

# **NATIONAL GRASSLANDS MANAGEMENT**

## **A PRIMER**

### **Appendix I**

Legislative History, Public Law 210, 75<sup>th</sup> Cong.

Office of the Solicitor, United States Department of Agriculture,  
“Legislative History of Land Utilization Provisions in the Farm  
Tenancy Bill.”



LEGISLATIVE HISTORY<sup>1</sup>

PUBLIC LAW 210-75<sup>TH</sup> Congress

Chapter 517-1<sup>ST</sup> Session

H. R. 7562

TABLE OF CONTENTS

Digest of Public Law .....	1
Index and Summary of History on H. R. 7562 .....	4
History of Land Utilization Provisions in the Farm Tenancy Bill, H. R. 7562 .....	5

---

<sup>1</sup> Transcribed from original for legibility.

## DIGEST OF PUBLIC LAW 210

### BANKHEAD-JONES FARM TENANT ACT

#### TITLE I – FARM TENANT PROVISIONS

Section 1 authorizes the Secretary of Agriculture to make loans to farm tenants, farm laboreres, sharecroppers, etc., in the United States, Alaska, Hawaii, and Puerto Rico, for the acquisition of farms, each of sufficient size for a family to carry on successful farming.

Section 2 directs the County Committees established under section 42 of this Act to examine applications for loans and certify to the Secretary facts concerning the applicants and the farms with respect to which applications are made, and prohibits any member of the Committees from being interested in the farms financially.

Section 3 provides the following terms of loans: must be secured by first mortgage or deed of trust on the farm; interest rate, 3 percent; amortization schedules and form of instruments to be prescribed by the Secretary; payment of taxes and insurance to be made by borrower. Also provides that if the borrower disposes of the property without consent of the Secretary or if he fails to comply with the terms of the loan, the unpaid balance shall be immediately due and payable; prohibits acceptance of final payment or release of the Secretary's interest in the farm less than five years after the making of the loan; and provides that section 75 of the bankruptcy act shall not apply to indebtedness incurred under this title until 15 percent of the loan has been repaid.

Section 4 provides that loans shall be distributed equitably among the States and Territories on the basis of farm population and the prevalence of tenancy.

Section 5 requires the Secretary to assist borrowers under this Act to become established on lands now in cultivation, so far as is practicable, in order to avoid expansion of production.

Section 6 authorizes appropriations of \$10,000,000 for the fiscal year 1938, \$25,000,000 for the fiscal year 1939, and \$50,000,000 for each fiscal year thereafter, to carry out the provisions of this title, and limits administrative expenses to 5 percent of the sums appropriated.

#### TITLE II – REHABILITATION LOANS

Section 21 authorizes the Secretary to make loans to farmers who cannot otherwise obtain credit, for periods of 5 years or less, renewable, for purchase of livestock, farm equipment, supplies, etc., and for refinancing indebtedness and for family subsistence, such loans to be secured by chattel mortgages, liens on crops, and assignments of proceeds from sale of agricultural products.

Section 22 authorizes the Secretary to assist in the voluntary adjustment of indebtedness between farm debtors and their creditors, without charge to either party, and also authorizes him to continue to carry out undertakings with respect to farm debt adjustment uncompleted when appropriations for this section become available.

Section 23 authorizes the appropriation, for the fiscal year 1938, of the balances of funds available to the Resettlement Administration for loans and relief to farmers, unexpended on June 30, 1937, and authorizes the President to allot from relief and work relief funds additional sums for rehabilitation loans.

### TITLE III – RETIREMENT OF SUBMARGINAL LAND

Section 31 directs the Secretary to develop a program of land conservation and utilization, including retirement of submarginal lands.

Section 32 authorizes the Secretary to acquire, protect, improve, develop, and administer submarginal land; to dispose of any property so acquired for public purposes, and authorizes the President to transfer such lands to other governmental agencies; to cooperate with other public agencies in developing plans for a program of land conservation and utilization; to conduct surveys and investigations relative to retirement of submarginal land; and to disseminate information concerning these activities.

Section 33 provides that the Secretary shall pay 25 percent of the revenues received from land acquired under this title to the county or counties in which the land is situated, for school and road purposes.

Section 34 authorizes an appropriation of \$10,000,000 for the fiscal year 1938 and \$20,000,000 for each of the fiscal years 1939 and 1940, to carry out the provisions of this title

### TITLE IV – GENERAL PROVISIONS

Sections 40 and 41 create the Farmers' Home Corporation as an agency of the Department of Agriculture, to which the Secretary may delegate powers conferred upon him by this Act, the capital stock of which shall be subscribed by the Secretary. Place the management of the Corporation in a board of directors, composed of three employees of the Department of Agriculture designated by the Secretary, who may select, subject to the Secretary's approval, and an administrator to be the executive officer of the Corporation with such power as the Board may confer upon him.

Section 42 directs the Secretary to appoint in each county in which activities are to be carried on under Title I a county committee composed of three farmers residing in the county, at a salary of \$3 per day when actually employed, to perform duties imposed by this Act and such other duties as the Secretary may require of them.

Section 43 authorizes the completion and administration of resettlement projects, rural rehabilitation projects, and land development and land utilization projects, for which funds have been allocated to the Resettlement Administration by the President, and authorizes the appropriation of balances of funds unexpended on June 30, 1937, for these purposes.

Section 44 provides that the disposition of any land acquired pursuant to this Act shall be subject to the reservation on behalf of the United States of at least three-fourths of the interest of the United States in the minerals in or under such land.

Section 45 authorizes the President to transfer any public lands suitable for the purposes of this Act to the Corporation for such use and disposal as will best carry out the objectives of this Act.

Section 46 prohibits the making of a loan or the sale of land to any private corporation for farming purposes.

Section 47 authorizes the Secretary to conduct surveys, investigations, and research relating to the purposes of this Act, and authorizes dissemination of information pertinent to the various aspects of his activities.

Section 48 authorizes the Secretary to provide a system of variable payments on any loans made under this Act, so as to relieve emergencies in borrowers' finances.

Section 49 provides that no set-off shall be made against any payment to be made by the Secretary, and no debt due the Secretary shall be set off against any payments owing by the United States, unless such set-off will not hinder the objectives of this Act.

Section 50 provides that all property which is being utilized to carry out title I or II shall be subject to taxation, other than property used for administrative purposes, but all other property held by the United States pursuant to this Act shall be tax-free.

Section 51 authorizes the Secretary to bid in at foreclosures or other sale any real or personal property which secures any loan made under this Act, and to operate, lease, or sell such property.

Section 52 provides penalties for certain acts, including false representation, embezzlement, fraud and theft.

Section 53 prohibits any Federal employee from taking fees or commissions in connection with any transaction of business under this Act.

Section 54 extends the provisions of this act to Alaska, Hawaii, and Puerto Rico.

## INDEX AND SUMMARY OF HISTORY ON H. R. 7562

March 5, 1935	Hearings: Senate, S. 1800 – 74 <sup>th</sup> Congress
January 6, 1937	S. 106 was introduced by Senator Bankhead and was referred to the Senate Committee on Agriculture and Forestry. Print of the bill as introduced. (Companion bill).
January 27, 1937	Hearings: House, H. R. 8.
February 16, 1937	House Document 149. Report of the Special Committee on Farm Tenancy.
June 15, 1937	Senate Committee reported S. 106 with amendments. Senate Report 732. Print of the bill as reported.  Amendments proposed by Senator O'Mahoney to S. 106. Prints of the amendments.
June 17, 1937	H. R. 7562 was introduced by Rep. Jones and was referred to the House Committee on Agriculture. Print of the bill as introduced.
June 18, 1937	House Committee reported H. R. 7562 without amendment. House Report 1065. Print of the bill as reported.
June 24, 1937	House Rules Committee reported H. Res. 261 for consideration of H. R. 7562. House Report 1088. (No copy of the report). Print of the resolution as reported.
June 28, 1937	House debated and agreed to H. Res. 261. Print of H. Res. 261 as agreed to.
June 29, 1937	House debated and passed H. R. 7562 with amendment.
July 1, 1937	Senate debated S. 106.
July 2, 1937	Senate debated and passed S. 106 with amendment. Action on S. 106 indefinitely postponed in lieu of H. R. 7562.  Senate Conferees appointed.
July 6, 1937	House Conferees appointed.
July 9, 1937	Print of H. R. 7562 with the amendments of the Senate
July 12, 1937	Conference Report submitted. House Rept. 1198
July 13, 1937	House agreed to the Conference Report.
July 15, 1937	Senate agreed to the Conference Report.
July 22, 1937	Approved. Public Law 210.

LEGISLATIVE HISTORY

OF

LAND UTILIZATION PROVISIONS

IN THE

FARM TENANCY BILL

Pub. 210 – 75<sup>th</sup> Congress  
(H. R. 7562)

By  
Albert B. Spector  
Office of the Solicitor  
Department of Agriculture



## INTRODUCTORY NOTE

The Farm Security Act of 1937 is known as Public No. 210 – 75<sup>th</sup> Congress, approved July 22, 1937. The Act derives from Senate bill No. 106, introduced by Senator Bankhead and House of Representatives bill No. 7562, introduced by Mr. Jones.

The Act is composed of four titles. The first relates to loans to enable persons to acquire farms, the second, to rehabilitation loans and to the voluntary adjustment of indebtedness between farm debtors and their creditors. The third title relates to the retirement of submarginal land. The fourth title contains general provisions applicable in accordance with their terms to Titles I, II and III.

This memorandum is confined to a legislative history of Title III, and of such sections of Title IV, the general provisions, as pertain to the program set forth in Title III. Appended as Exhibit A is a list of references by members of Congress to the land utilization program. There is further appended as Exhibit B the final vote in the House on H. R. 7562. There was no roll call in the Senate.

## PART I

### LEGISLATIVE HISTORY OF TITLE III

Title III of the Farm Security Act of 1937 provides as follows:

#### “Program

“Sec. 31. The Secretary is authorized and directed to develop a program of land conservation and land utilization, including the retirement of lands which are submarginal or not primarily suitable for cultivation, in order thereby to correct maladjustments in land use, and thus assist in controlling soil erosion, reforestation, preserving natural resources, mitigating floods, preventing impairment of dams and reservoirs, conserving surface and subsurface moisture, protecting the watersheds of navigable streams, and protecting the public lands, health, safety, and welfare.

#### Powers Under Land Program

“Sec. 32. To effectuate the program provided for in section 31, the Secretary is authorized--

“(a) To acquire by purchase, gift, or devise, or by transfer from any agency of the United States or from any State, Territory, or political subdivision, submarginal land and land not primarily suitable for cultivation, and interests in and options on such land. Such property may be acquired subject to any reservations, outstanding estates, interests, easements or other encumbrances which the Secretary determines will not interfere with the utilization of such property for the purposes of this title.

“(b) To protect, improve, develop, and administer any property so acquired and to construct such structures thereas as may be necessary to adapt it to its most beneficial use.

“(c) To sell, exchange, lease, or otherwise dispose of, with or without a consideration, any property so acquired, under such terms and conditions as he deems will best accomplish the purposes of this title, but any sale, exchange, or grant shall be made only to public authorities and agencies and only on condition that the property is used for public purposes. The Secretary may recommend to the President, other Federal, State or Territorial agencies to administer such property, together with the conditions of use and administration which will best serve the purposes of a land-conservation and land-utilization program, and the President is authorized to transfer such property to such agencies.

“(d) With respect to any land, or any interest therein, acquired by, or transferred to the Secretary for the purposes of this title, to make dedications or grants, in his discretion, for any public purpose, and to grant licenses and comments upon such terms as he deems reasonable.

“(e) To cooperate with Federal, State, Territorial, and other public agencies in developing plans for a program of land conservation and land utilization, to conduct surveys and investigations relating to conditions and factors affecting, and the methods of accomplishing most effectively, the purposes of this title, and to disseminate information concerning these activities.

“(f) To make such rules and regulations as he deems necessary to prevent trespasses and otherwise regulate the use and occupancy of property acquired by, or transferred to, the Secretary for the purposes of this title, in order to conserve and utilize it or advance the purposes of this title. Any violations of such rules and regulations shall be punished as prescribed in section 5388 of the Revised Statutes, as amended (U.S.C., 1934 ed., title 18, sec. 104).

### Payments to Counties

“Sec. 33. As soon as practicable after the end of each calendar year, the Secretary shall pay to the county in which any land is held by the Secretary under this title, 25 per centum of the net revenues received by the Secretary from the use of the land during each year. In case the land is situated in more than one county, the amount to be paid shall be divided equitably among the respective counties. Payments to counties under this section shall be made on the condition that they are used for school or road purposes, or both. This section shall not be construed to apply to amounts received from the sale of land.

### Appropriation

“Sec. 34. To carry out the provisions of this title, there is authorized to be appropriated not to exceed \$10,000,000 for the fiscal year ending June 30, 1938, and not to exceed \$20,000,000 for each of the two fiscal years thereafter.”

Revised Statutes, Sec. 5388, incorporated by reference in sec. 38 (f), appears as follows in Title 18, U. S. O. A.:

“Sec. 104 (Criminal Code, section 50, amended.) Same: on Indian lands or trust allotments. Whoever shall unlawfully cut, or aid in unlawfully cutting, or shall wantonly injure or destroy, or procure to be wantonly injured or destroyed, any tree, growing, standing, or being upon any land of the United States, which, in pursuance of law, has been reserved or purchased by the United States for any public use, or upon any Indian reservation, or lands belonging to or occupied by any tribe of Indians under the authority of the United States, or any Indian allotment while the title to the same shall be held in trust by the Government, or while the same shall remain inalienable by the allottee without the consent of the United States, shall be fined not more than \$500, or imprisoned not more than one year, or both. (R.S. #5388; June 4, 19 . . .<sup>2</sup>, S. 340, 25 Stat. 166; Mar. 4, 1909, c. 381, § 50, 38 Stat. . . .<sup>3</sup>; June 25, 1910, c. 431, § 6, 36 Stat. . . .<sup>4</sup>)”

---

<sup>2</sup> Unintelligible.

<sup>3</sup> Unintelligible.

No change whatsoever was made in the language of Title III at the time of introduction in H.R. 7562 to the time of approval by the President. It will be recalled that the Senate bill, S. 106, did not contain any provision for a land use program. With the exception of that mentioned in Exhibit C there was no discussion in the Senate of the land utilization program. In the House, there was no debate on any controversial point involved in Title III. There were, however, some explanations by speakers which will be noted below. Further, only three amendments were attempted. Two were rejected and one was withdrawn. These will be discussed below in order.

The report of the House Committee on Agriculture, on H.R. 7562 contained the following explanation of Title III of the bill:

#### “Retirement of Submarginal Land

##### Program

“Title III relates to the retirement of submarginal land. Section 31 authorizes and directs the Secretary to develop a program of land conservation and land utilization, including the retirement of lands which are submarginal or not primarily suitable for cultivation in order to correct maladjustments in land use, and thus assist in controlling soil erosion, reforestation, preserving natural resources, mitigating floods, preventing impairment of dams and reservoirs, controlling surface and subsurface moisture, protecting the watersheds of navigable streams, and protecting the public lands, health, safety, and welfare.

##### Power of Secretary under Land Program

“Section 32 authorizes the Secretary, in order to carry out the program provided for in section 31, to acquire submarginal land and land not primarily suitable for cultivation, and interests in and options on such land. He may acquire it by purchase, gift, or devise, or by transfer from any agency of the United States, or from any State, Territory, or political subdivision. He may not condemn land for the purpose. The Secretary may acquire such land subject to any reservations, outstanding estates, interests, easements, or other encumbrances if he determines that they will not interfere with the utilization of the land for the purposes of this title.

“The Secretary may sell, exchange, lease, or otherwise dispose of any such land, with or without a consideration, under such terms and conditions as he deems will best carry out the purposes of this title. A sale, exchange, or grant of any such land may be made only to public authorities, and then only on condition that it is used for public purposes.

---

<sup>4</sup> Unintelligible.

The President, upon recommendation of the Secretary, is authorized to transfer any such land to other Federal, State, or Territorial agencies to administer.

“The Secretary is authorized to protect, improve, develop, and administer land acquired under this title and to construct such structures thereon as may be necessary to adapt the land to its most beneficial use, and he may make dedications and grants with respect to any such land, or interest therein, for any public purpose, and may grant licenses and easements upon such terms as he deems reasonable.

“The Secretary is authorized to cooperate with Federal, State, Territorial, and other public agencies in developing a land conservation and utilization program, to conduct surveys and investigations relating to conditions and factors affecting and the methods of accomplishing most effectively the purposes of this title, and to disseminate information concerning those activities.

“The Secretary may make such rules and regulations as he deems necessary to prevent trespasses on and otherwise regulate the use and occupancy of property acquired by him for the purposes of this title. Violation of such rules and regulations is made punishable by a fine of not more than \$500 and by imprisonment for not more than 12 months.

#### Payments to Counties

“Section 33 directs the Secretary, as soon as practicable after the end of each calendar year, to pay to the county in which any land is held by the Secretary under this title 25 percent of the net revenues received by the Secretary from the use of the land during such year. Such payments are to be made on condition that they are used for school or road purposes, or both.

#### Appropriation

“Section 34 authorizes an appropriation of \$10,000,000 for the fiscal year 1938, and \$20,000,000 for each of the 2 fiscal years thereafter, for the purposes of carrying out the provisions of this title.” (pages 7 and 8 House Report No. 1065).

It will be recalled that before H. R. 7562 was introduced and considered, another farm tenancy bill, H. R. 6240, had been under discussion. H. R. 6240 was a bill which did not meet the approval of the House Rules committee because of the amount of the appropriation. H. R. 7562 was then introduced, considered, and passed. Title III of H. R. 6240 differed from H. R. 7562 in two respects: first, Section 31 of H. R. 7562 contained the word “reforestation” which was lacking in H. R. 6240; second, in H. R. 7562, an appropriation of \$20,000,000 was authorized for each of the two fiscal years following 1938, whereas in H. R. 6240 an appropriation of \$20,000,000 was authorized for each of the three fiscal years following 1938.

The discussion in the House of Representatives on the Farm Tenancy bill was confined almost wholly to Title I. There were, however, the following explanations of the bill which should be noted.

At page 8360<sup>5</sup> of the Congressional Record for June 28, 1937, there is reported the following statement by Chairman Jones, explaining Title III of the bill:

“Under title III an appropriation of \$10,000,000 is authorized to be made available for the first year, \$20,000,000 for each of the two succeeding years for the purchase of land not primarily suitable for tillage. These lands may be used for any public purpose, such as parks, game preserves, recreational centers, forest reserves, or for any other public purpose.

“The needs of such a program are manifest and are well known to those who are familiar with conditions which prevail, especially in certain sections of our country.”

At page 8380<sup>6</sup> of the Congressional Record for June 28, 1937, appears the following statement by Mr. Coffee of Nebraska, explaining Title III of the bill as follows:

“Under Title III funds are authorized for the purchase by the Government of submarginal lands. This would be a continuation of the present program and in many states additional purchases are necessary to block together the purchase already made. The objective is to retire this submarginal land from unprofitable crop production and to turn it back to grass and into grazing and forest areas. In purchasing the land the Government will have something to show for the money spent. It will help to relieve crop surpluses, especially in wheat, since in good years this submarginal land helps to swell the price-depressing surplus. Twenty-five per cent of the net revenue received by the secretary from the use of the land will be paid to the respective counties for school and road purposes. This is quite essential inasmuch as a great deal of the taxable property in some counties has been or will be purchased by the Government under this program.”

At page 8387<sup>7</sup> of the Congressional Record for June 28, 1937, appears the following comments by Mr. Cooley of North Carolina concerning the land utilization program:

“I cannot, in the brief space and time allotted, discuss that which has been done by the Rural Rehabilitation Section of the Resettlement Administration in bringing relief to

---

<sup>5</sup> See p. 6451 of Appendix H. Page number is different because the scanned source for the Congressional Record was different than that used by the National Grasslands Primer author.

<sup>6</sup> See p. 6471 of Appendix H. Page number is different because the scanned source for the Congressional Record was different than that used by the National Grasslands Primer author.

<sup>7</sup> See p. 6477 of Appendix H. Page number is different because the scanned source for the Congressional Record was different than that used by the National Grasslands Primer author.

poverty-stricken farmers, nor can I discuss the fine service which the Land Utilization Division has rendered in reclaiming submarginal and correcting maladjustments in land use and in making farming more profitable.”

At page 8389<sup>8</sup> of the Record for June 28, 1937, appears a letter from Charles West, acting Secretary of the Interior, to the Hon. Marvin Jones, Chairman, Committee on Agriculture, House of Representatives, urging that the bill be amended so as to apply to Puerto Rico. The letter states in part as follows:

“There are also some submarginal lands which should be utilized and developed under a program such as that contemplated in Title III of this bill. Tropical products, such as vanilla beans, quinine, bamboo, and other tropical plants, as well as coffee, can be grown on these lands, products of a kind well designated to check erosion on the hillsides, and not to compete with mainland agricultural products.”

The bill was so amended to extend to Puerto Rico.

As indicated above, there were but three attempts to amend Title III. They are as follows:

At page 8492<sup>9</sup> of the Congressional Record for June 29, 1937, appears the amendment suggested by Mr. Lord. The purpose of the amendment was to strike out Section 33 as it appears above and instead to insert the following:

#### “Taxation

“Sec. 33. The property acquired by the Secretary to carry out the provisions of this title shall be exempt from taxation by any State or political subdivision thereof, but the Secretary shall pay, in respect of such property (except property used solely for administrative purposes), to the State or political subdivision thereof concerned, an amount which the Secretary determines to be fair and reasonable but not more than the property taxes (including special and other assessments) which would be payable to such State or political subdivision if such property were owned by a private individual. The payment of such amount shall be made on the day upon which taxes would otherwise be due and payable.”

---

<sup>8</sup> See p. 6480 of Appendix H. Page number is different because the scanned source for the Congressional Record was different than that used by the National Grasslands Primer author.

<sup>9</sup> See p. 6572 of Appendix H. Page number is different because the scanned source for the Congressional Record was different than that used by the National Grasslands Primer author.

Mr. Lord explained the purpose of the amendment as follows:

“Mr. Chairman, I want to call the attention of the House to section 33, on page 10. This provides that 25 percent of the profits from the submarginal lands purchased by the Government shall go to the counties as taxes. The submarginal land as purchased will not pay any income whatever, but will take out of the tax rolls and from the school districts and the highway districts land that is now on the assessment roll and paying taxes.

“It will add to the taxes of all other farm lands and all other property in the district. They will have to bear the burden of taxation that was formerly assessed on these particular lands.

“In the State of New York the State buys land for reforestation. The State buys the land and it is assessed for what the State pays for it, and the State pays taxes for highways and schools on the same basis as other real property in the district. I do not purpose to assess the land but I have taken this language from a bill which the Secretary presented to me. I propose that the Secretary decide what is the fair and equitable tax for the Government to pay to the various counties and school districts. On this basis they will receive payment, and the extra burden will not fall upon the taxpayers for these various purposes. In other words, in this bill we are trying to relieve farms and at the same time we are adding on to the tax rate of all other farmers in the tax district in order to do it.

“In addition, in most districts where the land is purchased there is bonded indebtedness and the balance of the taxpayers will have to bear the extra burden that has been assessed against the land purchased by the Government. This is to my mind very unfair to the farmers and taxpayers of our Nation.”

Earlier in the debate on the bill Mr. Lord had also made a statement urging that the bill be amended so that land bought under the land utilization program would not be taken of the tax rolls. This appears at page 8390<sup>10</sup> of the Congressional Record for June 28, 1937. Mr. Lord’s amendment was rejected. This appears at page 8493<sup>11</sup> of the Congressional Record for June 29, 1937.

The second amendment was proposed by Mr. Wearin to authorize the disposition of land acquired under the land program to farm tenants. Mr. Wearin proposed that section 32(c) as it appears above should be amended to read as follows:

---

<sup>10</sup> See p. 6481 of Appendix H. Page number is different because the scanned source for the Congressional Record was different than that used by the National Grasslands Primer author.

<sup>11</sup> See p. 6573 of Appendix H. Page number is different because the scanned source for the Congressional Record was different than that used by the National Grasslands Primer author.



“To sell, exchange, or otherwise dispose of, with or without a consideration, any property so acquired, under such terms and conditions as he deems will best accomplish the purposes of this title, but any sale, exchange, or grant shall be made only to public authorities and agencies and only on condition that the property is used for public purposes or to tenants who can qualify as such under the terms of this Act,” etc. (The underscored clause indicates Mr. Wearin’s proposed amendment).

Mr. Wearin, in withdrawing his amendment, made the following statement:

“Mr. Chairman, I have offered this amendment to this particular title with the thought in mind that submarginal land should be available for resale to tenants whenever the Secretary of Agriculture thinks that it is advisable that such action proceed. I do not expect to press the amendment; in fact, I intend to withdraw it because by virtue of having discussed the situation with the distinguished Chairman of the Committee on Agriculture (Mr. Jones) it is my understanding that in all probability legislation dealing with the disposition of submarginal land will be forthcoming.” (page 8493<sup>12</sup> Congressional Record of June 29, 1937).

The third amendment was proposed by Mr. Case of South Dakota. The purpose of Mr. Case’s amendment was to change Section 33 to authorize the use of funds paid to counties for the retirement of bonds and warrants legally issued and outstanding at the time of passage of this act. If this amendment had been adopted the applicable part of Section 33 would read as follows:

“Payments to counties under this section shall be made on the condition that they are used for school or road purposes or both, or applied to sinking funds for the retirement of bonds or warrants legally issued and outstanding at the time of the passage of this Act.” (Underscored language indicates Mr. Case’s proposed amendment).

The amendment was rejected. Mr. Case, in urging his amendment, made the following statements:

“Mr. Chairman, this amendment is to page 10 of the bill. The sentence to be amended reads as follows:

‘Payments to counties under this section shall be made on the condition that they are used for school or road purposes, or both.’

My amendment adds to the authority for this money to be applied also to the sinking funds for retirement of bonds and warrants legally issued and outstanding at the time this act becomes law.

---

<sup>12</sup> See p. 6573 of Appendix H. Page number is different because the scanned source for the Congressional Record was different than that used by the National Grasslands Primer author.

“A good deal of the debate on this bill has been confined to the subject of the farm-tenancy program in title I. As far as I am concerned titles II and III are equally important in the Great Plains area.

“Rehabilitation loans and the submarginal land buying programs are equally important with the tenancy program. The rehabilitation grants have kept thousands of farmer families alive the past winter and the loans are giving them a chance to get going again. The marginal land-purchase program opens the way to a wiser land use. These things are continued under titles II and III and my desire is to have future generations in these fields profit from what experience has been had.

“If we limit the use of this 25 percent of the revenue from those purchased lands to school and road purposes we are going to throw the entire burden of present bonds and warrants onto the remaining landholding taxpayers.

“I have seen how that has worked out in two or three submarginal areas in my district. We have a constitutional limit on levies as well as total debt. In counties where these limits have been reached, it is not only unfair but impractical to throw onto remaining taxpayers the capital debts that have been based on an assessed valuation that included the lands this purchase program will remove.

“It means an unbalanced tax structure that is unworkable. It will relieve the road and school funds, but where the limit has been reached on sinking fund levies, you cannot shift or adjust the situation. But if this revenue from the grazing areas or from this submarginal area can be applied to outstanding, legally issued bonds and warrants it will contribute much to the workability of the bill.”

As pointed out above, the land use provisions in the bill were not changed in any way. Title III as passed by the House was accepted in conference and thus became incorporated in the enacted bill in the same form as originally introduced. (See page 14 of House Report No. 1198, the Conference Report.)

No hearings were held on either H. R. 6240 or H. R. 7562, as...<sup>13</sup> the only two farm tenancy bills which specifically provided for land use program. During the hearings, however, on these farm tenancy bills...<sup>14</sup> which proceeded H. R. 6240 and H.R. 7562 references were made to the land use program. These are appended as Exhibit D.

---

<sup>13</sup> Unintelligible.

<sup>14</sup> Unintelligible.