, and representatives of the Department of the Interior, working together in entire harmony. This bill, with minor exceptions, was approved by both Departments. It was the type of bill long recommended by the Department of Agriculture. It had also been approved by both Departments when introduced in the 72nd Congress by Mr. Colton. Early in the second session of the 73rd Congress, a new bill, H.R. 6462, was introduced as a substitute for H.R. 2835, and this also received the approval of both Departments. It was only the amendments made in the House and Senate Committees to which this Department objected.

I opposed the approval of the Taylor Grazing Act as finally passed by Congress for reasons with which you are familiar and which I still hold valid. Postponement of action another year until Congress could have had opportunity more carefully to consider the bill, to my mind, would have been of far less serious consequence than accepting the Act as it was passed. The fact that the criticisms of the Taylor Act by the Department of Agriculture were held by the Attorney General and inadequate to justify a veto does not imply that the Act is satisfactory.
Nor does it remove the necessity for desirable amendments of the Act. Weaknesses in the Act are set forth in the range report as a basis for the amendments recommended in that report. Serious imperfections in the Act are recognized in your letter (of January 3, 1935, to the Chairman of the Committee on the Public Lands in the House of Representatives) which transmitted the draft of a bill that proposed to amend Sections 1, 3, and 15. Some of the obvious imperfections received further recognition in amendments passed by Congress and approved June 26, 1936. I am confident time will show other features that should be corrected. Many stockmen already claim that the law gives them vested rights which, once established, will be almost impossible to remove.

The fundamental difference between your Department and mine in relation to the legislation for regulating grazing on the public domain has centered largely around the question of the degree to which that legislation will permit establishment of vested or prescriptive rights under which public interests in a vast empire legally will be subordinated to interests of a comparatively small number of livestock growers and owners of range lands. If you had had time to familiarize yourself with the long history of unfortunate results which have grown out of the establishment of prescriptive rights, you would understand the viewpoint of this Department in relation to the subject. It would seem to be rather an unsound principle of public economy to concede that fortuitous circumstances of landownership, and grazing use in relation thereto, should enable individuals to establish definite property rights in large related acreages of public land. It is by no means clear, even yet, that the Taylor Act will not ultimately have such a result. It was because of this possibility, rather than any question of departmental jurisdiction, that
this Department so strongly counseled the President to withhold approval of the Taylor Bill until it was so revised as to eliminate its potentialities for consequences adverse to the general public interest.

The part the Department of Agriculture has played in the dry-land farming movement in this country is perhaps not fully known to you. Actually the Department of Agriculture has always maintained, and still does, that dry-land farming has a definite place in our agricultural pattern. However, in the past as now, we have insisted that the use of land for this purpose should be based on sound, scientific soil surveys and adequate land classification. Your reference to the 1908 Yearbook was taken from a treatise on soil surveys and the importance of this work to dry-land agriculture. Since your reference to the 1916 Yearbook was not complete, the excerpt is given in full below in order that you may see that the Agricultural Department was even then displaying a danger sign against the promiscuous use of dry-land for cropping. The complete quotation follows:

"Moreover, many improved farm methods have been introduced by the department. 'Dry farming', for example, in spite of the fact that it has not realized the early expectations of its advocates, has opened up to agriculture vast areas of semi-arid country which before were given over to the sagebrush and cactus, the rattlesnake, and the prairie dog.

"In a sense, the term 'dry farming', is somewhat misleading. The Department of Agriculture is teaching farmers how successfully to conserve the moisture in the soil, and it has introduced various crops which do well with a minimum of"
moisture. Further than that it has been unable to go
without having recourse to irrigation. The present posi-
tion of the department with regard to dry farming is some-
what analogous to that of a member of the Illinois Legis-
lature, who, on being asked by a committee of the Anti-
Saloon League whether he was 'wet' or 'dry', replied that
they could put him down as 'moist'. In other words, the
best dry farming is in reality moist farming."
As a matter of fact, homesteading in the Great Plains area, and
elsewhere in semi-arid territory, was far advanced before any research
work on crop production was done by the Department of Agriculture.
Establishment of dry-land experimental farms by the Department and
State Experiment Stations came about because of the strong demand from
settlers already in the territory for assistance in meeting their farm-
ing problems. The desire of the American people to own land, high-
pressure salesmanship of railroads and land locators, and other fac-
tors, primarily were responsible for resettlement and cultivation of
the semi-arid lands. Efforts of this Department and the State Experi-
ment Stations primarily have been directed toward the development of
cultivation methods and crop varieties adapted to dry-land farming
conditions in order to lessen as much as possible the hazards of farm-
ing such types of land.

In the light of present circumstances, it seems evident that
the Department of Agriculture should have more strongly opposed the
land disposal policy which permitted the selection, without classification,
of land for such use, just as it now opposes the improper use of forage,
another agricultural crop, on range lands. In the final analysis
the responsibility for aggressive, constructive leadership in matters
of land disposal policy rests in the Department having jurisdiction.

The report of this Department does not differ markedly from
your own statement relative to regulations and legal provisions for
the protection of water holes and other such key tracts. Yet, in
spite of legal provisions and regulations calling for affidavits,
many key tracts and water holes controlling large forage resources
have passed to private ownership. If the report implies that this
was due to poor administration of the law, the inference seems
logical.

Our impression has been that there is now no question as to
whether the "Stock Raising Homestead Law" was or was not beneficial
to the West. No person who has made a factual and realistic study
of the subject seems to have such doubts. Secretary Work, in his
Report for 1924, covered this situation quite conclusively when he
said:

"Stock raising on a tract limited to 640 acres is
not practicable and homesteads for stock raising are
rapidly reverting to the open range. The Government
has been criticized because it invites its citizens to
enter public lands of this character, invest their
small savings in an effort to develop them, only

- 16 -
Find that they have wasted their time and capital in a fruitless struggle against insurmountable difficulties. The attention of Congress is called to this phase of the public land situation in the hope that consideration would be given to the repeal of the stock-raising homestead act. The remaining grazing lands can be otherwise administered with greater advantage to the Government and the stockmen."

If subsequent developments have modified the above clear-cut and unequivocal statement, they have escaped the attention of this Department. Dr. Sherman, on pages 222 and 223 of "The Western Range", covers the history very well indeed.

When this stock raising homestead law was promulgated and initiated by the Department of the Interior, sound and constructive principles of classification and administration were formulated and applied for perhaps the first year or two of the life of the act. If those principles had been adhered to consistently, consequences of the act would have been much less harmful. It was later liberalization of the principles of classification and administration which gave rise to the conditions which have since led the Department of the Interior to advocate the repeal of the law.

The history of the Pumpkin-Mispah Creek District in Montana deserves factual clarification. The idea back of this experiment belongs neither to Agriculture nor Interior, but to Mr. Evan W. Hall, then Agricultural Agent for the Chicago, Milwaukee,
St. Paul & Pacific Railroad. After conferences with local stock-
men, he proposed the idea to Scott Leavitt, then Congressman from
Montana, previously a Forest Supervisor in Montana. Conferences
attended by Mr. Leavitt, interested stockmen, and representatives
of the Department of Interior and Agriculture were held. Suitable
legislation sponsored by Leavitt was passed, The then Secretary of
Interior, Hubert Work, requested that Forest Supervisor Simpson,
whose headquarters were at Miles City, help organize the unit on a
sound basis. The Forest Service conducted and paid for the partial
range survey used to determine proper stocking. Mr. Simpson helped
draft many of the preliminary rules and regulations. Clearly the
Forest Service did have a major part in outlining this project.

The inference that the report attacks private owners of range
lands is noted. What the report has to say regarding private range
lands is no more an attack than is calling to public attention the
wastes from erosion on farm lands, from improper handling of private
oil lands, from pollution of streams, or from that human waste which
inevitably accompanied the destruction of our natural resources. It
is, I take it, appropriate to direct attention to facts needed to
formulate sound practices for the welfare of individual owners and
community interests.

Characterization of the report as "a thinly veiled attack upon
a sister department" has no greater justification than exists for simi-
lar characterization of reports in support of a proposed Department of
Conservation. In urging the grouping of Governmental work on range and
forest lands in the Department of Agriculture, the report follows logi-
cal reasoning by placing in that Department the functions of Government having to do with agriculture on range and crop lands alike. I recall your own public advocacy of legislation which would eventuate in the transfer of agricultural functions from the Department of Agriculture to a renamed Department of Interior. Certainly you would not deny this Department privileges which you yourself feel are wholly ethical and appropriate in similar circumstances. Certainly I have never publicly made as biting criticisms of Interior as I can cite in printed records of your remarks about Agriculture. As a matter of fact, this Department has consciously refrained from making public replies to such remarks. Only reluctantly, after you had made the subject one of open controversy, have we carried on any public discussion of the issues, and then impersonally.

The alleged existence of "the calm assumption that all competence in the administration of grazing resides in the Department of Agriculture, and that the Interior Department is entirely innocent of competence in this field" lacks substantiation. The report states that "Action has been started in the grazing districts *** under the Department of the Interior." And it gives full credit to progress under way on Indian grazing lands, and to existing instances where private owners have made creditable accomplishments. One can not be unmindful, however, that the Forest Service has the largest group of men with training and experience in range management; that this Service has had thirty years of experience in this field; that it has maintained leadership in research in range land problems; and that elsewhere in the Department of Agriculture is found
the technical assistance range management must have in plant industry, animal industry, wildlife, soil technology, plant disease and insects, agricultural economical and a wide field of other services. A review of the extensive literature on the subject shows that most of it has been prepared by the Department of Agriculture or by the State Agricultural Colleges, in part with the aid of the Department of Agriculture; relatively little by the Department of the Interior. This is merely a statement of a situation, not an attack.

In the report "The Western Range" this Department has endeavored to view the whole range situation, and to present the facts regarding it impartially and fearlessly in order to obtain for a great natural resource the public interest and support needed for its conservation. In that process it has been necessary to emphasize certain of the causes of existing conditions. Regardless of how carefully it is presented, the truth sometimes hurts. But if real progress is to be made, the truth must be known and faced. Specious and unfair criticisms will, of course, contribute nothing to the solution of a problem which challenges the intelligence of the American people and menaces their future security and progress. Each executive department must scrutinize its past record in so realistic a way that the truth will be known and faced. It is my desire that the Department of Agriculture shall do just that. I assume it to be your desire that the Department of the Interior shall act in a similar way.

(Signed) H. A. Wallace
Secretary
El 23 de diciembre, 1936.

Al Señor el Presidente,

   Casa Blanca.

Muy estimado Señor el Presidente,

   Con mis mayores deseos cordiales para la Navidad y un feliz Año Nuevo, le envío a Ud. un libro sobre Mexico y América Central que le interesará a Ud. como lo espero.

Sinceramente,

[Signature]
LETTER FROM HENRY WALLACE TO PRESIDENT
WITH OUTLINE OF SUGGESTED FARM LEGISLATION
FOR BACKGROUND PRELIMINARY TO DISCUSSION
WITH CONGRESSIONAL LEADERS.

See--A.A.A. --(S) Drawer 2--1936
On January 8, 1937, Secretary Ickes and I had a very frank talk with each other. Frederick Delano, Charles W. Eliot, Jr., and Harry Slattery were present during much, but not all, of the talk. After the talk, Secretary Ickes wrote me the following letter in long hand:

January 8, 1937

"My dear Henry:

"I regret the unfortunate incident of this afternoon. After all as members of the Cabinet, our first consideration must be for the President. Our personal differences must not be allowed to count as against the loyalty we both owe to our Chief. I have regarded you as a friend, even when we have differed on policies and principles, and I shall continue to do so regardless of whether the President shall add, subtract or divide as between our departments.

Sincerely yours

Harold L. Ickes"

The following day I replied to Secretary Ickes in long hand as follows:

January 9, 1937

"Dear Harold:

"I am glad to have your note of January 8. Our frank speaking seems to me to have been fortunate, not unfortunate. It was and is my hope that we can perfect a cooperative formula for the General Welfare between our departments. After the President has obtained the powers which we both hope he will get, I trust the problem will be carefully examined from every point of view and that the solution found will serve the Public Interest in the long run.

"With good wishes, I am

Sincerely yours

H. A. Wallace"
On January 19, Secretary Ickes wrote me again. This letter has reference to mine of November 23. This is undoubtedly a typographical error and should be November 13. The letter follows:

"My dear Henry:

"Your letter of November 23 is one of the most surprising letters that I have received as Secretary of the Interior. It is shot through with bitter attacks upon this Department. I have delayed answering it because I wanted to have it checked by the various bureaus in my Department for its many inaccuracies. However, the references to the Secretary of the Interior are so patronizingly condescending that I have decided merely to acknowledge the receipt of the letter. I doubt whether a careful search of the Government files would disclose a similar communication from one member of the Cabinet to another.

Sincerely yours

Harold L. Ickes
Secretary of the Interior"
MEMORANDUM

It is important that the President have in mind a reply to farm leaders bargaining for specific commitments in return for their support of judicial reform.

Their tactics are to seek definite pledges of ever normal grain loan rates at parity, of levying processing taxes, of federal refinancing of needy cooperatives, and other legislative or administrative concessions.

In response to such approaches, the President might say that the government is seeking not for carte blanche to get any farm price or fix any wage rate that it wishes, but that it wants reasonable powers to function for the general welfare under a living constitution sympathetically understood and administered. The specific action needed to meet one situation might vary greatly from that needed to meet another, so it is impossible to say in advance just what steps the President and Congress will want to see taken to meet future contingencies.

Instead of seeking support for adequate governmental powers on the basis of promises that these powers will be used to bring about an endless succession of increases in farm prices and wages, the government can base its appeal upon the sound propositions that these powers will be used:

(a) To increase the real, as contrasted with the merely monetary, returns of agriculture and labor. This will be done by increasing the actual physical volume of exchange of real wealth, or useful goods, between the producing groups.

(b) To prevent extreme fluctuations in supplies and prices of farm products, such as brought on the depression.

(c) To afford agriculture national programs protecting it against widespread natural disasters crossing state lines, affecting vast regions and endangering consumer food supplies.

Farm leaders should not waste their effort in bargaining or exposing themselves to the charge of organizing treasury raids when they know that the entire agricultural program is at stake. Basically, the Supreme Court majority's insistence that agriculture is a purely local matter blocks all progress. Regardless of how great a calamity engulfs agriculture, the federal government can do nothing as long as the Supreme Court's present interpretation stands. The disaster of 1932 proved that it is useless for farmers to expect concerted action from 48 separate states. It is this intolerable situation which stirs the great majority of the farmers. They do not want to weaken the government's credit by demands for appropriations far beyond those needed to make their programs effective.
My dear Mr. President,

Henry and I greatly appreciated getting our burnished, brine-splattered and
rested with your over the week end.  

Faithfully yours

Lo Wallace

June sixteenth.
Dear Mr. President,

Shortly after I arrived out here two of the delegates to the Agricultural Labor Convention at Denver called on me. They were full of enthusiasm about Agricultural Labor affiliating with C. I. O. They spoke disparagingly of old line farm organization leaders, especially Ed O’Neal.

I presented to them from the standpoint of the long run interest of democracy.

July 28, 1937
and the nation of the development of "Farm Solidarity." I agreed the Farm Organizations and the U. S. Dept. of Agri. had been remiss in not taking up the cause of the Farm Labor and Farm Tenant sooner. But I felt it might be fatal to the future of democracy in the U. S. if labor split agriculture.

To get down to cases, I want to talk with you some time this week beginning
August 7 about whether or not a Division of Agricultural Labor should be set up in the Department of Agriculture. Agricultural labor is friendly to the idea except for the Southern Sharecroppers whose experience with the Cotton Section of AAA has convinced them the Department is under domination of Landlords. These people have been petitioning the Department of Labor.
Maysmount
Green Mountain Falls
Colorado

In a discussion we have had some talk with Lubin about the matter.

This whole problem has in it so much dynamite, political and otherwise that we cannot neglect it much longer. I shall want to get your views at an early date.

I hope your health is of the finest.

Respectfully yours,

H. Lewis A. Wallace
Dear Mr. President,

I have been having such a perfectly glorious rest here in the cool and joyous mountains at an altitude of 8,000 feet, that I feel moved to write expressing my sympathy for you in the nasty battle and nasty heat of Washington. The newspapers so distort the facts and so cruelly attack you that it makes me boil.

But you have the faith that your cause is righteous and you are fighting skillfully and determinedly. There is no greater pleasure than that. Power, joy and highest regards to you,

Henry A. Wallace.
DEPARTMENT OF AGRICULTURE
WASHINGTON

August 11, 1937

The President

The White House

Dear Mr. President:

I have yours of August 10 with its enclosures, containing copy of letters from Chairman Jesse Jones to the Chairman of the Senate Agricultural Committee.

One point which Mr. Jones might have brought out and which seems to me to have some bearing is the fact that we have already lost about $23,000,000 on the cotton loan, and if we dispose of the remaining 1,800,000 bales at the present market, we would lose an additional $30,000,000. Therefore, if the cotton on hand is sold, the total loss to the Commodity Credit Corporation will be approximately $53,000,000, and this loss will reduce the working capital of the corporation to that extent.

It appears obvious to me, therefore, that we cannot engage in our former lending policy as suggested by Mr. Jones in his letter of July 21 to Congressman Johnson without having the Commodity Credit Corporation rapidly find itself in the position of having no capital.

It seems essential to me before we engage in further high value commodity loans of the non-recourse type that we should get into position to save the government serious loss by having legislation of some such type as that on which the farm organizations and Marvin Jones have been working.

Respectfully yours,

H. A. Wallace
Secretary

Enc.
August 10, 1937.

Dear Mr. President:

I enclose herewith copies of letters which have been sent to Senator Smith July 1st and August 10th and Congressman Lyndon Johnson of Texas, July 21st, in connection with the furnishing of funds for commodity loans through the Reconstruction Finance Corporation and the Commodity Credit Corporation.

There is also enclosed the reply of the Corporation under date of August 9th to the Senate Committee on Agriculture inquiry as to what sum of money is available for commodity loans during 1937 through the RFC and the Commodity Credit Corporation.

Sincerely yours,

Jesse H. Jones
Chairman

The President,
The White House.
Question asked by Bradford, Clerk, Senate Agricultural Committee, afternoon, August 9th:

What sum of money is available for commodity loans during 1937?

Answer prepared by Members of the Board in a meeting, at which were present Messrs. Schran, Henderson, Kossner, Taber, Ben Johnson, Mulligan, Goodloe, Costello and Claude Hamilton:

The remaining total borrowing powers of the RFC for the ordinary activities of the Corporation is approximately one billion dollars above obligations and commitments. Since this amount must be used to take care of all ordinary demands on the Corporation, it is not possible to allocate a definite amount for commodity loans, but it is our opinion that out of this amount sufficient funds should be available to take care of commodity loans through Section 201 (d) of the Emergency Relief and Construction Act of 1932, as amended, which does not set any limits as to amounts.

Yours very truly,

Jesse H. Jones
Chairman

Honorable John C. West
Chairman, Agriculture and Forestry Committee
United States Senate
Washington, D.C.
Dear Mr. Chairman:

Receipt is acknowledged of your letter of August 4th, requesting a report on S.J. Res. 193, introduced by Senator Black for himself and Senator Bilbo and now pending before your Committee.

Additional legislation to authorize the making of loans on the 1937 cotton crop by the Commodity Credit Corporation is unnecessary, as it presently has such authority. The statement attributed to you in the Congressional Record of August 3, 1937, pages 10473-10474, relative to the nature and source of the authority of Commodity Credit Corporation to make loans, is accurate.

Loans on cotton and corn are made by the Commodity Credit Corporation with the sanction or approval of the President and the Department of Agriculture.

The capital of the Corporation is now invested in loans on commodities. Additional funds are provided by the RFC under Section 201(d) of Title II of the Emergency Relief and Construction Act of 1932, as amended.

In this connection I desire to direct your attention to my letter to you of July 1, commenting upon S.2668, introduced by Senator Gillette and now pending before your Committee. For your convenience I enclose a copy of that letter.

Yours very truly,

JESSE H. JONES
Chairman
Honorable Ellison D. Smith
Chairman, Agriculture and Forestry Committee
United States Senate
Washington, D.C.
July 1, 1937

Dear Senator Smith:

I wish to acknowledge receipt of your letter of June 19th, requesting a report on S. 2668, introduced by Senator Gillette and now pending before your Committee. The views, as expressed herein, are restricted to the provisions of the Bill relating to commodity loans and the Commodity Credit Corporation.

We feel that it would be unwise to have it determined by statute that loans should be made of not less than a fixed percentage of the parity price of the commodities, or that the liquidation of loans should be dependent upon there being in storage a percentage, fixed by statute, of a normal year's yield of the commodities securing same.

Commodity Credit Corporation has a paid-in capital of $100,000,000, $5,000,000 subscribed by the Secretary of Agriculture and the Governor of the Farm Credit Administration, and $87,000,000 by the Reconstruction Finance Corporation. In addition to its capital, the RFC provides it with sufficient credit to meet all reasonable needs for loans to producers, and for financing the carrying and orderly marketing of agricultural commodities.

No additional legislation is necessary for loans on commodities. The amount to be loaned from time to time can be determined by its officers and directors, who are representative of the Reconstruction Finance Corporation, Department of Agriculture, and Farm Credit Administration.

Its life has recently been extended to June 30, 1939. It is being economically administered.

There remains only about 1,600,000 bales of cotton on which Commodity Credit Corporation has loans. You are familiar with the successful manner in which the large surplus has been marketed without seriously affecting the price. We have announced that between June 25, 1937, and January 1, 1938, no concessions will be made on this remaining loan cotton. This action was taken so that this loan cotton would not be in competition with the new crop.

Sincerely yours,

(SIGNED) JESSE H. JONES
Chairman

Honorable E. D. Smith, Chairman
Senate Committee on Agriculture and Forestry
Washington, D. C.
July 21, 1937

Dear Congressman Johnson:

In reply to your letter of July 3rd, loans on cotton, corn, tobacco and naval stores have been available when needed since the Commodity Credit Corporation was created October 17, 1933. It and the Reconstruction Finance Corporation have ample funds to meet the needs of the present crop should the need develop.

Loans on cotton were unnecessary last year, and there is no indication now that loans will be needed this year but, if they are, Commodity Credit Corporation and the Reconstruction Finance Corporation will be in a position to meet the demand assuming the President approves, and he always has.

With best wishes,

Sincerely yours,

(SIGNED) JESSE H. JONES

Chairman

Honorable Lyndon B. Johnson
House of Representatives
Washington, D. C.
Dear Mr. Chairman:

Receipt is acknowledged of your letter of August 4th, requesting a report on S. 2878 introduced by Senator Gillette for himself and Senator Clark and now pending before your Committee.

Additional legislation to authorize the making of loans on agricultural commodities by Commodity Credit Corporation is unnecessary as it presently has such authority. The nature and source of its authority was stated accurately by you in the statement appearing in the Congressional Record of August 3, 1937, pages 10473-10474.

Commodity Credit Corporation has made cotton and corn loans with the sanction or approval of the President and the Department of Agriculture.

The capital of the Corporation is now invested in loans on commodities. Additional funds are provided by the RFC under Section 201 (d) of Title II of the Emergency Relief and Construction Act of 1932, as amended.

Yours very truly,

JESSE H. JONES
Chairman

Honorable Ellison D. Smith,
Chairman, Agriculture and Forestry Committee,
United States Senate,
Washington, D. C.
The President,

The White House.

Dear Mr. President:

In view of the sentiment you expressed at luncheon on August 23, I thought you would be interested in a brief statement concerning the membership of the American Forestry Association and its program at the Cincinnati meeting of last June.

The American Forestry Association was organized in 1875 by the leading conservationists of the country at that time. It now has a membership of about 15,000, which is composed of a widely diversified group, including laymen interested in various phases of conservation, business men, and professional men, including foresters. About 200 employees of the Forest Service are members. No employee of the Department of Agriculture is on the Board of Directors or holds an office in this organization. Since its policy is controlled entirely by its officers and Board of Directors, I am glad to state that the program of the Cincinnati meeting was arranged without the advice or assistance of any employee of this Department. Members of the Department, including myself, did appear on the program, but only at the specific request of the organization to present papers concerning the work of the Department, in which the Association has taken an active interest. The Under Secretary of the Department of the Interior also appeared on the program.

I wonder if you had clearly in mind the distinction between the American Forestry Association and the Society of American Foresters. While the Association is made up primarily of non-foresters and is interested in the entire natural resource group, the Society of American Foresters is a professional organization with a primary interest in forest conservation. The Society of American Foresters has a membership of over 3000, of which 26% are employees of the Forest Service. Its membership includes employees of many other bureaus in the Federal Government, of the State forestry organizations, of
Forest Schools, and of foresters employed by private land owners. As a matter of policy, members of this Department rather lean over backwards to avoid any appearance of attempting to control the policies and activities of this Society. This is the organization to which you were elected an honorary member.

Sincerely yours,

[Signature]

Secretary.
Dear Mr. President,

Referring further to our conversation of last Friday, the enclosed clipping headed, "Argentine Headed: Applauds U. S. Move for Peace" is most interesting and especially the part which quotes from the Buenos Aires pact as follows, "In the event of an international war outside America which might menace the peace of the American Republic, these nations may consult together to determine the proper time and manner in which the signatory states, if they so desire, may eventually cooperate in some action tending to preserve the peace of the American continent."

Also am enclosing a clipping criticising your Chicago speech as a blank check for Britain. A good many people feel like Quincy Howe and especially is this true of Middle Westerners and of a strong element in the Democratic party. A good many, however, feel that your speech was excellent provided it doesn't mean what Quincy Howe says it means. I know, of course, that it doesn't mean what Quincy Howe says. I am confident of, and heartily for, your purposes. I am anxious that these purposes be certainly furthered.

I presume you have seen the enclosed editorial from the New York Times.

People do feel strongly on War, Race and Religion. The American people feel most strongly that you are a man of Peace and Toleration. That is one reason you have such a tremendous grip on their affections. That is one of the reasons you have such a grip on me; one of the reasons I have felt free to talk and write to you as I have.

Respectfully, yours,

Henry A. Wallace
IF WAR COMES WE'RE IN, SAYS QUINCY HOWE

President's Speech a Blank Check for Britain to Use, He Asserts.

CALLS IT PART OF A PLAN

Author of "England Expects Every American to Do His Duty" Is Realistic.

Quincy Howe, who wrote "England Expects Every American to Do His Duty," said today that certain highly placed Americans already have begun to fulfill that expectation.

"The President is just making out a blank check to Great Britain and the other so-called European democracies," he said.

"When one makes the admission that the United States cannot keep war outside her boundaries one hands one's self over to the forces which would preserve the status quo."

Mr. Howe is now editor of the publishing firm of Simon & Schuster. He was formerly editor of the Living Age. His conviction regarding the British Empire is of long standing.

Speech Planned, He Says.

"The President's speech," he said, "obviously is the result of a program worked out well in advance.

"I object that it isn't even elementary horse trading. After all, there is something to be said for isolation. The least we could have done, it seems to us, is to have said to Britain:—'Suppose we do abandon isolation—what have you to offer?'"
They don't seem to know what they are doing," he remarked, referring to Washington. "But you may be sure that the Morgans and the other friends of England in this country have definite ideas of what they are going to do, just as in 1916. It's a strange situation.

"Collective security to the British means the salvation of the Empire. To the Communists it means the eventual triumph of Communism. As a result you see an ideological partnership between Earl Browder and J. P. Morgan; between the Daily Worker and Nicholas Murray Butler. Both maintain the same viewpoint, but each has different aims.

Sears: Revolutions Ahead.

"We ought to know what we are doing. Hitler and the Mikado aren't going to fall on their swords when they hear that there's an embargo against them. They'll take steps. I don't think they would last. I think their power would crumble in revolution.

"But what then? Are we committed to suppress social revolution in Japan and Germany? That would be to continue where we left off in the last war, which ended, you remember, in a crusade against revolution. That's why the Morgans and the same crowd in Britain are whooping it up.

"It seems to me that the Liberals and the middle-of-the-roaders are doing a lot of muddled thinking these days. I'll defend isolation, even admitting that it is at times impossible, until its opponents frankly show me where they are going and why isolation is no longer possible."

Enough Said. He Thinks.

Mr. Howe said he didn't "see any need" for Roosevelt to say anything more" because "the League note which came the very day after his speech shows just how the principles he enunciated may be applied."

He thought it would be more difficult to drum up war sentiment today than in 1916-1917, but he pointed out that that would hardly be an immediate problem.

"What probably will happen," he said, "if things continue along these lines is that there will be a gradual but increasingly tight connection between ourselves and, primarily, Great Britain, but also those other nations interested in keeping the world more or less as it is.

Cities: Recent War Boom.

"Already we have had something like a war boom as a result of the British rearmament program. If we make trade agreements and other pacts with England; if, as seems likely, there is some sort of war-debt settlement and perhaps a joint arrangement for currency stabilization, why, then, our machine will be geared in with that of England and of the European democracies.

"Then, as in 1916-1917, there's trouble—and then, as in 1917, we're in."
Argentina Head Applauds U. S. Move for Peace

President Justo Writes to Envoy; Wang Asks Munitions Only.

Continued from Page 1.

on President Roosevelt's offer of collaboration with other powers seeking to end the warfare and this country's denunciation of Japan as a treaty violator.

Legislation to "curb the appetite of certain Americans to profit by other people's wars" was urged by Senator Gerald Nye (Republican), North Dakota, who called for a requirement that war could be declared only after a referendum.

Senator Henry Cabot Lodge, Jr. (Republican), Massachusetts, declared at Beverly, Mass., that "the best course" the United States could follow to "keep out of war is by not taking sides in foreign quarrels. . . . At times like these it behooves all Americans to try to remain impartial."

Nye Fears Hysteria.

Nye, speaking before the Vermont Education Association convention at Rutland, was quoted by the Associated Press as saying the United States is approaching rapidly the "same hysteria" over the same causes that 20 years ago, carried the country into the World War. In a later interview he said that "as long as we continue to arm other nations and permit profit to be made out of war, war will be inevitable."

"If America went to war with Japan today," he continued, "American soldiers would be fought with airplanes, torpedoes and powder made either with American designs or with American formulas. American young men would be brought home with shrapnel in their bodies made from scrap iron, which has been gathered in the United States in immense quantities and sold,