

JANUARY 15, 1931.

Hon. JOSEPH T. ROBINSON,
United States Senate.

DEAR SENATOR: The suggestion in your telegram of January 2, from Little Rock, that funds be made available to assist farmers and business men in setting up credit corporations to make production loans to farmers whose notes would then be rediscounted with intermediate credit banks, appeals strongly to me. This matter was discussed with several persons while the seed loan resolution was before Congress, and brief reference was made to it when I appeared before the House Committee on Agriculture. The authorizing resolution, however, had then passed the Senate and the members of the committee evidently felt that final agreement on the resolution might be delayed if new proposals were added to it. Our thought then was that the department might make direct subscriptions to the capital stock of such credit corporations, but the proposal in your bill (S. 5441), that loans be made to individuals, who in turn will make stock subscriptions, seems to be a better plan. Since the appropriation of Federal funds to be loaned for purposes which would provide a basis for obtaining more funds from Federal agencies would probably be unsound as a permanent policy, I am suggesting that this bill be made an amendment to the drought relief bill, and that a sum not to exceed \$5,000,000 be authorized to be loaned out of the \$45,000,000 for the purpose outlined in your bill. I am writing Senator McNary reporting favorably on your bill, but am suggesting that authorization be given me to make loans for stock subscriptions to an amount not in excess of \$5,000,000 out of the \$45,000,000 authorized for seed and fertilizer loans under Public Resolution 112.

It is the belief of this department that if credit corporations could be set up in such areas as eastern Arkansas and the Delta section of Mississippi, the needs of large plantation owners who have some basis of credit could be met much more satisfactory through loans from these corporations than by direct loans from this department. Many of these plantation owners have a sufficient basis of credit to obtain loans from commercial banks, but through recent closing of banks local credit facilities are not available.

Accordingly, the department has drawn up a proposed amendment, broader in scope than the one submitted by you. It will be observed that in the proposed amendment which we are submitting to Senator McNary, agricultural credit associations, livestock loan companies, or like organizations which may now or may in the future be authorized to rediscount their notes with the Federal intermediate credit banks, have been included. It is believed that this broader language will better accomplish the purposes intended. A copy of the suggested amendment is inclosed for your information.

I shall be glad to discuss this matter with you at any time you may desire.

Sincerely,

ARTHUR M. HYDE, *Secretary.*

TO AMEND THE ACT OF MAY 23, 1930

FEBRUARY 4, 1931.—Committed to the Committee of the Whole House on the state of the Union and ordered to be printed

Mr. ARENTZ, from the Committee on the Public Lands, submitted the following

REPORT

[To accompany H. R. 15986]

The Committee on the Public Lands, to whom was referred H. R. 15986, to amend the act of May 23, 1930 (46 Stat. 378), having considered the same, report favorably thereon and recommend that it do pass without amendment.

The law which this legislation proposes to amend appears below:

That the following-described land be, and the same is hereby, eliminated from the Tusayan National Forest, Arizona, and added to and made a part of the Western Navajo Indian Reservation, subject to all valid rights and claims of individuals initiated prior to the approval of this act: All that part of the Tusayan National Forest lying east of the Colorado River and north of the Little Colorado River, unsurveyed, but which will probably be when surveyed in townships 32, 33, 34, 35, and 36 north, ranges 5 and 6 east; all lands in township 31 north, range 6 east, which are now a part of the Tusayan National Forest; sections 1, 2, 3, 4, and 10 to 14, inclusive, east half section 23, sections 24 and 25, east half section 26 and sections 35 and 36, township 30 north, range 6 east; sections 27 to 34, inclusive, township 30 north, range 7 east; sections 1, 2, and 11 to 14, inclusive, sections 23 to 26, inclusive, sections 35 and 36, township 29 north, range 6 east; sections 3 to 10, inclusive, and sections 15 to 36, inclusive, township 29 north, range 7 east; section 1 and north half section 12, township 28 north, range 6 east; sections 1 to 23, inclusive, and sections 29 to 32, inclusive, township 28 north, range 7 east; Gila and Salt River base and meridian, Arizona: *Provided*, That all unappropriated and unreserved public lands in sections 24 to 28, inclusive, and sections 33 to 36, inclusive, in township 28 north, range 7 east, Gila and Salt River base and meridian, Arizona, be, and the same are hereby, added to and made a part of the Western Navajo Indian Reservation, subject to all valid rights and claims of individuals initiated prior to approval of this act.

The section of the act approved May 23, 1930 (46 Stat. 378), referred to in this legislation, and which is amended by the same, appears below, together with the amendment set forth by this measure, which is set out in italics.

That section 1 of the act of May 23, 1930 (46 Stat. 378), entitled "An act to eliminate certain lands from the Tusayan National Forest, Arizona, as an addition to the Western Navajo Indian Reservation," be, and the same is hereby, amended so as to include the following-described lands subject to all the conditions and provisions

of said act: Sections 10 to 15, inclusive, sections 22 to 27, inclusive, sections 34 to 36, inclusive, township 27 north, range 6 east, all of township 27 north, range 7 east; sections 4 to 9, 16 to 21, 29 to 32, all inclusive, in township 27 north, range 8 east; sections 1 and 2, the east half of section 3, the east half of section 10, sections 11 and 12, township 28 north, range 7 east; sections 5 to 8, inclusive, township 28 north, range 8 east, Gila and Salt River meridian, Arizona.

Sec. 2. That for the purpose of arriving at the values and areas of lieu lands to which private landowners are entitled under the act of May 23, 1930, as hereby amended, the value of the improvements on all privately owned lands to be conveyed or relinquished to the United States for the benefit of the Indians shall be taken into consideration and full credit in the form of lands shall be allowed therefor: Provided, That the State of Arizona may relinquish such lands as it sees fit, acquired pursuant to the enabling act of June 20, 1910 (36 Stat. L. 557), which may be desired as lieu land, and the State shall have the right to select other unreserved and undisposed of nonmineral public lands within the State of Arizona equal in area to that relinquished, the lieu selections to be made by the State in the same manner as is provided for in said enabling act.

This legislation has the approval of the Secretary of the Interior, as set forth in a letter addressed to the chairman of the Public Lands Committee under date of January 30, 1931.

The letter from the Secretary of the Interior is herein set out in full for the information of the House:

DEPARTMENT OF THE INTERIOR,
Washington, January 30, 1931.

HON. DON B. COLTON,
Chairman Committee on the Public Lands,
House of Representatives.

MY DEAR MR. CHAIRMAN: In compliance with your request of January 12, for a report on H. R. 15986, which is a bill to amend the act of May 23, 1930 (46 Stat. 378), I transmit herewith a memorandum on the subject that has been submitted by Commissioner Rhoads, of the Office of Indian Affairs.

After a review of the proposed measure, I agree with Commissioner Rhoads. Very truly yours,

RAY LYMAN WILBUE, Secretary.

DEPARTMENT OF THE INTERIOR,
OFFICE OF INDIAN AFFAIRS,
Washington, January 29, 1931.

Memorandum for the Secretary.

This is in reference to the request of the House Committee on Public Lands dated January 12, 1931, for a report on H. R. 15986, a bill to amend the act of May 23, 1930 (46 Stat. 378).

The act of May 23, 1930, supra, provides among other things for the relinquishment of certain alternate sections of privately owned lands for the purpose of adding such lands to the Western Navajo Indian Reservation, and allows lieu selections of vacant land on the public domain in Arizona to be made by the private landowners who relinquish under the terms of the act. All of the privately owned lands affected by the act in question are owned by the Campbell-Francis Co., which is engaged in the sheep-grazing industry. The proposed amendment would allow this company to relinquish its remaining land holdings in that vicinity, totaling about 23,000 acres, in favor of the Indians, it being impossible for the company to fence their remaining holdings so as to exclude the Indians and their sheep. Hence, the Indians are enabled to use the privately owned lands for grazing their sheep to the detriment of the owners.

The superintendent of the Western Navajo Agency has reported that it is very desirable to obtain these lands for the Indians as their sheep have already spread out in that direction to the extent that they are now actually grazing a portion of the land. He further reports that this company's land is well developed and improved so that there would be no necessity for requesting any funds at this time for the purpose of development, and in addition that the acquisition thereof would round out the boundaries of the reservation in a manner which would prevent further disputes and trespass claims. It is our understanding that the lands involved have a very high forage value.

It is understood that the improvements on the lands consist of well-equipped stock-watering tanks, sheep-dipping vats, etc., of a permanent nonremoval nature. Considering the apparent value of the improvements on the lands we believe that as a matter of justice and equity the value thereof should be taken into consideration when the company makes lieu selections and full credit be allowed therefor in the form of lieu land, as provided for by section 2 of the proposed amendment.

As the proposed amendment will be mutually beneficial to all parties concerned—the Indians, private landowners, and the State—it is highly desirable from the viewpoint of this office that favorable consideration be given the matter. Accordingly, it is respectfully recommended that the bill be enacted.

C. J. RHOADS, Commissioner.



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