

FIRST DEFICIENCY APPROPRIATION BILL FOR 1939

HEARINGS BEFORE THE SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS UNITED STATES SENATE

SEVENTY-SIXTH CONGRESS

FIRST SESSION

ON

H. R. 2868

A BILL MAKING APPROPRIATIONS TO SUPPLY DEFICIENCIES IN CERTAIN APPROPRIATIONS FOR THE FISCAL YEAR ENDING JUNE 30, 1939, TO PROVIDE SUPPLEMENTAL APPROPRIATIONS FOR THE FISCAL YEAR ENDING JUNE 30, 1939, AND FOR OTHER PURPOSES

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FIRST DEFICIENCY APPROPRIATION BILL, 1939

MONDAY, JANUARY 30, 1939

UNITED STATES SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, D. C.

The subcommittee met, pursuant to call, at 2:30 p. m., in the committee room, Capitol, Hon. Alva B. Adams presiding.

Present: Senators Adams, Glass, McKellar, Hayden, Byrnes, Overton, Nye, and Townsend.

DEPARTMENT OF AGRICULTURE

FOREST SERVICE

STATEMENT OF HON. WARREN R. AUSTIN, A UNITED STATES SENATOR FROM THE STATE OF VERMONT

NEW ENGLAND HURRICANE RELIEF

Senator ADAMS. Senator Austin, we will hear you.

Senator AUSTIN. The item I am interested in is on page 3, line 1, through to line 20.

Senator NYE. New England hurricane?

Senator AUSTIN. Yes, Senator. What I want to ask you to examine is the justification for this, which you will find in the Budget report made by the President in H. Doc. No. 89, page 2; the last two items on page 2 and all of page 3, and half of page 4.

BUDGET RECOMMENDATION FOR HURRICANE RELIEF

Now, I am not going to detain you longer than to say just this, that the appropriation was cut from \$5,000,000 to \$3,000,000 and a proviso, attached to it to the effect that the States, New England States, match these funds.

The Budget recommended \$5,000,000 and made no condition that these States match the funds.

I think the purpose is perfectly clear in the statement made by the President that this money was purely emergency money intended to take care of a great fire hazard up there and such rehabilitation as would reduce the burden to a point where private individuals could take it up and finish it, and carry it on at which point it is contemplated that the Federal forces will be withdrawn.

Now, those forces consist of C. C. C. camps of New England and this does not fit in at all with the matching of funds that we find so many express precedents for. This is but a part of the use of an

agency for emergency and the reports will so show, so that I do not need to talk about it or talk about the hazard that the people of New England are exposed to from the debris, which is greater than the hazard from the hurricane itself. The necessity for fire protection and for fire prevention is the reason for this appropriation, and that is the basis of calling this an emergency.

There is no reason at all assigned, save a spurious one, which I do not believe the House or any Member of the House ever urged, for cutting this down. Undoubtedly you all saw in the press those statements that the cut was made as a retaliatory slap on the wrist to Vermont with respect to her position in respect to flood control. I have made some investigation, and I am persuaded that no Representative ever issued any such statement at all, and there is no such ulterior motive for this cut. I have no doubt they have had good reasons to justify their position; but I believe that the estimates of those who have examined that damage up there are more accurate than the estimates of gentlemen, however distinguished and competent, who sit around a table and study the project.

Senator HAYDEN. But, Senator, the text reads—

Senator ADAMS. You did not specify the table, Senator.

Senator HAYDEN. The text of the bill reads:

For rehabilitation and reestablishment of forest-protection improvements, reduction of forest-fire hazards, and prevention of forest fires on State, county, municipal, and private forest lands.

Senator AUSTIN. Yes.

Senator HAYDEN. Now, how much of it is on State and how much on municipal lands, or is it practically all on private lands?

ARRANGEMENTS FOR SALVAGE OF PRIVATELY OWNED TIMBER

Senator AUSTIN. This Budget statement says this about the subject. I am reading from page 3. For the salvage of privately owned timber, arrangements have been made for the Reconstruction Finance Corporation for operations based on 3-percent collateral loans up to a total of \$15,000,000. There remains, therefore, the task of salvaging timber on national forest lands and of fire hazards and fire prevention throughout the entire affected area.

Now, you will see following that what I do not read to you, probably, the number of acres and so on that are involved in what is strictly a Federal concern.

Senator BYRNES. The statement made in the report, Senator, was for rendering assistance to State and private woodlands, the Budget proposed an appropriation of \$5,000,000, and for that purpose, that is, rendering assistance in State and private woodlands, the House recommends \$3,000,000, with that matching provision. That is the situation, as I understand it. Is that right?

Senator AUSTIN. For the former, the committee recommended \$5,000,000.

Senator BYRNES. On national forests, that was all right.

Senator AUSTIN. And for the latter \$3,000,000.

Senator BYRNES. But, when it comes to the State-owned and privately owned land they recommended \$3,000,000.

Senator AUSTIN. Yes.

Senator BYRNES. Instead of \$5,000,000.

Senator AUSTIN. That is right.

PROVISION FOR MATCHING OF FEDERAL FUNDS

Senator ADAMS. Senator Austin, may I call attention to this fact. You spoke of the matching provisions being unusual. The agricultural appropriation bill for 1927 carried the matching provision in connection with the appropriation for relief in Ohio and Kentucky covering the floods in 1927.

Senator AUSTIN. But here is what the Bureau of the Budget says about that. This is on page 4. It is intended by the proposed direct Federal action merely to reduce the worst of the emergency hazard created by the storm to a point affording reasonable assurance from disaster, to reopen blocked roads, clear roads, restore fire detection and communication facilities, and supplying temporary essentials of fire prevention such as patrols and posting.

Now, that is all I have to say.

I went out and saw some of the devastated areas as an eyewitness of them and I can testify that they are astonishingly great.

EXTENT OF STATE ASSISTANCE IN STRICKEN AREAS

Senator ADAMS. Senator Austin, the States covered by this have already spent large sums of money along this very line?

Senator AUSTIN. I cannot say whether they have or not. My impression is that they have not.

Senator BYRNES. I was interested in that, too, because of the House statement in which they call attention to the fact somewhere that the Budget report was submitted without any knowledge as to the extent of anything to which the States themselves will contribute financially.

Senator ADAMS. Senator Byrnes, the phrasing of the clause with regard to contributions is that contributions which the States shall have made or shall make entitle them to credit as against this fund for expenditures which they have heretofore made.

Senator AUSTIN. Well, I saw some private enterprise of clearing up. I know some of the farmers who are doing their own restoration work. I saw some of the organized work up there, but it did not strike me that in relation to the whole damage that it was very significant in amount.

AID RENDERED BY CIVILIAN CONSERVATION CORPS AND WORKS PROGRESS ADMINISTRATION

Senator BYRNES. Has the Civilian Conservation Corps rendered any service? That is referred to in the House committee's report.

Senator AUSTIN. I do not know whether they have or not. I saw nothing done by the Civilian Conservation Corps.

Senator BYRNES. This report says they have and that the Works Progress Administration has and that aid will be continued and may be continued even in larger measure.

I think they say that there are quite a large number of Civilian Conservation Corps men who have been participating.

Senator HAYDEN. It is a fact that a number of Civilian Conservation camps were transferred from other parts of the United States to New England?

Senator AUSTIN. I understand that is true.

Senator BYRNES. They state that 41 camps are located in the States damaged by the hurricane.

Senator HAYDEN. Yes.

Senator BYRNES. That is quite a considerable force.

Senator ADAMS. Is that as you understand it?

Senator AUSTIN. I understand that is true; but what work they have done is another question which I cannot answer. I do not think they have done much, relatively.

Senator TOWNSEND. The report goes on to say that—

Fifteen thousand Works Progress Administration workers have been employed in the stricken areas upon work growing out of the hurricane.

Senator AUSTIN. My knowledge is limited so far as that goes to what has been reported to me by the acting director of this conservation project—I have forgotten his name—located at Boston, who wrote me about 30 days ago that the necessary ponds in which to store the logs and the necessary plans for hauling lumber and for contracting with mills to saw the logs into boards and so forth had been arranged and they were ready to do business; but they needed men; they did not have personnel and asked me to give some publicity to it to see if there could not be obtained by volunteers, coming forward, men who had some knowledge of work in the woods and to help make up their personnel. I think they have quite a problem in respect to personnel up there. All of this leads me to think that not very much had been done.

I do not believe that the Civilian Conservation Camp boys are trained to do the type of work that is necessary to move the heavy trees.

Senator BYRNES. How is it proposed to do it, then?

Senator AUSTIN. Their work, I think, would be limited to clearing underbrush, cutting roads, plowing up the ground to make fire protection.

Senator BYRNES. Where are you going to build that emergency force from? It will be necessary to get men who have had no great amount of experience, would it not?

Senator AUSTIN. They will have to do that. I see that clearly.

Senator BYRNES. I have not had an opportunity to read the House testimony to see what the forest officials have in mind; but I shall certainly do it, to see what their plans are.

Senator AUSTIN. It is away beyond anything we have had. This is the greatest lumbering operation, I am informed, the largest lumbering operation which has ever been undertaken in the history of the world.

Senator TOWNSEND. Are they going to send the logs to the mills, or are they going to put little mills on the tracts, and try to do the work with small mills; or are they going to send them to centrally located mills?

Senator AUSTIN. I cannot say just how that program is arranged. It will have to be arranged somewhat with reference to the location of the fire hazard and probably small mills will get help from it.

**STATEMENT OF HON. KEY PITTMAN, A UNITED STATES SENATOR
FROM THE STATE OF NEVADA****MOUNT RUSHMORE NATIONAL MEMORIAL**

Senator ADAMS. Senator Pittman, you desire to make a statement?

Senator PITTMAN. I want to talk a few minutes, Mr. Chairman and members of the committee, on Mount Rushmore National Memorial.

At the last session of Congress there was created a Commission of 10 members to take charge of the completion of the four figures on Mount Rushmore, S. Dak., known as the Mount Rushmore National Memorial Commission. There is practically completed the figure of Washington and the head of Jefferson, and the head of Lincoln is emerging and some work has been done on the head of Theodore Roosevelt.

Up to the time that this Commission was created this work had been going on in a haphazard manner since about 13 years ago. It was started as a local project down there by gifts. Mr. Borglum was selected as the sculptor to take charge and carry on this work.

It was dragged on until President Coolidge went out into South Dakota, into the Black Hills, I think it was in 1928, and he became very much impressed with this work, and I think all of you would if you saw it. I think it is the greatest monument in the world. And, he came back and recommended to Congress that Congress appropriate \$250,000 to be matched with gifts from citizens. Well, the gifts stopped, of course, when the Congress appropriated \$250,000, and they should have stopped too, because it is to be a Government work; but that has been going on ever since the last session, dragging on, with inadequate money and still there has been a wonderful work done.

Then Congress decided to take over that work and they passed this act and they authorized the appropriation of \$300,000 to complete these figures. They appointed this Commission, giving them absolute jurisdiction to conduct the work, complete it, and maintain it.

BUDGET ESTIMATE FOR REMAINDER OF FISCAL YEAR 1939

There is \$50,000 of that money expended. We are now faced with the proposition that unless this emergency appropriation estimated by the Budget at \$75,000 is put in this bill that this work will have to be stopped at the end of February.

Well, it is unnecessary to tell you of the losses that will occur by stopping this work. Mr. Borglum through the years has trained people out in that country there to this peculiar character of work and it is peculiar, because he has originated the whole method of bringing these enormous figures out of this granite by systems of measurements and very careful work, and if this is not done it will close down and a number of these workmen will seek work elsewhere, and be lost.

This matter was presented to the House committee by Mr. Borglum and there were a number of questions he did not clear up. They wanted to know whether or not this money was to be used to complete

these figures. Mr. Borglum evidently has visions far beyond these figures, and I think they are very good visions, and I hope some day that Congress may appropriate for them; but the Commission are determined that this balance of the appropriation amounting to \$250,000 shall complete this work by the end of the fiscal year 1940 and have so told Mr. Borglum, and Mr. Arundel, who is chairman of the executive committee and a member of the Commission. We appeared before the House committee the other day and met every objection they had. They did not realize there was an emergency. They thought that they could take this matter up in the general appropriation bill later on. I think we convinced them there is an emergency so far as this \$75,000 is concerned, if we are to go on with this work until the beginning of the next fiscal year. In fact, the committee told us they were satisfied, but it was too late. It comes over here with no appropriation.

This matter was taken up with the Budget and we are fortunate now in having as our accounting officer, a member of the Treasury Department, who takes charge of all accounts, and his estimates before the Budget were that it would take at least \$15,000 a month to continue this work. It happens that dividing the total sum that we have left between now and the last of the fiscal year 1940 will only be \$14,500 a month, and then if you divide it up over the total period at \$14,500 a month to carry on this work, that means \$75,000 until the beginning of the fiscal year 1940. The Commission is determined to complete this work if they are allowed to, and we must have this money, or we will have to discontinue the work in the latter part of February, and I am sure that there will be a great economic loss and a great mistake and it will be very detrimental to the work. I do not see anything else to it.

The House in the first place did not realize that it was an emergency matter and they said to start with that we could take care of this in the general appropriation bill; but we are in the position where we will have to quit work. That has been proven to the Budget. It was proven to them by the accounting department of the Treasury Department, and the matter has all been arranged, and I am satisfied, and I think I speak accurately. Mr. Woodrum said that it would be perfectly satisfactory, but that it was too late to put it in the bill. It is a matter of \$75,000 to carry on the work until the beginning of the fiscal year 1940. The matter then will be taken care of, of course, in the general bill.

This is all I have to say about it unless there are some questions to be asked:

Senator ADAMS. That is one of the most interesting statements made to me, that if this matter was carried through that that would be the end of it.

Senator PITTMAN. That will be the end of the present project; sir. Of course, as I say, there can be a tremendous development there, such as the hall of fame, in addition to this, where some lesser statesmen might appear some time. There could be some inscriptions on it. That is not within the contemplation of this plan.

Senator HAYDEN. The Budget estimates \$75,000.

Senator PITTMAN. Yes; the Budget estimates \$75,000.

Senator HAYDEN. For the remainder of the present fiscal year?

Senator PITTMAN. Yes, sir; and they admitted that that is the least that it can be done for.

Mr. Arundel is here, who has all of the records and reports of the Treasury Department and the Director of the Budget and all of the additional information that you may desire, I think. That is all I have unless you have some questions.

Senator ADAMS. Thank you. Is there anything that you wish to add to the Senator's statement?

STATEMENT OF RUSSEL B. ARUNDEL, CHAIRMAN EXECUTIVE COMMITTEE, MOUNT RUSHMORE NATIONAL MEMORIAL COMMISSION

Mr. ARUNDEL. I think that the Senator has said everything that is necessary to be said with one exception. There is a strong probability when the regular appropriation comes over from the House it will carry a limitation in the manner in which our funds can be expended. That is, I expect that they are going to direct us to devote all money first to completing of the four heads and there is one very important matter and that is the care for the public out there in the way of sanitary conveniences.

SANITARY EQUIPMENT

We were having 5,000 a day last summer and we had no place where they could take care of their sanitary needs at all, and that work has to be done before the next tourist season begins, in May, so that it is really vital that we do that out of the deficiency appropriation and that we get at it as quickly as possible.

Senator PITTMAN. However, I will say that the estimates cover all of the items, all of the expenditures, and it is stated that we can do that with the \$75,000.

Senator OVERTON. Would not private enterprise provide for the care of the tourists; you have tourist camps there?

TOTAL COST OF MOUNT RUSHMORE PROJECT

Mr. ARUNDEL. I might say that the cost of that whole project is estimated to be something over \$2,000,000, of which the State of South Dakota in the way of roads will put in about \$1,250,000, about \$1,000,000 of which has already been expended, and 1,500 acres of the area around the mountain is under the jurisdiction of the Federal Government. We have taken complete responsibility for all expenditures within that area and the State of South Dakota has taken full responsibility for all appropriations for landscaping and things of that sort outside of the area, so that their expenditures are far and above the actual expenditures of the Federal Government.

So, we thought that because it was a Federal project we should not ask them to come in and take care of a small item like sanitary arrangements, and so forth.

Senator ADAMS. Senator Lodge.

Senator NYE. Mr. Chairman, before Senator Lodge begins, Senator Schwartz is here and wants to be heard on this item for the Bureau of Entomology. Senator Schwartz is interested in that and I am also.

Senator Schwartz wants to attend the Military Affairs Committee meeting.

Is there any probability that this other item is going to occupy the entire afternoon?

Senator LODGE. I will take not over 3 minutes.

Senator BYRNES. I think that we might let Senator Lodge go ahead.

Senator NYE. Senator Byrnes, here is what I want: Can Senator Schwartz and I have an understanding that we can fix a definite hour tomorrow with respect to that item? Senator Frazier also desires to be heard on it.

Senator ADAMS. We have our conference committee at 10:30 in the morning on the relief bill.

Senator NYE. Is there any hope then that we will get through with this bill this afternoon?

Senator ADAMS. No; I do not think so; but I do not know just when we can meet again on it, Senator Nye.

Senator NYE. If it is possible to fix a time.

Senator ADAMS. I thought perhaps—I do not know just how long the conference may have to work along—but I imagine tomorrow afternoon we can recur to this.

Senator NYE. Could we have an understanding of a definite time tomorrow to come back?

Senator SCHWARTZ. I have a man whom I want to appear. He is out of town today. He could not be here this afternoon or evening.

Senator NYE. Senator Murray is here, too. He is interested in this.

Senator ADAMS. When have you got to go to the Military Affairs Committee meeting?

Senator NYE. That goes on at 3 o'clock.

Senator BYRNES. Well, let us do this. Let Senator Lodge say what he has to say. He has got to leave for a committee meeting. Suppose that we let him make his statement and go to the meeting and then we can hear the Senator.

Senator NYE. I am going to accommodate my time to this committee, because I am tremendously interested in this grasshopper item.

Senator ADAMS. Senator Lodge, I understand that you are only going to take about 3 minutes.

Senator LODGE. I will not even take that.

FOREST SERVICE

STATEMENT OF HON. HENRY CABOT LODGE, JR., A UNITED STATES SENATOR FROM THE STATE OF MASSACHUSETTS

NEW ENGLAND HURRICANE RELIEF

Senator LODGE. Mr. Chairman and gentlemen, I simply want to say that I hope that this item of \$3,000,000 on page 3 for rehabilitation of New England hurricane damage will be restored to the Budget estimate of \$5,000,000.

I think it is not an exaggeration to say that there is a likelihood of a tremendous forest fire and catastrophe up there that will be just as bad, if not worse, than the hurricane we had last year. I believe there is a danger to these small towns that are scattered through these forests; to hospitals and to homes; and I think it is of vital importance that steps be taken to relieve that situation.

AMOUNT REQUESTED BY FOREST SERVICE

The Forest Service recommended \$8,000,000 and this was reduced to \$5,000,000 by the Budget and then that was further cut in the House to \$3,000,000 with the provision for matching by the States. Governor Saltonstall of Massachusetts estimates in a telegram that the cost of taking care of the situation in Massachusetts alone will be \$3,000,000. And I do not think that the amount that is in here now is adequate to take care of it.

AID RENDERED BY THE STATE OF MASSACHUSETTS

It is true, as Senator Byrnes brought out, in talking with Senator Austin, that the Federal Government has done a great deal already. I may say that the State of Massachusetts had a special session of the legislature and made an appropriation of about \$19,000,000 to go to this repair of hurricane damage.

Mr. Silcox, I think, is going to come, and he will have more detailed information; but I really believe that there is precedent for Congress taking an attitude in support of a relief measure of this kind, and I believe that the need really warrants it. I hope that the figure can be restored.

PROVISION ON MATCHING OF FUNDS

Senator HAYDEN. I understand that what you want is an increase to \$5,000,000, and that you are not so much concerned about the matching provision, because the State is matching it anyhow.

Senator LODGE. I am not so much concerned about it, because I think that this language here will take care of it. We have put in so much money already in Massachusetts that that will take care of it.

Senator BYRNES. That is true of Massachusetts, but it does not apply to all of the other States. I notice one of the Congressmen in the House hearings stated that Rhode Island had made no contribution.

Senator LODGE. Well, I am not familiar with that. I think that it is always easier for anybody who is running a State government or a city or town government not to have to match.

Senator OVERTON. What are the lumber companies doing about the situation? Most of this timber destroyed by the hurricane is movable, is it not?

Senator LODGE. Yes; a great deal of it.

Senator OVERTON. We have had hurricanes down in Louisiana, and I suppose in other parts of the country, and the lumber companies usually go in immediately and get that timber out and manufacture it into lumber, because if they do not act promptly the bugs get into the logs and the timber sours, and is of no value.

LOAN BY SURPLUS COMMODITIES CORPORATION

Senator ADAMS. Senator Overton, the Reconstruction Finance Corporation has made a loan to the Surplus Commodities Corporation, and they in turn are going in and disposing of the timber to the lumber companies.

Senator LODGE. That is true.

Senator OVERTON. The lumber companies already own the timber, do they not?

Senator ADAMS. I assume some of this is on State lands and some of it is on private lands.

Senator OVERTON. Most of it is on private lands.

Senator LODGE. I think most of it is on private lands and the Reconstruction Finance Corporation's aid is adequate to take care of the big owners of lumber; but the reason why the system that you describe, Senator Overton, is not sufficient to take care of the situation is because of the magnitude of the fallen timber. There was a 5-year supply brought to the ground all at once, and the fact that the Reconstruction Finance Corporation only pays 90 percent of the schedule price makes it unprofitable for the small man to remove the timber. This is primarily a question of the small owner of timber.

MOST OF DAMAGED TIMBER OWNED BY SMALL OWNERS

Senator OVERTON. Most of it is owned by small owners?

Senator LODGE. Most of it is owned by small owners, yes. There are a great many small owners and a lot of elderly people who have small wood lots, and they do not know how to cut it, do not know how to get contracts, or do not know how to do anything about it in the line of marketing lumber, and those are the people who constitute the real problem.

Senator BYRNES. One proposal is to enable them to pay the small owner a larger amount at this time.

Senator LODGE. 100 percent.

Senator BYRNES. 100 percent, and that would be used.

Senator LODGE. That would be used.

Senator BYRNES. That does not have a thing to do with this fund.

Senator LODGE. No, sir; this is different from that. This amount in here is purely for fire-prevention purposes.

Senator BYRNES. That is what I understood.

Senator LODGE. Yes, sir.

Senator BYRNES. Salvage purposes entirely.

Senator LODGE. Timber salvage entirely. It is an entirely different thing. Of course, this would have its effect upon the timber salvage project. It is bound to, I think.

ESTIMATED NUMBER OF WORKS PROGRESS ADMINISTRATION WORKERS NEEDED TO CLEAR DEBRIS

So far as the W. P. A. is concerned, I am advised by the assistant forester in Massachusetts that the force that they estimate as necessary to clear away this damage is 39,000 men, whereas the peak the W. P. A. reached was 18,000 men.

Senator BYRNES. Well, it is rather an interesting statement. I saw that. They said that they did not have any unemployed up in that area. The question was asked whether they would use W. P. A. people, and they said that they did not have any W. P. A. I thought everybody was on W. P. A. myself, up to a few days ago.

Senator HAYDEN. The timber which is down is out in the country and the unemployed are over in Boston. Of course they are not over where the timber is down.

Senator BYRNES. But he says there is none available.

Senator ADAMS. The complaint is that the logging companies have to ship people in so that it cannot be done within the \$7 limit.

Senator BYRNES. Evidently that is one section of the country where they do not have unemployment.

**STATEMENT OF HON. H. STYLES BRIDGES, A UNITED STATES
SENATOR FROM THE STATE OF NEW HAMPSHIRE****NEW ENGLAND HURRICANE RELIEF**

Senator ADAMS. Senator Bridges, I believe that you said that you wanted a half a minute.

Senator BRIDGES. Yes. I just want to reiterate what Senator Lodge has said here and to say that this original figure was recommended by the forest service as \$8,000,000; the Bureau of the Budget recommended \$5,000,000, and the House cut it to \$3,000,000, and I would like very much to see it restored to \$5,000,000, because I think that amount is vitally necessary.

I think this committee and Congress has always been very generous in calamities that have occurred in other sections of the country, whether they have been disastrous storms, grasshoppers, or what not, and this is a real calamity in our section of the country, and it is a tremendous problem. As spring approaches the fire hazard will actually endanger all towns as well as individual houses and property and I think that Mr. Silcox can give you the Forestry Service ideas on it, but just in a general way, not to take your time, I hope that the subcommittee will see fit to report an amount at least equal to the Budget Bureau figure of \$5,000,000. In the vernacular we deal with today it is not a large amount, but it may be the difference between another great calamity there, as a result of fire or not, and I hope that you will give it serious consideration and restore the figure of \$5,000,000.

PROVISION FOR MATCHING OF FEDERAL FUNDS

Senator HAYDEN. What about the matching provision? Is that important?

Senator BRIDGES. Well, naturally from our point of view, I would prefer that that not be so rigidly stated. In my own State, and I think in every other State except Massachusetts, there have not been any steps taken. The State has been using its own resources. There has been no money specifically appropriated to match Federal funds and while there have been no direct steps in that direction they have been going ahead here along the lines of providing their own funds for relieving the immediate situation and in a general way I think it would be helpful if the States were not required to match, but allowed to go along their own course as they are all doing in relieving the most immediate situation.

Senator McKELLAR. Senator, in the case of the floods up there was not matching required? The reason I ask that is that I heard a Senator, from one of the States affected, say that we contributed to the restoration of conditions as they were before the flood and that they were required in the State to put up part of the funds. Was not that the situation, Senator Hayden? I think you happened to be there.

Senator BRIDGES. I cannot say about that.

Senator McKELLAR. I do not remember.

AVAILABILITY OF REQUIRED LABOR

Senator BYRNES. Tell me where they expect to get the men. It is stated in the House hearings there are no unemployed in that section. What is proposed and where will they get the men to bring in?

Senator BRIDGES. I think, Senator, that statement that there are no unemployed is erroneous. Certainly it is as to the larger cities and larger places, but these forests are in the small towns and rural areas and in those towns you might not have big relief loads.

Senator BYRNES. I imagine that is true, and I am wondering how effective it is going to be to take men from the cities and take them out there.

Senator TOWNSEND. It will not be very effective, to take a boy from the city and take him out in the country, into the timber where he has not had any experience.

Senator BRIDGES. I think that the relief load is heavier in the larger cities and large towns, but these forests surround the small towns and they are pretty well self-supporting, and then pride and everything would keep them from going onto the relief rolls.

Senator BYRNES. I suppose we had better find out about that from the forest people.

Senator BRIDGES. Thank you, gentlemen.

**STATEMENT OF HON. FRANCIS T. MALONEY, A UNITED STATES
SENATOR FROM THE STATE OF CONNECTICUT**

NEW ENGLAND HURRICANE RELIEF

Senator ADAMS. Senator Maloney.

Senator MALONEY. I just want to take a second. I want to record my appearance here with the same request Senator Lodge and Senator Bridges made. There is not anything I can add to what they have said excepting to point out an instance to give some idea of the fury of the storm; the hurricane. On the street on which I live in the summertime there were 44 houses, and after the hurricane had passed you could not find a piece of wood from the 44 houses as large as a match, and 16 people were killed on that one street.

Senator MCKELLAR. On the street on which you live?

Senator MALONEY. Where I live in the summertime.

Senator MCKELLAR. Oh, yes.

Senator MALONEY. And that is a fair picture of how serious the hurricane was throughout that section, and I am very hopeful this subcommittee will restore the figure to that requested by the Budget.

Senator MCKELLAR. Senator, did the storm extend as high as the White Mountains and up into that part of New England?

Senator BYRNES. Yes.

Senator MALONEY. Yes.

Senator BYRNES. It was quite destructive up there.

Senator MCKELLAR. I did not know that it went quite that far.

Senator BYRNES. That is where a lot of this loss of trees is, up there in the White Mountains section.

Senator HAYDEN. But in New England, particularly your part of the country, they have small wood lots; there are no great timber areas?

Senator MALONEY. Except State forests. We have several reasonably large State forests; large from the standpoint of our State, size of New England.

AID RENDERED BY THE STATE OF CONNECTICUT

Senator HAYDEN. What has the State of Connecticut done to remedy the situation?

Senator MALONEY. Well, the State of Connecticut, like most of the New England States, has not done much by way of providing for this as yet. The legislature met some 2 weeks ago and has provided \$350,000, and I assume the Governor has signed the bill at this time. They are in session.

I would not make any protest against the suggestion that the States match the funds, because after all we are comparatively fortunate there, and I presume it is only reasonable that we make the proper contribution to this.

Senator BYRNES. Senator, I am glad to hear you say that, because if you will just consider what happened in South Carolina. About the same time of this disaster a tornado hit Charleston, S. C. It was terribly destructive. This tornado just played havoc and did the things that we hear of but heretofore had not experienced in South Carolina.

But when it comes to land owned by the State, county, or city, they had no idea of asking the Federal Government to come in and do all of the work. This is a matter where on the State forests, the State should do something itself.

PROVISION FOR MATCHING OF FEDERAL FUNDS

Senator MALONEY. Senator, I would not argue against the suggestion that there be no matching of funds, because there are so many individuals and so much privately owned land involved; many of the people being heavily in debt now, and some of them insolvent, they just cannot meet that situation; but I think insofar as the State is concerned, it is reasonable to expect them to make some contribution.

Senator OVERTON. Mr. Silcox testified in the House hearing that all timber land belonged to private individuals and corporations; and none of it belonged to the State.

Senator McKELLAR. What page?

Senator OVERTON. Page 44.

Senator MALONEY. If he made that specific statement, that would be erroneous. That is, that all of this property was in private ownership.

Senator McKELLAR. What page is that, Senator?

Senator OVERTON. On page 44, down toward the bottom of the page. He says:

That is correct; the Government does not own any of it.

Senator MALONEY. Senator, I think that he was probably talking about the Federal Government.

Senator BYRNES. He must have meant the Federal Government.

Senator MALONEY. We have no national parks or forests. We do have State parks and forests.

Senator OVERTON. How much of this is going for fire protection, and how much is going to help the private owners of timber to salvage their own timber?

FIRE PREVENTION

Senator MALONEY. I do not know how much of it is going to help excepting in the clearing away of certain lands and roads where a lot of timber might be located which might enable a private owner to get his own timber out. That may help, but the primary purpose as has been pointed out on this particular request is to clear land and prevent disastrous fires in the spring. There is actually a great fear through New England that communities, small communities, will be wiped out by forest fires around them. There are many hundreds of lakes throughout New England where there are summer resorts and large camps. There are hundreds and hundreds of buildings that are actually in the forest area. The forests extend right to the edge of the lakes in many instances and the forest fire would wipe them out completely, and as you know, New England, a part of New England—not so much my State—but parts of New England depend to a very large extent on the tourist trade, the vacationist trade that comes there.

Senator OVERTON. Let me ask one other question. In practical operation the logs are taken out and carried to ponds and kept there and manufactured into lumber, and after that is done, then the tops from all of the tree, the debris, are put together in big piles and destroyed, set afire and destroyed. Is not that the way it will operate?

Senator MALONEY. I am not sufficiently familiar to answer that.

PLAN ON SALVAGE

Senator OVERTON. First they get out their logs and then they take the tops and get them together and pile them up and set them on fire.

Senator MCKELLAR. Here Mr. Silcox explains the salvaging.

Mr. SILCOX. We have set up this plan on salvage. The R. F. C., through the Disaster Loan Corporation of the R. F. C., which was obviously designed to meet Ohio River Valley floods and hurricanes, and what not, made a loan to the Federal Surplus Commodity Corporation under a loan agreement which advanced 80 percent of certain stipulated values, for certain stipulated grades of logs. We take No. 3 logs at \$12; we take No. 2 logs at \$14; and we take No. 1 logs at \$18.

Mr. CANNON. Those are already in effect?

Mr. SILCOX. Yes. They advance under this loan agreement 80 percent of this amount. We are operating now under that loan with a contingent certificate, which virtually amounts to a participating certificate, that if, as, when, and how we sell these logs, we will pay back the R. F. C. loan with 3 percent interest, and cover the cost of administration out of that. Then the difference goes back to the landowner.

Mr. CANNON. But the money has been loaned to the landowner, is that correct?

Mr. SILCOX. No. The money has been loaned directly to the Federal Surplus Commodities Corporation in the Department of Agriculture. I have been appointed a vice president of the Corporation and we are operating on an R. F. C. loan to salvage this timber.

It looks as if the salvage had already been taken care of.

Senator MALONEY. Even if it has, Senator, I gather from your reading of that that the Federal Surplus Commodities Corporation has set up specifications concerning loans that they are willing to give and they must meet those specifications, I imagine.

Senator MCKELLAR. That is all taken care of.

Senator MALONEY. I presume that this is preliminary to taking care of the loans on timber and fallen trees that are not salable to the Surplus Commodities Corporation. They would remain there because it is not profitable to take them out, and leave this terrific fire hazard.

Senator TOWNSEND. I do not see how they would have a chance to get their money back when they say that they pay \$12 for No. 3 and \$14 for No. 2, and \$18 for No. 1 logs, and they say down below here that the price generally has been \$5 to \$7 a thousand on the stump.

Well now, that price for logs seems tremendously high.

Senator MALONEY. I think that we might very well leave that out of consideration, and let them just have the Reconstruction Finance and Disaster Loan Corporation. I think that will be justified. I think it can be satisfactorily arranged.

I think your problem here is the question of how far you are willing to go in appropriating money to remove this fire hazard from New England.

PURPOSE OF HURRICANE RELIEF ITEM

Senator McKELLAR. Mr. Silcox testified:

The purpose of this item of \$5,000,000 is to clear up roadways and trails, restore fire towers and telephone lines that have been blown down. You see, there is little of the former fire-protection system left there and there will be none unless we rebuild it.

Mr. CANNON. Who owned the telephone lines?

Mr. SILCOX. They are both State and national; it is under a cooperative agreement.

Mr. CANNON. This sum of \$5,000,000 here is to be expended on private property. Has the Federal Government ever made any appropriation of that character heretofore, for clearing up timber on private land?

Mr. SILCOX. The only appropriation that is made by Congress is under the Clarke-McNary Act, in which the private owner is supposed to put up part of it, the State puts up part of it, and the Federal Government a part of it.

Mr. CANNON. But you have no precedent for an appropriation of such an amount for this specific purpose?

Mr. SILCOX. No. There has been no situation of this kind that I know of that ever existed. However, I understand that the Federal Government has come to the aid of States following disastrous floods.

Senator MALONEY. This is the first disaster we have had there in 100 years and 100 years ago the Government had a different policy.

Senator McKELLAR. I think several years ago they had some disastrous floods in New England.

Senator MALONEY. Floods in Vermont.

Senator McKELLAR. And other parts of New England.

Senator MALONEY. I thank you very much for this time.

BUREAU OF ENTOMOLOGY AND PLANT QUARANTINE

STATEMENT OF HON. W. WARREN BARBOUR, A UNITED STATES
SENATOR FROM THE STATE OF NEW JERSEY

DUTCH ELM DISEASE

Senator ADAMS. Senator Barbour, you had a statement you wanted to submit?

Senator BARBOUR. Yes, Mr. Chairman. I have always been very much interested, gentlemen, in the matter of the elimination of the Dutch elm disease, because the largest number of diseased elms are in the State of New Jersey.

RECOMMENDATION OF BUDGET BUREAU FOR SUPPLEMENTAL ITEM

This amendment would restore an item of \$200,000 to carry on research, supervision, and scouting in the campaign now under way to eradicate the imported disease of the elms known as Dutch elm disease. This amount was recommended for inclusion in the first deficiency appropriation bill by the Acting Director of the Bureau of the Budget, and transmitted to the Speaker of the House of Representatives by the President of the United States with a letter dated January 5, 1939. Full support of the item is included in House Document 89, but the item was not included in the bill as reported to the House as H. R. 2868.

APPROPRIATION FOR FISCAL YEAR 1939

The \$200,000 requested in this amendment is to supplement the current appropriation of \$378,489 to the Bureau of Entomology and Plant Quarantine. A recent report from officials of that Bureau indicates that about \$207,000 of these funds have been spent and that \$113,000 has been definitely obligated to carry on necessary research and supervisory activities during the remainder of the present fiscal year. This leaves about \$58,000 available for the necessary scouting to locate new infections of the disease on the elms and to supervise the work of additional relief workers who may be employed during the late winter and early spring, when additional Emergency Relief money is expected to be made available.

Supplementing the regular appropriation of \$378,489 which has been available since the first of the present fiscal year the Federal and State authorities have been using monthly portions of a W. P. A. allotment of \$1,932,000. This will be exhausted by February 7, and continuation of the campaign in the spring is dependent upon additional allotments thereafter

STATE COOPERATION

To more effectively carry on this work and to meet local responsibilities as reported, the State of New Jersey appropriated during 1938 \$41,580, Connecticut appropriated \$42,500, New York State \$127,000, and Indiana \$3,000.

The Dutch elm disease is a fungus disease which was brought to this country some time during the years 1926 to 1930 on burl logs of elm which were used for furniture veneer. The fungus causes a growth

within the cells of the elm tree which interferes with the normal flow of sap, and so kills the tree. Only elms are affected by the disease, but it is known to infect elms of all species, and is particularly active in the elms native to America.

The disease is transmitted from one elm to another by small bark boring beetles of European origin, which were imported in the bark of the burl logs. It is also known to be transmitted in the sap of elm trees whose roots are grafted together.

METHODS OF CONTROL

Control methods consist of destroying all infected trees, and also of destroying all elm trees, which because of weakness are attractive to the bark-boring beetles. Up to the present time nearly 50,000 elm trees have been definitely diagnosed as having the disease, and have been destroyed. Of these over 30,000 were elm trees growing in northern New Jersey, over 10,000 were in New York, and over 500 in Connecticut. The remainder were in relatively small amounts scattered through the several States as far south as Virginia and west to Indiana.

In addition several million elm trees have been cut down and destroyed in those areas to stop the spread of the disease.

Federal authorities with the Bureau of Entomology and Plant Quarantine, have given assurance that if the work is supported with adequate and continuous funds, that the disease can be eradicated. Unless the funds are sufficient, however, to give satisfactory supervision to the emergency relief labor, for which allotments are expected, the work will fail and our elms will be the victims of this imported disease. That being the case, the elms will go in the same way that we have seen the chestnut go.

In New Jersey the work is being carried on through the State Department of Agriculture, whose officers are working in close cooperation with those of the Federal Bureau of Entomology and Plant Quarantine which has field headquarters at Bloomfield, N. J., and a special Dutch elm disease laboratory at Morristown, N. J.

Senator MCKELLAR. What did the House do about this item?

Senator BARBOUR. Nothing at all, I think.

Senator MCKELLAR. And how much are you asking for?

Senator BARBOUR. \$200,000.

Senator MCKELLAR. That is for the same elm disease?

Senator BARBOUR. Oh, yes; Senator.

Senator NYE. We have been appropriating for that item.

Senator MCKELLAR. Yes.

Senator BARBOUR. We appropriated money for this work many times when I was in the Senate before.

Senator OVERTON. Senator, when I first came to the Senate the statement was made before the committee that they would be able to eradicate this Dutch elm disease in a couple of years if they got a certain appropriation, and we gave them the appropriation; but every year they come back and desire additional appropriations.

Senator BARBOUR. It is a big task where there are a number of elm trees, Senator, and we have a great many of these diseased trees in our State.

PROVISIONS FOR CONTROL OF INCIPIENT AND EMERGENCY OUTBREAKS OF INSECT
PESTS AND PLANT DISEASES

Senator McKELLAR. Let me call your attention to the bottom of page 3 of the bill:

Control of incipient and emergency outbreaks of insect pests and plant diseases.

Would not that come under that item?

Senator BARBOUR. No; I do not think so, Senator, because this disease is peculiar, and I do not think that it has been localized.

Senator McKELLAR. It is a pest, is it not?

Senator BARBOUR. Yes; but this cannot be handled in that way, I do not think, Senator. It never has been in the past. They tell me that, unhappily. Apparently the only thing to do is to cut out the tree, roots and all, and eliminate them as soon as they show this disease.

Senator McKELLAR. The House bill provides:

For the eradication of white-fringed beetles, for carrying out the purposes and provisions of, and for expenditures authorized under, Public Res. No. 91, Seventy-fifth Congress, entitled "Joint resolution to amend the joint resolution entitled 'Joint resolution making funds available for the control of incipient or emergency outbreaks of insect pests or plant diseases, including grasshoppers, mormon crickets, and chinch bugs', approved April 6, 1937",

and if you put in there "insects attacking elm trees," would that not take care of it?

Senator BARBOUR. I am not a sufficient authority to say, Senator; but I honestly believe that they have not diagnosed that disease, localized it as to insects or anything else. If you will refer to the elm disease, Dutch elm disease, in some way, I think that will cover it. That is the known term that is used. It is the only one that I think will cover it. I would not want to try to define it myself.

APPROPRIATION FOR FISCAL YEAR 1939

Senator ADAMS. The sum of \$378,000 is appropriated for that for the current fiscal year.

Senator BYRNES. What is the Budget estimate, how much?

Senator McKELLAR. Can you give us the Budget estimate, Mr. Smith?

SUPPLEMENTAL BUDGET ESTIMATE

The CLERK. The deficiency estimate is \$200,000, pending before the committee.

Senator McKELLAR. What was the Budget estimate last year; did we give them all that they asked, three-hundred-and-seventy-odd thousand?

The CLERK. Yes, sir. They are also receiving large sums from the emergency relief appropriation, amounting to over \$1,000,000.

Senator McKELLAR. For the Dutch elm disease?

The CLERK. Yes, sir.

Senator BARBOUR. That is right.

Senator BYRNES. Is that all, Senator?

Senator BARBOUR. I thank you very much for your consideration. I hope you will see your way clear to recommend this appropriation.

Senator ADAMS. All right, Senator Nye.

Senator NYE. Mr. Chairman, there was introduced on Saturday an amendment to this bill which was sponsored by 20 members of the Senate. Senator Murray and Senator Frazier both have been very much interested in this proposal to increase the amount available for grasshopper eradication. I hope that they might be heard at this time.

The amendment is as follows:

Intended to be proposed by Mr. Nye, Mr. La Follette, Mr. Murray, Mr. O'Mahoney, Mr. Schwartz, Mr. Gillette, Mr. Johnson of Colorado, Mr. Frazier, Mr. Gurney, Mr. Bulow, Mrs. Caraway, Mr. Thomas of Oklahoma, Mr. Lee, Mr. Norris, Mr. Wiley, Mr. Reed, Mr. McNary, Mr. Capper, Mr. Lundeen, Mr. Shipstead:

On page 4 line 7, strike out the figure "\$2,000,000" and insert "\$6,000,000".

Senator ADAMS. Senator Frazier.

STATEMENT OF HON. LYNN J. FRAZIER, A UNITED STATES SENATOR FROM THE STATE OF NORTH DAKOTA

GRASSHOPPER CONTROL

Senator FRAZIER. Mr. Chairman and gentlemen of the committee: All through the Middle Western States are scattered around a good deal of grasshoppers and last summer they laid eggs, and if they hatch as usually they do, I think we will have the largest crop of grasshoppers next spring we ever had in our history of in the United States.

I have here a statement gotten out by the grasshopper control conference executive committee that met at Minneapolis. They had a meeting at Minneapolis and one at Omaha within the last few weeks. It gives a statement here which is very concise, and I think it would be well to have it printed in your hearings if there is no objection. It sets out on the back page here the number of States—22—that are affected.

ESTIMATED AMOUNT OF POISON NEEDED FOR GRASSHOPPER CONTROL

They have estimated that it will take a total of 209,453 tons of poison to anywhere near control these grasshoppers, and as you know, approximately a third of this poison will go on vacant land, land that is not occupied or grass land in drought areas such as in western North Dakota and eastern Montana, and western South Dakota.

There has been a good deal of abandonment of land there and the grasshoppers, of course, fly in there and lay their eggs. The majority of the farmers have furnished poison to put on their own land. They did a very good job of that last spring, but this uncultivated, unoccupied land was not taken care of and they have supplied grasshoppers enough that when they get old enough to fly, they fly all over the country and especially in the northern part of the State, where they came in there just before harvest time last fall. There were swarms; just clouds of them, and you take along the roadsides or the headlands of the cultivated fields last fall, an inch of that land, an inch square of that ground would contain anywhere from three or four to a dozen of those little grasshopper sacks that contain 50 to 100 eggs. They lay them in little sacks. There are that many to an inch of ground.

Senator TOWNSEND. Does not the cold winter weather have any effect on them at all?

Senator FRAZIER. Sometimes, and sometimes it does not. Once in a while there is a period when something comes along that just kills them off or they don't hatch. No one seems to know.

Senator MCKELLAR. How much was appropriated last year for this?
 Senator FRAZIER. I have forgotten. Do you have any figures,
 Senator Nye?
 Senator NYE. Dr. Strong, I think, could answer that.

**STATEMENT OF DR. LEE A. STRONG, CHIEF, AND S. A. ROHWER,
 ASSISTANT CHIEF, BUREAU OF ENTOMOLOGY AND PLANT
 QUARANTINE, DEPARTMENT OF AGRICULTURE**

Dr. STRONG. \$2,700,000 last year.

Senator MCKELLAR. That was in the original agricultural bill?

Dr. STRONG. There was not anything under this.

Senator TOWNSEND. What was the total appropriated there over
 5 years—

Senator MCKELLAR. Was all of that spent?

APPROPRIATIONS FOR CONTROL OF INSECT PESTS

Senator OVERTON. What was the total amount appropriated?

Dr. STRONG. \$4,700,000 has been appropriated since the authoriza-
 tion was approved April 6, 1937, but before that \$2,554,893 was
 appropriated for grasshopper control and \$3,000,000 for control of
 chinch bugs. That would be \$10,254,893 altogether for grasshoppers,
 mormon beetles, crickets, and other insect pests since the general
 outbreaks of grasshoppers that began with the recent drought period.

BAIT USED AND COST OF

Senator TOWNSEND. What is the cost of a ton of this bait?

Dr. STRONG. It runs about \$20 a ton.

Senator TOWNSEND. What is it composed of?

Dr. STRONG. Bran and sawdust and sodium arsenite.

Senator TOWNSEND. Mixed together?

Dr. STRONG. Mixed together.

Senator TOWNSEND. The sodium arsenite is the principal item of
 cost?

Dr. STRONG. Well, bran is pretty high in cost, also. Sawdust is not
 so high.

Senator MCKELLAR. And you spent \$2,700,000 last year?

Dr. STRONG. We spent \$2,120,645 last year for grasshopper control.
 We have \$700,000 available from previous appropriations.

Senator MCKELLAR. You have \$700,000 available now. To what
 extent did the grasshoppers destroy crops there last year?

Senator FRAZIER. In the counties where they hit us, they cleaned
 up everything. There was nothing left. I was down in the south-
 western part of North Dakota, where one of the worst infested places
 of our State was last year, in the latter part of June, and the grass-
 hoppers were pretty well poisoned where they hatched out on the
 farms, on the cultivated lands; but they were coming in from the
 uncultivated lands, the vacant lands, so that they were cleaning up
 the crops that were left. The farmers there all seemed to be fairly
 well satisfied that they had cleaned them up, killed them off, on their
 own land; but on the uncultivated land, the vacant land, where there
 was no poison spread, they hatched and came in and cleaned up the
 crops where the grasshoppers had been poisoned in the first place,
 and then went into surrounding States.

SUPPLEMENTAL BUDGET ESTIMATE FOR CONTROL OF INSECT PESTS

Senator GLASS. The Budget estimate is \$3,300,000.

Senator FRAZIER. Of course that covers a number of States.

Senator BYRNES. But, as I understood the statement of the representative of the Department, you had \$2,000,000 for the calendar year, not the fiscal year.

CONTROL WORK ON IDLE LANDS

Dr. STRONG. For the crop year we spent somewhat more than \$2,000,000, but we took care of poisoning only on crop lands. There is a migratory species of grasshopper in North and South Dakota and in Montana and also out in Colorado, New Mexico, Texas, and Oklahoma that breeds in the idle lands, the uncultivated lands; and what we want to do is to go out and poison the grasshoppers on those lands, to keep them from flying into the cultivated farmlands.

Senator BYRNES. Is this the first year that that grasshopper has appeared?

Dr. STRONG. It is not the first year it has appeared, but it is the first year we have thought we could undertake, to carry out a job in that manner.

Senator BYRNES. That is what I want to get at, because for last year you had \$2,000,000.

Senator ADAMS. He had \$2,700,000.

CONTEMPLATED EXPENDITURE FOR FISCAL YEAR 1939

Senator BYRNES. But he did not spend it all. Now he wants, for this crop year, the \$700,000 remaining, and \$3,300,000 additional; so he contemplates an expenditure for the calendar year 1939 of \$4,000,000 instead of \$2,000,000 for the last crop year. That is right, is it not?

Dr. STRONG. That is right, except that we want more than \$4,000,000.

Senator BYRNES. You want more than \$4,000,000?

Dr. STRONG. We want more than \$4,000,000.

Senator NYE. The Budget Bureau has not allowed what you originally asked for?

Dr. STRONG. No, sir; may I make a statement about the effect last year?

SUPPLEMENTAL AMOUNT REQUESTED BY BUREAU

Senator ADAMS. May I make an inquiry of you? You are asking \$6,000,000.

Dr. STRONG. We asked \$5,417,000.

Senator ADAMS. What is the legislative authority for it?

LEGISLATIVE AUTHORITY FOR INSECT-CONTROL WORK

Dr. STRONG. The legislative authority is the joint resolution approved May 9, 1938, which is entitled:

Joint resolution making funds available for the control of incipient or emergency outbreaks of insect pests or plant diseases, including grasshoppers, Mormon crickets, and chinch bugs.

It provides that:

There are hereby authorized to be appropriated annually such sums as may be necessary to carry out the provisions of this joint resolution.

We estimated for grasshoppers, for the white-fringed beetle—which is a new and very serious pest in the South—for possible outbreaks of chinch bugs, and for Mormon crickets, under this joint resolution.

Senator TOWNSEND. What did the Budget Bureau give you?

Dr. STRONG. \$3,300,000; and that was cut in the House to \$2,000,000.

Senator TOWNSEND. But that is the Budget estimate?

Dr. STRONG. Yes, sir.

Senator BYRNES. Now you say you have a new bug in the South, too, and you want some money for that?

Dr. STRONG. Yes.

Senator BYRNES. What is that?

Dr. STRONG. That is an insect that apparently came in from South America in shipments of bones for fertilizer.

Senator BYRNES. When did you first start operations with that bug?

Dr. STRONG. In 1936.

Senator GLASS. What are you asking us to do now—to restore the Budget estimate, or to go above it?

Dr. STRONG. To go above it, if I am permitted to do that.

Senator NYE. An amendment on the subject has been offered.

Dr. STRONG. There is not any use in doing this grasshopper work unless it is properly done.

Senator NYE. Dr. Strong, I want to ask you some questions at that point. You have just made a statement which has become very much a part of my conviction. It is rather futile to undertake any part of this program unless we are ready to do it in a complete manner; is it not?

Dr. STRONG. That is absolutely correct.

Senator NYE. And unless we are going to do this job fully, any expenditure is more or less of a gamble and waste?

Dr. STRONG. That is correct. I do not think we shall ever eliminate grasshoppers through any control program. It never has been done. We have saved a lot of money in protecting crops; but finally the grasshopper problem will be solved by weather or by disease of the grasshopper. There is not anything you can do, however, to hurry up either one of those things.

ESTIMATED AMOUNT SAVED IN 1938 THROUGH GRASSHOPPER CONTROL WORK

We saved last year, according to the estimates submitted to us by 24 States, \$79 for each dollar spent; and in spite of that there was more than \$83,000,000 worth of crops lost. A large part of that was due to things that the farmer could not control. After he had poisoned the grasshoppers, they flew in from idle lands; and that is the situation we should like to avoid this year. If we do not try to avoid that, then all we can do is just to protect crops by poisoning around them. That is all we can promise to do.

Senator BYRNES. You cannot protect them in that way, can you?

Dr. STRONG. Yes.

Senator BYRNES. How can you protect them if the grasshoppers fly in from idle lands?

Dr. STRONG. Of course, we cannot. We can protect crops again this year up to a certain point by poisoning the grasshoppers on the cultivated land.

Senator FRAZIER. By spreading poison on the idle land.

Senator NYE. Senator, your question, and that propounded by Senator McKellar, prompt me to say that there are sections out in the Northwest this year where the poisoning program obviously was accomplishing a complete job; and all of a sudden, without any warning, there would come those great hordes of grasshoppers from how far off no one could know, settling down on the land where the hoppers had been poisoned during their hatching period, and where there was a prospect of an abundant, beautiful crop. I have knowledge

Senator TOWNSEND. How deep in the ground are the eggs? How deep do the grasshoppers lay them?

Dr. STRONG. An inch or two; just under the surface.

Senator TOWNSEND. And zero weather does not affect them?

Dr. STRONG. No.

MIGRATION OF GRASSHOPPERS BETWEEN UNITED STATES AND CANADA

Senator OVERTON. Do not some of the grasshoppers come out of Canada?

Dr. STRONG. They go both ways. We have given them just as many as they have given us. This is a cooperative program. They work on their side of the line, also.

Senator FRAZIER. I think we have given them more than they have given us, because the grasshoppers go with the warm winds, and the warm winds generally come from the South.

EFFECT OF TEMPERATURE AND HUMIDITY

Senator NYE. Dr. Strong, have you yet determined whether or not there is a combination of temperature and moisture that accomplishes destruction of the egg?

Dr. STRONG. At certain temperatures and humidity there is a fungus disease that is pretty generally prevalent and if temperature and humidity are exactly right, that disease will take effect and kill them off by the billion. But the temperature and the humidity have to be just exactly right to bring that about.

Senator FRAZIER. And that happens only once in a dog's age.

CANADIAN CONTROL WORK

Senator BYRNES. What did you answer to Senator Overton about the Canadian crop?

Senator MURRAY. We give them as much as we take.

Senator BYRNES. I have been interested in the statements made that we could not stop at half-way measures, that if we are going to do it we must poison all infested lands, idle as well as cultivated lands. There is no barrier, however, when it comes to the line up there.

Dr. STRONG. They are doing just as much poisoning as we have done up to this time. Whether or not they contemplate going out on idle lands, I do not know.

Senator McKELLAR. What are their appropriations for poisoning?

Dr. STRONG. I do not know.

Senator OVERTON. Are they poisoning idle lands?

Dr. STRONG. I do not know. I do not think so.

Senator McKELLAR. Then they have not done as much as we have; have they?

Senator FRAZIER. They are using airplanes in Canada to spread the poison; and that is one thing I should like to have done in this country, too.

Senator BYRNES. I am interested in the statement of Senator Nye, There is a great deal to be said about the way in which we have appropriated money every session for this thing. If we are going to do it, the question is, is there any way to do it successfully, and stamp out this pest? If there is, it would be worth while considering it, instead

of appropriating half a million, two million, or two and a half million dollars. But when you tell me that Canada is doing just as much as we are doing, and yet say that what we are doing does not amount to anything—

Dr. STRONG. No, I did not say that.

Senator BYRNES. Except as a protection to the crops.

Dr. STRONG. That is right.

CONTROL WORK ON IDLE LANDS

Senator BYRNES. Your contention is that you cannot stamp out the pest unless you are going to use poison on idle lands, and in order to do what you think would be effective, you want to double the expenditure of last year.

Dr. STRONG. Yes, sir.

Senator BYRNES. That is all right, provided Canada is doing its share, but when we look at the chart presented to us, we see that it covers a tremendous area along the Canadian border, and they can nullify our increased expenditures.

Dr. STRONG. They have cooperated every year in poisoning along the border. What their intentions are this year in regard to poisoning idle lands, I do not know.

Senator BYRNES. Have you anything to show how much they are spending?

Dr. STRONG. No; I have not.

Senator BYRNES. Can you get that information for us?

Dr. STRONG. Yes, sir; I can. I will put it in the record. (See pp. 82-83).

Senator NYE. I wish you would do that. They have been operating extensively.

Dr. STRONG. Yes, sir.

GRASSHOPPER CONTROL IN CANADA

(See p. 82)

The control of grasshoppers in Canada is similar to that in the United States. It differs in the following minor respects: (1) There are fewer species of grasshoppers involved; (2) proportionately less of the area is in the same status as the range and abandoned lands in the United States since less of the original prairie was disturbed by cultivation and overgrazing; (3) wind erosion is less important and more emphasis can be placed on cultural practices as a means of control.

The methods used for combating grasshoppers are the same as used in the United States. Surveys are made annually using the method developed in the United States. Bait material and methods of distribution are the same as used in the United States. The plan of organizing control campaigns is comparable as far as the local units are concerned. When outbreaks occur extensive cooperative efforts for control or crop protection are carried on. The figures as to crop losses and expenditures for control have not been generally released beyond 1934, the year when the general outbreak reached large proportions. The total monetary value of crops lost for the 10-year period 1925 to 1934, inclusive, is reported as \$33,884,000. Famine relief costs because of crop losses in the affected districts for this period are reported as \$189,000. The expenditures for control during the same period are itemized as follows:

Administrative.....	\$245,003
Apparatus, materials, and paid labor.....	1,519,889
Unpaid labor.....	2,649,728

The problem of control is recognized by the Canadians to be of national and international importance. Grasshoppers have migrated from the United States into Canada and there are more records as to migration to the northward than to the southward. In 1935, when the situation in the Dakotas was not particularly troublesome, grasshoppers migrated from Canada during July and

August and deposited numerous eggs in northern North Dakota and Minnesota. There are no records of southerly migration from Canada since 1935. Their problem regarding grasshopper control has not been as generally acute as that in the United States during recent years although a more extensive outbreak is anticipated during the coming season as a result of the migrations from the United States.

PAMPHLET ISSUED BY GRASSHOPPER CONTROL CONFERENCE EXECUTIVE COMMITTEE

Senator McKELLAR. On page 4 of this pamphlet I read the following language:

Please get busy at once and do everything you can to insure that your Senators and Representatives help make the necessary appropriation available at the earliest possible date.

Senator NYE. That requires explanation, Senator—an explanation as to what units are responsible for this pamphlet, who are the movers in the Grasshopper Control Conference.

The Grasshopper Control Conference consists of civic organizations from the several infested States. It consists of the agricultural colleges in those States. I do not know whether or not the Bureau of Entomology had representatives there. Yes; they did. They had representatives at a conference that was held. Two conferences were held; were they not?

Dr. STRONG. Yes, sir. The first one was at Omaha.

Senator NYE. One was held at Omaha and one at Minneapolis.

Senator McKELLAR. Was your representative there, too?

Dr. STRONG. I was at the Omaha conference. That was the conference of the State entomologists and extension directors of the infested States.

Senator BYRNES. Did you have anything to do with preparing this pamphlet?

Dr. STRONG. No. I never saw it until it came to me.

Senator McKELLAR. What have you to do with the Grasshopper Control Conference? Do you just attend the conferences?

Dr. STRONG. I was asked to be present, but I could not be; so I sent a man to attend this conference, to give information on what the grasshopper situation looks like.

Senator McKELLAR. He was familiar with this, then, and approved it?

Dr. STRONG. I know that he did not approve this. He did not see this until it was issued.

Senator NYE. And the Conference asked for a larger Budget figure than was afforded?

Dr. STRONG. It is a simple matter of arithmetic. These State people help make the survey. They know how many thousand acres are to be poisoned. They know how many tons of bait it takes to do the poisoning, and there is a pretty good estimate of what it costs per ton; so we could not fool them if we tried to.

MIGRATION OF GRASSHOPPERS

Senator NYE. Doctor, how much migration of grasshoppers has there been from the north southward?

Dr. STRONG. I do not know.

Senator MURRAY. I can say that I never heard of any infestations coming from the north.

Senator NYE. Nor have I.

Senator MURRAY. The grasshoppers usually come up from the Dakotas to Montana.

Senator NYE. And we get them from Colorado and Wyoming; but the migration seems to be in a northerly and northeasterly direction.

Senator OVERTON. How far do the grasshoppers fly?

Dr. STRONG. I do not know exactly how far they fly. We have marked them and found them, I think, in 3 days 175 miles away; so they move right along.

Senator MCKELLAR. They go by airplane.

Senator NYE. They surely do.

IMPOSSIBILITY OF ERADICATING GRASSHOPPERS

Senator OVERTON. If we are to eradicate them, I think we ought to go into Canada and see what the Canadians are doing, whether they are poisoning all the infected lands or not. I wish you would ascertain that.

Dr. STRONG. We cannot eradicate them. We do not have any hope of eradicating them. They are a native species. So far as we know, they have always been here, and they always will be.

Senator BYRNES. They always will be?

Dr. STRONG. Yes, sir. They will be knocked down sooner or later by weather and disease to a point where it will take them several years to build up again to serious proportions.

Senator MCKELLAR. As I understand, Senator Frazier, you had a large infestation last year.

Senator FRAZIER. Yes.

Senator MCKELLAR. You had a large infestation the year before; did you not?

Senator FRAZIER. Quite a lot.

Senator MCKELLAR. About the same?

Senator FRAZIER. I think they are worse. According to their statements out there, I think they are worse this year.

Senator MCKELLAR. Worse this year than they were last year—I mean, the preceding year?

Senator FRAZIER. Yes.

Senator MCKELLAR. Now, let me ask you this question: Did you not make a better crop in North Dakota this year than you did the year before?

Senator FRAZIER. We had a little better crop, because we had more moisture last year than year before. The grasshoppers do the worst damage in drought years.

Senator MCKELLAR. I wonder whether we do any good by the efforts we are making to poison them.

Senator FRAZIER. If those engaged in the work can poison the vacant land, I think they will; but the farmers were very much disturbed.

Senator MCKELLAR. That would require you to poison virtually all the State of North Dakota, except the part that has houses on it.

Senator FRAZIER. All of the infested land. It does not cover all the State. You will notice on the map there some light spots that do not seem to be covered.

Senator MURRAY. There are certain areas where there is not any infestation at all, right adjoining infested areas.

Senator MCKELLAR. But you have to poison them so as to be certain.

Senator TOWNSEND. Doctor, as I understand, you have never found any enemy of the grasshopper that would control the situation?

EFFECT OF WEATHER OR FUNGUS DISEASE

Dr. STRONG. There is no parasite that is very effective. There are parasites that do some good locally; but it will take weather or fungus disease—which operates as a parasite on the grasshopper—to finally knock them out. We have not found any way to accelerate the killing off of grasshoppers by parasitic means.

Senator NYE. Doctor, you submitted to me an extended study of the possibility of a resort to fungus to destroy grasshoppers.

Dr. STRONG. Yes.

Senator NYE. At the proper time during the hearing I am going to ask your permission to insert that study in the record.

Dr. STRONG. That is perfectly all right.

Senator NYE. I should like to discuss that, too.

Senator OVERTON. Just one other question: Senator Frazier tells me that a great many of the grasshoppers come out of the Rocky Mountain area. If we undertake a poison campaign to eradicate them, we shall have to poison the Rocky Mountains. How about that?

DAMAGE BY MIGRATORY SPECIES OF GRASSHOPPERS

Dr. STRONG. I do not think they are very high up in the mountains. There are heavy outbreaks in Colorado, New Mexico, down in the Panhandle of Texas, and in Oklahoma. That is the migratory species that flies long distances and does damage to range land as well as crop land.

Senator OVERTON. The Rocky Mountain grasshoppers do not migrate?

Dr. STRONG. Oh, yes; they do.

Senator SCHWARTZ. I wonder if I can answer your suggestion.

Senator OVERTON. Yes; I should like to hear you.

STATEMENT OF HON. H. H. SCHWARTZ, A UNITED STATES SENATOR
FROM THE STATE OF WYOMING

GRASSHOPPER INFESTATION IN WYOMING

Senator SCHWARTZ. We have a mountain State. There [indicating on map] is our State of Wyoming; and there are shown in black the areas of the egg survey for this year where there is an infestation of from 41 to 100 percent. You will see that the major part of our State is not affected at all; but where it is unaffected, in the three northeastern counties, last year the ranchers and farmers and the Government in combination destroyed the grasshoppers on the cultivated land. After the crops were up, and after they had gone a great way toward maturity, the hoppers began to come in out of these idle surrounding lands—not from all over the State—and came right down on the cultivated land and just ate up the crop of the farmers; so the estimate is that there was \$385,000 worth of crops destroyed just in those three counties. That was the value of the crops alone; but of course back of it is the more serious loss to the farmers, because they had been suffering, as you know, before now

from grasshoppers, and prior to that from drought; so as a matter of fact, many of them lost their lands because they could not keep on.

That map shows the infestation this year. If we can get into these idle lands this year, we shall be able to control the situation.

You will notice that it is entirely black along our eastern line. That means that the black area extends over into the Dakotas, and possibly into parts of northern Nebraska; so we do really need this additional appropriation, and we can accomplish something with it if we can get into these idle lands. Part of these idle lands are lands owned in fee, and part of them are Government lands, range lands that are being leased out by the Government, Federal lands. The land is not high up in the mountains. It is just on the adjacent hills.

Senator BYRNES. How long have we been making these appropriations; for how many years, Doctor?

APPROPRIATIONS FOR GRASSHOPPER-CONTROL WORK

Dr. STRONG. The first large appropriation was made in 1934. That was \$2,354,893.

Senator BYRNES. I thought I could remember appropriations for the purpose before that.

Senator McKELLAR. My recollection is that such appropriations have been made ever since I have been in the Senate, but I should want to be careful about that.

Dr. STRONG. We had an amount appropriated each year for research on grasshoppers; but the first large-scale control program was put on in 1934.

CONTROL WORK ON IDLE LAND

Senator BYRNES. Have you had this theory of the idle-land menace heretofore, or is that something new?

Dr. STRONG. In this general outbreak migration has never before developed to the point that it did last year. I do not think there has every been as much idle land as there was this last year out in that country. As a matter of fact, we have not had the same menace presented to us that there was this year.

Senator TOWNSEND. Have you a picture of the menace by years, going back for 10, 20, or 30 years, and coming up to the present time?

Dr. STRONG. No; we have not made surveys for that many years.

Senator TOWNSEND. How far back have you made them?

Dr. STRONG. We have a series of these maps from 1934 on.

Senator BYRNES. I am just wondering where the grasshoppers were before 1934. You say they are going to be with us from now on. Where were they?

Senator NYE. They are not naturally and ordinarily with us in such numbers and quantities.

Senator McKELLAR. I recall this, if you gentlemen will allow me to indulge in a little historical reminiscence: Some time during Mr. Coolidge's administration, I am quite sure it was, I made a speech on the floor of the Senate in which I took very severely to task the very large sums of money that you were paying out then for the eradication of grasshoppers and boll weevils and chinch bugs.

Senator BYRNES. I think that was during the Hoover administration. I remember your doing it.

Senator McKELLAR. It was away back there; and I think we have been appropriating ever since, and were doing so long before that time.

Senator SCHWARTZ. I should like to read one sentence, if I may, for the benefit of the chairman and others. This is from our State entomologist. He says:

Th's range and idle-land program is presumably designed to protect crop areas from migration, and particularly to stop the interstate migration, such as occurred out of the Dakotas last year, and cost the Wyoming farmers \$385,000 in crop losses—

After they had controlled the grasshopper on their own lands. We think the hoppers came from the Dakotas.

STATEMENT BY HON. JAMES E. MURRAY, A UNITED STATES SENATOR FROM THE STATE OF MONTANA

GRASSHOPPER CONTROL WORK IN MONTANA

Senator BYRNES. What has the Senator from Montana to say about that?

Senator MURRAY. I can corroborate what these men have been saying. I should like to say that this problem has a very direct bearing on the relief situation, also. I can give you an illustration.

Up in the northeastern part of our State we had fine crops growing last season. We had plenty of moisture, and everything was looking fine. In fact, it was looking so well that the local bankers began to loan money to the farmers on the strength of the crops that they had there, which were expected to be harvested within 30 or 40 days. Then along came this infestation from the Dakotas. I was out in Montana myself at the time. You could stand up and shade your eyes with your hands and look up to the sun, and the sky was just covered with grasshoppers coming into Montana; and, of course, nothing could be done about it.

We have very carefully prepared to fight the pest in Montana every year, and have done a splendid job. The farmers are organized. We have the apparatus for distributing the poison, and we go to work at it in a systematic way; and every year they have taken care of the situation so far as their own lands were concerned. If it were not for the outside infestation, we should not have any difficulty at all. In one or two counties up in the northeastern end of the State the crops were entirely destroyed, and, as a result, those people had to go on relief, and are on relief right now. They lost all their crops.

Senator BYRNES. As I understand, when we curtail the production of crops and have idle lands, the idle land furnishes grasshoppers, and then the grasshoppers furnish the people on relief; and that is the way we go.

Senator NYE. That is one way of putting it.

APPROPRIATION IN 1934 FOR GRASSHOPPER-CONTROL WORK

Senator McKELLAR. In 1934 we appropriated \$2,354,893.

Senator MURRAY. We lost \$6,000,000 right in the little area I am talking about as the result of failure to be able to control the grasshoppers.

Here is an editorial from the Great Falls Tribune, which is the leading paper out there. It tells the story right here—how we have gone ahead and fought this pest, and at the last moment we found this infestation coming in as a complete surprise and a shock to the farmers of Montana. The grasshoppers came from South Dakota and just cleaned up our people.

CONTROL WORK ON IDLE LANDS

Senator BYRNES. One more question: We appropriated \$2,000,000 last year, when we were not touching the idle lands. Is the cost of poisoning the idle lands going to require double the appropriation? Is there just as much idle land as cultivated land?

Senator MURRAY. Yes.

Dr. STRONG. We put in the House hearings a complete statement showing just how many acres there are, and how much it would cost.

Senator BYRNES. And you would double the acres, would you?

Senator MURRAY. Of course it is more expensive to do that. The farmers do the job themselves on their own land, but you cannot expect them to go out off their own land and spend weeks and weeks in poisoning idle land.

Senator BYRNES. No; we cannot expect that.

Senator NYE. Dr. Strong, when you speak of idle lands, that is inclusive of roadsides, is it?

Dr. STRONG. That includes the roadsides on the idle land, yes; but it does not include all the roadsides.

Senator ADAMS. Dr. Strong, in the statement which you furnished, your analysis of the estimate of grasshopper control, you are including \$361,000 for hauling the bait from mixing stations to field crews, \$179,000 for the cost of pulling spreaders in spreading the bait, and \$901,000 for the cost of labor in mixing and distributing. That does not contemplate that the work shall be done by the farmers, as it was done last year?

WORK ON IDLE LAND TO BE DONE BY BUREAU OF ENTOMOLOGY

Dr. STRONG. No. The program does provide that the farmer will do the same thing he did last year on his land; but on this idle land there is only one way to have it done, and that is for us to do it. There is nobody there to do it; so that involves the actual hauling to the mixing stations, and actual spreading on the land by laborers that we would hire on these idle lands.

Senator MURRAY. Is it not anticipated that if you did a perfect job, and poisoned the grasshoppers on the idle land this year, you would very likely find next year that the infestation would be greatly lessened?

Dr. STRONG. I should hope that would be the case, although I cannot promise that. I do not know.

Senator MURRAY. Is not that the expectation?

Dr. STRONG. That would be a reasonable hope.

Senator MURRAY. I think the experimentation ought to be made, inasmuch as we are going to lose so many millions of dollars in crops; and the Government has something at stake here, because it has insured the crops, and when crops are lost it will have to pay for them.

So it seems to me it would be the part of wisdom for the Government to make this small appropriation of \$6,000,000, and save a very much larger amount.

Senator MCKELLAR. Has the Government insured the crops?

Dr. STRONG. Yes.

Senator ADAMS. How much money does the Government furnish? The money comes largely from the premiums paid; does it not?

Dr. STRONG. I believe so.

Senator NYE. Dr. Strong, you have had very splendid cooperation from the farmers in this poisoning program, have you not?

Dr. STRONG. Everywhere.

Senator NYE. Is it not also true that this fall found many, many farmers vowing that they would not go back into the program and take care of their so-called end of it unless there could be assurance that there was not a program of hatching on a neighboring farm to move in on theirs after they had taken care of their own hoppers?

Dr. STRONG. We had that brought home to us when we had a meeting in Omaha of the entomologists and extension people from the infested States. They pointed out very clearly that it was hopeless to expect good results unless we did that; so a program was agreed on by the Department and by the State people which involved that very procedure. I myself think that if we are not going to do it right, there is not much use doing it.

Senator MURRAY. I agree with that.

Senator NYE. You feel pretty strongly on that subject, do you, Doctor?

Dr. STRONG. Yes, sir; I do.

Senator NYE. I came out of the State this fall with the conviction that it is just utter waste unless it is going to be done completely and done right.

Senator MURRAY. I should like to submit in connection with my remarks a statement, which I have here, indicating what should be done.

(The statement is as follows:)

MEMORANDUM ON POINTS PRESENTED IN SUPPORT OF REQUEST FOR FULL \$6,000,000
FOR GRASSHOPPER AND INSECT PEST CONTROL

1. This appropriation is urged as an economy measure. It carries an appropriation of \$2,000,000 above amounts previously requested. That amount is for a special control program for idle and unoccupied lands. Heretofore all efforts have merely been directed along the lines of emergency crop-saving programs.

2. Experience of those in authority shows that as high as 39 percent of the farm crop was destroyed by grasshoppers in Great Plains States. Much of this crop is insured for 1939 under the Federal crop-insurance program. If 39 percent, as it was in 1938, the cost to the Government will be vastly in excess of this appropriation.

3. The fact that in some States 39 percent of the crop was destroyed by grasshoppers and other pests has resulted in placing thousands of farmers on relief rolls. The loss of their crop through these pests is a high-contributing factor in relief requirements. The control of this pest would materially reduce relief needs in at least 21 States.

4. It is unfair, unjust, and unreasonable to expect that farmers in sparsely settled regions should be called upon to treat the land, or try

to control this pest on the wide-open stretches, of Government-owned land. The farmers are willing to do the job on their own farms, and it is decidedly unfair for the Government to leave their farmers' crops exposed to this pest flying in from Government lands.

5. The Government has contributed generously to distressed farmers who have sustained losses as a result of floods, fires, storms, earthquakes, etc. The amounts expended for relief and assistance in those cases is vastly greater than asked for in this aid for grasshopper control. At the same time, authorities will furnish definite data showing that losses sustained by farmers from this grasshopper pest from Texas to the Canadian line are greatly in excess of losses sustained by others as result of storms, floods, etc.

For the above reasons we believe that it is only just and equitable, and a matter of economy, to secure for these farmers, who are exposed to this pest, the assistance asked through this appropriation. Experience of past several years proves conclusively that this pest is not going to be eliminated by further expenditures remitted to former control programs. The larger program must be employed if definite and beneficial results are obtained.

The above conclusions are concurred in by officials and all other groups who have interested themselves and who have participated during years past in the effort to control this pest.

EFFECT OF POISON BAIT ON BIRD AND GAME LIFE

Senator NYE. Dr. Strong, there is a large conviction that this spreading of poison has resulted in the destruction of a lot of bird life. Is there a foundation for that belief?

Dr. STRONG. There may have been some birds killed where the spreading was not properly done; but the Bureau of Biological Survey are just about as tough on that question as anybody I know of, and they have carried on quite extensive experiments, and they have reached the conclusion that if the bait is properly spread there is no harm whatsoever to wildlife. If someone goes out and throws the poisoned bait in a pile, or in big lumps, we have even known horses to be killed under such circumstances; but if it is properly spread, and particularly where they are using machine spreaders, I do not think there is a bit of danger. In fact, that is the conclusion of the Biological Survey.

Senator NYE. Do the Biological Survey contend that there has been an unusual destruction of game life by reason of this poisoning?

Dr. STRONG. Oh, no.

Senator NYE. They do not?

Dr. STRONG. Not at all; no, sir. In fact, I think they will contend that there has not been.

DESTROYING GRASSHOPPERS WITH ANOTHER INSECT

Senator NYE. Reference was made a little bit ago to the possibility of substituting a program of destroying the grasshoppers with another insect. Briefly, Doctor, what study has been given to that subject?

Dr. STRONG. The question has been studied for a good many years in the Bureau of Entomology. It has been studied in other countries. The possibility of importing and breeding up parasites to have any effect on the grasshopper population is without very much hope.

In fact, it does not look to be worth while. There are some parasites that will breed up normally in small localities and do quite a bit of good in reducing the population locally, but not where the grasshoppers are in such tremendous populations as they have been in the past 4 or 5 years.

Senator NYE. I submitted to you some studies by a gentleman in South Dakota, Charles C. Haas, who felt that the experiments he had carried on had rather amply demonstrated that it was possible.

Dr. STRONG. He was speaking of a fungus.

Senator NYE. What fungus?

EFFECT OF TEMPERATURE AND HUMIDITY

Dr. STRONG. In observations over a great many years in the Bureau of Entomology and in State experiment stations where they have carried on research, it has been proven, I think, beyond any doubt that where weather conditions, temperature, and humidity are right, this fungus will build up of itself and kill off the grasshoppers, even reduce the population to almost nothing, but that it takes conditions to be exactly right before it will operate at all. So the artificial dissemination or distribution of this fungus has not had any effect whatsoever. If weather conditions are right, it is there and you do not need to distribute it; and if weather conditions are right you do not accelerate the effect of it at all by distributing it.

Senator NYE. Mr. Chairman, under date of January 13 Dr. Strong wrote me in an extended way on this general subject. I should like to make his letter part of the record, if Dr. Strong has no objection.

Dr. STRONG. I have no objection.

Senator NYE. I should also like to make a part of the record my letter to Dr. Strong.

Senator ADAMS. They may be included in the record.

(The letters are as follows:)

DECEMBER 20, 1938.

LEE A. STRONG,

*Chief, Bureau of Entomology and Plant Quarantine,
Department of Agriculture, Washington, D. C.*

DEAR MR. STRONG. There is increasing displeasure with the method being pursued in the grasshopper-eradication program. Increasing numbers of farmers have voiced their lack of confidence, and one could not be in the field of operation as I have been all of the summer and fall without coming to feel that a resurvey of the situation was merited.

Many have been the suggestions to me of the studies and work by one Charles C. Haas, of Whitewood, S. Dak. It appears that Mr. Haas developed a grasshopper fungi which has been tried with large success in the valley in which he resides. The treatment is evidently not too costly, and my interest became such as to cause me to write to Mr. Haas and others for information. I am enclosing herewith a response which just came from Mr. Haas. It is not well prepared, but a careful perusal of the material does give one rather better understanding of the theory that is involved.

I am submitting Mr. Haas' file to you in the hope that you may have Mr. Hawkins or Mr. Packard of your Department go into the matter in detail. It seems to me that there would be large advantage to be gained if field men were to be sent into the territory to more closely investigate the success of the experiment which has been done in South Dakota. In any event, I should like for the Department to be adequately prepared to discuss alternatives to the present process of eradication when the issue again pends before congressional committees.

Discontent with the present program means, of course, less cooperation on the part of farmers in participating in the poison process, and we will need this winter to adequately demonstrate that the present process is the only one available and within reach if there is going to be any hope for success. On the other hand

if the Haas method should prove one of merit we ought to be prepared to intelligently deal with that idea. I will therefore greatly appreciate the interest of your Department in ferreting out the facts and being prepared to adequately present the matter when the issue confronts us again this winter.

Sincerely appreciating your cooperation, I beg to remain
Sincerely yours,

UNITED STATES DEPARTMENT OF AGRICULTURE,
BUREAU OF ENTOMOLOGY AND PLANT QUARANTINE,
Washington, D. C., January 19, 1939.

HON. GERALD P. NYE,
United States Senate.

DEAR SENATOR: In acknowledging your letter of December 20, regarding the possibilities of controlling grasshoppers by grasshopper fungus and calling attention to the desirability of a resurvey of the situation, it was indicated that information on the grasshopper fungus would be gotten together immediately after the first of the year and that we would be prepared to discuss the whole grasshopper problem. Accordingly we are giving a summary of the situation with regard to the utilization of grasshopper fungus for artificial control operations. We are also giving a brief review of what this Bureau and the cooperating States consider to be the requirements for meeting the unsatisfactory situation which developed this year in the grasshopper control program in the Northern Great Plains States as a result of infestation of farm lands by migratory species from abandoned and depleted range lands.

The artificial dissemination of grasshopper diseases has been quite thoroughly tested by a number of investigators both in this and other countries, with uniformly unsatisfactory results. The use of these diseases was investigated shortly after the beginning of the century by some of the foremost entomologists in America, including Dr. L. O. Howard, of this Bureau; Prof. C. P. Gillette, of Colorado; and Prof. Lawrence Bruner, of Nebraska. During the summer of 1902, cultures of grasshopper fungus disease were distributed by this Department to nearly a thousand individuals, including farmers and entomologists, in 25 different States and Territories, and the results of their observations were afterward tabulated and analyzed. The results of this work indicated that the fungus failed to secure satisfactory control under any but the most favorable conditions of moisture and weather. Since that time there have been repeated attempts by various entomologists to obtain control through the distribution of fungi and fungi cultures, and also through the distribution of certain bacterial diseases which on occasion are important factors in the natural reduction of grasshopper populations.

In 1936 a very extensive experiment was conducted in South Africa, using the two most common fungus diseases occurring in the United States, in an effort to obtain control of the important grasshopper species of that country. This work included extensive laboratory tests as well as field distribution. The results confirmed those obtained in this country and elsewhere, and indicated that these fungi cannot be satisfactorily used for artificial grasshopper-control operations. This work was also of special interest in indicating that grasshoppers were susceptible to the fungus only when their resistance had been lowered by other factors, such as internal parasites or a considerable period of unfavorable weather.

The fact that both fungi and bacteria frequently occur in abundance in the field and in many instances are important factors in terminating grasshopper outbreaks has for a number of years encouraged many entomologists, as well as farmers, to believe that there might be some artificial utilization of these natural controls. In the extensive control campaign conducted during the season just past, observations were made by State entomologists and by the Bureau representatives in the field on the occurrence and the effectiveness of these fungi. Although many States reported the occurrence in the field of diseased grasshoppers which would constitute an inoculum far above that which we could hope to establish by artificial distribution, these diseases were a factor of importance in controlling the outbreak only in areas having considerable rainfall, high humidity, and concurrently favorable temperatures. Widespread effectiveness of fungus in reducing the current outbreak was reported in eastern Kansas, eastern Oklahoma, and in a number of other States in very localized areas. In Nebraska the fungus was reported as being more effective than in the past 10 years but even

there was inactive, except in small damp areas, until rains (about August 10) when the disease became general. A bacterial disease developed in Nebraska which decreased the populations 50 to 75 percent in 3 weeks in numerous cases; this disease was confined, however, primarily to two species, neither of which was the important migratory species which was so abundant in North Dakota and South Dakota. The important fact in all of these cases was that only in small isolated areas was the fungus sufficiently effective to eliminate artificial control by baiting, and in Nebraska the onset of the disease was delayed until favorable rainy conditions occurred, after the major part of the crop damage had been done.

All of the facts which the Department and State entomologists have been able to develop during the last 40 years have indicated that the fungous and bacterial diseases are generally distributed throughout the entire United States but that their effectiveness in reducing populations is so dependent upon climatic conditions that their utilization would not only be impracticable but would be extremely hazardous from the standpoint of placing reliance upon them in large-scale control operations. The climatic conditions required involve not only rainfall but continued high humidity and cloudy weather. The fact that this fungus is sharply limited by climatic conditions is recognized by Mr. Haas, as he states: "It (the fungus) does not spread freely, only when climatic conditions are ideal. This means warmth (60° to 80° F.) and moisture (between 75° and 100° humidity). Outside these points it remains dormant and inactive." In much of the area this year where heavy rainfall occurred, conditions were not sufficiently favorable to bring about a controlling disease epidemic even though the areas were covered with a high amount of inoculum from diseased grasshoppers scattered throughout the area.

We have a number of cases on record where disease epidemics have started with a short period of favorable weather and have been immediately terminated by a change in climatic conditions. In 1923 there was a 5-day interval, for example, at Harney, Minn., when the humidity was seldom below 98° and where temperatures were favorable and the disease appeared after 3 days. Many hoppers were affected on the fourth day and, when the weather cleared on the fifth day, the disease was definitely checked.

This Bureau has had an opportunity to check in the field some of the attempted control operations with the use of fungus. In 1932, Mr. Troth, then Secretary of Agriculture of South Dakota, distributed considerable quantities of a supposed culture of a fungous disease. A check by our men in the field indicated, however, that the disease was no more abundant in the areas where the culture had been distributed than it was in areas within the State remote from those of distribution. Mr. A. L. Ford, who was extension entomologist in the State of South Dakota at that time, reports on this effort at control with fungus as follows: "The State department of agriculture assisted by D. B. Guerny, who owns and operates one of the most powerful radio stations in the Northwest put out thousands of bottles of this grasshopper-fungus culture to farmers of South Dakota. This dope was given to the farmers free and I believe that possibly 10,000 farmers in the State put it out. * * * I can truthfully say that in the many fields that I have inspected where these cultures have been put out I saw no results, not even in a single case. The flesh fly has been working heavily all over the State killing large numbers of hoppers. Naturally this fly worked in many fields where the cultures were put out and the fungus received the credit which should have been given to these flies. This is the way they got their testimonials in favor of the fungus disease. During the past 2 weeks the reaction on the part of the farmers has been severe. Many of the newspapers have carried editorials discrediting Troth and his fungus proposition."

In the face of all of the evidence available on the artificial utilization of these fungi, which indicates their dependence upon very restricted climatic conditions for effectiveness, and on information available on their general widespread distribution in nature, even following years of extended drought, we certainly would not feel justified in launching on a control campaign utilizing this method. It is with sincere regret that our experience and observations do not permit us to endorse this method which has such a wide appeal and which is believed by many well-meaning, although uninformed, people to offer the solution of the grasshopper problem.

With this review of the feasibility of using fungi for grasshopper control, let us turn to the situation which confronts us in the northern Great Plains States next year. It is fully appreciated by this bureau that, although in the major portion of the control area in which the campaign was conducted in 1932 results were entirely satisfactory, conditions developed in certain areas in North Dakota

and South Dakota and in Montana, which made it impossible for individual farmers or groups of farmers, cooperating in the most approved manner, to save their crops even though they killed all the grasshoppers originating on their own property. Land once in crop and allowed to remain idle has proved to be a favorable breeding ground for the migratory grasshopper, and the experience of the past year has demonstrated that enough grasshoppers can originate in such locations to completely nullify excellent control work on nearby farms and to produce swarms that will travel hundreds of miles, destroying crops as they go and depositing great numbers of eggs in areas previously only lightly infested.

Failure to control grasshoppers on idle lands and depleted ranges is the primary cause of the extensive migrations of the migratory hopper which occurred last summer in the western portion of your State. During the latter part of June, just as the large majority of grasshoppers were reaching the adult stage, increasing dryness cut down food supplies already badly depleted by the nymphal swarms and caused local migrations from idle lands and depleted ranges to cultivated crops, which up to this time had been well protected by bait. A brief fight was made to save crops but, in the face of such enormous numbers, repeated invasions, and the lack of manpower and materials to treat the large areas of idle and weedy range land, the case was considered hopeless. The majority of the farmers quit baiting operations and started to save what they could by cutting their grain for forage.

In view of the great numbers of grasshoppers which had developed on idle land and weedy ranges in the spring of 1938, the fall egg survey which has recently been completed included an inspection of idle and range land as well as cropped land, which was a new departure from the survey procedure of previous years. The results of this survey indicated that idle and crop lands in the same locality were generally equally infested with eggs of the migratory hopper, that depleted range land in some instances contained as many eggs as idle and cropped land, and that in good stands of native range grass eggs of the migratory hopper were not found in sufficient numbers to be of economic importance.

We must face the fact that control of infestation on idle and weedy range land will greatly increase the total cost of the campaign, and that it will require unusual effort to secure manpower, equipment, and the necessary cooperative action to make a complete coverage of the large acreages of such land existing in the more sparsely settled districts. It is recognized that in these districts local manpower and facilities, even with complete cooperation, will not provide adequate control and that what can be done by the farmer on his own land must be supplemented by additional help from county, State, and Federal sources in taking care of infestations on idle land and depleted ranges.

An examination of the survey estimates of western North Dakota, where there are very large acreages of idle land, shows that in the five most heavily infested counties, the total bait acres estimated as needing poisoning in 1939 range from 481,650 to 212,040 with an average of 294,614 acres for the five counties. At first glance, the baiting of such large acreages appears to be an impossible undertaking but such acreages have been successfully treated in previous years. In 1934, the five most heavily infested counties in Montana averaged 285,600 bait acres, which is not much different from this year's average in the five most heavily infested counties in western North Dakota. Control in these counties was accomplished by community effort and by the extensive use of mechanical bait spreaders before grasshoppers reached the adult stage. Although the infestation was extremely severe, damage was generally limited to field margins and one of the best crops in years was harvested. There is one recognized distinction between the Montana infestation in 1934 and that which now exists in the Dakotas and eastern Montana. There was less idle land involved in 1934 and the local farmer population was ample to provide needed manpower. The problem in western North Dakota involves large acreages of idle land in which the farm population is wholly inadequate to cope with the problem. However, with improvements in bait spreaders and the increased numbers in use, there is no good reason why the large acreages needing baiting in 1939 cannot be covered provided necessary labor, equipment, and supervision are made available by public agencies.

If the efforts of the farmer on his own land can be supplemented by additional help from county, State, and Federal sources in taking care of infestations on idle land and depleted ranges, we believe that serious damage to crops can be averted and intend to proceed along these lines in the campaign for 1939 provided adequate funds are made available. This program has been discussed with the interested State agencies in the area involved and has been approved by them. Details of this program are now being worked out, subject to subsequent conference with the cooperating States in the areas primarily affected.

We have written you at considerable length because of your particular interest in this problem, and we believe that the program and the plans of the Department deserve your careful consideration. If there is any information which we can add that may be of interest to you, we shall be glad to supply it.

Mr. Haas' file on the subject of grasshopper fungus is returned herewith.

Very truly yours,

LEE A. STRONG,
Chief of Bureau.

DELAY IN DISTRIBUTION OF POISON

Senator NYE. There was much complaining last year because of the slowness with which the poison mix was being delivered at times. Is the Department aware of that delay?

Dr. STRONG. Yes. On a large-scale program of that kind I think some delay is more or less inevitable. However, there were too many small local mixing stations to be serviced. One mixing station would have sawdust and sodium arsenite, and no bran. Another one would have bran and sawdust, but no sodium arsenite; and we were not able to get shifts made from one station to the other. This year we plan to have more in the nature of county mixing stations, and have all these ingredients earlier in the season at all the mixing stations, so that those shortages will not occur. There were some shortages last year.

STATE COOPERATION IN GRASSHOPPER CONTROL WORK

Senator McKELLAR. Do any of the States attempt to deal with the grasshopper pest?

Dr. STRONG. Do you mean in cooperation with us?

Senator McKELLAR. Do they appropriate money for that purpose?

Dr. STRONG. I have here a statement which indicates the estimated value of State and local contributions, exclusive of transportation and distribution of bait by farmers; and in the 24 States that were involved last year it amounted to \$1,320,853.

Senator McKELLAR. Of what does that consist?

Dr. STRONG. It consists of unloading the materials, mixing the bait, and hauling it out to the stations where it is to be picked up and spread; and in some States they furnish a lot of the ingredients for the poison.

Senator McKELLAR. Do not the farmers themselves do that? After the Government furnishes the bait and has it shipped to, say, Montana or North Dakota, or any other grasshopper-infested State, do not the farmers put out the poison?

Dr. STRONG. Oh, yes; but we have such stations as this, Senator: In Colorado, for instance, where there was a heavy outbreak of the migratory grasshopper, they brought the National Guard out, and used them to drive the trucks to haul the sawdust down to the mixing stations; and out through the Dakotas the counties appropriated money to provide for mixing the bait and for helping in other ways.

Senator McKELLAR. What I want to know is, what appropriations of money were made by the States for the specific purpose of doing away with grasshopper infestation?

Dr. STRONG. I have not that broken down as to the exact amount; but I will put it in the record if you would like to have it.

Senator McKELLAR. All right; I wish you would.

(The statement referred to follows:)

STATE APPROPRIATIONS FOR GRASSHOPPER CONTROL

The records available to the Bureau at this time show that two States, Idaho and Wyoming, made specific appropriations for grasshopper control. A number of other States have special general appropriations which are available to enable them to meet unusual situations regarding plant pests. Funds provided under these general authorizations have been used by the States for grasshopper control work. Certain other States have emergency or special funds which can be made available by specific approval for meeting emergencies. Certain States have contributed funds from these sources for that purpose. In securing information from States as to the funds provided for the cooperative work on grasshoppers, no effort was made to separate the source of the funds. The State contributions are, therefore, included within the total of \$1,320,853 which is the contribution from State and local agencies for the crop season 1938.

Senator HAYDEN. What is the source of the sodium arsenite poison that you use?

Dr. STRONG. It is derived from white arsenic.

Senator HAYDEN. Where is it made, generally?

Dr. STRONG. We get most of it from Utah, I believe. No; we get some from Montana and some from Utah. I think it was shipped into the Middle West and processed there.

Senator HAYDEN. Do they find natural deposits of it, or how is it made? Is it made in a chemical factory?

Mr. ROHWER. The raw material is largely secured as part of the smelting process, Senator Hayden. In some instances it is scraped out of the settling chimneys. It then has to be refined before it can be made into an insecticide. For some pests a product that is satisfactory for use comes almost in crude from Salt Lake and that vicinity. Generally speaking, however, the crude product has to go to refineries where it is processed usually into a solution. It is of importance that it have the prescribed strength of arsenic.

Senator HAYDEN. If there was arsenic in an ore that was mined, and that ore was smelted, you would get some of it out of the chimneys; and you say you get it out of great Salt Lake itself?

Mr. ROHWER. Oh, no; the smelting work is primarily done in the Salt Lake area. Most of the smelters are located there.

Senator HAYDEN. I know of a mine in Arizona where years ago there was a heavy solution of arsenic, and they let the waste water run down into the stream, and it killed cattle and birds and animals and everything that drank it.

Dr. STRONG. Yes; it will do that.

DELAY IN DISTRIBUTION OF POISON

Senator NYE. In continuation of the questions I have asked, Doctor, I have here a letter from one who was actively associated in the work of distributing the poison last year. He writes me under date of January 7 as follows, after reciting the fine progress they had made:

The first hatch in the State was noted by the area supervisor and myself on April 20, 2 miles south of Mott. Mixing stations were very soon put into operation, and were operated by Works Progress Administration crews. Farmers cooperated almost 100 percent, and satisfactory results were noted on every hand. The program everywhere promised efficiency and a successful outcome. Then, to our great concern, in the midst of the season's activities we were informed that the

until the freight came in, with the forlorn hope that it might bring a carload or two of bran or sawdust. Then they drove home thinking and saying, "Oh, what's the use, anyway?"

So much of that was encountered last year that I am wondering if the Department is going to be better prepared to meet these needs if we can have the full requirement in the way of money.

NEED FOR ADVANCE PLANNING IN DISTRIBUTION WORK

Dr. STRONG. Yes; we shall be. Last year we undertook to get the cities and counties in the States to provide for local storage of the materials, and let us know in advance of the poisoning season where—we could send at least 25 percent of their needs; but, as you know, it is a little bit difficult to get counties to furnish money for storage for things of that sort, and we did not get requests for the 25 percent to be sent out as fast as we should have. This year what we would like to do is to start out right away and arrange for storage sufficiently near the heavily grasshopper-populated areas so that we can have on hand, when the poisoning season starts, from 25 to 35 percent of the season's needs, and then keep that filled up as much as we can, so that we will not run into these situations; and, as I have pointed out, we should like to have larger mixing stations, and not so many small stations to service. We have taken that into account, and we realize that there is a very real need for it.

Senator NYE. I have before me an extensive study, county by county, of the times when the authorities in those counties placed orders for supplies, and when those orders were delivered; and the time that elapsed between the time of placement of the order and delivery was very, very discouraging. Here is Wells County, with an order placed April 12, and the supply received April 29; an order placed on May 10, and fulfilled on May 21.

Dr. STRONG. Of course those are not inordinately long periods, Senator, for movement of a commodity by freight—10 days to 2 weeks—and sometimes we have to ship the material quite a long way. There was delay. I do not deny that at all, and I do not deny our responsibility for the delay.

Senator NYE. And you feel that with that experience back of you, you would be prepared this year—

Dr. STRONG. Yes; if we know we are going to be able to go ahead.

Senator NYE (continuing). To get the supplies where they would be needed, so that they would be available when needed?

Dr. STRONG. Yes; but we have \$700,000 on hand now. We could probably save several dollars a ton on bran if we could go out in the market now and buy it and store it; but there is not much use in buying \$700,000 worth unless we are going to be able to go through the season with enough money to do a good job.

Senator NYE. There are some supplies out in the field now; are there not?

AMOUNT OF SUPPLIES ON HAND

Dr. STRONG. Yes. I think there is about 65,000 tons on hand in the various States, so that a respectable start could be made.

Senator McKELLAR. Is that in addition to the \$700,000?

Dr. STRONG. Yes.

Senator McKELLAR. How much does the 65,000 tons cost?

Dr. STRONG. It averages about \$20 a ton.

Senator McKELLAR. \$1,300,000?

Dr. STRONG. \$1,300,000.

Senator McKELLAR. So you virtually have \$2,000,000 to start with this year.

Senator NYE. Let us finish that point, Doctor. Your request took into consideration the supplies that were in the field?

Dr. STRONG. That is right.

Senator McKELLAR. But you spent \$2,000,000 last year, and you have on hand in materials \$1,300,000, and you have \$700,000 in cash to start with this year?

Dr. STRONG. Yes.

Senator ADAMS. Is the form of this bill such as to reappropriate and carry on your \$700,000?

Dr. STRONG. That expires on June 30 of this year.

Senator NYE. When must you be actively undertaking getting ready for the work this spring?

NEED OF HAVING GRASSHOPPER CONTROL UNDER WAY IN MARCH

Dr. STRONG. We ought to be under way in March in the South. We ought to be under way at that time in the northwest if we are going out to get supplies, and get them to the best advantage, and get them where they can be used to the best advantage.

Senator NYE. How much advantage is there in being able to place your orders for sawdust and bran early?

Dr. STRONG. Of course, if we have a good supply of bran on hand to start with, we can buy when the market shows to advantage. If we have to go out and buy 50,000 tons right off the bat, the market goes up, and these people know we are in the field for bran all the time, and they do not give us any particular break in the price; so I do not know just what the advantage would be, but it probably would be considerable. It should be.

Senator ADAMS. Is the sawdust a food for the grasshopper? Does it eat the sawdust, or is it just a vehicle for the poison?

Dr. STRONG. It carries the sodium arsenite. We use about three parts of sawdust to one of bran.

Senator ADAMS. The same thing is true as to the bran?

Dr. STRONG. Yes.

Senator NYE. Has your Department tried what has been tried in Canada, namely, the use of airplanes in spreading the poison?

Dr. STRONG. No; we have not spread any poison with airplanes. We have worked in other directions with airplanes. We have been working on forest insects in the distribution of poison.

Senator NYE. Is it not essential, in grasshopper poisoning, that the mix be wet?

Dr. STRONG. Yes.

Senator NYE. Would there not be a tendency for the mix to dry out, if it were dropped from the air, even before it reached the ground?

Dr. STRONG. It might, and probably would.

Senator NYE. I wish, when you are prepared to report on just what the Canadians have done, you would give us some idea of how successful that plan is or is not.

Dr. STRONG. All right; I shall be glad to do so.

(The statement referred to follows:)

USE OF AIRPLANES IN GRASSHOPPER CONTROL

The airplane has been used to distribute grasshopper bait in an experimental way in both the United States and Canada. The State entomologist of Iowa experimented and found that the airplane was satisfactory in the distribution of the bait under certain conditions. The State entomologist of Montana carried on some experiments to determine the use of airplanes, particularly as to their applicability in the distribution of bait on range lands. In reporting on his observations in his twenty-sixth annual report issued in 1937, the following summary is given:

*** Accordingly, the cost for one application of poisoned bait to 5,000,000 acres, counting \$1 an hour for hand spreading (two men), \$1.50 per hour for the operation of a mechanical spreader, and \$12 per hour for an airplane, would be about as follows:

Method of spreading	Rate, acres per hour	Labor time, hours	Cost of spreading	Cost of bait	Total cost
Hand.....	8	\$625,000	\$625,000	\$312,500	\$937,500
Mechanical spreader.....	25	200,000	300,000	312,500	512,500
Airplane.....	100	50,000	600,000	312,500	912,500

"It is extremely doubtful if enough airplanes to do the job within a reasonable length of time could be found in the country. Furthermore, even at \$12 per hour, which is a very low rate for airplane hire, the cost is excessive. * * *"

More recent work in Canada was briefly discussed by K. M. King, entomologist from Saskatoon, Saskatchewan, in the report he presented at the Northwest Grasshopper Control Conference held in Minneapolis, Minn., December 21, 1938. His statement there is as follows:

"Canada has experimented some with the spreading of bait by airplane. A mechanic at Lethbridge, Alberta, invented a rather successful machine for this type of bait spreading. Three pounds of bait per acre is used when spread in this manner. This method of spreading is of particular value when bait is used on rough land. The cost of spreading is approximately 8 cents per acre and the rate of spreading is from 75 to 100 acres an hour."

Senator NYE. Mr. Chairman, I have no more questions; but I have here, in this tremendous file of mine, certain communications which I should like to have in the record. If I may be privileged to organize that matter and avoid a lot of wasted space, I shall appreciate it; and I will have it ready by tomorrow.

Senator ADAMS. I think it will be agreeable if you will do that.

(The matter referred to was subsequently furnished by Senator Nye, as follows:)

JANUARY 6, 1939.

Hon. GERALD P. NYE,
United States Senate,
Washington, D. C.

DEAR SENATOR NYE: I am enclosing a copy of the minutes of the Grasshopper Control Conference recently held at Minneapolis, Minn.

In view of some of the questions indicated in your correspondence regarding this meeting, the following notations of the proceedings should be of interest: Mr. Gaddis, of the Bureau of Entomology and Plant Quarantine, emphasized that adequate supplies of bait at the proper time in all localities was necessary in any control program. He stated that the delivery of 10,500 carloads of bait materials throughout the infested area in balanced proportions with the three necessary ingredients during a period of approximately 6 weeks constituted an exceptionally large administrative task and that errors and mistakes did occur, for which the Bureau accepted responsibility. He enumerated the following problems encountered:

1. Lack of reserve local funds to obtain adequate storage facilities.
2. Immense amount of idle and reversion land.

3. Low population of farmers in heavily infested areas.
4. Necessity for protection from invading grasshopper swarms.
5. Inadequate field force.

Mr. Gaddis further stated that the Bureau was considering the Federal office and the individual State offices as single units in the administration of the program in the State, and that full details will be worked out by mutual agreement by representatives of these two offices. Mistakes and difficulties made in 1938 are being examined thoroughly only for the purpose of finding practical corrective measures to avoid repetition of such difficulties in the future.

The desirability of maintaining central locations for bait mixing was also described as accomplishing two important items—it facilitated deliveries of materials and shifted a desirable degree of responsibility upon the local community in order to accomplish necessary local distribution.

A member of the regional grasshopper control office assured me that there was no case in which bills were paid until materials were actually delivered into designated destinations. In a few cases, payment of bills have been greatly delayed because of failure of the local leader to furnish promptly the receipt of some material.

The feeling that the poison-bait program constitutes any menace to bird life is not evident in any groups which I have contacted. All experimental evidence with which I am acquainted definitely indicates that such is not the case. A very brief summary of these experimental studies is indicated on pages 4 and 5 of the enclosed mimeographed circular.

A grasshopper questionnaire sent to farmers throughout the State was returned by 3,797 farmers from 33 counties. Of this group, representing more than 5 percent of all North Dakota farmers, only 219, or 5.8 percent, felt that there was any possibility that the poisoned bait had killed any wild birds, and 2,519, or 92.6 percent, of those who used bait, reported that it had not killed wild birds. Many of the reports of injury to birdlife were very indefinite, with statements such as "I think so," "probably," etc., and in no case to my knowledge is there a positive record of poisoned bait having been seriously injurious to birdlife. Also, only 78 of the 3,797 farmers reported any livestock loss, and in practically every case they indicated the knowledge of careless handling of the poison material responsible for killing the 79 head of livestock which they reported.

These answers to this questionnaire lead me to believe that our North Dakota farm operators do not actually believe that grasshopper bait is any great menace to bird life. This fact is also verified by the North Dakota game and fish commissioner, in his report that game birds were more numerous in the fall of 1938 than during previous years, in spite of the fact that much larger quantities of poisoned bait were used in 1938 than in any other season.

The above-mentioned questionnaire also indicates that our farm operators have found poison bait effective, since only 338, or 8.9 percent of the 3,797 farmers reporting, indicated that the bait was of questionable effectiveness in killing grasshoppers. However, many of them felt that the migrating swarms could not be controlled, thus emphasizing that control work must be directed against the immature forms before they are winged, and proper attention given to the destruction of infestations which may develop on public-owned and idle lands.

For your convenience, I am enclosing additional copies of this letter which you may desire to make available to other members of the North Dakota delegation.

Very truly yours,

F. GRAY BUTOBER,
Extension Entomologist and Plant Pathologist.

MINUTES, GRASSHOPPER CONTROL CONFERENCE, MINNEAPOLIS, MINN.,
DECEMBER 21, 1938

A Northwest Grasshopper Control Conference was called on December 21, 1938, in the Nicollet Hotel, Minneapolis, Minn., by Chairman A. M. Eberle, director, South Dakota Extension Service. Mr. Eberle briefly explained the purpose of the conference stating it was to discuss the grasshopper situation in the Northwest States and to make specific plans for the campaign and control work in 1939.

Maj. L. C. Webster, secretary of the Northwest Country Elevator Association, made a motion that this group set up a permanent organization to be known as the Northwest Grasshopper Control Conference. This motion was seconded by John W. Haw and motion carried without discussion. Mr. Eberle was nominated for chairman and the motion was made by R. P. Woodworth that the

nomination be closed and a unanimous ballot be cast for Mr. Eberle. This motion was seconded by Mr. Groom and motion carried. Mr. Webster then made a motion that H. O. Putnam serve as secretary. This motion was seconded by Mr. Haw and motion carried. Mr. Webster then moved that the chairman appoint a legislative committee to meet before the day's business was closed. This was seconded by George Starring. Motion carried.

T. L. Aamodt of Minnesota gave a report of the Omaha conference held on November 21 and 22, 1938, and attended by Federal and State entomologists. Mr. Aamodt explained that State and Federal entomologists discussed the difficulties of the 1938 grasshopper campaign and came to definite agreement relating to the polly for 1939 control work. This conference was instrumental in harmonizing work between the States and Federal Government. He followed this report by a discussion of the grasshopper situation in Minnesota.

H. D. Tate, entomologist from Iowa, reported the Iowa situation stating that the potential amount of eggs found in the Iowa survey this fall was less than found in 1937. He states that these surveys were valuable in guiding their plans for the coming year. He reported that eastern Iowa and Illinois would need assistance for chinch-bug control.

O. S. Bare, entomologist from Nebraska, reported on the Nebraska situation. They began work for the 1938 campaign in February and were ready to spread bait in April when the hoppers hatched. The cool weather of the 1938 spring made trouble because it resulted in a very irregular hatch. The present bait formula proved very satisfactory and they spread approximately 15,000 tons from an allotment of 15,736 tons.

F. Gray Butcher, extension entomologist of North Dakota, reported that the farmers had shown a very keen interest in the results of the 1938 egg survey. Portions of the Red River Valley and some of the slope area in western North Dakota have a heavy population of grasshopper eggs but the State as a whole should be better off than in 1938. The 1938 hatch covered a long period, namely, from April to July. The North Dakota situation was hard to handle because of flights from outside sources after the hoppers had been destroyed in certain localities.

George Gilbertson, extension entomologist in South Dakota, reported that their 1937 fall egg survey proved very correct. Tillage methods assisted them in control work in eastern South Dakota. He emphasized the necessity of controlling migratory hoppers, quoting a statement that Montana reported a \$6,000,000 loss because of migratory hoppers from North and South Dakota into that State.

Robert L. Shotwell, Federal entomologist, thoroughly explained the results of the egg surveys throughout the hopper infested areas. He explained the bait needs for the various States and emphasized the need of sufficient materials and men if a thorough control program is to be conducted. Bee fly larvae have destroyed hopper eggs in the vicinity of Dickinson, N. Dak. This damage is somewhat localized and they cannot completely estimate the amount of eggs destroyed by this predator until spring.

K. M. King, entomologist from Saskatoon, Saskatchewan, reported on the grasshopper situation in Canada. Saskatchewan has also been infested with migratory hoppers and at times in Regina it has been necessary to spray the walls of store buildings with kerosene to kill the hoppers which were then removed. If this method was not followed, the merchants found grasshoppers scattered throughout the interior of their buildings. These migratory hoppers distributed only about one-third of the eggs which might have been expected from the large numbers that migrated. The migratory population was predominantly males which accounted for the low percentage of egg deposits. Predators such as the bee fly have also reduced the amount of hatchable eggs.

An economic survey was conducted with farmers in Saskatchewan in 1934. Sixteen blocks of farmers were chosen at various locations, each block containing approximately 10 farms. The total survey procured reports from 153 farms. The results of this survey were shown on a chart which very clearly demonstrated that the farmer who followed proper control methods harvested a crop while the man who made no special effort to control hoppers received little or no crop. The highest yields were secured by sowing wheat on summer-fallowed land. If conditions made summer fallowing impossible, spring plowing or other types of spring tillage were used which aided in destroying the hopper eggs. Wheat sowed in stubble proved to be a total loss in some cases where hopper eggs were abundant. Land cropped the previous year was summer fallowed the following season. Barrier strips three rods wide were left in the summer fallowed land for a grasshopper

trap where the hoppers would collect and poison bait could easily be spread to destroy them. The farmer who did not follow proper tillage methods averaged less than one-fourth of the amount of crop received by the operators who followed the best tillage practices. Returns ranged from nothing to \$6.50 per acre. Mr. King emphasized the necessity of a sound-control program and that poison alone had not proved successful. Proper tillage methods must be followed.

Canada and the United States both have the problem of controlling migratory grasshoppers on idle crop land. Canada has used oil bait and found it poisons grasshoppers for 2 or 3 weeks after spreading unless it is destroyed by wind and dust storms. Oil bait can be spread during the entire day if it is necessary. Oil bait, when used in the fall, materially reduced the grasshopper population the following year.

Canada has experimented some with the spreading of bait by airplane. A mechanic at Lethbridge, Alberta, invented a rather successful machine for this type of bait spreading. Three pounds of bait per acre is used when spread in this manner. This method of spreading is of particular value when bait is used on rough land. The cost of spreading is approximately 8 cents per acre and the rate of spreading is from 75 to 100 acres an hour.

B. M. Gaddis, Bureau of Entomology and Plant Quarantine, then discussed some of the problems relating to control work. Ten thousand and five hundred carloads of bait materials were distributed in 1938. He emphasized the necessity of proper storage space in handling bait materials and stressed the needs of close cooperation between all States and the Federal Government if bait is to be properly located for immediate use when needed. More supervision would assist in speeding up the program.

A. S. Hoyt, Assistant Chief of the Bureau of Entomology and Plant Quarantine, Washington, D. C., presented the program for 1939 as approved by the Secretary of Agriculture.

Claude Wakeland, Bureau of Entomology and Plant Quarantine, Salt Lake City, Utah, reported on the Mormon cricket situation. He stated that cricket control is somewhat different from grasshopper control because the crickets are unable to fly. Their range of travel is usually from 20 to 30 miles, sometimes 50 miles, per year. Mr. Wakeland stated that the population of crickets in Nebraska, North Dakota, and South Dakota has increased. There are approximately 5,000 acres in the neighborhood of Scotts Bluff, Nebr., which should be controlled next year, while North Dakota has 35,800 acres and South Dakota 93,000 acres all of which should receive control work in 1939. Crude arsenic and sodium arsenite bait are repellent to crickets. They have learned, however, that sodium fluosilicate may prove successful in poisoning Mormon crickets. Mr. Wakeland's complete report is attached.

B. E. Groom reported on his trip to Washington during February 1938. He received excellent cooperation from the Bureau of Entomology and Plant Quarantine and from Senator Murray of Montana who had introduced S. J. Res. 232 for grasshopper-control funds. Mr. Groom appeared before the Bureau of the Budget and assisted in presenting the request for grasshopper-control funds. He left Washington assured that sufficient funds would be available for the 1938 control work. He stressed the fact that the Northwest was well organized for control work and suggests we request Works Progress Administration assistance in controlling hoppers on idle lands. We need a definite understanding as to the amount of available funds for control work and should have a definite agreement relating to the administrative policy to be followed between the Federal and State Governments.

Thomas Moodie, Works Progress Administration director from North Dakota, suggested that we still need an active educational campaign to interest all farmers in the spreading of bait. He believes there should be a survey made to estimate the amount of labor necessary for spreading bait if the Works Progress Administration organization is to assist. He suggested that the Bureau of Entomology requisition the Works Progress Administration for the necessary assistance.

Mr. Arthur W. Large, of the Rock Island Railway Co., made the motion that a resolution be drawn expressing our gratitude to the Farm Security Administration, Works Progress Administration, and Civilian Conservation Corps for their assistance with control work in conducting the 1938 campaign. This motion was seconded by John W. Haw. Motion carried.

Following announcement of the legislative committee, the conference adjourned.

SUBJECT MATTER INFORMATION ON GRASSHOPPERS

(Prepared by F. Gray Butcher, extension entomologist and plant pathologist)

A. INFESTATION—HOW DETERMINED, SURVEY METHODS, ETC.

The grasshopper infestation is forecast each year from data obtained on the annual adult and egg surveys. Details of this survey method are contained in the circular letter mailed from this office on October 7, 1937.

Adult survey counts are made at 10- to 15-mile intervals throughout infested areas, noting vegetative injury which indicates previous comparative populations. The numbers of grasshoppers per square yard in various fields, field margins, and roadsides are counted, and collections of hoppers made from which the relative abundance of the various species are determined. These counts are made during August and September. The egg survey is started the latter part of September and continues through October into November. The numbers of egg-survey stops are partially determined by previously noted abundance of adult grasshoppers, and counts are usually made at 10- to 20-mile intervals in the general infested areas. From 5 to 10 counts of egg pods per square foot both in fields and along roadsides are made at each stop, and the relative infestation rating for that location is based upon the average of these samples. Details regarding numbers of adult hoppers or egg pods per unit area for the various infestation ratings are indicated in the above-mentioned circular letter. Roughly, one or more egg pods per square foot in the fields mean a dangerously heavy infestation.

Other general observations and reports from various sources are used as guides in preparing the forecast maps, but main reliance is placed upon the survey data. Forecasts thus made in previous years have proved quite accurate over the general locality and have been in error only in areas where adequate observations were not made. For the 1938 forecast, survey data are not as numerous as would be desired in the three northeastern counties, and additional observations in some of the lighter infested southeastern counties, especially Golden Valley, would have been helpful.

B. SPECIES OF GRASSHOPPERS—WHY IMPORTANT, ETC.

There are approximately 120 different kinds or species of grasshoppers known to occur in North Dakota. Of this number, only 6 or 8 species are considered as crop-injurious forms. The most injurious species is the stubble grasshopper, also called the "lesser migratory" or "mexicanus" grasshopper. Other injurious species are the red-legged, the two-striped, the clear-winged, the differential, the carolina, and packards grasshopper (very similar to two-striped). Under certain conditions, certain other species may cause some crop injury.

All of the above-named grasshoppers, except the stubble and the red-legged grasshopper, tend to deposit their eggs along roadsides or field margins, and can be referred to as "roadside grasshoppers." The two exceptions noted, especially the stubble hopper, scatter their eggs through stubble fields and in recently "reverted" idle land. Large numbers of egg pods of crop-injurious grasshoppers will not usually be found in range lands or in reversion fields more than 3 or 4 years away from cultivation.

From collections and observations made during the adult survey last fall, we know definitely that the stubble hopper is the predominant species in the State, probably making up about 85 percent of the grasshopper population. The red-legged, two-striped, and carolina hoppers are probably next most abundant, with the differential occurring abundantly in certain southern and western areas and the clear-winged of probable importance in certain northern and other local areas. This means that generally over the State a large percentage of the grasshopper eggs are located in stubble fields, and that the absence of heavy concentrations of egg pods along roadsides and fence rows will not necessarily mean freedom from stubble grasshopper infestations. It also means that "stubbling-in" seeding practices, which destroy very few, if any, egg pods, should be especially advised against in the infested areas.

C. CROPLAND VERSUS RANGELAND GRASSHOPPERS

Practically all grasshopper-control efforts are directed against cropland (or crop-injurious) grasshoppers instead of range-land forms. Proper control efforts against range-land forms will control these insects, as several farm opera-

tors throughout this State have demonstrated. However, most operators feel that the relatively low cash return from range land does not justify the costs of an extensive control program. Accordingly, the question of cropland invasion from range areas is raised.

As indicated above, crop-injurious forms seldom deposit many eggs in range land or old idle land. However, the margins of such areas may give rise considerable numbers of injurious forms, and such areas should be watched and control efforts initiated whenever groups of small hoppers appear. When range-land vegetation is practically eliminated by either drouth or overgrazing from livestock or grasshoppers, certain range species may invade adjoining or nearby crop lands. Suggestions for concentrating such invading groups by means of cultivated barriers in order to facilitate the effective use of poisoned bait are given in a later section under the heading "Details in the use of poisoned bait."

D. TYPICAL LIFE HISTORY OF INJURIOUS GRASSHOPPERS AND VARIATIONS ENCOUNTERED

All of the injurious grasshoppers have a similar life cycle. The following details apply especially to the stubble hopper, and important variations with other species will be pointed out.

The egg stage.—Individual eggs of grasshoppers are yellowish white to brownish colored elongated and often slightly curved. Their diameter is about the same as that of a lead in a pencil and they are about an eighth of an inch long. They are deposited in groups enclosed in a pod, called egg pods. The stubble hopper deposits from about 15 to 30 eggs per pod. Egg pods of common range forms usually contain from 6 to 12 eggs.

Egg pods are deposited in the soil, usually not more than 2 inches deep. The stubble hopper prefers stubble fields for egg laying and recently reverted idle fields. Idle land more than 3 to 4 years from cultivation contains very few eggs of injurious species. Eggs are deposited in the late summer and fall and embryological development begins immediately. Normally cold weather stops their development, and they hatch the following spring. The optimum hatching temperature is 80° to 85°, but they may hatch at temperatures as low as 60° to 65°. Moisture is an essential for hatching.

Nymphs or immature stages.—Grasshoppers develop through five or six immature stages, shedding their skins between each stage, and each stage being larger and more like the adult than the previous one. With the stubble hopper, the first stage averages 8 days, the next two 6 days each, 7 days for the fourth stage and 7 or 8 days for the last two stages. Thus they reach the adult stage in from 36 to 40 days. (These lengths of time were at 85°, and will vary according to temperatures and moisture conditions.)

Adult stage.—Adults may be recognized by the fact that only in this stage do grasshoppers have fully developed functional wings. Mating usually starts about 2 weeks after becoming adults, and may occur several times. Eggs are laid within about 3 weeks after mating and oviposition continue throughout the life of the adult insect. The stubble hopper will deposit from 10 to 15 egg pods or a total of more than 200 eggs from each female. Under favorable conditions this number may be considerably higher. Individual insects may live from 3 to 4 months after becoming adults.

During their first immature stages, the young grasshoppers tend to congregate together for shelter of evenings and are active only during warmer hours of the day. As they become older they begin to disperse more, but have never been known to travel more than 10 miles from their place of hatching in the immature stage and usually well under 5 miles. Adults may migrate farther, especially if abundant and during periods of high temperatures. The direction and extent of their migration will depend upon wind directions and velocity and availability of food and cover.

Variations encountered.—The most important variation in the typical life cycle is the occurrence of second brood in the fall, first reported in North Dakota in 1937. Eggs deposited early hatched last fall, perhaps because of the higher temperatures obtained during August (average 7° higher in 1937 than in 1936) or perhaps due to the development of a different biological phase of the insect. Some of the insects hatching last fall developed to maturity and deposited eggs before being killed by freezing temperatures.

E. CULTURAL CONTROL POSSIBILITIES

(See N. D. A. C. circular No. 157, 1937)

Briefly, we cannot depend on cultural control alone. Deep plowing is the most effective means of destroying eggs, but other types of seed-bred preparation will be helpful. For this reason, if for no other, farmers should be urged to discontinue "stubble-in" methods of seeding.

F. DETAILS IN THE USE OF POISONED BAIT

(1 and 2) Bait formulas, old and new, use of sawdust, etc. Old bait formula depended upon an insoluble arsenical poison as the killing agent, and molasses was used to stick it on the bran flakes. Lemons, oranges, and other materials were used as attractants, but experiments have shown that they are not necessary.

New formulas have omitted any attractant because it is known that a moistened bran flake is a very attractive food for grasshoppers. A completely soluble arsenical poison (sodium arsenite) is now used, so molasses is not necessary to make it adhere since the bran flake is moistened with a true poison solution. Molasses is not an effective attractant for grasshoppers.

Sawdust is used primarily as a carrier to make the bran go further, and thus provide a cheaper bait. Also hoppers like to chew on a hard woody substance, and sawdust meets those requirements.

Oklahoma has reported on extensive bait tests. By considering a bait of bran, molasses, and arsenite as 100 percent effective, they find the bran, sawdust (50-50) and arsenite bait 95.7 percent effective. The cost of the former is 35 cents per acre, and of the latter 10 cents per acre. Hence, the bran and sawdust mixture is recommended as the most effective per dollar of cost. By using mill-run feed (bran, shorts, and particles of coarse flour) it is found that the flour particles adhere to the sawdust particles and likewise attract grasshoppers, so a larger amount of sawdust can be used. Hence, last year's recommendations of 3 parts sawdust to 1 part mill-run feed, or 2 parts sawdust to 2 parts bran.

(3) *Time of bait distribution.*—Bait should be scattered so as to have it available to the hoppers in a moistened condition at the time when hoppers begin feeding. This is largely influenced by temperatures. Most of the feeding is done between the limits of 65° and 85°, with the optimum between 70° and 80°. Very little feeding occurs below 60° or above 90°. More feeding takes place when the sky is clear and when there is but little wind.

These optimum feeding conditions usually occur in the morning before 10 or 11 o'clock. Accordingly, the bait should be scattered very early on a clear, calm day. The bait will lose its effectiveness if it dries out before hoppers have a chance to eat it.

(4) *Distribute bait several times.*—Bait should be scattered whenever live grasshoppers are found in any abundance, regardless of how many times it has been scattered in that area before. One scattering will seldom be sufficient because all eggs do not hatch at the same time, and because the older, immature forms may migrate from their hatching areas.

Checking effectiveness of bait.—Grasshoppers usually live from 24 to 72 hours after eating a lethal dose of poisoned bait. Hence, large kills should not be expected for at least 1 or 2 days after spreading bait. Hoppers will also usually crawl some distance away and under clods, trash, or vegetative cover before dying. Occasionally they will be found under something a few rods away from where the bait was spread.

(5) *Bait early against young hoppers.* Bait can be much more effectively used against young hoppers because they are concentrated together, they have voracious appetites during this growing period, and it requires less poison to kill a young hopper than a full grown one. It is effective in killing adult grasshoppers and should be used wherever they are abundant, but the main killing period should be done while they are small and before extensive crop injury occurs.

(6) *Concentrating hoppers together.* (See N. D. A. C. Circular No. 157.) Work fallow land in strips from outside edges, forcing the hoppers to the center, then poison them before finishing the cultivation. Cut forage crops the same way. Make a barrier between cropland and infested idle land by cultivating a strip 3 to 5 rods wide between such fields, and poison the concentrations of hoppers which will build up along the margins of this barrier. Work against young hoppers and make bait go farther by these and similar methods.

(7) *Use bait spreader.*—This important point should be emphasized throughout the State. Have several bait spreaders available in each township, built by

garagemen, elevator managers, civic organizations, vocational agricultural schools, township or county boards, etc. Do this now. Adequate bait spreaders will greatly increase the ease of satisfactory organization and supervision. This point can mean the difference between success and failure of the control program.

G. EFFECT OF BAIT ON GAME BIRDS AND WILD ANIMALS

Obtain Oklahoma Experiment Station Bulletin No. 218, 1934.

Obtain from Professor Wilson, Wisconsin Experiment Station, reprint of his article in *Journal of Economic Entomology*, 1936.

Get results of experiments from Nebraska and Minnesota game commissioners. See United States Bureau of Biological Survey article in July-August 1937 issue of *American Wildlife* magazine.

RESULTS INDICATED IN ARTICLES UNDER G

Bait scattered at rate of 100 pounds per acre had no injurious effect on domestic fowl and quail (Oklahoma bulletin).

Thousands of poisoned grasshoppers fed to chickens, turkeys, ducks, quail, and nestling songbirds over 10-day period caused no apparent injury to the bird (Oklahoma bulletin).

Under farm conditions chickens will not eat enough poisoned bait to produce ill effects (Wisconsin reference).

No injury to humans eating chickens which have access to poisoned bait or poisoned hoppers for 3-month period (Wisconsin reference and Oklahoma bulletin).

Pheasants in cages with poisoned bait scattered in lumps were not injured (Nebraska game commissioners).

Pheasants fed poisoned grasshoppers showed no evidence of injury (Nebraska and Minnesota game commissioner).

Loss of vegetative cover and seeds due to not controlling grasshoppers resulted in serious loss of winter cover and food for wildlife—more injurious than poisoned areas (U. S. Biological Survey).

Have failed to injure chickens in cages with poisoned bait in experiments under way for last 10 days at Fargo.

H. CAUTIONS NECESSARY IN THE USE OF BAIT

Careless handling of any poison is dangerous. Grasshopper bait contains arsenic, a deadly poison. Always keep quantities of it away from livestock and from children or irresponsible persons. Keep supplies under lock and key. Be sure every individual understands it is dangerous if handled carelessly. Compare its potentialities to those of firearms or dynamite, dangerous unless used with care, but effective for the purpose for which intended.

I. EFFECT OF WEATHER AND PARASITISM

These factors cannot be depended upon, but conditions may occur which will reduce infestations. Cool, wet weather immediately after hatching for a period of 5 to 10 days will probably kill by starvation many newly hatched hoppers. If high temperatures prevail under wet conditions, fungus disease may develop. Extreme cold or heat or moisture will not injure the unhatched eggs.

Parasitic maggots may develop in some areas, but probably will be late before they build up large enough numbers to be of great importance. Red mites on hoppers are not injurious, even if very abundant.

All of these factors are very uncertain of adequate occurrence. We have no control over them, but we can control a poisoning campaign with good cooperation available.

JUNIOR ASSOCIATION OF COMMERCE, Bismarck, N. Dak.

The following motion was made and became a resolution after its introduction by Director Dr. Krause: "This is to certify that at a meeting of the board of directors of the Bismarck Junior Association of Commerce, a corporation of Bismarck, N. Dak., duly called and held on the 13th day of December 1938 at which a quorum was present, the following resolution was adopted:

"Resolved That, whereas, grasshoppers have caused millions of dollars of crop damage in the Plains States the last few years, and,

"Whereas, artificial means of controlling these pests have proven to be a failure and a destruction of wildlife, and,

"Whereas, the United States Department of Agriculture through research has discovered ways and means of controlling other crop pests by the development of natural enemies: Therefore, be it

Resolved, That the Bismarck Junior Association of Commerce of Bismarck, N. Dak., petition the Congress of the United States to earmark some moneys of the appropriations for the United States Department of Agriculture for research and study into methods of controlling grasshoppers by natural means."

In witness whereof I have hereunto affixed my name as secretary and have caused the corporate seal of said corporation to be hereto affixed this 20th day of December, 1938.

[SEAL]

JOHN A. ZUGER, *Secretary.*

I, Gordon MacGregor, a director of said corporation do hereby certify that the foregoing is a correct copy of said resolution passed as therein set forth.

GORDON MACGREGOR,
Director.

GREATER NORTH DAKOTA ASSOCIATION,
Fargo, N. Dak., December 27, 1938.

Senator GERALD P. NYE,
Washington, D. C.

DEAR SENATOR NYE: Last week eight of us from this State went to Minneapolis to attend a northwest conference on grasshopper control! The meeting was called by Mr. Eberle, director of extension in South Dakota. I believe 7 States were represented at that conference, of about 60 interested parties. Messrs. Hoyt and Geddes, of the Bureau at Washington, D. C., were sent out to attend the conference with us.

As this was not a very large group, we were able to discuss every phase of this hopper-control program and point out the features that appeared successful, as well as those that proved a bitter disappointment in 1938. The position of all of the North Dakota group can briefly be stated as follows: A great majority of farmers are fully convinced that they can effectively poison the hoppers that hatch out on their own farms. At the same time they cannot and see no reason why they should be called upon to poison hoppers on unoccupied and idle lands in their territory. The experience of 1938 generally indicates that farmers were pretty well satisfied with their poison operations on their own lands, then saw hoppers come in from these idle lands and destroy their crops. Right now they are not at all enthusiastic about going into another grasshopper control program, and do this work of poisoning hoppers on their own land, and then see their crops taken later in the season by hoppers from other areas. Unless that set-up can be changed, we are not greatly interested in a hopper control program.

We put it up very plainly to the gentlemen from Washington that it was necessary for them to make some additional set-up for handling this proposition. They were fully aware of that before the conference, and came into the meeting prepared, and did propose that in their budget for this year, they are setting up a required fund to be used under their direct supervision for poisoning these hoppers on the idle and unoccupied land. The detailed plan by which they will do this was not presented, but it is our understanding that they intend to use some planes for that purpose. Canada last year used airplanes for distributing poison and they are highly pleased with the results, and representatives from Canada at this meeting stated that many more planes would be put in use this year, and their problem is just the same as ours.

We had reports from 24 States presented at this conference. Those reports by States gave the number of thousands of farmers that used poison this year. In answer to a questionnaire regarding damage by this poison, the bad reports were astonishingly few. Horses, cattle, sheep were killed by this poison, but always the direct result of carelessness by farmers in leaving bags or lumps of this poison around where stock could get it. About 3 percent reported the death of birds, poultry, etc., but none had taken the trouble to have these birds or poultry posted for an examination, and there is no positive evidence that the poison did any damage to any feathered animals. The preponderance of evidence, I think, very clearly shows that there is practically no damage or loss of life to any feathered animals from the proper spreading of this grasshopper poisoning. On my own farms I have used it no less than 10 times, commonly more of it about the farm buildings than any place else, to protect the gardens. We have yet to have our

first loss of any poultry or birds that could be charged to the spreading of this poison. The bird life has very largely disappeared from a lot of this Plains Area, but the disappearance has been just as great in areas where no poison was spread as in areas where it has been spread.

I would like to hear from you regarding what you think about this proposition, for I was made chairman of the committee for all of these States and must first of all know just how our own delegation in Congress feels about this matter. Personally, I hope that we can depend on you to help put this appropriation through, but with a very definite program for poisoning the idle and unoccupied lands. If that cannot be done, I am not greatly interested.

With kind personal regards, I am,

Yours very truly,

B. E. GROOM,

Chairman, Agricultural Committee.

Senator NYE. Doctor, is there anything more you want to say in connection with this matter?

Dr. STRONG. No; I do not think so.

Senator NYE. Precisely and exactly, what is the amount you originally requested?

AMOUNTS REQUESTED FOR GRASSHOPPER AND OTHER INSECT CONTROL WORK

Dr. STRONG. We asked for \$4,688,700 for cooperation with the States in the control of grasshoppers; \$600,400 to cooperate with the States in the control of Mormon crickets; \$477,900 for cooperation with the States to suppress the white-fringed beetle; and \$350,000 to cooperate with the States in the control of miscellaneous pests. That was to be a reserve in case chinch bugs or army worms or anything of that kind came up that we would have to take care of. That was a total of \$6,117,000, less the \$700,000 we have on hand, making a total of \$5,417,000.

Senator NYE. So that \$5,417,000 would afford your requirements in all of those fields?

Dr. STRONG. That is right.

Senator NYE. For the grasshopper-eradication program alone, what would be the requirement?

Dr. STRONG. \$4,688,700.

Senator McKELLAR. Is there any relationship between the Utah cricket and the grasshopper?

Dr. STRONG. They are distantly related. The cricket is a long-horn grasshopper.

Senator McKELLAR. The beetle is of a different family?

Dr. STRONG. Yes, it is. It is of the group of the cotton boll weevil.

Senator McKELLAR. And the chinch bug belongs to still another family?

Dr. STRONG. That is right. That is an insect that does its damage by sucking the juices out of the plants, while these others eat them.

Senator NYE. Is there any hope at all of possible or ultimate migration of the seagulls up into the prairie section in any such considerable number as would enable them to combat this plague of grasshoppers?

Dr. STRONG. I do not know.

Senator NYE. They have been moving up a little farther each year.

Dr. STRONG. They did a grand job at one time in Utah, according to the people out there. They erected a monument in the temple grounds to the seagull.

I should like to show you a picture of the way the Mormon crickets walk into traps themselves. [Exhibiting picture.] That is the way they walk into traps. They are in these traps by the ton.

Senator OVERTON. Does the seagull prey on the grasshopper, too?

Dr. STRONG. I suppose they eat grasshoppers if they are around where the grasshoppers are; but they have not made any impression in controlling them especially when outbreaks occur.

TREASURY DEPARTMENT

PROCUREMENT DIVISION—PUBLIC BUILDINGS BRANCH

STATEMENT OF HARRY J. GERRITY, OF WASHINGTON, D. C., GENERAL COUNSEL OF THE NATIONAL ASSOCIATION OF BUILDING OWNERS AND MANAGERS

PROPOSED CENSUS BUILDING

Mr. GERRITY. Mr. Chairman, I am interested in the appropriation of \$3,500,000 for a new Census building.

I represent the National Association of Building Owners and Managers. It is an organization with headquarters in Chicago, and it has local associations in about 46 cities throughout the country. Our association is composed of owners and managers of office buildings; and every 3 months or every 4 months during the year we make a survey of vacant office space throughout the country. Our latest survey was as of October 1, 1938. It covered 2,341 buildings in 101 cities, and showed a vacancy of 36,277,104 square feet of space.

In 1936 our association passed a resolution in regard to the decentralization of Government activities, and I should like to read what was said at that time:

RESOLUTION OF NATIONAL ASSOCIATION OF BUILDING OWNERS AND MANAGERS DECEMBER 7, 1936

Whereas the Federal Government now owns and occupies the equivalent of some 16,000,000 square feet of office space in Washington, D. C., and rents some 3,000,000 square feet additional from private owners; 115,000 Federal workers now enter and leave daily an area of one-half a square mile, known as the Triangle, in which congestion is extreme; in case of a national emergency the overcrowded condition of the capital would be a grave obstacle to the expansion of the naval and military departments and the civilian services necessary to national defense.

Whereas, in contrast, the cities of the Nation offer ample facilities in office space at rentals or purchase prices more favorable than the cost of ownership or new construction; these cities and their adjacent territory pay a large share of the cost of the Federal Government and are entitled to the stimulus in business to be derived from the diffusion of public employes among them.

Whereas, finally, closer contact of the Government departments and their personnel with the general public is desirable and good public policy demands the decentralization of governmental institutions: Now, therefore, be it

Resolved, That it is the sense of this organization that the Federal Government should adopt and actively develop a policy of decentralization of civilian agencies, not in the sense of moving executive heads and central administration organizations, but of distributing those subordinate functions and activities that can be performed as well or better in various parts of the country, avoiding undue construction and overcrowding at one point. This would apply particularly to those agencies requiring the routine work of large units of personnel.

We urge the support of this policy upon other civic organizations and upon our representatives in Congress.

SPACE RENTED BY FEDERAL GOVERNMENT

The Procurement Division has shown that as of January 1, 1930, the Government rents in the District of Columbia 3,664,716 square feet of space, for which it pays \$3,432,711.41, which is an average of 95 cents a square foot. That space is occupied in about 120 privately owned buildings; and, according to the list of leases printed in the House hearings, it amounts to a total of 168 different leases.

Last year the Procurement Division showed the House Committee on Appropriations that outside of the District of Columbia the Government had rented privately owned space amounting to 27,459,703 square feet, for which the rental was \$20,616,241.86. The report at that time showed that there was a decrease in the Government rent roll for space outside the District of Columbia of over \$2,000,000 between June 30, 1936, and June 30, 1937.

In other words, by reason of the public building construction program outside the District of Columbia, more of the Government agencies that were in private space have been going into the Government buildings, consequently leaving a greater amount of available space in privately owned buildings which was formerly rented by the Government.

AVERAGE PRICES FOR RENTED SPACE

A comparison of these figures, however, clearly showed that outside of the District of Columbia the average price which the Government pays is somewhere around 82 cents a square foot, as against 95 cents a square foot in the District.

We feel that this appropriation of \$3,500,000 for a new so-called warehouse building to house the Census is an unnecessary expenditure at this time, and ought not to be made until there is a thorough investigation as to the available space which might be leased outside of Washington—in Chicago, for example, or in St. Louis.

SIZE OF PROPOSED BUILDING AND COST PER SQUARE FOOT

The new building contemplates 417,000 square feet. The estimated cost is supposed to be about \$9 a square foot.

Senator ADAMS. They do not give you the cost per cubic foot?

Mr. GERRITY. No; they just give it per square foot, about \$9.

Senator ADAMS. The square-foot basis is not a very accurate method of determining costs.

Mr. GERRITY. No, Senator. The present Procurement Building, as I recall, was originally called a Government warehouse. They seem to have changed its name now. Instead of being a Government warehouse, they are calling it the Procurement Division, because it is entirely occupied by the Procurement Division of the Treasury Department. This new building, which will have 417,000 square feet, they expect to use as a Government warehouse after the census is completed, which will be in about 3½ years.

VACANT OFFICE SPACE AVAILABLE IN LARGER CITIES

According to our vacancy survey, giving you an idea of the vacant space available in some of the larger cities of the country, the figures are as follows:

In Boston the vacant space is 1,276,872 square feet.

In New York the total vacant space is 10,632,651 square feet.

In Philadelphia it is 2,540,856 square feet.

In Chicago it is 5,520,020 square feet. By the way, that covers seven different districts in Chicago; but on La Salle Street alone there is 1,655,599 square feet.

In Cleveland the vacancy is 1,425,666 square feet.

In Detroit it is 1,884,821 square feet.

In St. Louis, which is a very central point for taking the Census, there is a vacancy of 946,309 square feet.

Senator HAYDEN. What is the situation in Baltimore?

Mr. GERRITY. I shall have to look for the Baltimore figures.

Senator McKELLAR. What is it in Memphis?

Mr. GERRITY. In Memphis it is 179,804 square feet.

Senator HAYDEN. The reason why I asked you about Baltimore is that my recollection is that the Social Security Board, being unable to find space here, rented large quarters over there, and a great deal of their accounting and bookkeeping work is now done in Baltimore.

AVAILABLE OFFICE SPACE IN THE DISTRICT OF COLUMBIA

Mr. GERRITY. Yes; that is quite true, Senator, and I think testimony before the House committee by the officials of the Treasury Department is to the effect that there is at present available about 200,000 square feet in the District of Columbia which could be rented for Census Bureau purposes.

Senator McKELLAR. How much do they require?

Mr. GERRITY. The new building calls for 417,000 square feet. In other words, one-half of the space is already available here.

Senator HAYDEN. There is a difference, though, between the Census and other agencies of Government, in that the data collected are accumulated, and ought to be housed at a place where all the material will be available for purposes of comparison. The Census does not operate continuously, as does the Social Security Board or other agencies of the Government. We enumerate the population only once in 10 years. Then a large force of people is temporarily employed.

Then the work eases off unless something is done, as it occasionally is, in midterm; but the records that are made have to be stored somewhere, and they are very important records. We do not want to run the risk of loss by fire or other damage. For that reason the warehouse idea appeals to me.

Senator McKELLAR. You are opposed to the appropriation of \$3,500,000 for the Procurement Division in this bill?

Mr. GERRITY. We think it ought to be delayed until a more thorough investigation is made of the available space in some central part of the country where this work could be done.

During the discussion on the floor of the House, on page 909 of the Congressional Record of January 3, 1939, I observe that a point of order was made against the appropriation, and was overruled. The point of order was to the effect that this appropriation would exceed the amount already covered by existing statutes. I think the debate shows that the Director of Procurement left out of his computation some W. P. A. allotments, \$14,000,000 of which was used to build the Interior Department Building.

The average man in the street, considering the building program in Washington, would not draw any distinction between the Interior Department Building and the Department of Justice Building, as to whether it was part of the Federal building program or whether it came out of regular appropriations or P. W. A. allotments. But in the debate on the floor of the House, on page 909 of the Congressional Record, it was brought out that when the present Department of Commerce Building was built—which cost \$17,500,000—it was enlarged in order to take care of the Bureau of the Census. Representative Lanham of Texas, who is chairman of the Committee on Public Buildings and Grounds, stated, on page 909 of the Record:

Was not a part of the original expenditure for the erection of the Department of Commerce Building for the purpose of housing the Bureau of the Census, and was not the building enlarged on that account; therefore, has not that part of the appropriation which might have been applied to the Bureau of the Census already been used in preparing suitable quarters for the Bureau in the present Department of Commerce Building?

Mr. TABER. I think that is true.

Our association feels that it is quite proper to build Government buildings to house essential Government activities; but in view of the fact that so much public building has been done throughout the country and the rent which the Government was paying for leased space has been cut down to the extent of \$2,000,000 in 1 year, it might be quite proper at this time to create a precedent and to decentralize to the extent of having the census taken in some central part of the country, where it could be just as conveniently done as it can be done here in Washington.

If I recall correctly the 1860 census was not available to President Lincoln until December 1862, and it was in his message at that time for the first time. It might be true that it is important to have the 1940 census completed before the end of 1940; but that can be done just as well if the housing of these 7,500 employees is done outside of Washington as if it is done in Washington. I think the figures will show that the Government can lease space at a lower rate outside of Washington than it can in Washington.

For those reasons we feel that the committee ought to pass by this item until a more thorough investigation can be made. It is not an emergency.

Senator ADAMS. I was about to ask if an investigation has been made as to the availability of rental space in the District of Columbia which would accommodate the Census Bureau here.

Mr. GERRITY. The testimony is that a committee were appointed, and that they could only find about 200,000 square feet in some warehouses, or something like that, in the District of Columbia—not enough to entirely accommodate the Census Bureau.

Senator ADAMS. The reason I asked the question is that a member of the House told me the other day that he understood that since that time there has been a development through the fact that certain bureaus were going to move, which would make available adequate rental space.

Mr. GERRITY. Yes. I believe at the present time the plans are going forward to build a Social Security Building. When that is finished, in 1940, the space in Baltimore will be available, which is close to Washington. But, aside from that, the testimony before the House committee is to the effect that this force of 7,500 employees is to be

built up gradually. Consequently, by the first of January 1940, they will have only a few hundred employees. During the year 1940 the force will increase to the maximum of 7,500, and then will gradually drop off.

LAND FOR PROPOSED BUILDING

In addition to that, I might say that the committee should consider that the land for this building has not been obtained, it has not been condemned, and they have no options to purchase the land. Admiral Peoples testified that they could build a building and have it completed by January 1, 1940. Somebody asked him how he was going to get the land, and he said they were going to go out and take the land, and they were going to pay 50 percent more than the assessed value for the land. I think that is a bad sort of precedent. There is not an emergency to justify it. That would be all right in time of war; but they have had this building program going on for 6 or 7 years, and they should have looked out for the census coming along in 1940, and not come up here and say that there is an emergency, and they have to have 3½ million dollars in order to build a building in a hurry.

I might say this so far as creating a precedent is concerned: Somebody has remarked that the census has always been taken in Washington. That is true. I can remember that the 1920 census was taken in a building right down here two blocks from the Capitol which had been used for the District of Columbia courts for a number of years; and when the courts moved out into the remodeled courthouse building the Census Bureau took over the building. The last census was taken in temporary buildings on the Mall that have been since demolished.

The Government bureaus are being decentralized. The Internal Revenue Bureau is being decentralized. Whether there is available space in any of those buildings, I do not know; but I think you might make a start now, and create this precedent of compelling them to find space in some city that would be centrally located, where they can get rents cheaper than they can in Washington, and where the census can be taken instead of here in Washington.

Thank you very much.

Senator OVERTON. I see that some objection was made to having the Census Building located elsewhere than in Washington because the personnel which takes the census also takes an agricultural census. What have you to say about that?

Mr. GERRITY. Senator, I think it can all be worked out. The personnel are civil-service personnel. They are appointed by the Director of the Census.

Senator OVERTON. If we move the force that takes the population census away from Washington, we will also move the Agricultural Census away from Washington.

Mr. GERRITY. Yes. I think the entire operation could be done all in one place.

Senator OVERTON. Population and agriculture?

Mr. GERRITY. Both population and agriculture, and all of the other statistical data that they gather under the census.

I might say that the testimony showed that they plan to have 140,000 employees in the field. The census is going to cost more than it cost 10 years ago. There are going to be more employees, not only in Washington but also in the field, than there were 10

years ago. No allowance is being made for the rapid communication, such as the teletype, and so forth.

Senator ADAMS. That does not have much to do with the building problem.

Mr. GERRITY. Nothing whatever.

Thank you very much, Senator.

STATEMENT OF HON. JOHN G. ALEXANDER, REPRESENTATIVE FROM THE THIRD DISTRICT OF MINNESOTA

PROPOSED CENSUS BUILDING

Representative ALEXANDER. Mr. Chairman, what I am about to say I would rather have considered as being said not from the standpoint of my official position in Washington but rather from the standpoint of a taxpayer and a citizen.

I entered this picture on the 20th of January, when I made a short address in the House of Representatives opposing this appropriation on a sort of a three-way basis:

First, I think in the election of last November the turn-over which the public gave us by throwing out some of the old Congressmen and putting in some new fellows indicated that the people are sick and disgusted with this eternal centralization of power and operation of government in Washington. I know I based my own campaign on that; and, as I said in the remarks I made in the House, I think this is a very fine place to start the process of decentralization.

My second point on this subject was, of course, the eternal problem of Government spending.

My third one was the increase in taxation in an attempt to balance the Budget and to meet the annual operating expenses of the Government.

DECENTRALIZED OPERATION OF FEDERAL AGENCIES

On the first point—that is, the point of decentralization—in considering this problem I mentioned in my remarks in the House the Federal Reserve bank situation throughout the United States, which is a decentralized operation, operating out of the little nice-looking building down here at the end of Constitution Avenue, and having 12 branches throughout the United States. I also mentioned the Federal home-loan bank situation, operating in 12 cities throughout the United States, which is a decentralization. I also mentioned the Federal land-bank situation—12 cities which have been designated and which are operating our Federal land-bank business.

If those different organizations and lines of Government business could be handled throughout the United States in 36 cities, it seems to me that the census, which must be taken absolutely out in the States, could be handled by a decentralized program.

Senator HAYDEN. But the statistics gathered would be valueless unless they were centralized.

Representative ALEXANDER. You have the same thing here with reference to the Federal Reserve bank. You centralize it here, getting the total figures and reports from all banks throughout the country, and finally they come down here to the Federal Reserve Bank Building.

Senator HAYDEN. But what happens in taking the census is that

there is appointed in each State an administrator and an organization, and they actually gather the data in the field, in the office; but when it is assembled we must integrate that information from all the States into one combined total. That has to be done somewhere.

Representative ALEXANDER. And that, of course, is here now. It has been here for generations, that part of it; and we would never want to take that out of here, I suppose, because you have to have that information here.

Senator HAYDEN. As we go on from decade to decade taking the census, we accumulate a mass of papers, materials, and records. For purposes of comparison, those records ought to be accessible in the same place.

Representative ALEXANDER. The record shows that they are now renting approximately 30,000 square feet.

Senator HAYDEN. They have one of the largest department buildings in Washington that will hold a tremendous volume of this kind of material. The only question in my mind is whether we actually need the space, because the Department of Commerce is the largest office building we have in Washington, and I have always imagined that the Census Bureau occupied a large part of it.

Senator ADAMS. I wonder whether space could not readily be made there by inviting people to condense themselves a little.

Mr. GERRITY. I think they could double up quite a good bit in a good many of the Government office buildings.

Senator HAYDEN. But as to taking this organization out of Washington somewhere else, above all others it seems to me it ought to be here. Other activities might be properly decentralized, as you have indicated; but there were have the accumulation of the material from the first census, taken back in 1790, down to date. Those records are here. If we are going to move the Census out, and have to gather up all the old records here in Washington and take them to this other place—

Representative ALEXANDER. What I am thinking about is the operation of taking the census and organizing the information and then sending it down here, more or less like the Federal Reserve 12 banks do from the regional banks. They get their stuff together.

Senator HAYDEN. That is now done State by State.

Representative ALEXANDER. Could they not carry it on to the point where the thing is ready to be turned into the mass here in Washington? That is my point.

Senator HAYDEN. As a practical matter, I doubt it.

VACANT OFFICE SPACE AVAILABLE IN UNITED STATES

Representative ALEXANDER. Now, on the question of taxes, it seems to me this expenditure is not justified as long as we have, as Mr. Gerrity has indicated, 35,651,000 square feet of vacant space throughout the United States in buildings already erected which are crying for tenants. By the way, I should like to correct your statement, Mr. Gerrity, on the average per-square-foot cost of rented space—that is, Government rented space—throughout the country. Outside of Washington it is approximately 74 cents—I think you said 85 cents—

Mr. GERRITY. Eighty-two cents.

Representative ALEXANDER. As against an average in Washington for rented office space of \$1.50 to \$1.60 a square foot. That is a lot of difference; and when you consider the fact that in the 27,459,703 square feet that is rented by the Government outside of Washington is included ground-floor space occupied by post-office branches, I think you will find that that space rents for a much higher amount per square foot than space above the ground floor. Therefore the average rent of the space above the ground floor probably is considerably below 74 cents; which means that if you wanted to take this operation of taking the census out, as I have suggested, into the cities throughout the United States, you could rent space for probably 60 cents a square foot. I know that in Minneapolis that can be done, because in Minneapolis, as you know, Senator, we have some office buildings which are entirely vacant, and have been for years. We have nearly a million square feet of vacant space.

Senator NYE. You say you have a million square feet of vacant space in Minneapolis?

Representative ALEXANDER. Nearly.

NEED FOR ASSEMBLING DATA IN DISTRICT OF COLUMBIA

Senator HAYDEN. I can see how, in taking the census in Minnesota, that space could be used to gather the data for that State, but ultimately it must be assembled here, because otherwise we would never have a national figure.

Mr. GERRITY. Senator, the present number of employees of the Census Bureau is somewhere around 750. They expect to increase that number to about 2,000 by January 1, 1940. Then they expect to increase it later on to a total of 7,500. So there would not be much difficulty in moving 750 employees to some central point.

Senator HAYDEN. The only other fallacy I have seen in your argument is this: You talk about the enormous amount of space that is available throughout the United States, but if you are going to move the Census out of Washington and still keep it together, as it must be, then you have got to find this space in some one particular town—Baltimore, Chicago, St. Louis, or Minneapolis, for example.

Mr. GERRITY. Senator, you can find all the space that will be required in half a dozen or a dozen different towns.

Senator HAYDEN. But you have to go to one town to do the business.

Representative ALEXANDER. St. Louis and Chicago could easily take care of the required area, because St. Louis alone has nearly a million feet. Further answering your question, Senator Nye, about Minneapolis, there is 926,980 square feet of vacant space in Minneapolis, which is 25.4 percent of their total. You know that the Great Northwestern National Bank Building, which was erected there 4 or 5 years ago, is partially vacant; and they are renting space in that brand-new building, I am informed, and the tenants can demand a large amount of space for around \$1 to \$1.25 a foot. I noticed in the hearing before the House committee that for some of the space here in Washington they are paying \$12 a foot.

Senator ADAMS. There is not much of that, surely.

Representative ALEXANDER. No; not much.

AVERAGE COST OF SPACE RENTED BY FEDERAL GOVERNMENT IN
DISTRICT OF COLUMBIA

Senator ADAMS. Because on an average the cost is less than a dollar a foot.

Representative ALEXANDER. For office space it is from \$1.50 to \$1.60 a foot, according to the testimony.

Senator ADAMS. The figures were 3,664,000 square feet, and the annual rental was \$3,432,000. That is on pages 8 to 13 of the Record.

Representative ALEXANDER. You will notice that they say here that the average is 95 cents, but for office space, on page 26, at the bottom of the page, Mr. Guthridge in his testimony says they are paying from \$1.50 to \$1.60 a foot, which is the kind of space I am talking about for the operation of the Census activity.

My own thought in conclusion on this matter is this: Something more than just a matter of 3½ million dollars is involved here. The principle is involved as to whether we are going continually to centralize Government operations and power and control down here in Washington. I do not think the people of the 48 States want that, and that was the main reason why I took an interest in this matter. In addition to that there is the matter of Government spending which is needless, you might say, because we have buildings that could be made available for this purpose in Indianapolis, St. Louis, Chicago, and other cities, and in addition to that there is the need to cut down taxes and still be able to balance the Budget.

It seems to me those three elements outweigh any immediate emergency or necessity for making this appropriation.

Thank you.

Senator ADAMS. All right; we are much obliged to you.

FEDERAL HOUSING ADMINISTRATION

STATEMENT OF ABNER H. FERGUSON, GENERAL COUNSEL, FEDERAL HOUSING ADMINISTRATION, AND WESLEY ZANE, EXECUTIVE ASSISTANT TO THE ADMINISTRATOR

ADMINISTRATIVE EXPENSES

Mr. FERGUSON. Mr. Chairman, in the next deficiency bill which is coming up, and which Mr. Woodrum tells me probably will not come out of his committee before the 15th of February, we have an item of \$5,000,000 which is covered by the President's message which you have in your hands.

REASONS FOR DEFICIENCY ITEM

This deficiency item arises from this fact: As you will remember, last February Congress amended the National Housing Act, and in those amendments very much liberalized its provisions and very much increased the volume of our operations. In fact, our business has more than doubled since those amendments were passed. Our applications for insurance of small-house mortgages averaged about \$22,000,000 per week until along in October, since which time they have been running about \$18,000,000 a week. Up to that time they had been running about \$7,000,000 to \$8,000,000 a week. That, of course,

necessitated the employment of a great many more men in all branches of the business, especially in connection with the large-scale housing operations under section 207 and under a new section, 210, which had never been in the act before.

Shortly after the amendments were passed we communicated with the Director of the Budget and called his attention to the fact that we could not possibly operate on the amount that had been appropriated, which amount was 8½ million dollars, of which the Federal Housing Administration pays out of its own income \$5,000,000, and the Government pays \$3,500,000.

I want the members of the subcommittee to understand that the Federal Housing Administration is a self-sustaining organization. It is self-sustaining to the extent that its income justifies it in paying its operating expenses.

AMOUNT IN MUTUAL MORTGAGE INSURANCE FUND

Up to the fiscal year 1939 the Congress had appropriated all of our administrative expenses, because it was thought best that the mutual mortgage insurance fund be built up, rather than to have our income utilized to pay our expenses. That fund has been built up from \$10,000,000 until it is now about \$24,000,000. Originally it was \$10,000,000. As I say, we are paying 5 of the 8½ million dollars which Congress appropriated for this fiscal year; and then, at our request, when we went to the Director of the Budget after the amendment was passed, Mr. Bell advised us to go ahead and use our then appropriated money, because we could use it until it was gone. There was not any apportionment among the months.

APPORTIONMENT OF FEDERAL HOUSING ADMINISTRATION FUNDS

Senator ADAMS. Do you mean to say that Mr. Bell told you there was not any apportionment among the months?

Mr. FERGUSON. He told us to use that money, and then when—

Senator ADAMS. I am asking you, did Mr. Bell tell you that there was to be no apportionment of your funds through the months?

Mr. FERGUSON. He made the apportionments.

Senator ADAMS. He had not made any apportionment then?

Mr. FERGUSON. He had made an apportionment, yes; but he said, in view of the fact that it was doubtful whether we could get a bill through Congress, he would suggest that we raise our monthly apportionment to meet our increased expenses.

Senator ADAMS. That was during the first part of the year?

Mr. FERGUSON. That is right.

Senator ADAMS. And leave you without money for the rest of the year?

Mr. FERGUSON. That is right; and then he would come in and ask for this deficiency, which he has done.

LAW GOVERNING APPORTIONMENT OF APPROPRIATIONS

Senator ADAMS. You are familiar with the law governing the apportionment of appropriations?

Mr. FERGUSON. Well, I do not understand. We just have a lump appropriation.

Senator ADAMS. Oh, no. You have a lump appropriation, but you are acting under a statute which requires you to allocate that lump appropriation so that it will cover the full fiscal year.

Mr. FERGUSON. The Budget Bureau allocates it.

Senator ADAMS. I know; but you just got through telling me that Mr. Bell told you you did not have to do that which the law requires to be done.

Mr. ZANE. Senator, to correct that, he did apportion the \$8,500,000 over the year, but he did not take into consideration this new change in the act.

Senator ADAMS. But your appropriation was made after the act was changed.

Mr. FERGUSON. No; before the act was changed.

Senator ADAMS. When was your appropriation made?

Mr. FERGUSON. The bill that we have coming up here now, our regular appropriation, will be for the fiscal year ending 1940. The one we had coming up last year was for the year ending 1939; and that bill had been passed, as I recall, when the housing amendment was passed. I am not sure about that; but, in any event—

Senator ADAMS. All I know is that we had quite an extended discussion here over the extent of this money, and the 8½ million dollars was fixed after a good deal of discussion in the committee. That is correct, is it not, Senator Hayden? Do you remember that?

Senator HAYDEN. I remember it.

Mr. FERGUSON. But that did not take into consideration our increased activities under these amendments, I am quite sure.

ESTIMATE FOR FISCAL YEAR 1940

Senator ADAMS. All right. Now the Budget is figuring, for the fiscal year, 1940, \$12,500,000; is it not?

Mr. FERGUSON. Yes.

Senator ADAMS. But you are asking for \$13,500,000 in the aggregate for this fiscal year.

Mr. FERGUSON. That is right, the difference being largely taken up by the fact that title I expires next July; our authority to insure mortgages on existing houses expires at that time.

ANTIDEFICIENCY ACT

Senator ADAMS. Mr. Ferguson, here is part of a provision which is the general law. It says:

No executive department or other Government establishment of the United States shall expend, in any one fiscal year, any sum in excess of appropriations made by Congress for that fiscal year, or involve the Government in any contract or other obligation for the future payment of money in excess of such appropriations unless such contract or obligation is authorized by law. Nor shall any department or any officer of the Government accept voluntary service for the Government or employ personal service in excess of that authorized by law, except in cases of sudden emergency involving the loss of human life or the destruction of property.

Mr. FERGUSON. We have not expended a dollar over this \$8,500,000. As a matter of fact, we have a little over \$1,000,000 left. We have \$1,150,000 left.

Senator ADAMS. All right. Let me read another sentence:

All appropriations made for contingent expenses or other general purposes, except appropriations made in fulfillment of contract obligations expressly authorized by law, or for objects required or authorized by law without reference to the amounts annually appropriated therefor, shall, on or before the beginning of each fiscal year, be so apportioned by monthly or other allotments as to prevent expenditures in one portion of the year which may necessitate deficiency or additional appropriations to complete the service of the fiscal year for which said appropriations are made; and all such apportionments shall be adhered to and shall not be waived or modified except upon the happening of some extraordinary emergency or unusual circumstance which could not be anticipated at the time of making such apportionment.

* * * * *

Any person violating any provision of this section shall be summarily removed from office and may also be punished by a fine of not less than \$100 or by imprisonment for not less than 1 month.

Mr. ZANE. Senator, we could not anticipate this big business at that time.

Senator ADAMS. You knew how much money you had.

Mr. ZANE. Yes, sir; but we did not know the act would be changed, and that we were going to have all this new business come up.

Senator ADAMS. The act was passed in February.

Mr. ZANE. In February.

Senator ADAMS. Congress adjourned the 21st of June.

Mr. ZANE. Yes; but, do you not see, Senator, the Budget Bureau asked us to go ahead and use——

Senator ADAMS. The Budget Bureau had not any business to tell you to violate the law, with all due respect to the Budget Director.

Mr. ZANE (continuing). Use what money we had, and then come up for a deficiency as we needed it.

Mr. FERGUSON. As a matter of fact, at that time it would have been hard to tell how much we would need, because we did not know how successful——

Senator ADAMS. No; but you knew how much you had.

Mr. FERGUSON. Yes.

Senator ADAMS. And the law said you should cut that up into apportionments, and not use any more, and not do any business which would require you to come in for a deficiency appropriation.

Mr. ZANE. I do not know what we would have done, then, except to stand still.

Senator ADAMS. My suggestion is that those of us here feel that we are obligated to obey the law, and we do not know any particular reason for excepting any other department of the Government.

Mr. ZANE. Well, we want to obey the law, of course.

SOURCES OF FEDERAL HOUSING ADMINISTRATION FUNDS

Senator HAYDEN. There is something I do not quite understand in the text of this estimate. It says

Not to exceed \$2,750,000 from the mutual mortgage insurance——

Mr. FERGUSON. That is our own money.

Senator HAYDEN (continuing).

And not to exceed \$2,250,000 of the funds of the Reconstruction Finance Corporation.

That is, you have had a total advance from the Reconstruction Finance Corporation of how much?

Mr. FERGUSON. We have had a total advance from the Reconstruction Finance Corporation of 3½ million dollars. Understand, Senator, all of our appropriations have always come through the Reconstruction Finance Corporation.

Senator HAYDEN. I understand; but I was trying to find out how much they advanced to you, and whether there was enough in the advance to meet this,

Mr. FERGUSON. Senator, the question has come up almost every year as to whether it should be a direct appropriation, or should continue to come from the R. F. C.; and the appropriation bills have come out every year just in the same way.

Senator HAYDEN. So far as the public treasury is concerned, it is that much out.

FEDERAL HOUSING ADMINISTRATION TO BE ON SELF-SUSTAINING BASIS

Mr. FERGUSON. That is right. But, as I say, after 1940, insofar as the income and expenditures are concerned, the Federal Housing Administration will be on a self-sustaining basis. Our income will be sufficient to pay our expenses; and when Congress determines that there is sufficient in this insurance reserve fund to make it sound, then we can pay our own expenses.

Senator HAYDEN. Obviously, if you had a sudden expansion of business, and you wanted to be able to act on the applications that came in, you had to have a force to do it. I can understand that that would be a sudden emergency that would confront you; and you state that that condition still exists. You are still receiving voluminous applications, and you have to take care of them.

Mr. ZANE. We have 1,200 more people this year than we had last year at this time.

Mr. FERGUSON. And our gross business has been about 120 percent above that of 1937.

Senator HAYDEN. I think it is generally conceded that yours is one of the activities instituted in recent years that has been of very material benefit throughout the country. We have provided a market for materials and things of that kind.

Mr. FERGUSON. Yes; we feel that the money was wisely expended.

Senator ADAMS. The appropriation bill under which you got your money was passed May 23, and you told me that the amendments were passed in February.

Mr. FERGUSON. That is right.

Mr. ZANE. But you see, Senator, the request for the appropriation was put in 3 or 4 months before that.

Senator ADAMS. I have not found people particularly handicapped by the fact that they put in their requests earlier, because they get them in right down to the last day.

INCREASED F. H. A. ACTIVITIES

Senator HAYDEN. What I want to know is, when did the business begin to pick up?

Mr. FERGUSON. The business began to pick up about the 1st of April.

Senator HAYDEN. And tended to increase in volume all through the fall?

DISCUSSION WITH BUDGET BUREAU

Mr. FERGUSON. Yes. It reached its peak in July. We had one week in which we had over \$25,000,000 of applications, which was in June or July. Then it kept up until about November. Then it went up to about \$18,000,000 a week, which is over twice as much as we had in the comparable month of last year, 1937. I am quite sure

Mr. Zane went over to the Budget Bureau. I did not go with him; but what happened when you went over to the Budget Bureau and called their attention to the fact that our 1939 appropriation would not be sufficient to carry us through the fiscal year?

Mr. ZANE. Yes; I went over.

Senator ADAMS. Of course the thing I do not like is for the Budget Bureau to tell you that you may disregard the law.

Mr. FERGUSON. Unless they would consider this an unusual circumstance.

Senator ADAMS. But it is not for the Budget Bureau to say. The Budget Bureau make recommendations to the President, and the Budget Bureau have no control whatever over the expenditure of funds. When they assume to tell you that you may disregard the law, it is a thing which personally I think is beyond their function. It is not the first time they have done it, but some day we are going to make it the last time.

Mr. ZANE. Of course, we have to work through the Budget Bureau.

Senator ADAMS. You have to work through the Committee on Appropriations, too.

Mr. ZANE. I mean, we have to go that way around.

Mr. FERGUSON. But I know it was because of what the Budget Bureau said to us that we did not ask for an increase in our appropriation last year.

Senator HAYDEN. There is just one other thing: What harm would come to you if you should wait until the second deficiency bill is considered in the House in the middle of next month, and becomes a law, say, the 1st of April?

FUNDS TO BE EXHAUSTED MARCH 1, 1939

Mr. FERGUSON. We have enough money to pay our expenses up until the 1st of March. Our expenses are about \$1,075,000 a month, and we have on hand \$1,150,000; I mean, we will have on the 1st of February.

Senator HAYDEN. That is, if you cannot get this money within 30 days, you will be broke?

Mr. FERGUSON. That is right; we will not have any money with which to pay our salaries. As Mr. McDonald stated in his letter, that is the reason we are here asking that the item be put into this bill instead of waiting for the next bill.

Senator HAYDEN. Was this matter presented to the House Committee on Appropriations?

Mr. FERGUSON. Yes, sir; it is before the House committee now in the other bill.

Senator HAYDEN. Was it presented in connection with this bill, or did you have any hearing at all before them?

Mr. FERGUSON. We had a hearing before them on the other bill.

Senator ADAMS. You are asking to have it included in both bills?

Mr. FERGUSON. No; as a matter of fact, I asked Mr. Woodrum's secretary what I should do about it. I asked him whether he thought the second bill would be out in time to pay our pay roll at the end of February. He said, "I doubt it." I said, "What do you suggest that we do?" He said, "I suggest that you go over to the Senate committee and try to get it in the present bill there, which has passed the House."

Senator HAYDEN. If they had had a hearing on this particular bill, that would make it a very different matter.

Mr. FERGUSON. We have not had a hearing on this particular bill.

Senator HAYDEN. I think we understand your difficulty.

Mr. ZANE. We are just in a bad position.

Senator ADAMS. I wish you would write me a letter explaining how you happened to get into this situation, and your conversation, and the authority or pretended authority the Budget Director gave you, so that we may know just what the situation is.

Mr. FERGUSON. All right, sir. We shall be glad to do that. Thank you very much.

(Thereupon, at 5:15 p. m., the subcommittee adjourned.)

FIRST DEFICIENCY BILL, 1939

WEDNESDAY, FEBRUARY 1, 1939

SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
UNITED STATES SENATE,
Washington, D. C.

The subcommittee met at 10:30 a. m., Hon. Alva B. Adams presiding.

Present: Senators Adams, Hayden, Hale, and Nye.

STATEMENTS OF GEORGE E. BIGGE, MEMBER OF SOCIAL SECURITY BOARD; PAUL BATZELL, CHIEF OF GRANTS DIVISION; W. L. MITCHELL, ASSISTANT TO THE EXECUTIVE DIRECTOR; AND HERBERT THADA, CHIEF OF THE BUDGET AND REPORT SECTION, BUREAU OF UNEMPLOYMENT COMPENSATION

Senator ADAMS. Proceed, Mr. Bigge, and give us your reasons why the Social Security Board should have the appropriation which has been mentioned to us informally.

FUNCTION OF THE BOARD IN CONNECTION WITH UNEMPLOYMENT COMPENSATION

Mr. BIGGE. I think you have the general story of how the Board operates in connection with unemployment compensation.

Senator ADAMS. Just assume that we have not.

Mr. BIGGE. The Social Security Act provides that the Board shall grant to the States the amount necessary to administer the Unemployment Compensation Act, and a limit of \$49,000,000 is set in the provision in the Social Security Act for any given year.

The expenses of operation cannot be accurately predicted in advance, but we do get quarterly budgets from the States presenting their needs. The Bureau of Unemployment Compensation in the Board goes over those budgets and allots the amount that seems to be necessary for each quarter. The appropriation for this fiscal year was \$40,000,000, and at the present time we have remaining \$2,888,000 to carry us through the remainder of the fiscal year. That is the actual balance remaining in our account January 31.

NEED FOR ADDITIONAL FUNDS

Senator ADAMS. What has been the nature of the emergency or the unusual circumstance which has produced that situation?

Mr. BIGGE. There has been no emergency, except that the States, one by one, have begun to pay benefits during the early years. Last year when they were merely collecting contributions only a small portion of the work was necessary, but when they began to pay benefits the 1st of January 1938 they had to set up additional employment offices and put additional personnel in the employment offices in order to handle the claims of the unemployed workers and meet their obligations and pay the claims. More than 8,000,000 people have filed claims this year. That activity was not involved in 1937 at all, so the expense has increased in those States. Twenty-three began to pay benefits in January 1938. Some others have come in in the course of 1938, and another 18 begin paying benefits January 1, 1938, so the expense, quarter by quarter, has increased due to the increasing functioning of the State unemployment agencies.

Senator HALE. Is the activity increasing all the time?

Mr. BIGGE. No. They are all in now except two. Two more will come in next July.

Senator HALE. Will the \$0,000,000 take care of the situation?

Mr. BIGGE. No. The \$9,000,000 will take care of us up to about April 15, according to the budgets which have already been submitted and approved.

Senator HAYDEN. As I understand the situation, there is now a limitation in the law of \$49,000,000.

Mr. BIGGE. Yes.

PROPOSED INCREASE IN AUTHORIZATIONS

Senator HAYDEN. According to the statement of the Director of the Budget, the President submitted to Congress a proposal to increase the authorization to \$70,000,000.

Mr. BIGGE. That is right.

Senator HAYDEN. That would have to be done by the legislative committee.

Mr. BIGGE. That is right.

Senator HAYDEN. It is my understanding tht the Ways and Means Committee of the House are this week beginning hearings on proposed amendments to the Social Security Act.

Mr. BIGGE. That is true.

Senator HAYDEN. If the recommendation made by your Board is carried out, that committee would report to the House, and the House and Senate would pass a bill increasing the authorized amount of annual expenditure for this purpose to \$70,000,000.

Mr. BIGGE. Yes.

Senator HAYDEN. Then when that authorization is passed, you expect to come back with another supplemental estimate to carry on this work until June 30.

Mr. BIGGE. That is correct; but we are estopped from doing that at the present time by the \$49,000,000 limitation.

Senator HAYDEN. Congress heretofore having appropriated \$40,000,000, you are asking that the amount now authorized by law be appropriated?

Mr. BIGGE. That is right.

FAILURE TO APPOINT FUND ACCORDING TO LAW

Senator ADAMS. You did not make any apportionment or allocation of the \$40,000,000 to cover the 12-month period?

Mr. BIGGE. It was impossible to do that and have the States work effectively in their activities. What we did was to review the activities of each State and limit their expenditures, as far as possible, and still permit them to function.

Senator ADAMS. My inquiry was whether or not you made any allocation or distribution of your \$40,000,000 over a 12-month period.

Mr. BIGGE. To see how much would be available to the States?

Senator ADAMS. No. The purpose of my inquiry is based on the law, which requires that an appropriation for a fiscal year shall be allocated and distributed throughout the fiscal year so that there shall not be a deficit at the end of the year. So I am merely inquiring whether or not you complied with the law.

Mr. BIGGE. How was that arranged, Mr. Batzell?

Mr. Batzell is Assistant Director of the Bureau of Unemployment Compensation.

Mr. BATZELL. The endeavor of the Board was to deal with the situation with regard to the States. It was perfectly obvious that by using even a progressive reduction of the \$40,000,000 over 12 months the States would not be able to function effectively, and in the discussion in the Board itself, the Board determined that the only thing it could do would be to pare the needs of the States as far as possible in the hope of coming out somewhere as nearly as possible to the \$40,000,000, with full realization that the \$40,000,000 would not spread over the entire year.

Senator ADAMS. I do not seem to get a direct answer to my question. I gather that the inference is that the Board decided that the law would not operate in accordance with the ideas of the Board, and the Board saw fit to disregard the law.

Mr. BATZELL. Perhaps I misunderstood your question.

Senator ADAMS. The law provides that when an appropriation is made for a fiscal year, that amount of money shall be allocated or distributed to cover the whole 12-month period, and that there shall be no expenditure of any kind which contemplates a deficit at the end of that year, and provides that those who disregard the law shall be removed from office and subjected to a penalty. I was merely asking whether or not you complied with the law.

Mr. BIGGE. Can you answer that question, Mr. Mitchell?

Mr. MITCHELL. No; I cannot. The answer would have to come from the Bureau, to the extent to which they did that.

Senator ADAMS. The answer is perfectly obvious that you did not—

Mr. BIGGE. In making our allocation we did not prorate it quarter by quarter. Otherwise we would have had only \$10,000,000 to allocate. We found it necessary, under the instructions in the act, to allot such amounts as were necessary for proper administration. We found it necessary to allot \$17,000,000 or \$18,000,000. I get your point entirely.

Senator ADAMS. I was thinking perhaps that you could offer an explanation that there were two provisions of the law, and perhaps you felt that one of them, requiring you to take care of State expenses, superseded the other. But I seem to find it difficult to get you gentle-

men to admit that you did not comply with the law as to the allocation of appropriations.

Mr. BIGGE. I am sorry the chairman is not here. He is before another committee this morning. However, as I recall the discussion in the Board when the question came up, it was a question of permitting or requiring improper administration in the States or of making the funds available for the period of time that they would carry us and giving them the amount necessary for proper administration. They could not have carried on at all for the first quarter of the fiscal year if we had not allotted the funds that we did allot.

Senator ADAMS. You felt that inasmuch as the law was an embarrassment, you did not bother about it.

Mr. BIGGE. No; I am sorry, sir. I am sure I should never look at it that way.

Senator ADAMS. I will say that that is not an uncommon attitude.

Mr. BIGGE. You will pardon me, but this is my first experience in government administration. I do recall that we went through the thing very carefully, and I imagine that if the chairman were here he could give you information that I do not happen to have.

Senator ADAMS. I know from the records of expenditures that you have legal counsel who, I assume, would be conversant with the law which governs appropriations.

ORIGINAL AND REVISED APPORTIONMENT OF FUNDS

(In connection with the question discussed above, the Board wishes to insert the following statement:)

The Congress appropriated for grants to States for unemployment compensation administration, as authorized in title III of the Social Security Act, the sum of \$40,000,000 for the fiscal year 1939. Under that title the Board is required from time to time to certify for payment to each State having an approved law such amounts as it determines "to be necessary for the proper administration of such law during the fiscal year in which such payment is to be made."

At the beginning of the fiscal year 1939 it was apparent to the Board that the amount appropriated would be insufficient to meet the requirements of proper administration of the State laws for the entire fiscal year. The Board is not aware of the existence of any law requiring the apportionment over the entire year of funds appropriated for this purpose and, accordingly, used its best judgment to comply with the mandate of Congress and to expend the funds in a manner to accomplish effectively the purpose for which appropriated. In scheduling its expenditures, however, the Board secured the approval of the Director of the Bureau of the Budget, who, under the terms of section 16 of Executive Order No. 6166, has authority to make, waive, and modify apportionments of appropriations.

In conformity with the procedure established by the Director of the Bureau of the Budget, the proposed apportionment of the funds appropriated for the fiscal year 1939 for grants to States for unemployment compensation administration, which indicated complete exhaustion of the funds by the end of March 1939, was submitted to the Director of the Bureau of the Budget for approval. The proposed apportionment was approved by the Director of the Bureau of the Budget under date of August 8, 1938. Subsequently, it appeared that the amount appropriated would be insufficient to last through March; therefore, the original apportionment was modified to provide for expenditure of the total amount by December 31, 1938. The revised apportionment was also approved by the Director of the Bureau of the Budget. Through the practice of making partial grants for the periods subsequent to December 31, 1938, it has been possible to spread the payments in such way as to defer the exhaustion of the appropriation to about February 15, 1939.

Senator HAYDEN. There is one thing I do not understand, and I think perhaps it may facilitate the matter if I state to you that this is

an appropriating committee. We are not members of the legislative committee which framed the Social Security Act. For that reason we are not familiar with how it was made or the evidence presented to that committee as to why such a system should be set up. We know only in a general way. I make that statement to qualify this question, because it may be based upon ignorance.

We have heard complaints from all over the United States about the very heavy social-security taxes which are levied on business. Enormous sums of money are being gathered up throughout the United States. I had assumed that that heavy tax, which was thus accumulated, would be sufficient to take care of the operating expenses of your organization. Let me ask you if this is the situation: The tax is collected, but you have to come to Congress to get the money to carry on?

AMOUNT OF FEDERAL TAX FOR UNEMPLOYMENT COMPENSATION

Mr. BIGGE. That is right. The unemployment-compensation provision is peculiar in this respect—the Social Security Act lays a tax of 3 percent, and then it provides that if a State lays a tax for unemployment compensation the employer paying that tax may offset against the Federal tax the amount paid in State taxes to the extent of 90 percent of the Federal tax. So there is a certain amount of collection under title 9 which goes into the general revenues of the Federal Government. It is something like \$80,000,000. It is estimated at between \$75,000,000 and \$90,000,000. That is not available for administration except as appropriated by Congress for the specific purpose of making grants to States to administer unemployment compensation.

Senator HAYDEN. Is it expected that the amount of money collected by this social-security tax and paid into the Federal Treasury will be sufficient to carry all the costs of administration of social security so far as the Federal Government is concerned?

Mr. BIGGE. All unemployment compensation. That is the title 9 tax.

Senator HAYDEN. Yes.

Mr. BIGGE. As a matter of fact, the \$40,000,000 appropriation is about half of the title 9 collections.

Senator HAYDEN. That is to say, there has been placed in the Federal Treasury some \$80,000,000 from this source and there has been appropriated out of the Treasury about \$40,000,000 up to now.

Mr. BIGGE. \$40,000,000. That was the amount of the appropriation.

Senator HAYDEN. I understand the tax is not earmarked in the Treasury, but we like to know whether the income corresponds to the outgo in this particular operation.

FAILURE TO APPORTION FUNDS ACCORDING TO LAW

Senator ADAMS. Under the Social Security Act, the section which provides for the certification of these amounts to the Secretary of the Treasury for payment to the States contains this provision:

The Board shall not certify for payment under this section in any fiscal year a total amount in excess of the amount appropriated therefor for such fiscal year.

That is, the red flag is right in the section which authorizes the certification.

Senator HAYDEN. I can understand that perfectly. There is also, of course, a red flag in the general statute. On the other hand, you are setting up a new system.

Senator ADAMS. I have a great deal of sympathy with the position of the Board. However, I think that it is obligatory on us to call the attention of the Board to the fact that there are laws which should govern them, and which do govern us, in reference to the handling of appropriations. They are not free, as a matter of fact, to spend money just as they think they would like to spend it, and then use up in 8 months an appropriation made for 12 months and just come back to us and say, "We are out of money."

We have that trouble all the time. The appropriation is passed under the statute. We endeavor to make the appropriations, and we are compelled to provide for the year, and the administrative force under the law are required to apportion the appropriations for the year. If, as a matter of fact, conditions develop which are emergent and unexpected, it is perfectly proper to come back for more money. However, I asked you whether or not there was an emergency, and you said there was no emergency.

Mr. BIGOE. It was not an emergency in the sense that it could not have been foreseen that these States would increase their activities when they began to pay benefits. As a matter of fact, we indicated that last year, when we said it was impossible to get along on the \$40,000,000, but that it would require approximately \$70,000,000 in order to administer the act in the States.

Senator ADAMS. So you proceeded to administer it on the basis of \$70,000,000?

Mr. BIGOE. No; I am sorry, Senator. I can see that that is the easy interpretation of what I said, but the point is that there is an obligation in the instructions embodied in the act to grant such sums as are necessary for the proper administration. It has taken hard work by the Bureau to get the expenses of the States down to the point where we have them. I think you would be interested in seeing the results of the Bureau deliberations and negotiations with the States. The first line of this chart [indicating] represents the first cost, as they got under way, and in every case, with a single exception, as I read the chart, where, because of a peculiar situation it was found necessary to increase the expenses, the expenses have decreased quarter by quarter.

Senator ADAMS. The point I am trying to make is that we cannot appropriate except where there is a legal authorization.

Mr. BIGOE. That is right.

Senator ADAMS. Congress has authorized for the fiscal year not to exceed \$49,000,000. You have used up \$40,000,000, and you now come back for the other \$9,000,000, and tell us that the \$9,000,000 which we are authorized to give you is not going to carry you through the rest of the year. You want us to go along just where you are going and disregard the law.

Mr. BIGOE. I am sorry, Senator, I do not know the answer. You have the President's letter, of course.

Senator ADAMS. Yes; we have the President's letter. But the responsibility for appropriations rests upon the Congress.

Mr. BIGGE. That is right; and your committee takes the brunt in making the recommendation.

Senator ADAMS. We do.

Mr. BIGGE. In other words, we have to take the brunt of administering unemployment compensation, and it could not have been done any more economically, I assure you, than it has been.

PAYMENT OF STATES' EXPENSES OF ADMINISTRATION

Senator ADAMS. The Federal Government paid for the States' expenses of administration?

Mr. BIGGE. Yes; that is right.

Senator ADAMS. What is the theory of that?

Mr. BIGGE. I do not know. The theory lying behind the whole activity, I think was this, Senator, that the States had worked for 15 years, something like that, to establish unemployment compensation. Wisconsin started about 1920 or 1921 to investigate the matter of giving unemployment compensation. They could not get it going satisfactorily because of the competitive State situation. If one State levied a tax for unemployment compensation and the neighbor did not, there would be discrimination. So the situation led to a 3-percent Federal tax. That was assumed to be enough to carry on some kind of system; it was provided that whether the State passed a law or not, the employer would have to pay 3 percent. That permitted a State to lay about 2.7-percent tax without putting the employers at any competitive disadvantage. There could have been a grant-in-aid to the States for benefits as well as for administration; they could have kept the 10 percent, they could have kept half of the 10 percent, or the Government could have taken the full 10 percent and made a grant-in-aid, as we do. There are various ways it could have been handled. Just what the reason was why it was put on a 100-percent grant I do not know. There were various proposals before the Congress when the Social Security Act was passed.

USE OF FEDERAL TAX FOR UNEMPLOYMENT COMPENSATION

Senator ADAMS. I gather from your answer to Senator Hayden, that the amount coming in from the tax not only covers the unemployment compensation which is paid, but the cost of administration which is allocated by the Federal Government to the States.

Mr. BIGGE. What the Federal Government collects is available for administration solely. It does not pay any benefits. And the collection is adequate to cover the expenses of the Federal bureau as well as of the State bureaus. And in addition to unemployment compensation, at the present time we are paying about 80 percent of the cost of the employment service. Is that not right, Mr. Batzell?

Mr. BATZELL. Just about.

PAYMENT OF EXPENSES OF STATE EMPLOYMENT SERVICES

Mr. BIGGE. Approximately 80 percent of the cost of employment service, the expanded employment service. It was necessary to do that in order to carry on the unemployment-compensation program. So

the income to the Federal Government under title IX is more than adequate to cover the actual administrative expenses in the States. It happens when the law was written the \$49,000,000 that was put in as a limitation was much below the actual income the Government received from the taxes.

Senator HAYDEN. But that is not true now. The Federal income is more than the \$49,000,000.

Mr. BIGGE. That is much greater now; yes.

Senator HAYDEN. You mentioned the money that the Social Security Board pays out to the United States Employment Service to carry on this work.

Mr. BIGGE. We grant it to the States to carry on the activities in the States. We do not turn it over to the United States Employment Service, but to the State employment service.

Senator HAYDEN. Well, it works around this way: That the United States Employment Service, which was set up under the Wagner-Peyser Act, is again a cooperative arrangement whereby the Federal Government subsidized State employment agencies.

Mr. BIGGE. Yes.

Senator HAYDEN. And the State then gets two kinds of help. The State employment service gets two kinds of help; it gets help under the Wagner-Peyser Act, under the appropriation passed by Congress and disbursed through the United States Employment Service, and then it gets help from the Social Security Board from another appropriation, and the help that you extend in that way is greater than the help extended under the Wagner-Peyser Act.

Mr. BIGGE. That is right. About 4 to 1; that is, we have to furnish about four times as much money to carry on the State employment service as the Wagner-Peyser Act provision and the State and local funds together. Is that right, Mr. Batzell?

Mr. BATZELL. Yes.

Senator HAYDEN. Putting up 4 to 1 would tend to lead you gentlemen to say that, "If we put up the money we ought to have something to say as to where it goes," but as a practical legislative matter I want to warn you that it will not work in this sense, that the United States Employment Service was set up to take care of security for all kinds of activities. Take my own State of Arizona, for example. What we need under employment service in general is to find agricultural laborers, and agriculture is not included under your Board. And we have a veterans' service. I think we have more veterans in proportion to the population than any State of the Union. They went there for lung trouble after the war. That is a special service. We have the organized labor in the State interested in a good employment service, and saying that they do not want to divert it just to paying benefits. And under those circumstances you find resistance from all of the great farm organizations of the United States, from all of the organizations of veterans in the United States, from organized labor in the United States, to a proposition to consolidate into the Social Security Board this labor agency. I do not blame you for saying, "We are putting up four times as much money," but that really is not your fault. I think the Congress ought to straighten that difficulty out, which it can, and with very little trouble, if we get to it and find out how much it takes to run that agency.

Mr. BIGGE. The only difficulty in that respect, Senator, is this, that we feel the service rendered to the worker when he comes into the local office should be a single service. That you should not have one section of the service to pay benefits, and a different section to take his registration and try to find him a job; and you cannot distinguish between the man who works on a farm and a man who works on a construction gang or on the railroad, or something else, because he shifts from one job to another.

Senator HAYDEN. Surely.

Mr. BIGGE. So all we have to state is that the local office, where the man comes in for service, is a single responsibility. They furnish placement service, and to the extent that jobs are not available, compensation service, to anyone who comes in there. In Arizona, and in some of the western agricultural States, agricultural placement is very important. But I think you would be interested to know that in those States where benefits have been paid, placements in private industry have been better proportionately than in the States where benefits have not been paid.

Senator HAYDEN. That would not be surprising.

Mr. BIGGE. Because people turn to the office; it means more to them and to the employer, both.

Senator HAYDEN. It is a problem for the Congress to work out, because this thing at the moment, to use a common term, is "cock-eyed"; that we have an employment service that gets four times as much money from the Social Security Board as Congress directly appropriates for it. You cannot blame the Board, if they are putting up four times as much money, for saying, "If we are paying the bill, we will tell you how to run this business." That is perfectly natural. We have got to find a way to straighten out this difficulty, and it is Congress' job to do it.

Mr. BIGGE. In some States, of course, the administration of those local offices is in the hands of the employment service by the people who were in that service. They have taken on the functions of the compensation service. In other States the new people who were put on have taken on the functions of the placement service. It is immaterial to the Social Security Board how it works as long as you have a single service to the worker. It is more economical, more effective, to the employer and the worker alike, who regard that office as a placement and benefit office, a single service.

Senator HAYDEN. To my mind, the primary purpose of an employment office is placement. To others the primary function seems to be to pay 14 weeks' benefit.

Mr. BIGGE. Yet we do not pay benefits unless a man can't get a job, and so you have to pay the benefits through the placement function. They must go together.

Senator HAYDEN. I agree with you that there must be coordination. I do not want the Board to jump off too fast into a lot of trouble that you will be sure to encounter if you merely assume that because you put up the money you should have all the responsibility for where it goes.

Mr. BIGGE. No; the only way is that you say to the States that to run this efficiently is to have a single office; that to be efficient and economical and to render proper service it must be uniform. It can be unified in various ways.

FEDERAL CONTROL OVER EXPENDITURES IN STATE OFFICES

Senator ADAMS. How much control do you attempt to exercise over items such as salaries and expenditures in the local offices?

Mr. BIGGE. Well, they submit a line-item budget, and that is reviewed in the Bureau. Correct me if I am wrong, Mr. Batzell.

Mr. BATZELL. It is reviewed first by a man in the field.

Mr. BIGGE. Yes; it is reviewed first by a man in the field, so there would not be too much going back and forth. And then if anything that comes to the Bureau seems to be out of line with experience in other States or past experience in this State, the Bureau may make further corrections, but they do it in the light of salaries of other personnel of the same type.

Senator ADAMS. Suppose you found in the State what you regard as an excessive salary, do you feel that you have the authority to cut it down?

Mr. BIGGE. That is a problem, Senator. We have had one or two cases where the salary offered seemed to be altogether out of line with other salaries paid in the State, and I should say the salary for the same position in other States, and in such cases we have suggested to the State agency that we cannot pay all of that. "We can pay as much as is necessary for proper administration. If you want to pay the other \$3,000 you can pay it."

Senator ADAMS. That is, your control is due to the fact that you have the final decision.

Mr. BIGGE. Yes. It is sometimes an embarrassing situation.

Senator ADAMS. I wonder what would happen if the State simply said "We are going to pay this salary."

Mr. BIGGE. The next thing would be to deduct it from the next quarter.

Senator HALE. What is the limit in salary that you allow?

Mr. BIGGE. What is the highest, Mr. Batzell?

Mr. BATZELL. The limit is determined entirely by what is the level paid in other State departments. That is our gage in all States.

Mr. BIGGE. You see we have no schedule. The only answer we can give you would be what the State is paying for similar positions.

SALARIES PAID STATE OFFICERS AND EMPLOYEES

Senator HALE. What is the highest salary paid?

Mr. BATZELL. The highest salary paid is the director in New Jersey. He is paid \$12,000.

Senator HALE. \$12,000?

Mr. BATZELL. Yes.

Mr. BIGGE. But, Senators, remember there are other New Jersey State officials who receive \$15,000, \$16,000, and I think as high as \$18,000 for comparable positions.

Senator ADAMS. New Jersey is a high-salaried State.

Senator HALE. You make that State pay the balance over the \$12,000?

Mr. BATZELL. No; they are paying him \$12,000.

Mr. BIGGE. They are paying him \$12,000 now. But it looked high to us.

Senator HALE. \$12,000 is rather high.

Mr. BIGGE. On the other hand, they have a number of State officials with no more responsible positions that are getting as much as \$5,000 more than that, so we could not do very much. It is the State schedule.

Mr. BATZELL. Let me suggest the general reasoning back of our policy, which seemed to us reasonable. We had to make our choice, of course, on the one hand, in trying to set up effective employment compensation to attract people to it that would be attracted to other similar State departments. On the other hand, we could not put ourselves in the position, it seemed to us, of setting up salaries based upon Federal determination, if such salaries were low, or attract away from other State departments to the unemployment compensation agency all the good people by reason of the fact that we paid better salaries.

Senator ADAMS. We still get very good people from New Jersey and from New York at \$10,000.

Senator HALE. None of you get any \$18,000 salaries, do you?

Mr. BATZELL. No.

Senator ADAMS. Some persons go to a great deal of trouble to get the \$10,000 jobs at times.

Mr. BIGGE. On the other hand, when you have a staff a number of whom are getting \$15,000 and \$16,000 and as much as \$18,000, and they want to pay this man a similar salary, what can you do?

Senator ADAMS. We had a very excellent Senator from New Jersey, who resigned to take a position in the State of New Jersey. One of the reasons for his resigning, I think, was the matter of salary.

Mr. BIGGE. Yes, sir.

Mr. BATZELL. Senator, you asked a question before as to how we control salaries. We have this kind of a situation: The Board must make a determination as to what is necessary and proper administration. Sometimes these salaries are fixed by State statutes. There the State might say, "We have set this salary at \$10,000 or \$12,000 or \$15,000 and expect you to pay it because it is written into the statute." Well, it seems perfectly logical to say that the determination of whether that is necessary must rest with the Board.

CLASSIFICATION OF EMPLOYEES IN STATE AGENCIES

Mr. BIGGE. The committee might be interested to know how far we have been able to get States to adopt classification schemes where they have not done it for State administration generally. Can you give us some idea of that, Mr. Batzell?

Mr. BATZELL. I think there are now 41 agencies that have voluntarily adopted merit plans, classification plans, in connection with unemployment compensation.

Senator HAYDEN. I was interested to know about that because in some States it is the first evidence of any kind of civil service in State administration.

Mr. BATZELL. That is right.

Senator HAYDEN. And, to my mind, it is a good example.

Mr. BIGGE. And they have really done a good job, on the whole, considering the local circumstances. On the whole, I think they have done very well.

Mr. BATZELL. Yes; what you say, Senator, is very true. It has been a great encouragement to us to feel that the stimulus that we try to give to the merit-selection program through the rather broad merit provisions of these individual State laws has done a good deal to give it a real test on a broader basis in the country than has ever existed before; and in your own State of Arizona you know the effectiveness of the results so far as the costs were concerned in administration when the merit program was established.

INADEQUACY OF 1939 APPROPRIATION

I do not know that I have the direct answer to the question that you raised before; but in connection with this chart I merely want to say that I do not think either the Bureau or the Board forgot the \$40,000,000 that the Congress appropriated; but the fact of the matter was that it meant practically a paralysis of the effectiveness of administration of the unemployment-compensation laws of this country, a complete break-down. The Board could not make grants if the States failed to pay benefits on time—that is one of the main provisions of the Social Security Act—and the States could not pay benefits on time if the Board refused to give them the money to do the job, and it took about \$18,000,000 in the fourth quarter of the last fiscal year. To apportion the \$40,000,000, recognizing the fact that 18 States were coming into the benefit-paying stages on the 1st of January, would have meant that during the first quarter of the first fiscal year we could not have even given one-fourth of that \$40,000,000. So the Board was faced with the dilemma of meeting an \$18,000,000 bill with probably \$8,000,000, and it deliberately determined that it would try to bring about these progressive reductions in expenditure to the utmost extent possible but still see to it that the main purpose of paying benefits when due was maintained in the States.

That is the only explanation I know of, from the Bureau's standpoint, of what I interpret to be the Board's position.

Mr. BRACE. And I think we took very seriously the mandate to grant only so much as was actually necessary for proper administration; but I should like to supplement what Mr. Batzell said.

If we had attempted to cut out even 10 percent more in a good many of the States that were paying benefits, it would have stopped the process entirely, because the 10 percent was just enough so that it would have piled up a backlog, and in the course of a quarter it would have stopped the procedure completely. So it has been true that during the beginning of the benefit-payment process the expenses have gone very high. And sometimes in the second quarter, while they were making adjustments and correcting mistakes they had made—because nobody had any experience with this when it started—cost went up a little bit; but since then it has been coming down.

There is another way of getting the picture of the actual reduction for all of the States together, quarter by quarter. This chart shows at the top the employment-service grant, and the bottom is the unemployment-compensation grant; and it has been progressively reduced.

For fear that may give too optimistic a picture, there is one element in the State laws that was permitted by the Federal act that is going to increase expenses. Administration will be economized in general,

but there is one element called "merit rating" which will increase expense. You may have heard that mentioned in public discussion. That is the provision that if an employer regularizes employment somehow the State should provide that his tax rate may be reduced, and the Federal act permits the State to do that and get an additional offset in proportion.

Most of the States have written such a provision in their act, but it cannot become effective until January 1941, so the actual cost of administration is not in the picture yet, and it will be rather expensive.

APPROPRIATIONS NEEDED AFTER APRIL 1

Senator ADAMS. Then as a practical matter the baby comes back on Congress' doorstep on the 1st of April?

Mr. BIGGE. I am afraid that is true; and we see no possible escape from it, Senator, if the thing is to be done. We do not like the responsibility of furnishing all of the funds. We should like to have the States in position to pick up a little of the burden, but the provision is that we shall furnish all of it.

Senator HALE. Then if you get the \$9,000,000 asked for in this bill, under no circumstances will it carry you beyond the 1st of April?

Mr. BIGGE. Let me give you the figures. I have the tabulation here. The total amount of the approved budget for the third quarter is \$16,371,465.90. Budgets awaiting approval amount to \$3,087,396.06. Then, usually, because there are 18 new States coming in, there will be unforeseen needs, and we have to add 2½ or 3 percent for supplemental grants. Allowing \$750,000 for that, it brings the budget up to \$20,208,861.96; but there are Wagner-Peyser funds to be deducted, and some unencumbered balances held over from the last quarter. So the total needs will be \$16,929,659.20.

Senator HALE. Up until when?

Mr. BIGGE. That is for the third quarter, from January 1 to March 31. The amount advanced by the Social Security Board to date out of funds that we had up to January 31 is \$6,523,868.23. That leaves a balance of grants required of \$10,405,790.97. We have a cash balance of \$2,888,117.34, which means that to cover the budgets that we have, plus the expected supplements that must be made in the States which are just starting, amount to \$7,517,673.63.

Senator HALE. Then if Congress takes no further legislative action increasing the \$49,000,000 you will come to a halt on April 1?

Mr. BIGGE. Then we can make no further grants.

Mr. BATZELL. The seven and a half million dollars will take us to about April 1; and if you should recommend \$9,000,000 and Congress should appropriate the \$9,000,000, that would be an extra million and a half there, and perhaps some unencumbered balances in the States; so the total would be about \$3,000,000 more which would be necessary to carry us beyond April 1.

Mr. BIGGE. Probably to April 15; something like that, but not beyond. That would entirely exhaust our funds.

Senator HALE. So you expect, really, before the year is out, to have the \$70,000,000 that you asked for last year?

Mr. BIGGE. We think, Senator, it is the only way to administer the act. Either the Federal Government must furnish the funds necessary

for proper administration, or the set-up must be changed so that the States will supplement it by an equal amount.

(Mr. Biggs submitted the following tabulation for the record:)

Unemployment compensation—Fiscal condition as of Jan. 31, 1939, including Board meeting of Jan. 31, 1939

Total amount of approved budgets, third quarter.....	\$10,371,405.00
Total amount of budgets on hand awaiting approval.....	3,087,396.06
Estimated supplements, third quarter.....	750,000.00
Total budgets, third quarter.....	20,208,801.06
Less:	
(a) Wagner-Peyser, State-local funds.....	\$1,810,351.21
(b) Unencumbered balances reallocated (first quarter, 1939).....	1,402,851.55
Total, Wagner-Peyser, State-local, plus unencumbered balances (items (a) and (b)).....	3,270,202.76
Net amount of grants requested of Social Security Board, third quarter.....	10,920,650.20
Amount advanced by Social Security Board to date (Jan. 31, 1939).....	6,523,808.23
Balance of grants required of Social Security Board, third quarter.....	10,405,700.97
Balance of 1939 appropriation in U. S. Treasury, Jan. 31, 1939.....	2,888,117.34
Deficit for third quarter, 1939.....	7,517,673.03

Senator HAYDEN. Was this matter presented to the House Committee on Appropriations at a hearing?

Mr. BIGGE. I will ask Mr. Mitchell whether it was taken up with the House. I am really acting for Mr. Altmeyer, because he was called away.

Mr. MITCHELL. There was no hearing on the matter in the House committee. We were not called for hearing when the estimate was presented to the House.

Senator HAYDEN. This committee hesitates to insert in an appropriation bill items which have not been heard by the House Committee on Appropriations; but I take it that you appear here because, not having been called to testify there, you felt that the emergency was such that you could not wait any longer.

Mr. MITCHELL. Yes, sir.

Senator ADAMS. Senator Hayden, the letter of the Budget Director to the President recommending the appropriation is dated January 3, and the President's letter to the House is dated January 5.

Senator HAYDEN. When did the House pass this bill—what time last week?

Senator ADAMS. This bill was passed by the House of the 23d of January.

Senator HAYDEN. The House Committee on Appropriations undoubtedly determined, in their opinion, which were the most emergent matters, and took them up and considered them, and passed this bill. If they had heard these gentlemen and denied them the money, that would be one thing. If they have never been heard at all, it is a different picture.

Mr. BIGGE. I do not know what lies behind it, Senator; I am sorry...

Senator ADAMS. All right, gentlemen.

(The following statement was filed by Dr. Lee A. Strong:)

SUPPLEMENTAL STATEMENT ON GRASSHOPPER CONDITIONS IN CANADA

To get authentic, up-to-date information to answer questions raised by the committee, the following day letter was sent to Dr. Arthur Gibson, Dominion Entomologist of Canada, on January 31, 1939:

"Have been requested to insert into testimony given before Senate committee regarding need for grasshopper-control funds information as to grasshopper situation and program in Canada. Desire especially: (1) Outlook for coming season; (2) plan for control program, with particular reference to control on range and abandoned farm lands; (3) estimated cost from public funds; (4) estimated amount of expenditures from public funds in other seasons; (5) statement as to success of control work which has been supported by public funds; (6) information on use of airplanes in distribution of bait, their effectiveness, economy, and extent used. Would appreciate any data you can send today. Please wire collect.

"LEE A. STRONG."

Dr. Gibson replied as follows:

"Reply your day letter as follows:

"(1) Grasshopper outlook Canadian prairies 1939 much worse than 1938. No great loss expected Manitoba, where 10,000 square miles infested. Outbreak Saskatchewan more widespread and severe; 95,000 square miles infested; widespread loss if not controlled. Alberta some increase in area but general situation same as 1938; 45,000 square miles infested. Widespread, serious loss if not controlled. Control activities in all Provinces will be adequate.

"(2) Control program, chiefly poisoning campaign, organized and supervised by provincial governments, which buy material and deliver to municipalities for mixing and distributing to farmers, who treat own land. Entire cost assumed by Province when municipalities without resources. Poisoning in all Provinces supplemented by special culture of infested summer-fallow and stubble land. Upon occasion municipalities control hoppers on large areas of unoccupied land for protection of adjacent farms. Rerange and abandoned land chiefly problem in Saskatchewan. Policy not clearly defined, but Saskatchewan estimating funds on basis of enabling municipalities to poison hoppers wherever they appear.

"(3) Estimate, 1939, approximately \$550,000.

"(4) Public funds (by years):

1933-----	\$300,000	1936-----	\$230,000
1934-----	937,000	1937-----	205,000
1935-----	183,000	1938-----	250,000

"(5) In general, public funds absolutely essential to conduct grasshopper-control work, Canadian prairies. Control has been generally successful in protection of crops in Canadian west and avoided national calamity in each of last 6 years. Control work partly failure only locally and where campaign disorganized, as by excessive drought hopper migrations or inertia of farmers.

"(6) Airplanes used but little. Where conditions suitable, as extended continuous area needing poisoning, their use effective and economical.

"ARTHUR GIBSON."

DEPARTMENT OF LABOR

WAGE AND HOUR DIVISION

STATEMENTS OF ELMER F. ANDREWS, ADMINISTRATOR; M. K. WOOD, BUDGET OFFICER; AND JOHN R. DEMOREST, ASSISTANT BUDGET OFFICER, LABOR DEPARTMENT

Senator ADAMS. Mr. Andrews, the matter of the wages and hours item was gone into before the House committee, but I think our sub-

committee would like to have at least a summary of the situation which you feel justifies this appropriation.

Mr. ANDREWS. Yes, sir. In reading over what I said before the House committee, I realize that I talked too much. It must have been very boring. I do not know how long you wish me to continue.

Senator ADAMS. We do not impose any minimum time on you.

Mr. ANDREWS. Suppose I proceed, and you can interrupt me with questions.

Senator ADAMS. Go ahead.

INITIAL APPROPRIATION

Mr. ANDREWS. As you know, we had \$400,000 when the Fair Labor Standards Act was passed, of which \$50,000 was allocated to the Children's Bureau, leaving us with \$350,000.

I came to Washington about the middle of August. I took the oath of office August 16, and we started very slowly for a number of reasons. First, we knew that we did not have the money to go ahead very quickly. Secondly, we wanted to be sure, as we developed our organization, that we had the very best people we could get; and in getting them, of course, we were under civil service.

I think I was here a month before I actually had anybody on my pay roll. Mr. Biggers loaned me a secretary and Dr. Lubin a stenographer or two. With that help we were able gradually to build up. But even in so doing we saw immediately that when we developed our organization we could not run beyond the 1st of February with the \$350,000, which was allocated in such a way that we could use more than usual allocation of one-twelfth of that amount per month. Of course, that matter was gone over very carefully with the Director of the Budget, who understood our problem.

PERSONNEL BORROWED FROM OTHER AGENCIES

Even so, we would not have been able to reach this stage of development if it had not been for the very generous help of other governmental agencies. At the present time we have about 111 people who are borrowed from other agencies, such as the W. P. A. and the Treasury Department, on a reimbursible basis. That is, if they later encounter an emergency and we have enough people to be generous, we can lend our people to those agencies to help them out in an emergency.

SUPPLEMENTAL APPROPRIATION REQUESTED

So, we came to Congress with a request for \$950,000 to carry us until the end of this fiscal year. We are building up very slowly under the civil service. While we have 370 people today on our pay roll, including the temporary people, if we get the deficiency appropriation requested we hope—or we did hope, before it was cut \$100,000—to have a program of adding people, particularly in the field, at regular intervals, as we can train them and take them off the civil-service register as we get the results from the recently announced examinations for supervising inspectors, senior inspectors, and inspectors.

In setting up the organization we developed an organization which we think at the present time looks sound, and it is flexible enough to change as we gain more practical experience.

I have had some experience with starting the administration of new acts in New York State. I know that it is very poor organization to have too definite a layout so far as regional offices are concerned, and, of course, it is equally dangerous to employ people, even under civil service, who are not the kind you want to keep permanently.

LEGAL BRANCH

In setting up the organization we have five branches, as we call them. First is the legal branch. I say "first," because when we arrived here we had an accumulation of probably 11,000 letters asking for interpretations, and probably as many more asking for jobs. However, in connection with the interpretations it was our duty, just as fast as possible, to advise industry and labor what the act meant, and how an employer could conduct his business so as to be in compliance with the Fair Labor Standards Act. So we had our legal division to help out on interpretations and to prepare our own rules and regulations, such regulations as must be made by the Administrator under the terms of the act.

COOPERATION AND COMPLIANCE BRANCH

Our next major branch is that of cooperation and compliance, which is our field organization and which, as the name indicates, cooperates with industry for compliance. After fair tests, if cooperation is not forthcoming, of course we turn over violations to the Department of Justice for appropriate action.

WAGES AND HOURS DETERMINATION BRANCH

The next major branch is that of wages-and-hours determination. It services and has to do with the work of the industry committees. When we first started with that we thought there were going to be 1,500 industries to be serviced. Industry has been so reasonable in agreeing on broad definitions of what constitutes an industry that we think we can cut the number of industry classifications down considerably so that we will not have to visualize 1,500 industry committees working at one time.

INFORMATION BRANCH

The next is our information branch, which handles the work of getting out our interpretations, our opinions, and legal decisions to trade organizations and to the public generally, to keep them informed as to how the act should be observed.

BUSINESS MANAGEMENT BRANCH

Then we have another small branch of business management, which is the customary set-up, I believe, in all divisions of this kind. We

have had about 7,000 complaints of violations. I should say at least 40 percent of those complaints are not justified. These latter are probably from workers who are in intrastate commerce, and therefore not under the act. Another 20 or 30 percent include complaints of which the information is so meager that we cannot determine whether they really appear to be serious violations. That leaves 30 or 40 percent of complaints which it is very necessary that we investigate immediately. If there are violations, we refer them to the courts. In a great many cases violations are perhaps technical, based upon misunderstanding. If the employer makes immediate restitution, of course, we are reasonable about that, with the understanding on the part of the public that this leniency is something which goes with an act in its inception, and is not to be used as an excuse for future violations.

To be fair to the great majority of industrialists, who apparently like the act and are abiding by it, we, of course, have to get after the small percentage which is in real violation, and which establishes unfair competition to the decent people.

ACTION TAKEN BY HOUSE

While, of course, we were disappointed that the appropriation was cut from \$950,000, because we think \$950,000 is very moderate, and we hoped to get by with that, we do think that the House was really considerate when it did amend the act so that it will be possible, apparently, if we ran out of funds before the next fiscal year, to borrow from the regular appropriation for the next fiscal year.

Senator ADAMS. What was the form of that provision?

Mr. ANDREWS. It is to be found on page 5 of the report, sir.

At that time, if it should develop that the reduction of \$100,000 as proposed by the committee was unwise, that amount could be made immediately available of the appropriation proposed for 1940.

Senator HAYDEN. The report of the committee carried that provision, but it was stricken out in the House.

Senator ADAMS. The provision does not seem to be in the bill.

Mr. ANDREWS. That was the report of the committee.

Senator ADAMS. There is no such provision in the bill.

Senator HAYDEN. It is in the nature of a commitment.

Mr. ANDREWS. Then I do not feel quite as happy about it as I did.

Senator NYE. The committee has committed itself, however, in its report.

Mr. ANDREWS. That is encouraging.

May I make a correction? I notice that I said that we have approximately 370 people. That does not include the 111 who were loaned to us.

PERSONNEL OBTAINED FROM W. P. A.

Senator ADAMS. What proportion of those 111 came from the W. P. A.?

Mr. ANDREWS. I think there were probably about 80 from the W. P. A.—88, to be exact. Those were people who had particular qualifications. We had a very pleasant arrangement with the W. P. A. whereby they would refer to us people whom they thought would fit

in our organization. Some of them are clerical. Others are economists and other people of specialized knowledge.

Senator ADAMS. How are they fitting into your work? Are they working full time?

Mr. ANDREWS. Yes, sir; they are working full time under our jurisdiction as though they were our regular employees.

Senator HALE. Are you paying them?

Mr. ANDREWS. No, sir.

Senator HALE. You do not expect to pay them? You expect to lend some of your people to those agencies, do you not?

Mr. ANDREWS. Senator, it was felt that if we got these people who were especially good, when we did have a deficiency appropriation or when we had our regular appropriation we could take them over. However, that was predicated upon a belief that possibly these people would receive a civil-service status. If they do not, of course, we have to drop them, because all our employees are under civil service.

Senator ADAMS. I do not know that you are in a position to answer this question, but can you state whether or not those loans from the Works Progress Administration were of administrative personnel or persons from the relief rolls?

Mr. ANDREWS. They were all administrative personnel.

Senator ADAMS. The records we have show 88 loaned, and because they are paid salaries—

PERSONNEL OBTAINED FROM OTHER AGENCIES

Mr. ANDREWS. I think we had some loaned from the Social Security Board for a short period and from the unemployment census. They loaned us some very helpful people, such as Mr. Wood, who was with the Treasury Department, and assigned to Mr. Biggers. He is now with us permanently. I just cite that as an example.

Senator HALE. How much of this amount of \$860,000 in the House bill do you expect to use for reimbursement to State, Federal, and local agencies and their employees for services rendered in the fiscal year 1930?

STATE LABOR DEPARTMENTS

Mr. ANDREWS. If any of that amount is used—and it seems possibly a little too soon to do any reimbursing to State labor departments—if that is used, it would mean that we would have probably fewer of our own inspectors. We have given a great deal of thought to the use of State labor departments, and the delegation of the authority of the administration to those departments. As a former head of a State labor department, I know that even with a good labor department it will be very necessary before we either give any money—which would be the last step—or even assign people who would work under the jurisdiction of a State labor commission, to have a carefully drawn agreement. We are now working on drawing up a contract or agreement which will have to specify a great number of things, to protect both the State labor departments and ourselves, providing among other things that the appointments be under the merit system. We would want to be very sure that the people who were going to administer the Federal act will be the right type of people. Of course, we also would have to be sure that if the funds were used for reimbursing there would be provision for the proper audit.

We would have to be very sure that the State labor departments, assuming that they would have the type of personnel to do this work, would believe in the act, and be thoroughly trusted. There are some States that have labor laws but practically no labor department. There may be some labor departments that are impressive so far as their size is concerned, but the personnel is not the kind of civil-service type of people we would like to think of using.

REIMBURSEMENTS NOT CONTEMPLATED UNDER DEFICIENCY APPROPRIATION

To answer you more directly, I do not think that any of this money in the deficiency appropriation would be used for reimbursement to States. Possibly next year, when we have our regular appropriation, we may be able to enter into some agreements.

Senator HALE. How about other agencies, State and local?

Mr. ANDREWS. The act contemplates, Senator, that wherever possible we should use other agencies of government and of the United States Labor Department. We are getting some information from the Tariff Commission. We are getting a lot of information from the Interstate Commerce Commission with reference to freight rates. All those things the industry committees must consider in recommending minimum-wage rates. In the United States Department of Labor, we will have to depend a great deal on the Bureau of Labor Statistics, which will do special studies for us, with respect to those industries in which, through the work of the industry committees, we are going to establish minimum rates.

COST OF SPECIAL STUDIES BY BUREAU OF LABOR STATISTICS

Senator HALE. You have not answered my question as to how much you estimate this clause in the bill will require.

Mr. ANDREWS. The only amount there, sir, that would in any way be used to be given to other agencies, would be given to the Bureau of Labor Statistics for special studies.

I think we had in our original estimate to the Director of the Budget about \$150,000 and that was for three or four studies which we believe must be made. One study must be made to give an estimate of the number of wage earners affected by the act. We need that both from an administrative standpoint and to answer a great many questions about who are under the act, and what the coverage is. A study must be made of the wages now paid in the cotton-garment industry. The Bureau of Labor Statistics is to make a comprehensive study and give the information to the apparel committee, which it is estimated would cost from \$30,000 to \$40,000.

Another study required is that of the boot-and-shoe industry. The employers are very anxious to have an industry committee appointed at once. There is very little information on the economic conditions in that industry. It is estimated that the study and investigation would take from twenty to thirty thousand dollars.

Then there is the cost-of-living survey. The cost of living is one of the bases of all determinations of minimum wages. The minimum wages throughout the industries are based on the cost of living. The Bureau of Labor Statistics has made a comprehensive study for cities over 100,000, but has very little data on smaller communities, and we

want to have that. That Bureau estimates that for a real study to be made, so they can give the information needed, it will take about \$20,000 to \$25,000.

Senator HALE. Then \$150,000 would cover this whole item?

Mr. ANDREWS. The \$150,000 was asked at the very beginning from the Director of the Budget. It, of course, depends upon the Administrator as to how vital they are considered, and in what order these studies are to be made, so I would not want you to feel, sir, that of the \$850,000 that we have, that we are committed to take \$150,000 from that. I mean that was the basis used in working up our budget for presentation to the Director of the Budget.

Senator ADAMS. Is there anything else you want to add, Mr. Andrews?

Mr. ANDREWS. No, sir; I do not think so. I just would like to pay my respects to the other Government agencies down here which have been so very sympathetic and helpful in getting us started—the Civil Service Commission and these other agencies that are helping us out. They gave us real help and real encouragement in our dark days of beginning.

I think, from my trips around the country and from other surveys, I can state that the act is being taken very well. And, as I said, the help we have received from industry generally has made our load much easier than we had expected.

Senator HAYDEN. Are you going to recommend any changes in the basic act?

Mr. ANDREWS. Sir, that is one of the duties of the Administrator. We have had a number of suggestions, some of them very good. I want you to understand, sir, that they are suggestions which have come to us, but I feel that with a new act and with a very new Administrator that it would be unwise for me to have—and I do not think Congress would want to have—any too definite recommendations at such an early date. What I should like to do is to sit down informally, if it is proper for me to do so, with the members of the Education and Labor Committees of both the Senate and the House and just let me present some of the problems that have come to me. Then we could decide whether it is vital at this time to have the Administrator make certain recommendations to Congress. I would want a lot of advice from members on that first.

Senator HAYDEN. I ask that question because the members of this committee normally are not members of the legislative committee that prepared the act. The act itself, as you know, was finally prepared in a great hurry at the end of a session of Congress, and I personally—and I think there are other members of this committee in the same situation as myself—had no intimate knowledge of just what was being enacted into law. We were tied up in conferences here in the closing days of Congress. I asked the question with the idea as to whether, if you did make any recommendations, it would have any vital effect on the amount of money that Congress would be required to appropriate, or do you think that you know enough about the picture now to be able to lay out a series of estimates that will carry you through the next fiscal year?

Mr. ANDREWS. I do not think, sir, that any amendments that we can possibly think of would have much effect on the cost of administration. You will have a lot of amendments recommended to increase the cover-

age of the act. If they should be adopted, we would need more money. But I am very much opposed to extension of the act until we get under way the act we now have. The amendments might have to do with clarification. My experience, as I said, is that of an amateur. I was asked this question about amendments at the House committee hearing. I said, "We have many recommendations suggested to us." The next morning I picked up a paper and it said, "Andrews makes a great many recommendations." I certainly would want to have a lot of advice before such a statement could be made.

Senator NYE. I found occasion this morning, by reason of what was in my mail, to write to you and submit a suggestion that an employer had made to me. You do not object to having such suggestions as are made passed on to you, do you?

Mr. ANDREWS. No, sir; that is just what we want. There have been a great many questions about the white-collar workers and whether over a certain wage a white-collar worker might be eliminated. That may sound all right, but there are a lot of complications. So I think that before we think of an amendment for white-collar workers we should review our definition of what constitutes an executive, an administrator, and a professional worker. I believe our definition of an administrative person may not be broad enough. So I am going to hold a public hearing, at which we hope suggestions will be presented which will be helpful.

Our legal division has a unit which is studying suggested amendments, so when Congress asks us for suggestions I hope that we can have something intelligent to present.

Senator HAYDEN. The Social Security Board when originally created was in substantially the same position that you find yourselves in now. There were suggestions made, but it is only now, after nearly 2 years, during which they have been in operation, that they come with contemplated suggestions for changes in the act.

Mr. ANDREWS. For about 8 years I have been suggesting amendments to labor laws in New York State, but I understand that is relatively easy, because there, if you call a conference of industry and labor together and get them to agree upon an amendment to the workmen's compensation law or to some section of the labor law or to unemployment compensation, the thing goes through, often without even having a public hearing. But I understand that down here, in amending an act, the whole act is apt to be thrown open, and the Administrator might be spending most of his time in saying why such an amendment is good and why another amendment is not.

Senator HAYDEN. Thank you, sir.

DEPARTMENT OF LABOR

CHILDREN'S BUREAU

STATEMENT OF MISS KATHARINE F. LENROOT, CHIEF, CHILDREN'S BUREAU

CHILD-LABOR PROVISION OF FAIR LABOR STANDARDS ACT

Senator ADAMS. Miss Lenroot, we will hear from you.

Miss LENROOT. I do not know if there is any question about the child-labor provisions of the Fair Labor Standards Act.

Senator ADAMS. There is a provision in the measure of \$79,000. I presume you wish to get that amount?

CONFERENCE ON CHILDREN IN A DEMOCRACY

Miss LENROOT. Naturally. I asked for an opportunity to come before the committee with reference to the recommendation that the President has made for \$80,000 for a child-welfare conference, but we also have this \$79,000 item for child-labor administration. I would be very glad to answer any questions the committee would like to ask me as to that item, but we presented testimony fully in the House hearing.

Senator NYE. It is covered fully there?

Senator ADAMS. Yes; I think so.

Miss LENROOT. Yes.

Senator HAYDEN. Was the full amount allowed?

Miss LENROOT. Yes, Senator Hayden.

Senator NYE. Unless you have something more to add to what was said there, perhaps that would be all.

Miss LENROOT. The amount of \$79,000 would enable us to perform our essential duties up to July 1 under the child-labor provisions of the Fair Standards Act. But I asked to have a chance to speak to you about this recommendation of the President for an additional item of \$80,000 to provide for a conference on child welfare.

PREVIOUS CHILD-WELFARE CONFERENCES

At intervals of 10 years since 1909 there has been a conference under Presidential auspices to review the situation relating to children and their needs, and make certain recommendations as to what ought to be done.

President Theodore Roosevelt called the first, and there were very significant conclusions reached which had an influence and still have an influence on preserving home life for children, and not separating them from their parents when it is not necessary.

President Wilson authorized one in 1919, which developed certain irreducible minimum standards, as they were called, for child labor, health, and welfare. President Hoover had one in 1930.

President Roosevelt has authorized preparations for a Conference on Children in a Democracy, the preliminary session to be held this spring, and final session next January or February, where representatives from every State and from a wide variety of groups interested in children would consider the essential safeguards which ought to be afforded children and youth in a democratic civilization; the qualities which ought to be inculcated in them, so that they can function in a democratic society, and the steps that ought to be taken to assure their being given proper consideration.

We have so much pressure from other groups in the population, and so much need to keep the children's interests in mind in all the programs which we are setting up for human welfare. The President sent a communication to the House, which got in too late for consideration in the House at the time the first deficiency bill was before that body.

Senator HAYDEN. I note the date is the 18th of January, after the hearings were closed.

TIME OF CONFERENCE ON CHILDREN IN A DEMOCRACY

Miss LENROOT. Yes, Senator. So if it would be possible for this committee to consider inserting it in the measure it would enable us to proceed with our plans, which call for the first session this spring, and for committee work after that until next January or February. The amount we are asking would cover the expense this spring and next year through the final session of the conference.

Senator HAYDEN. Miss Lenroot, there is to be another deficiency bill passed by the House within a very few weeks. Is this of such an emergent nature that it must go into this bill?

Miss LENROOT. Well, we should like very much to be able to proceed and have a session in April; and in order to get the planning committee to meet and pay the expenses of travel, and so forth, we would like to start now. I have talked with one of the members of the House committee, the chairman of the subcommittee that deals with our department, and inasmuch as it had come so late, he suggested that I talk with members of the Senate committee.

PURPOSES FOR WHICH AMOUNT REQUESTED FOR CONFERENCE WILL BE SPENT

Senator HALE. How will the \$60,000 be spent, Miss Lenroot?

Miss LENROOT. It will be spent for salaries and for travel, mainly for travel of committee members who would be called upon to give their service without compensation, but to work on committees preparing reports and conclusions. The salaries would be for an executive director of the conference for 1 year at \$6,500; a chief research assistant at \$5,600; another research assistant—

PLAN OF WORK

Senator HALE. Would there be more than one conference?

Miss LENROOT. There will be one session this spring, at which the general problem will be opened up, and the plan of work of the committees decided upon. Then there would be two or three committees at work during the year.

Senator ADAMS. The conference has not been called?

Miss LENROOT. No, Mr. Chairman.

Senator ADAMS. You are contemplating calling a conference, rather than attending a conference which has been called?

Miss LENROOT. That is correct.

Then there would be these committees, which would be working during the year, assembling what information we have available. We have a great deal of information from various sources about health, living conditions, education, and welfare of children that needs to be brought together, in order to give a total picture of the situation. We need somebody to outline the services of these committees, and work with them. We plan to invite some 200 or 250 people to come to Washington in April to meet with the President and consider the organization of the work. These people will represent labor, farm, and business interests, as well as education, health, and social welfare.

Senator HALE. Do you pay their expenses?

Miss LENROOT. No, sir; probably the expenses of the whole 250 would not be paid, but the expenses of people working on commit-

tees, who come to Washington repeatedly for committee work and for consultation work, would be paid, because we would expect all these people to give a considerable amount of consultation service in the fields in which they are experts. This would require travel.

Senator HALE. Would they not come if you did not pay their expenses?

Miss LENROOT. They could not afford to come repeatedly from great distances.

Senator HALE. Could not the States send them?

Miss LENROOT. The States would not have provision in their budgets for this purpose. We had an allotment in 1919 from President Wilson's emergency fund of \$150,000 to cover the preliminary work of the conference, the conference itself, and other allied activities conducted throughout a period of a year. President Hoover made available from nongovernmental sources funds in the amount of some \$500,000 for the 1930 conference. We need the amount of \$60,000 to enable us to function, because the regular Children's Bureau staff and budget are committed to the full. We would not have travel funds to bring these committees to Washington if we did not have some additional resources provided.

Senator ADAMS. Does that statement cover the situation?

Miss LENROOT. I have a statement here which I can leave with you if you would like to have it.

Senator ADAMS. Hand it to the reporter.

Miss LENROOT. I am very appreciative of your consideration.

(Miss Lenroot submitted the following statement:)

CONFERENCE ON CHILDREN IN A DEMOCRACY, CHILDREN'S BUREAU, UNITED STATES
DEPARTMENT OF LABOR

The President has given his approval to a conference on children in a democracy, to canvass the conditions under which children and youth live in the United States, the extent to which their needs are met, the degree to which they are being prepared for democratic citizenship, and the ways in which they may be assured a fuller measure of security and opportunity.

PREVIOUS CHILD-WELFARE CONFERENCES

Conferences on child welfare under the auspices of the President of the United States have been held at intervals of approximately 10 years since 1909. The first conference was called by President Theodore Roosevelt and resulted in conclusions regarding the care of dependent children which have had far-reaching effects in encouraging provisions for preserving home life for children when the maintenance of the home was threatened by the death or illness of the father or some other catastrophe. The second was called in 1910 by President Wilson to consider irreducible minimum standards for the health, education, and welfare of children. The third, designated as the White House Conference on Child Health and Protection, was called by President Hoover in 1930.

There is widespread opinion that the time has come again to review the place of children in our civilization and the ways in which we may act to safeguard and protect their health, education, and care when the resources of their families are insufficient to provide for them the necessities of life.

MEMBERSHIP OF PROPOSED CONFERENCE

The conference will include in its membership representatives of every State and a wide range of specialized and general interests in children. The first session will be held in the spring of 1930, at which time the general issues to be considered by the conference will be decided and provision will be made for the work of special committees. These committees, with the aid of a small research staff, will call into consultation members of the conference representing different

professional and citizen interests, will review available material bearing upon the place of children and youth in our civilization, and will prepare a report and recommendations which will be presented to a final meeting of the conference held early in the year 1940.

AMOUNT REQUESTED AND PROPOSED ITEMIZED EXPENDITURES

A planning committee for the conference will be responsible for the general scope and method of work to be adopted, but the Children's Bureau of the Department of Labor, under the general direction of the Secretary of Labor, who will serve as conference chairman, will be responsible for all staff research and secretarial service. The Children's Bureau has no funds available for the additional staff which will be required and for the travel of committee members. An estimate of \$60,000 is submitted, to be available during the present fiscal year and the fiscal year 1940. The estimate will provide for the following items:

Salaries..... \$32, 080

Title	Period	Number	Grade	Salary	Amount
Executive director.....	1 year.....	1	P-7.....	\$6, 500	\$6, 500
Chief research assistant.....	do.....	1	P-6.....	5, 600	5, 600
Research assistant.....	9 months.....	2	P-5.....	4, 600	6, 900
Special writer.....	1 year.....	1	P-5.....	4, 600	4, 600
Secretary to executive director.....	do.....	1	CAF-5.....	2, 000	2, 000
Stenographer.....	do.....	1	CAF-3.....	1, 620	1, 620
	do.....	2	CAF-2.....	1, 440	2, 880
Typist.....	do.....	2	CAF-2.....	1, 440	2, 880

Travel..... \$20, 620

Other obligations: Supplies, materials, communication service, printing and binding, and other expenses..... 6, 400

Total estimate..... 60, 000

(Thereupon, at 12:05 p. m., the subcommittee took a recess until 3 p. m.)

AFTER RECESS

The subcommittee met, pursuant to the taking of the recess, at 3 p. m., Hon. Alva B. Adams (chairman) presiding.

DEPARTMENT OF AGRICULTURE

FOREST SERVICE

STATEMENT OF EARL W. TINKER, ASSISTANT CHIEF, STATE AND PRIVATE DIVISIONS (IN CHARGE OF TIMBER SALVAGE ADMINISTRATION IN NEW ENGLAND)

NEW ENGLAND HURRICANE RELIEF

Senator ADAMS. All right, Mr. Tinker, you wanted to tell us something about this appropriation with relation to New England hurricane damage.

Mr. TINKER. Senator, if I may, very briefly, I would like to give you just a little background covering the situation in New England and the facts supporting the request for this appropriation.

FOREST AREA DAMAGED

There are about 28,000,000 acres of forest lands in New England. I have a map here showing the approximate location. In that area the hurricane covered about 14,000,000. It also covered a good deal of the territory in Maine, but we have left that out of consideration because it is in very large ownerships.

This map is confined to the small-farm ownerships. In the territory indicated in this color, practically all of the commercial timber was blown down, which created a terrific fire hazard in the form of coniferous slash.

AID RENDERED BY CIVILIAN CONSERVATION CORPS AND WORKS PROGRESS ADMINISTRATION

Immediately after the hurricane—we had no funds and we were subject to terrific pressure to take some action to abate the hazard on account of the very critical danger to life and property, so we took the only available approach we had, namely, the Civilian Conservation Corps and Works Progress Administration labor. We have had since October 48 Civilian Conservation Corps camps and from 12,000 to 17,000 W. P. A. workers engaged in the removal of hazard.

They have done very effective work, but we are unable to reach the most critical parts of the area, where there are large blocks of down timber and coniferous slash, which in the spring will reach almost an explosive condition. The best judgment we can get from men experts in fire fighting is that where we have large areas of coniferous slash there is a real danger in New England that approaches in proportion the original hurricane, where some 800 lives were lost, so that is the basis upon which the estimates were made for the allotment of some free money.

WORK TO BE DONE IN THE STATE OF MAINE

Senator HALE. You say that Maine is not included in that? I have been over the area where the hurricane did the damage, and I know that there are a great many small lots which were damaged and a great deal of damage was done. You are contemplating taking care of Maine under this appropriation?

Mr. TINKER. I should say Maine, north of the Androscoggin River. There is about a million acres in Maine which is affected and which we intend to work. It is indicated on that map, south of the Androscoggin. We do not go north of the Androscoggin because it is in very large ownerships, and there was scattered damage which we felt the large companies could take care of themselves.

Senator HALE. This map does take in certain portions of Maine?

Mr. TINKER. Yes, sir.

Senator HALE. York, Cumberland, and Sagadahoc Counties.

Mr. TINKER. Yes. We intend in Maine to let the large owners take care of their own scattered damage, and under an agreement with the State we are to reconstruct the telephone lines and detection system, the lookout towers that have been blown down, and open up the necessary transportation facilities so that we can get in there in case of fire. I do not know how I can draw you a picture of the potential situation

in New England next spring without citing an illustration. I have spent a good deal of time up there, and we have blocks of down timber where we can get a run of five 20 miles, straight run, and at a speed where it would be practically impossible to get the people out. The situation has a tremendous possibility of large losses of life. All of the money and labor that has been expended in there so far has been directed to the protection of life.

ESTIMATED NUMBER OF WORKS PROGRESS ADMINISTRATION WORKERS NEEDED TO CLEAR DEBRIS LEFT BY HURRICANE

To the best of our ability, with the limited information we have, our estimates to W. P. A. involved 40,000 men when we started, and the best we have been able to get was 17,000 on account of inaccessibility to their sources of supply.

AID RENDERED BY CIVILIAN CONSERVATION CORPS

Senator ADAMS. You have had roughly 12,000 Civilian Conservation Corps men? You said that there were over 40 camps, and they have about 300 to a camp.

Mr. TINKER. Two hundred, Senator. We have averaged around 4,000 Civilian Conservation Corps men, because their camps were short. They happened to be short, because the enrollments were just running out. So we have had about 4,000 C. C. C. workers.

Senator TOWNSEND. What particular type of timber is this? Pine, oak, gum, or what?

TYPE OF TIMBER DAMAGED

Mr. TINKER. Eighty-five percent of it is white pine. The balance is hardwood.

There is this question bothering us and I presume you have had some presentation in connection with it. At the same time we are carrying on the salvage of the timber that is of a commercial character and we anticipate that we are going to get something over a billion feet of down timber salvaged through a loan the Reconstruction Finance Corporation is advancing us with the logs as security.

I think Maine will come nearer salvaging all of the down timber than any of the other States, because it has people up there who understand how to log.

PURCHASE PRICE OF LOGS SALVAGED

Senator TOWNSEND. At what price are the logs taken as security?

Mr. TINKER. We have fixed the purchase price of logs and are grading the logs. For No. 3 logs—that is, the poor logs, we pay \$12 a thousand delivered on the water or in the dry-storage places; we pay \$14 a thousand for the No. 2 logs, and \$18 for the No. 1, which is the high-grade log.

We feel that is very good security for the loan.

Senator ADAMS. When you say "we pay" that, who is "we"?

Mr. TINKER. This is the way it was worked out: We had no money to enter into any operations, so we went to the Reconstruction Finance Corporation.

Senator ADAMS. When you say "we went," who is "we"?

LOAN TO SURPLUS COMMODITIES CORPORATION

Mr. TINKER. The Forest Service. And we made an arrangement whereby they would loan the money to the Surplus Commodities Corporation, and the Surplus Commodities Corporation appointed Mr. Silcox as vice president and created an offshoot known as the Northeastern Timber Salvage Corporation. So the Northeastern Timber Salvage Corporation is buying these logs and the money is furnished on notes, using the logs as collateral for the loans and—

NORTHEASTERN TIMBER SALVAGE CORPORATION

Senator ADAMS. Who purchases the logs?

Mr. TINKER. The Northeastern Timber Salvage Administration.

Senator ADAMS. Where do they get the title?

Mr. TINKER. They get title to the logs.

Senator ADAMS. I say, where did they get the title? This is privately owned property?

Mr. TINKER. We pay for the logs when delivered. We buy the logs when they are delivered. We make a 90-percent advance of the purchase price for the logs and we hope that that will liquidate itself. In fact, we were able to prove to the Reconstruction Finance Corporation that it was a reasonable risk before they advanced us the money.

PRICE OF LUMBER FROM LOGS SALVAGED

Senator TOWNSEND. What is the price of the lumber, for instance, from No. 3 logs, for which you say you pay \$12?

Mr. TINKER. Those logs are bought at—

Senator TOWNSEND. What is the price of the lumber which is made from the No. 3 logs?

Mr. TINKER. Well, we hope to sell most of these logs in the booms. The lumber that can be made from them will come out in the form of different grades.

Senator TOWNSEND. You mean you will set up mills, or have you set up mills?

Mr. TINKER. As far as practicable, we will contract with the existing mills to saw the logs.

Senator TOWNSEND. What is the contract price for sawing the logs?

Mr. TINKER. A maximum price has been set for sawing of logs at \$7.50 a thousand.

Senator TOWNSEND. Then your No. 2 and your No. 3 logs will cost you \$19.50 for the lumber.

Mr. TINKER. For the lumber.

Senator TOWNSEND. Yes.

Mr. TINKER. Yes, sir.

Senator TOWNSEND. What is the lumber worth?

Mr. TINKER. The average price in that country runs around \$25; but in your figure there is no charge for administration and the routine that has to be carried on in scaling the logs, grading the lumber, and so on.

Senator TOWNSEND. What do you figure that to be?

Mr. TINKER. We figure—this is a nonprofit organization.

Senator ADAMS. I think that is obvious.

Senator TOWNSEND. I think that I will be able to figure it out that it will be. What is the charge for the overhead?

Mr. TINKER. The Reconstruction Finance Corporation allowed us 10 percent and that is why we are paying 90 percent of the value of the logs.

Senator TOWNSEND. That is \$19.50 plus 10 percent, or \$1.95, which makes \$21.45.

Mr. TINKER. Yes, sir.

Senator TOWNSEND. That is for the No. 3 logs. That is what they cost when made into lumber.

Mr. TINKER. That is approximately correct.

Senator TOWNSEND. Now, No. 1 and No. 2 would be on the same basis as the No. 3?

Mr. TINKER. The cost per thousand would be the same, but the price when you get into the higher grades for the No. 2 and No. 1 logs—

Senator TOWNSEND. What did you say that the No. 2 and No. 1 logs would be?

Mr. TINKER. You mean the purchase price?

Senator TOWNSEND. For No. 2 and No. 1.

Mr. TINKER. The No. 1 is \$18 and the No. 2 is \$14.

Senator TOWNSEND. Well, take the No. 1 at \$18, plus \$7.50. That is \$25.50, plus the overhead of \$1.95. That is \$27.45.

Mr. TINKER. Yes, sir.

Senator TOWNSEND. What is the price of that character of lumber?

Mr. TINKER. Well, that character of lumber from the Nos. 1 and 2 logs ought to run up between \$30 and \$35 a thousand.

Senator TOWNSEND. In the rough?

Mr. TINKER. This will be finished lumber.

Senator TOWNSEND. You mean dressed?

Mr. TINKER. Yes, sir.

Senator TOWNSEND. You mean your \$7.50 not only saws it but dresses it?

Mr. TINKER. That price provides for the edging and that type of processing, but not for surfacing and fabricating it to a point where it would be like dressed siding.

Senator TOWNSEND. Then it is rough lumber, a rough lumber sale that you have. I mean your \$7.50 is for rough lumber, because you do not dress it.

Then your price is \$27.45, which to me seems very high, because we in our country—for instance, I am sawing lumber at the present time—

Senator HALE. White pine?

Senator TOWNSEND. No; it is not white pine, but it takes the same place in many instances as white pine, No. 2 and No. 3.

Mr. TINKER. Senator, what we actually did was to establish that log price by taking the 3-year average price for logs and establishing it on the same basis. As you know, the lumber market has been very poor, so if we have a reasonable business break on the price of lumber and we think it is going to go up, and, of course, like everyone else we hope that we can come out. I admit that it is a business risk. It will have to work itself out; but we used the price that the lumbermen themselves had been paying on an average over the past 3 years as a price for the logs.

Senator TOWNSEND. Well, of course, your organization will be new in the business, will it not? That is, it goes in to take the place of established lumbermen who are in the business and that is where you will have to get your trade from, is it not?

Mr. TINKER. Yes, sir.

Senator McKELLAR. How many extra employees have you got to have?

PERSONNEL BEING USED BY FOREST SERVICE

Mr. TINKER. Well, we are using mostly our own personnel right out of the Forest Service to carry this job on. We have on now about 400 scalers who are measuring the logs as they come in, and we have contracts to purchase with approximately 3,000 small farmers; small timberland owners, involving about three-quarters of a billion feet. We have actually received and scaled around 75,000,000 up to this time.

NUMBER OF SMALL OWNERS OF TIMBER

Senator, the thing reaches pretty deep. There are about 30,000 owners involved, small owners, whose life's savings were practically represented by these wood lots. There were approximately 10,000 Farm Credit Administration loans on this timber on the farms. What happened immediately after this blow-down was a major program of scalping which we stopped. In a good many cases we found they were giving away their timber to get it off of the land. They did not know what to do with it.

Senator HALE. They were afraid of fire.

Mr. TINKER. Yes, sir; afraid of fire and we found many cases where the stumpage was sold at 25 cents a thousand which would normally be worth \$5 or \$6.50 a thousand. It left these owners at the mercy of a scalping process there that was a tragedy.

We received hundreds of letters, wires, and so on, letters from widows, and from people who said that this represented their life's savings, and that they had intended to use it to send the boy to college and even though we do not liquidate this loan at 100 percent which Senator Henderson, of the Reconstruction Finance Corporation, had to be convinced we could, plus 3-percent interest which he is charging us, to me, at least, the project will justify itself.

Senator TOWNSEND. I think there is some merit in your contention.

Senator HALE. What does the owner get, 90 percent?

Mr. TINKER. Pardon me, Senator?

Senator HALE. I say, what does the owner get for the logs that were blown down?

Mr. TINKER. They get 90 percent of the market value of the logs; but this is true that under the conditions where that timber is blown down, it is just a tangled mass and the cost of logging it is about \$2 a thousand higher on account of that than it normally would be, so that the owner is taking somewhat of a loss because of the higher cost of logging it.

Senator TOWNSEND. You are encouraging the owners themselves to do the logging, are you not?

Mr. TINKER. We have so far refused to do any logging. You have a bill in the Senate and there is one in the House which provides for

the Government to go into the logging business up there and log this timber. All we do now is to receive it at the pond and put it in the water where we can hold it for 3 or 4 years.

SPECIFICATIONS FOR LOGS

Senator TOWNSEND. Do you have any specifications as to lengths? Is there any difference in price for the different lengths of logs? For instance, is there any difference in price as between a 12-foot log or a 16-foot log or a 20-foot?

Mr. TINKER. That determines your grade of logs. For instance, we will not allow too many 12-foot logs in our No. 1 grade. Say it is fitting together so many knots and so much rot and certain lengths. That is the basis for the determination of the log grade.

SYSTEM OF VALUATION

I may say that no system of valuation was in vogue in New England and we met a lot of opposition to start with from the lumbermen up there themselves. Now they think it is a very fine thing since we have started it, because the New England lumber industry had never graded logs. They had bought unsight unseen. This administration will be in a position when we get through to say to the sawmill man or purchaser that we have a boom here with 10,000,000 feet of logs in it. There are so many grade 1, so many grade 2 logs, and so many grade 3 logs, and they will know exactly what they are buying, and we anticipate getting somewhat higher prices for those logs than the small owner who did not grade his timber would normally have gotten.

Senator TOWNSEND. Of course, that depends on the market at the time you are going to sell.

Mr. TINKER. We are subject to those things.

Senator HALE. I do not quite understand the process that you follow. How are the logs gotten to the water?

PROCESS OF MOVING LOGS

Mr. TINKER. The owners themselves bring the logs to the water. That is one reason, Senator, why we expect to get all of the logs in Maine, because those people up there know how to log. When you go to Massachusetts the farmers there—it is foreign to their usual practice of farming for them to try to do their own logging, and we are having great difficulty in getting them to move the logs.

Senator HALE. Then after the farmer brings his timber, his logs, to the water, you do the driving?

Mr. TINKER. We put them in booms and hope to sell them in the booms.

Senator HALE. You put them into booms and hope to sell them in the booms?

Mr. TINKER. Yes. They are putting them on ice. We have some now with the boom chains around them when we have put them on the ice, and when the ice goes out what we will have there will be a large boom which we hope to sell them to the sawmill men.

Senator HALE. You mean, then, that \$12 for grade 3 is for logs delivered by the farmer to the water?

Mr. TINKER. Yes, sir; those are the prices for delivered logs.

Of course, this thing has nothing to do with this item you are considering except this operation in itself will eliminate about 40 percent of the fire hazard by just the removal of the commercial timber that is on the ground.

Senator TOWNSEND. I think that your proposition has some merit; certainly has some appeal from the fact it will get rid of the fire hazard; but I do not think you are going to get your money back.

Senator HALE. You do not what?

Senator TOWNSEND. I do not think he is going to get his money back.

VALUE ALLOWED OWNER OF LOGS

Mr. TINKER. Well, Senator, we discussed that Mr. Senator Henderson of the Reconstruction Finance Corporation to a considerable extent, and we started out paying 80 percent for the timber to the farmers and there were a lot of protests. The Reconstruction Finance Corporation agreed to raise it to 90 percent, but in the agreement we had to say that we would not sell any of this timber for less than we paid for it. As long as we can hold that fort we are all right. I do not know how long we are going to hold it.

ELIMINATION OF FIRE HAZARDS

Senator ADAMS. Have you made any requirements upon the owners of the logs or the land, that they destroy the brush, burn it themselves?

Mr. TINKER. We require that they conform to the State law, whatever it is. Some of those States have good brush disposal laws and some do not.

Senator ADAMS. What I am getting at is does any part of this appropriation go for the purpose of or is any part of this appropriation to be expended in clearing up lands where you have taken care of the logging situation?

Mr. TINKER. Why, it will not be necessary normally except along roads and that type of thing where there might be congestion. We will never get enough men in there to eliminate hazard from that territory and bring it down to normal. It just cannot be done. So, the only thing we can do is to hit the critical spots and eliminate the brush along the roads where it would stand the greatest chance of catching on fire; and then put on more adequate fire control and a strong fire prevention campaign in order to let this brush rot down, because we simply cannot eliminate it all. That seemed to be the only reasonable basis of approach to this whole hazardous job.

Senator HALE. What do you do with the hardwood; are you going to burn that?

Mr. TINKER. The hardwood brush?

Senator HALE. The hardwood that is down.

Mr. TINKER. The lumber or the brush?

Senator HALE. The hardwood lumber or timber that is down; what will you do with that? Of course you cannot drive that.

Mr. TINKER. We are putting it in dry storage and contracting for sawing it just as fast as the logs are tendered.

Most of the hardwood down is in the State of Connecticut. It is not a very big problem there. We have not been able to arrange

for the purchase of all of this hardwood but are taking it practically as fast as it is brought in.

Senator HALE. There is an active market for most of the pine?

LUMBER USED BY THE FEDERAL GOVERNMENT

Mr. TINKER. It has not been too good during the last 3 years; but we have this out if it becomes necessary: The Federal Government itself uses a tremendous amount of lumber and particularly low-grade lumber.

I have had one suggestion that as a war measure, as a preparedness move, we ought to store a large amount of lumber; that if we had a billion feet of low-grade lumber the Government would be justified in purchasing it, because during the last war they had great difficulty in getting large amounts of lumber as quickly as they needed it.

Then the Civilian Conservation Corps, for instance, builds a large number of camps.

Senator HALE. You do not need to build storehouses for it, but simply cover it over, do you not?

Mr. TINKER. That is all.

Senator HALE. And stack it.

Mr. TINKER. That is all.

Senator TOWNSEND. How long will it keep?

Mr. TINKER. We can hold lumber on the stick an indeterminate period.

Senator TOWNSEND. The lumber, yes; if you get it in a dry spot you can keep the lumber, but the logs, how do you care for those?

Mr. TINKER. We figure on getting logs into ponds and we can keep them up to 5 years with about 5 percent sinkage; that is, they become waterlogged and sink about 5 percent in 5 years. We got this figure from people in Maine who had held their logs in water storage.

Senator HALE. And the sawed lumber you can hold indefinitely?

Mr. TINKER. Yes.

Senator OVERTON. Those logs, pine logs, you have been talking about?

Mr. TINKER. Yes.

Senator OVERTON. What kind of pine logs?

Mr. TINKER. White pine.

Senator OVERTON. How will they be stored?

Mr. TINKER. We will get about 60 percent in water storage and the rest will be in dry storage.

Senator OVERTON. You point out in connection with this bill that this is for fire prevention, do you not?

Mr. TINKER. Yes, sir.

Mr. OVERTON. It has nothing to do with the disposition of these logs or cutting or hauling of the timber or the logs to the ponds.

Mr. TINKER. No, sir. I was pointing out that there is an interrelationship there because where we get the logs out the hazard is reduced by 40 percent.

Senator OVERTON. When the logs are taken out, what is done with the tops?

Mr. TINKER. They are generally lopped so that they will rot.

Senator OVERTON. They are not carried into piles and then burned?

Mr. TINKER. Except along the roads.

Senator OVERTON. Along the roads?

USE OF W. P. A. LABOR

Mr. TINKER. Yes. You see, there is a peculiar situation we are faced with. The W. P. A. has an iron-bound rule that they may not do any work with the W. P. A. labor which will benefit individually owned property.

We started this hazard-elimination job with about 15,000 men. We had in mind the salvage job, too. We could not use that labor to cut logs with. All we could do was to limit our activities to work around the communities. We could not do work which would benefit individual owners of property, and about all we were able to do with the limited W. P. A. labor was to go in where communities were sitting in a firetrap, where in the spring there would be inevitably fire damage.

Senator ADAMS. When you buy the logs, why can you not use W. P. A. labor on the logs? You buy the timber.

Mr. TINKER. That is, if we bought the stumpage?

Senator ADAMS. That is what you are doing?

Mr. TINKER. No; we are buying delivered logs.

Senator HALE. Buying what?

Mr. TINKER. Buying delivered logs, not stumpage. If one of these bills passes, it will put us in the logging business and then we might do that; but the best logging engineers of the Forest Service have estimated—

EQUIPMENT THAT WOULD BE REQUIRED TO LOG DAMAGED TIMBER

Senator ADAMS (interposing). And you are not cutting the logs?

Mr. TINKER (continuing). No, sir. We are not hauling the logs, either.

I was about to say, Senator, on logging, our best logging engineers have estimated that it will take \$7,000,000 worth of equipment alone to start to logging this timber. You might get this bill before you later and I want to state our position on it. It would take \$7,000,000 worth of equipment to log 1,000,000,000 feet of timber by next June when we have to have it out. The equipment item alone after the 6 months' period is over would amount to that, and we will have left \$7,000,000 worth of equipment on our hands. Besides that is the question of principle of the Government going into the logging business on such a vast scale.

Senator ADAMS. I take it from this, that some of your Maine farmers are delivering their logs up there.

AVERAGE PRICE RECEIVED BY FARMERS FOR LOGS

Mr. TINKER. Yes, sir. The farmer normally sells stumpage for \$5. Now, in his off season he is hauling the logs to the pond and receiving an average of about \$13.20 for his average mill run of logs. He brings in a couple of thousand feet of logs a day and he makes very, very good wages, and then there is another element, when you figure that there is over a billion feet of timber down that is either going to be used or rot. That alone would result in a pay roll that will amount, as near as I can tell, to around \$16,000,000, which otherwise would be lost. I am not an economist, but when the Government is carrying enormous W. P. A. pay rolls there, you should not see \$16,000,000

worth of labor just lay there and rot—we thought it was a good public move to save it.

Senator HALE. The logs have to be hauled in the winter. If they are not hauled then, it will be too late next summer.

Mr. TINKER. The pine will have to be in before June 15 or sooner. If it is not in then, it is all lost.

FIRE PROTECTION

Senator OVERTON. What do you propose to do for fire protection under this appropriation? What will be done? You will have fire trails?

Mr. TINKER. Yes, sir.

Senator OVERTON. And then near the highways or roads you say you will pile the tops up and pile the brush up and burn it up?

Mr. TINKER. Yes, sir.

Senator OVERTON. What other fire protection will you have?

Mr. TINKER. We are first opening the roads.

Senator OVERTON. That is the fire trails you mean?

Mr. TINKER. Yes, sir.

Senator OVERTON. Or new roads?

REHABILITATION WORK NECESSARY

Mr. TINKER. And roads. We have 1,200 miles of roads to open. We have 988 miles of telephone lines to restore, and then we have a large number of lookout towers to restore.

Senator OVERTON. Those belong to public-utility companies?

Mr. TINKER. No, sir; those are State and governmental telephone lines that we have constructed with C. C. C. for fire protection in most cases. They are not private lines.

The balance of the work will be cleaning up along roads and around villages and where we have large blocks of solid blow-downs we will simply have to cut a way to get access in there, because if we have a fire that is the only possible way we could control it.

Senator TOWNSEND. Did you appear before the House committee and give this testimony?

Mr. TINKER. Yes, sir; I gave a part of it and Mr. Silcox gave the balance.

PROVISION FOR MATCHING OF FUNDS

Senator HAYDEN. What about the House provision with respect to matching of funds. How is that going to work?

Mr. TINKER. Well, I have talked with the Governors of some of the States and the Governor of New Hampshire has sent a message to the legislature that they should recognize the situation and make an appropriation. Massachusetts has already appropriated \$19,000,000, but a large part of that was spent in restoring sanitation facilities and that type of thing; but I learned yesterday that approximately \$2,000,000 has been spent on this type of thing. So, in those two States the matching provision will work all right; but I am not so sure whether Maine and Vermont and Connecticut will be in a position to match these funds. Possibly they will be to a limited degree. We are now working up there through something over 600 local town committees.

COOPERATION OF LOCAL TOWN COMMITTEES

We depend on them to do the contact work with the timberland owner to get us rights-of-way, easements to go on private property to eliminate this fire hazard. We leave all of that work to them. And there are something over 600 of them and the work is done gratis.

Senator HALE. They are cooperating in that respect?

Mr. TINKER. Yes, Senator; and it has all worked out very, very fine. It has taken a lot of burden off of the Federal Government and off of this particular agency.

Senator McKELLAR. What will be done with the balance of the timber when you get off?

Mr. TINKER. We are salvaging the timber.

ESTIMATED AMOUNT OF TIMBER SALVAGABLE

Senator McKELLAR. Yes; but how much do you estimate that there will be?

Mr. TINKER. We estimate 1,600,000,000 feet possible salvage, Senator.

Senator McKELLAR. How much money will that run into?

Mr. TINKER. Well, the limit we have on this loan agreement now is \$15,000,000.

Senator ADAMS. Anything else?

SERVICES RENDERED BY LOCAL COMMUNITIES

Senator HAYDEN. Is there any way that in connection with the appropriation credit could be given in bookkeeping for the services rendered by the local communities?

Now, the bill requires the States to match this money dollar for dollar, and you say that there are two of them that can do it. Those two have already matched it, according to the testimony. Now, the others can match it now, and you could keep books with the States and probably say that they have spent as much money in the States in removing fire hazards as the fire service has expended.

Mr. TINKER. That is true, Senator.

Senator HAYDEN. You see that service that you are getting from the local communities could be considered. How can you compute the service they are rendering into a credit that would be fair?

Mr. TINKER. I do not think under the terms of this bill that the towns' expenditures can be credited to balance against this item, and that is what will make the difference.

Senator HALE. So they will get no credit for the cooperation they are giving?

Mr. TINKER. The way the bill is worded now.

Senator BYRNES. How should it be worded to bring about that result?

Mr. TINKER. The original language when the bill was first drawn did not require matching of the Government expenditures.

Senator HAYDEN. But if the House insists upon the money being matched and it could legitimately be shown that the local communities

were spending time and money and effort, they could be given credit for that.

Mr. TINKER. They are doing that in tremendous amounts.

Senator HAYDEN. Well, how could the phraseology of the bill be changed in order that they could be given credit for that cooperation? That is what I am trying to get at.

SUGGESTED AMENDMENT TO PROVISION ON MATCHING FEDERAL FUNDS

Mr. TINKER. I am not much of a lawyer, and I cannot give that to you offhand. I will be glad to suggest wording, though, if I may submit it to you.

UNITED STATES DEPARTMENT OF AGRICULTURE,
Washington, February 1, 1939.

In accordance with the request of Senator Hayden, allow me to suggest that the last proviso in the first paragraph on page 3 of H. R. 2808 relating to the New England hurricane damage be modified to read as follows:

"That of the amount herein appropriated the Federal Government shall not expend in any State an amount in excess of the amount heretofore or hereafter made available by said State, or the political subdivisions thereof, for the purposes contained in this paragraph."

E. W. TINKER,
Acting Chief, Forest Service.

Senator BYRNES. I saw somewhere the statement that the Massachusetts Legislature had appropriated a considerable sum of money.

APPROPRIATION BY STATE OF MASSACHUSETTS

Mr. TINKER. \$19,000,000.

Senator BYRNES. \$19,000,000, and then it was held up by the attorney general. Is that right?

Mr. TINKER. That is true, Senator; but they have spent, according to the best figures I could get yesterday, \$2,000,000 on this type of effort.

Senator BYRNES. Was the \$19,000,000 appropriation held up for any reason? Has it been successfully held up?

Mr. TINKER. It has been held up by the attorney general on account of some constitutional provision of some kind.

Senator BYRNES. That is what I want to know. Then is the \$19,000,000 available?

Mr. TINKER. Yes, Senator, it will be available if it is released.

Senator BYRNES. If it is released; but I am asking, has he released it?

Mr. TINKER. They have already spent more than enough to match the fair proportion of this item in Massachusetts.

Senator BYRNES. The other States have not?

Mr. TINKER. No.

Senator HAYDEN. Except New Hampshire.

Mr. TINKER. New Hampshire has spent considerable, but I cannot find the exact amount.

Senator HALE. Have you not already paid out a considerable sum of money for this lumber?

Mr. TINKER. For logs?

Senator HALE. For logs; yes.

AMOUNT OF LOGS PURCHASED

Mr. TINKER. Yes, indeed. We have purchased about 75,000,000 feet and that runs around \$12 a thousand. I can give you the exact figure.

Senator ADAMS. None of the money in this bill actually goes to the logging business at all.

Mr. TINKER. No, Senator; this is entirely foreign to that.

Senator TOWNSEND. Will your \$15,000,000 be sufficient, because you can sell your lumber and use the money over again?

Senator OVERTON. Is it a revolving fund?

MONEY FROM SALE OF LOGS RETURNED TO RECONSTRUCTION FINANCE CORPORATION

Mr. TINKER. The minute we sell any lumber, the money goes back to the Reconstruction Finance Corporation. I do not question but what that will be sufficient for salvage operations.

Senator TOWNSEND. All right.

Senator BYRNES. All right, gentlemen. We are much obliged to you.

TREASURY DEPARTMENT

PROCUREMENT DIVISION—PUBLIC BUILDINGS BRANCH

STATEMENTS OF REAR ADMIRAL CHRISTIAN JOY PEOPLES, DIRECTOR, PROCUREMENT DIVISION; W. E. REYNOLDS, ASSISTANT DIRECTOR, BRANCH OF PUBLIC BUILDINGS; E. R. WITMAN, EXECUTIVE OFFICER, BRANCH OF PUBLIC BUILDINGS; W. L. AUSTIN, DIRECTOR, BUREAU OF THE CENSUS, ARTHUR J. HIRSCH, CHIEF CLERK, BUREAU OF THE CENSUS; AND CLAY J. GUTHRIDGE, NATIONAL PARK SERVICE

BUREAU OF CENSUS BUILDING

Senator ADAMS. All right, Admiral, you may proceed.

Admiral PEOPLES. Senator, you wanted us to tell you about the Census Building. This item before the committee, gentlemen, contemplates acquisition of necessary land and the construction of a building, including all administrative expenses, to house the activities of the Department of Commerce in connection with the Sixteenth Decennial Census.

Senator ADAMS. May I ask you a question right at the inception? The Department of Commerce has a very large building. I have been very much impressed as I go by it. I have never been in the building, but I have been around it, and it seems to be one of the largest buildings in the city, and I have always wondered what they did inside of the building and whether or not the census was not one of the functions that might find accommodations in that building.

SPACE OCCUPIED BY CENSUS BUREAU IN COMMERCE DEPARTMENT BUILDING

Admiral PEOPLES. The Census Bureau is there now, Mr. Chairman. They occupy at the present time about one hundred and seventy-odd

thousand square feet of space in that building, but if I might go ahead, sir, I might be able to paint the picture to you with respect to the need for this building.

Senator ADAMS. How many square feet are there in the Commerce Building?

Admiral PEOPLES. There are about 1,006,315 square feet of space, sir, in that building.

Senator TOWNSEND. How many employees?

Admiral PEOPLES. Well, now, gentlemen, the amount of space used in buildings in the District of Columbia comes squarely under the National Park Service, which has control of that question. Mr. Guthridge is here from the National Park Service.

NUMBER OF EMPLOYEES IN COMMERCE DEPARTMENT BUILDING

Senator TOWNSEND. The question I asked is how many employees have you in that building?

Admiral PEOPLES. Mr. Guthridge, I think, probably might be able to answer that.

Mr. GUTHRIDGE. Admiral, Offhand I could not answer as to the number of employees. I could not answer without looking at our records.

Senator ADAMS. Can you get the records?

Senator TOWNSEND. Can you give it to us from the records?

Mr. GUTHRIDGE. Yes; we can get the answer to that question.

Senator TOWNSEND. Have you 5,000, or 10,000, or 15,000?

Mr. GUTHRIDGE. Well, 1,000,000 feet would be—about 150 feet to a person would six or seven thousand people in there, I imagine.

Senator ADAMS. You imagine that many?

Mr. GUTHRIDGE. I could get that figure and put it into the record. I could not answer that question without looking at the records.

Senator TOWNSEND. All right, will you get it from the records and put it in our record?

Mr. GUTHRIDGE. Yes, sir; 5,526.

Senator HAYDEN. That is, you plan to have ordinarily 100 square feet per person; is that it?

Mr. GUTHRIDGE. We use that merely as an example or a yardstick when we are speaking of space.

Senator HAYDEN. That is the norm, is it?

Mr. GUTHRIDGE. That is the norm, but space now used in the Government really averages about 150 feet per person on account of files and large storage spaces; but the office space as used by the Government will be below 100 feet per person.

Senator ADAMS. Go ahead, Admiral.

SURVEY OF AVAILABLE SPACE IN THE DISTRICT OF COLUMBIA

Admiral PEOPLES. Yes, Mr. Chairman. In connection with this project, sir, when the need for the project arose in connection with the taking of the next census, the Budget Bureau appointed a committee consisting of a representative from the Department of Commerce, one from the National Park Service, one from the Procurement Division, and one from the Budget, consisting of four, who

went over the available space unoccupied and available in the District of Columbia, and they found there was no space available to take care of the force required by the Census Bureau.

AMOUNT OF SPACE RENTED IN THE DISTRICT BY THE FEDERAL GOVERNMENT
AND ITS COST

It was shown that there are 3,064,000 square feet of space that is rented at the present time by the Federal Government in the District of Columbia, outside of the Government-owned buildings, at a rental of about \$3,400,000 per year.

That has been the situation for a number of years. The Government always has rented space here.

SIZE AND COST OF PROPOSED BUILDING

So this committee, after thinking it over, studying the proposition fully, were convinced that as a business proposition it was prudent and wise to erect an economical type of building for \$3,500,000 which would take care of the census, requiring about 417,000 square feet of space, which would reimburse itself for the cost of the outlay in a period of 12 years.

PUBLIC HEALTH BUILDINGS

Senator BYRNES. What are you going to do with the Public Health buildings at Twenty-fifth and K Streets NW.?

Admiral PEOPLES. Public Health buildings?

Senator BYRNES. Yes.

Admiral PEOPLES. They will remain——

Senator BYRNES. I understood that they were going to vacate them very shortly.

Admiral PEOPLES. No, sir.

Senator BYRNES. They are not going to vacate them?

Admiral PEOPLES. You are speaking of the buildings, Senator, on the Mall, now?

Senator BYRNES. It is at Twenty-fifth and K Streets.

Admiral PEOPLES. Oh, no; you are speaking about the laboratory, I think, out on Twenty-fifth Street alongside of the old Naval Hospital.

Senator BYRNES. Yes.

Admiral PEOPLES. That is a laboratory building. It is comparatively very small.

Senator BYRNES. How large is it?

Admiral PEOPLES. Well, let me see if we have got that figure here. I should say it is very small, probably about 80,000 feet.

Senator BYRNES. It is going to be vacated very shortly, is it not?

Admiral PEOPLES. The Laboratory Building was expected to be vacated. The original intention was to turn that building over to the Naval Hospital upon completion of the Public Health Laboratory at Bethesda.

Senator BYRNES. I know, but they are not going to do that now.

Admiral PEOPLES. That is not going to be done now; no, sir.

USE OF COMMERCE DEPARTMENT BUILDING

Senator ADAMS. Admiral, going back to what I had to say about the Commerce Department Building, according to the figures I have here they show that the Department of Commerce has 8,068 employees. If you give 100 square feet to 8,068 persons, you have some extra space. There would be 200 square feet per person in that building.

Mr. GUTHRIE. The answer to that, Senator, is that there is a great amount of storage, pension files, and basement storage rooms and attic rooms which are full of files where there would be no personnel in them at all other than just one or two persons. So, the average of 100 feet is not a criterion for the whole building.

Senator ADAMS. Of course, I am just relying on the statistics we have got from you—

Senator HAYDEN (interposing). Are records of prior censuses taken—are those old records of other censuses stored in this new building?

Admiral PEOPLES. Mr. Austin, the Director of the Census Bureau is here, Senator, and can answer that.

Mr. AUSTIN. They are for the population census.

Senator HAYDEN. They are?

Mr. AUSTIN. They are, except some which were destroyed when the British captured Washington in 1814 and some were destroyed in a fire in the old Patent Office about 1847 or 1848 and a fire a few years ago up here at Nineteenth Street and Pennsylvania Avenue where a few of those records were stored in the basement.

Senator HAYDEN. Aside from that you have all of the previous records of every census which has been taken, and they are now stored in the Commerce Building?

Mr. AUSTIN. Yes; population.

The Constitution of the United States, article I, section 2, requires a census of population to be taken every 10 years. The main reason for that is the apportionment of representatives in the Congress among the States; also used in connection with taxation matters.

POPULATION RECORDS

We are required to keep the population records. Now, those population records are used for various purposes; for the settlement of estates; for the establishment of family history; work ages for boys; passports, and since the social security came on to supply from these records—where there are no local acceptable records—age information to applicants for old-age assistance under the Social Security Act.

Last year we had approximately 150,000 of those cases; about 8,000 individuals came in to get the information personally.

That is the principal use of the population records. This is the only leading Government in the world that has a complete record of its people since its organization.

Senator HAYDEN. That, of course, requires storage space.

Mr. AUSTIN. It does.

Senator HAYDEN. And I can see for that reason that the Commerce Building as it is occupied by files and those records—

Mr. AUSTIN (interposing). There is about a mile of shelfage down there for the census records.

Senator HAYDEN. For those records?

Mr. AUSTIN. Yes.

Senator HAYDEN. That would very probably require say 200 square feet instead of 100 because some of it is used for storage.

Senator TOWNSEND. How many square feet of space is required for storage?

Mr. AUSTIN. I cannot give you that. It may be that the chief clerk can.

Senator ADAMS. How many square feet are required for storage?

Mr. AUSTIN. Those shelves are about eight shelves high and there is about a mile of them.

Senator ADAMS. There is an aquarium on the first floor of the building.

Mr. AUSTIN. We do not have anything to do with that.

Mr. GUTHRIE. The space that was occupied by the Maritime Commission has been turned over to the Civil Aeronautics Authority in the Commerce Building now.

Senator BYRNES. Admiral, can you tell me now the number of square feet in this public-health building, the amount of space?

Admiral PEOPLES. I will have to insert that, Senator.

Senator BYRNES. All right, if you have not got it. I wanted to know that, because my information was that it would provide more space than your impression is that there is in it. I may be mistaken about it, but I want to know what space there is in that building.

Mr. GUTHRIE. I can get that for you in about 3 minutes.

Senator BYRNES. All right.

Admiral PEOPLES. That is the Public Health Service Building.

Mr. GUTHRIE. Yes; what they call the Institute of Health.

Admiral PEOPLES. Yes. I think it is about 58,000 square feet.

Senator BYRNES. 58,000?

Admiral PEOPLES. About that.

Senator BYRNES. And you are asking for how much space here?

Mr. AUSTIN. We are asking for 417,000 feet.

Senator ADAMS. Which is going to take care of a maximum of about 7,500 people.

Mr. AUSTIN. That is right.

Senator ADAMS. So you are going to give them considerably less than 100 square feet per person?

Mr. AUSTIN. In the arrangement, Senator, for space for this work the volume of it is so heavy and it covers by law not only the continental United States, but all of our outlying possessions. The law provides that every 10 years the population census has to be taken. Now, our machine tabulation equipment is very heavy. You have to expand that. The machines are long. You cannot crowd that part of it. It is out of the question. It takes more space for our machine equipment, tabulating equipment, sorting equipment, than it does for the ordinary clerical assignments.

Senator ADAMS. Mr. Austin, here is what is bothering me about this entire thing: That your Census Department is a department which, while permanent in a way, has an expansion during a very limited time

up to a maximum, as you say, of 7,500 and then drop down to a relatively few hundred. And I am wondering why you should have a permanent building for that.

Mr. AUSTIN. This building is to be used temporarily for the 1940 census.

Senator ADAMS. To meet the maximum rather than the minimum, and I am wondering if you could not adjust yourself in some place, temporarily. Then someone told them in the House hearings, this building is to be used then for warehouse purposes in the meantime between the expansive periods.

Mr. AUSTIN. The Census Bureau requires a stronger constructed building for a decennial census than you find in ordinary office buildings.

Senator ADAMS. Stronger than the Commerce Department Building?

Mr. AUSTIN. No, sir; but in the ordinary office building. We have to run about 250 pounds to the square foot because of the volume of material that comes up every 10 years—the heavy weight of the tabulation machines, the heavy weight of the punch cards, and there will be about 400,000,000 of them, and the heavy weights of the schedules.

Now, we cannot use just an ordinary building. We have to have a building that will carry this excessive weight. There is another thing: This emergency work should be handled in one building because you can give it central control. If in one of your divisions—say, population, for instance—a number of clerks are slack in work for a day or two, they can be transferred to some other process of the work. We keep the clerks working all of the time. We keep our machines going all of the time. It costs a great deal of money to wire a building for the use of these electric machines.

CENTRAL CONTROL OF CENSUS WORK

Now, where you have the office located in one building you are able to give it central control. You are able to shift your employees as you need them; you are able to shift your machine work as needed, and keep your machines going all of the time; and you are able to make your checks. For instance, we want to check the farm population with population reports on farms on the population schedule, and we have a number of other checks to make in the interest of completeness and accuracy.

You cannot do this unless you have the whole job together. You save time and you save money on the job.

BUILDING USED IN 1920 AND 1930

In 1920 we went down to a building on the Mall that was built during the wartimes, the best adaptable building for the census work we ever had. We stayed there and in 1930 we had plenty of space. We were able to meet our requirements, not only as to time but a lot of money was saved because of such an arrangement.

NUMBER OF EMPLOYEES IN CENSUS BUREAU

Senator BYRNES. Let me ask you now: How many people do you employ at this time?

Mr. AUSTIN. How many people?

Senator BYRNES. How many you have employed today.

Mr. AUSTIN. Seven hundred and fifty-two on the permanent civil-service rolls, and there are 96 additional temporary civil-service employees.

Senator BYRNES. Well, all right. Now, I want to know the number and not the classification.

Mr. AUSTIN. We have same W. P. A. workers from the District of Columbia down there.

Senator BYRNES. What is the total number?

Mr. AUSTIN. Five hundred and seventy-seven on January 1 of this year. This roll is now being reduced.

Senator BYRNES. What is the total number?

Mr. AUSTIN. One thousand four hundred and twenty-five, all employees on January 1 of this year.

Senator BYRNES. You have got 1,425?

Mr. AUSTIN. Yes, sir.

Senator BYRNES. You propose to build that organization up, you say, to a peak of how many?

PROPOSED NUMBER OF EMPLOYEES FOR 1940 CENSUS

Mr. AUSTIN. Seven thousand five hundred.

Senator BYRNES. For what time do you expect to employ that 7,500?

Mr. AUSTIN. Six to seven months.

Senator BYRNES. The proposal is that because you are going to have 7,500 for 6 or 7 months—to construct a building that would be large enough to care for that peak number of employees?

Mr. AUSTIN. Yes, sir; but this building, you know, is to be used by the Bureau of the Census only about 8½ years.

Senator BYRNES. What?

Mr. AUSTIN. About 8½ years for the Sixteenth Decennial Census. A decennial comes once every 10 years. Now, in 1930 we had plenty of space, and we ran up—

Senator BYRNES. Well, that, Mr. Austin—that is what I am trying to develop and I thought I had done it. You have now 1,400 employees.

Mr. AUSTIN. Yes.

Senator BYRNES. You propose when you begin the census to build up to a peak of 7,500?

Mr. AUSTIN. That is correct.

Senator BYRNES. And you will keep that peak there for about 7 months.

Mr. AUSTIN. Six or seven months.

Senator BYRNES. Then you propose to reduce that force?

Mr. AUSTIN. Yes, sir; we do; then go back to normal.

Senator BYRNES. Go right back to your normal force?

Mr. AUSTIN. Yes.

Senator BYRNES. When you will be back to 1,400?

Mr. AUSTIN. The end of 1942 or early in 1943.

Senator BYRNES. When will you be back to 1,400?

Mr. AUSTIN. We will be back to our regular force on December 31, 1942, or early in 1943, because that will be the end of the decennial census.

Senator BYRNES. You will be back to your regular force on December 31, 1942, and then you will have a building there from 1942 until 1950.

Senator ADAMS. Senator Byrnes, I will call attention to the fact that there is a table in the House hearings, at page 17, which shows that they will be back to 1,500 in March 1942.

Senator BYRNES. Where is that?

Senator ADAMS. On page 17.

Senator BYRNES. Back to 1,500 in March 1942.

Senator ADAMS. Yes.

Senator BYRNES. Then we will have a building on our hands constructed to take care of this 7,500, and we will have only 1,500 employees in the building. What are you going to do with it in the meantime?

Admiral PEOPLES. The building will then be available, Senator, to accommodate other bureaus and reduce your annual rent bill accordingly. We are now paying \$3,482,711 for 3,064,716 square feet a year. Here are the figures.

Senator BYRNES. Well, that, of course, I assume, is correct.

Admiral PEOPLES. They are renting that number of feet of floor space right now.

Senator BYRNES. I assume that an argument for the building might be put up. You might put up an argument to construct a building for Government employees, but it cannot be put up, with any force to me, to construct a building for the Census Bureau to occupy it for 12 or 18 months. That, to my mind, is just something which is absolutely unsound. If you want to present an argument that the Government wants to construct a building looking to the providing of quarters for Government departments, and that that space is going to be allotted to the Census Bureau for the time being, the time that it is occupied for that purpose, that is a different thing. We know what the Census takes. But it takes it for so short a time that the idea of constructing a Census Building is an indefensible thing to me.

Admiral PEOPLES. The Census Bureau is a part of the picture, Senator, only.

Senator BYRNES. Let us hear what you are going to do with it, of course. It cannot be considered except as a part, and a small part, of the picture.

Admiral PEOPLES. During the time that it occupies the building, say that 3½ years will be required to take the census. Now, if they are going to remain in the building they will require at least one hundred and seventy-five to two hundred thousand square feet—

Mr. AUSTIN. About 200,000.

Senator BYRNES. You cannot say during 3 years, because according to this table, this list that is produced in the House hearings shows that in January 1940 there will be only 3,000; for the year 1940 they will increase to 7,500 and be back to 2,500 in 1942.

Admiral PEOPLES. It is a sliding number.

Senator BYRNES. It slides rapidly. It is tobogganing. It gets back in January 1942 to 1,500, and it does not start to go up until 1940. That means that in 2 years' occupancy it will go up from 2,000 to 7,500 and back to 2,000.

Admiral PEOPLES. The point that I am making, Senator, is that they have now a permanent force of about 750 employees, requiring 170,000 square feet of space. They may be left in that building.

Senator HAYDEN. Then who will occupy the space they now occupy in the Commerce Building?

Admiral PEOPLES. That and all space in the new building will be available for assignment by the National Park Service—to these other agencies that are now paying rent.

Senator BYRNES. Have you got any bureaus in the Department of Commerce that are outside of this Commerce Building?

Admiral PEOPLES. Any bureaus of the Department of Commerce which are not housed in the Commerce Building?

Senator BYRNES. If you are going to give that to the National Park Service.

Senator HAYDEN. The Park Service has supervision over the distribution of space in all Government buildings.

FUNCTIONS OF COMMERCE DEPARTMENT OUTSIDE COMMERCE BUILDING

Senator BYRNES. Could you answer my question as to whether or not any of the functions of the Department of Commerce are outside of the Commerce Building?

Admiral PEOPLES. The Bureau of the Census is one item right now.

Mr. Guthridge, do you recall any others?

Mr. GUTHRIDGE. They have the building up at 1940 Fourteenth Street. The Bureau of the Census has that. That is the only building.

Admiral PEOPLES. That is the only one I know upon which they are paying rent.

Senator BYRNES. But if we move the Census out, then you will have space in the Department of Commerce Building which will not be needed by that Department.

Mr. AUSTIN. Well, Senator, let me tell you, you do not have any space for this reason.

Senator BYRNES. Why?

Mr. AUSTIN. The Bureau of the Census has certain regular work prescribed by Congress. Congress passes laws which we follow. Some of it is taken annually and some of it is taken monthly and quarterly. It is regular work which runs along day after day, week after week, and month after month. We expect to leave the regular work of the service in that building; only those divisions on the emergency job for the 1940 census will be taken to the new building. Now, that is going to leave some space and I want to tell you how it will be necessary to fill that space. Because of the number of appointments we will have to enlarge our appointment division. Because of the number of accounts and number of vouchers we will have to build up our chief clerk's division, and there are a number of minor services that have to be built up in the space that we now have. They are all connected with the 1940 census.

PROPOSED BUILDING TO BE USED TEMPORARILY BY CENSUS BUREAU

When we are through with this temporary building we go back to the Department of Commerce Building.

Senator BYRNES. What will you leave in the new building, then?

Mr. AUSTIN. In the new building?

Senator BYRNES. Yes.

Mr. AUSTIN. We will not leave anything.

Senator BYRNES. You mean in 1942 you will be out of that building?

Mr. AUSTIN. In about 3½ years we will have completed the sixteenth decennial census, and then return to the Commerce Building.

Senator ADAMS. You will move out of the new building and they will move somebody in, and at the end of 10 years you will have to get another new building because those folks cannot move out.

Senator BYRNES. You do not mean that in 1942 you will move out of the new building back into the Commerce Building?

Mr. AUSTIN. Unless other arrangements now unforeseen require the Bureau of the Census to occupy permanently the new building.

Senator BYRNES. Then you will have a new building over there without anybody in it?

SURVEY OF AVAILABLE SPACE IN THE DISTRICT OF COLUMBIA

Mr. REYNOLDS. Mr. Chairman, I was one of the members of the committee that made the report, working with the Budget, the National Park Service, and the Department of Commerce. In fact, some of us have been working on the space situation in Washington for some years.

We know of no space of any size in the District of Columbia that can be rented at the present, except an old warehouse which is to be abandoned by Woodward & Lothrop. They have recently completed a new building, which could have been purchased by the Government, but it would cost about \$600,000 to remodel it to meet the purpose of personnel occupancy.

The National Park Service took bids for housing the Bureau of the Census, and the lowest bid they received was 93 cents a foot, which would result in an annual expenditure of \$428,000.

WAREHOUSE TYPE BUILDING FOR STORAGE PURPOSES

Now, collateral with this, we have been urging for some time that a building of the warehouse type be constructed somewhere in the southwest rectangle for the use of files and records of a semiactive character. We do not think it is good policy to store files and records in space costing \$20 a square foot when proper housing can be provided for \$9 a square foot.

The proposed building has sufficient natural light that it can, if desired, be continued as a building for personnel occupancy. It is to be built near the Social Security and Railroad Retirement Board Buildings, which will shortly go under contract and be available for expansion for their services when needed.

Until such time as it would be needed by those agencies, it can be used for housing personnel which is now paying an average of 91 cents in the District. Our conclusion was that we cannot see in the next 10

years a reduction in space requirements sufficient that no rentals will be required in the District of Columbia, and if we cannot see that, why not build a cheap building and amortize the entire cost of it in 12 years?

That was the basis of the committee's finding, and we believe it perfectly sound, good business sense.

Senator OVERTON. Can you find any building in the District that is adequate for the purpose of taking the census with the heavy machinery you have?

Mr. REYNOLDS. We cannot. If we could, we would have rented it.

Senator OVERTON. None is available?

Mr. REYNOLDS. None is available, to my knowledge.

Senator OVERTON. In order to get the right sort of a building you will have to build one?

Mr. REYNOLDS. That is right.

Senator HAYDEN. Is not this true that we were in just a little bit too big a hurry to tear down the building which the Census occupied in 1920 and 1930?

Mr. REYNOLDS. Of course, they were becoming decided firetraps, you know, and were getting in a very rotten condition.

Senator HAYDEN. But they are gone.

Admiral PROLES. They are down; yes, sir.

Senator ADAMS. I am a bit misinformed, I gather, but we have spent here in the District of Columbia, I suppose, anywhere between \$30,000,000 and \$50,000,000 for new buildings, and we do not seem to have reached the rental charges with these various new buildings. For instance, take the post-office building. The Post Office Department managed to squeeze itself into the old building. We still have the old building, and now they have moved into the new building and apparently that is filled.

When I first came down here Senators had two rooms, and they were very much delighted to have two rooms. Then we built a new wing to the Senate Office Building and now each one gets three, and now they are all trying to get four. It just is not possible to satisfy them. Apparently that is the situation with the Government departments. You cannot build buildings big enough but what they expand and want more floor space.

WAR DEPARTMENT BUILDING

Mr. REYNOLDS. To give you an example, Senator, we have been studying the needs of the War Department Building and the space demand has grown from about 750,000 to about 1,400,000 square feet, but in all cases a lot of this space is used for files. At the present time, there is over 1,000,000 feet of space in the District of Columbia used for file purposes that is of a semiactive character.

ARCHIVES BUILDING

Senator ADAMS. We built a building which cost \$10,000,000 or \$12,000,000 to put files in and they are putting them in there—I do not know at what rate—but about 90,000 cubic feet.

Mr. REYNOLDS. That is the Archives Building.

Senator ADAMS. Yes. And we still seem to need more filing space. Mr. REYNOLDS. We have urged for some time a files and records building and Representative Cochran has been urging it with us and has now presented a bill for the construction of a files and records building in the District.

The building we are proposing to construct is simply a concrete frame with brick exterior walls, and with the necessary mechanical facilities.

COST OF PROPOSED CENSUS BUILDING

Senator ADAMS. What is its cost per cubic foot?

Mr. REYNOLDS. I can break it down a little for you by memory, if I may.

The cost of the construction, without the mechanical equipment; is estimated at 22 cents per cubic foot. We are not plastering either the ceiling or outside walls.

Senator ADAMS. I have been at a little loss to understand that. I thought that a building cost was computed on a cubic-foot cost and now you are talking about square feet. Of course, that is different.

Mr. REYNOLDS. Of course, it is more accurate to talk about square feet. You appreciate that, Senator, because space is the prime factor.

Senator ADAMS. That depends upon how much work you can do.

Mr. REYNOLDS. That is right. The figure of 22 cents is a cubic-foot rate and does not cover the mechanical equipment.

Senator ADAMS. The mechanical equipment?

Mr. REYNOLDS. That cost is determined by what facilities are provided to meet special demands.

Senator ADAMS. It does not include plumbing?

Mr. REYNOLDS. Oh, yes.

Senator ADAMS. It includes plumbing?

Mr. REYNOLDS. Yes. That is about the same regardless of the type of construction used. You have about the same cost for mechanical equipment as you would have in a monumental type, as fixtures, and so forth, are about constant.

Senator ADAMS. All right, Admiral, go ahead.

Admiral PEOPLES. Well, Senator, other than to add that the type of this building is to be of the simplest type of construction, facing materials to be a light-colored brick, and there is to be the minimum of limestone for base and trim; factory type construction being used throughout, and so forth, and this is a business proposition, sir, which we think is one of the most economical that has yet been proposed.

LOCATION OF PROPOSED CENSUS BUILDING

Senator ADAMS. Where will it be located. I do not mean the exact location, but in a general way where are you planning to locate it?

Admiral PEOPLES. Between Second and Third and B Streets and Independence Avenue.

Senator HAYDEN. Does the Government now own that land?

COST OF LAND

Admiral PEOPLES. No, sir. We estimate the land at about \$931,000.

Senator OVERTON. Have you options, have you obtained options?

Admiral PEOPLES. Not yet, sir. We have found it inadvisable to get options, because people run up costs and so forth, particularly as the Procurement Division has, by law, the power of condemnation and power of declaration of taking and we have found it best not to get options in advance.

Senator OVERTON. You have simply one location as to site?

Admiral PEOPLES. Well, approximately in that area. There are several blocks that could be utilized and in that particular area.

Senator HAYDEN. You have found it a practical matter that the best thing to do is to make up your minds where a building should be and then go take it?

Admiral PEOPLES. Then go take it.

Senator HAYDEN. Take the block?

Admiral PEOPLES. It is a practical proposition and then a board of independent expert appraisers determine its value and then we open negotiation with the owners, try to avoid condemnation if you can do it, but if you cannot do it, you have that persuasive influence of condemnation which can be exercised if necessary.

Senator HALE. After the census people have moved out of this building and it is used for the agencies that are now renting space, the whole building will have to be built over to take in new agencies?

Admiral PEOPLES. No, sir. On the contrary, we would not make any changes, whatever, Senator.

Senator HALE. Why not?

Admiral PEOPLES. Oh, we might have to put up a few partitions in it, but the building is there; it will not have to be changed.

Senator HALE. This building is not going to be divided but remain altogether in offices; that is, there are going to be large rooms for storage?

Admiral PEOPLES. It can be used for office space. If we need any additional rooms, we can put in partitions through the building. That is the only possible change that will be needed in this building.

Mr. AUSTIN. Senator, we work our force in the Bureau of the Census in large rooms. We have very few offices. This means efficiency as well as economy.

Admiral PEOPLES. This building will be just like the Procurement Division Building. We have partitions which can be moved around wherever you please.

Senator ADAMS. I think the General Accounting Office has had that experience.

Mr. REYNOLDS. The Social Security and the Railroad Retirement Boards will operate with that kind of space just like commercial organizations do. You know when the latter rent space, they often leave out partitions and use the corridors also.

Senator ADAMS. Admiral, the N. R. A. was in the Commerce Building?

Admiral PEOPLES. As I recall, Senator, a part of it was there and a part was in other buildings around town. Their headquarters were in the Commerce Building.

Senator ADAMS. How many people did they have in the Commerce Building?

Admiral PEOPLES. At that time?

Senator ADAMS. Do you have any idea? They had 8,000 or 10,000 altogether.

Admiral PEOPLES. They had a tremendous force, Senator, but there was a distribution of that force, and where it was accommodated, frankly, I do not know. I would have to try and look back over the old records for that.

Mr. GUTHRIDGE. I think that I can give you something on that. The space now occupied by the Maritime Commission, originally the Shipping Board, was the space originally occupied by the N. R. A. The Shipping Board was moved from their rented building into the N. R. A. space, when that space became available, and since then the Shipping Board has become an independent agency, but the space is still occupied.

Senator ADAMS. There was enough expansion to take all the space, I imagine.

Mr. GUTHRIDGE. It was somewhere around 70,000 square feet of space which the N. R. A. had there. There is still some N. R. A. files and employees—only one employee—in that building. That employee occupies one or two offices, but the files are up in the attic. That is a part of the 1,000,000 feet.

Senator ADAMS. How much useful space is there in the Commerce Building, forgetting how it is used, how much space could be used for offices?

Mr. GUTHRIDGE. I would not venture a guess on that. I would say 75 percent.

Senator ADAMS. That you could use for personnel?

Mr. GUTHRIDGE. That is just a guess, Senator.

Senator TOWNSEND. Could you obtain that information for the record?

OFFICE SPACE IN THE COMMERCE DEPARTMENT BUILDING

Mr. GUTHRIDGE. Yes. Of the total net usable space in the Commerce Building, approximately 600,000 square feet is strictly office space and 470,000 square feet is space used for files, storage, laboratories, special equipment, cafeteria, auditorium, garages, and so forth.

Mr. AUSTIN. I would like to say something there off of the record.

(After informal discussion off the record.)

Mr. AUSTIN. There has been some talk of decentralizing the census of 1940 to other sections of the country.

Senator ADAMS. We have had telegrams on that. I do not imagine that would be feasible.

Mr. AUSTIN. I would like to get this memorandum in the record, because we spent days and days preparing it. It shows the additional cost of decentralization.

Senator ADAMS. These telegrams have been sent to us suggesting that it be distributed.

Mr. AUSTIN. And it would cost us about \$8,000,000 additional to decentralize the 1940 census.

Senator ADAMS. I assume that this is the situation: While they sent wires to us that there would be some space available in this city or that

city, they have never said how many buildings that was distributed in, and I have assumed that it would be very unusual if any city had a concentration of space sufficient to accommodate the Census Bureau.

Mr. AUSTIN. We have had experience along that line, Senator, on W. P. A. projects. When we have had Federal W. P. A. projects, it has been very difficult to locate space in cities like New York, Chicago, Philadelphia, and St. Louis—we did find Government space in St. Louis.

Senator ADAMS. I am only speaking for myself, but it seems to me that it is proper that the census should have its headquarters in Washington, as much as I would like to have it located in Pueblo.

Senator HAYDEN. You have a memorandum in connection with that? Mr. AUSTIN. I have.

Senator HAYDEN. I think that should go in the record.

Mr. AUSTIN. It has been very carefully worked out.

(The memorandum referred to is as follows:)

DECENTRALIZATION OF THE DIVISIONS OF THE CENSUS BUREAU

DEPARTMENT OF COMMERCE,
BUREAU OF THE CENSUS,
Washington, February 1, 1939.

Memorandum to the Committee on Appropriations, United States Senate.

A committee appointed by the Director of the Bureau of the Census to prepare estimates on the proposition of the decentralization of the divisions of the Bureau of the Census for the purpose of taking the censuses of 1940, submit the following conclusions:

1. Agriculture: On the assumption that this division would be established in St. Louis for the conduct of its inquiries, an entirely new set-up, including additional clerks, space, equipment, and supplies, would be necessary. This census would include, in addition to agriculture, censuses of florists and nurseries, irrigation, and drainage. The total estimated increase of conducting this census in St. Louis, over the Budget allowance for conducting it in Washington, is \$2,600,014.

2. Distribution (business): On the assumption that the Division of Business Census would take the census of distribution in Philadelphia, the estimated cost for an entirely new set-up in Philadelphia, over the Budget allowance for this census to be taken in Washington, is \$993,187.

3. Manufactures: Assuming that the Division of Manufactures would take the census of manufactures in Philadelphia in the same building occupied by the Division of Business Census, the estimated increase over the Budget allowance if this census were taken in Washington, is \$1,538,047.

4. Population: On the assumption that the population census of 1940 would be taken with headquarters in Chicago, the estimated increase for this division's activities over the Budget allowance for Washington would be \$2,911,820.

5. Geography: In the case of the Geographer's Division, it would be necessary for this division to do all of the preliminary work for the four above-mentioned divisions in triplicate, as it is assumed that the four divisions would be located in three different cities. It would then be necessary for the Geographer's Division to establish a unit in each city for the purpose of adjusting irregularities and inequities as the schedules begin to come in to each of the other centers. It is estimated that the cost of decentralization over the Budget allowance for Washington would be \$554,500.

6. Field: In connection with the field work, it would be necessary for the Field Division to prepare and ship to the field all of the materials and supplies from Washington after the supervisors have been selected, trained, and established in their respective areas and districts. The supervisors would be required to separate the schedules in accordance with the center to which they belong and ship them to the respective headquarters offices. It would be necessary for the Field Division to establish a separate office in each of the three centers to keep current contacts with the supervisors throughout the course of receiving the schedules. It is estimated that the increased cost, with the decentralization

made, over the Budget allowance for the work to be done in Washington, would be \$150,000.

The total estimated increase of taking the censuses of 1940 on the decentralization plan would cost, over the amount allowed by the Bureau of the Budget for taking the censuses in Washington, \$9,761,508.

The foregoing estimates have taken into consideration the establishment of entirely separate appointments and personnel units in each of the decentralized divisions, a separate chief clerk's office at each center, and a complete tabulation unit at each center. This means that there would not be elasticity in the use of employees and equipment on the decentralized basis as would exist if the work were done in one building. The estimated cost of these over-all activities is included in the above estimates.

In addition to the estimated difference in cost, attention is called to the quality of census statistics affected by decentralization. Comparability and close inter-relationship between various subjects in the decennial census is very important. This comparability is attained by (a) taking the various censuses at the same time and to cover the same period, and (b) checking many common items on the different censuses before they are tabulated and published. Typical examples of items which must be checked on two or more censuses are: (1) Farm population, number of farms, and number of farm dwellings; (2) wage earners and other employees reported for comparable categories by the industrial censuses and the census of occupations; and (3) employment indicated in the industrial censuses must be checked with employment and unemployment in the Census of Unemployment. Besides checking the results of one census with another, the returns of various censuses must be checked with similar data secured by administrative agencies in Washington before results can be published. In addition, the Bureau borrows technical staff from other agencies in Washington to assist on particularly difficult technical problems during each census. If the various censuses which are taken together during the decennial census period are separated in different cities, the quality of these censuses will be jeopardized because it will be impossible to perform the necessary functions outlined above.

W. L. AUSTIN, *Director*.

Senator BYRNES. I think there is a lot to what Mr. Austin has said about the importance of the census, but I do not think that he can justify it on the ground of an emergency or national defense. Everyone who comes before this committee now with a request for any appropriation attempts to justify it on the grounds of national defense. We just had a witness here preceding you in connection with a request to appropriate money for the removal of fire risks and removal of the logs in the hurricane district in New England and before he got through he was telling us about the seriousness of world conditions and that the logs or the lumber made from them might be stored so that in case of war they could be used. There is not anybody who comes in on any subject wanting money out of the Treasury now, no matter where they start from, who do not wind up with, "In view of the serious situation abroad, we must give consideration."

Everything else you have said about the Census I agree with, but when you go to national defense I cannot go aboard with you.

BUILDING NEEDED BY JANUARY 1, 1940

Senator OVERTON. Let me ask you one question. What time will you need this building?

Mr. AUSTIN. January 1, 1940. Now, that is as early as they say they can give it to us.

Admiral PEOPLES. The building will be ready then, sir.

Senator OVERTON. Can the site be acquired, condemned, and the building constructed in that length of time?

Admiral PEOPLES. That will be done; yes, sir.

Mr. AUSTIN. Yes; they tell us that they can have it ready for us on January 1, 1940.

Admiral PEOPLES. It will be one.

Senator TOWNSEND. It will be done?

Admiral PEOPLES. It will be done.

Senator TOWNSEND. You are going to build it yourself?

Admiral PEOPLES. The Procurement Division will design and build it by contract. This form of construction lends itself to that rapid construction. It is a simple interior. It is not finished.

Senator HALE. What is it; brick?

Admiral PEOPLES. Yes; light-weight brick.

Senator BYRNES. What is the total cost?

Admiral PEOPLES. Three and a half million dollars.

Senator HALE. You say that it will pay for itself in 12 years?

Mr. AUSTIN. Yes, sir; that is the statement made by Admiral Peoples, I believe.

NEW INTERIOR DEPARTMENT BUILDING

Senator ADAMS. How many square feet of space are included in the new Interior Department Building?

Mr. GUTHRIDGE. About 750,000 feet. That cost a little less than \$20 a foot. I would say about \$14,000,000. This building will be built for about \$9 a foot, I believe you said, Mr. Reynolds?

Mr. REYNOLDS. Yes.

Senator TOWNSEND. Did you present this to the House?

Admiral PEOPLES. Yes, sir.

Senator HAYDEN. The House passed it.

Senator ADAMS. It is in the bill.

Is there anything else?

PUBLIC HEALTH BUILDINGS

Senator BYRNES. Did you get me the number of square feet in that Public Health Building?

Mr. GUTHRIDGE. There are four buildings there. The total is 88,985. The administration building has 10,585 square feet; the south laboratory 41,592; the north laboratory 18,100, and the central laboratory 18,708.

Mr. AUSTIN. Senator, I venture the assertion that these buildings are not constructed to hold the weight we have to put in a building.

Senator BYRNES. It is not?

Mr. AUSTIN. I said I would venture the assertion that they were not, because there are very few office buildings in this town that I have examined that have been constructed sufficiently strong to meet our requirements.

Senator BYRNES. Well, have you made an examination of it, an investigation of it?

Mr. AUSTIN. I have not.

Senator BYRNES. Then how do you know?

Mr. AUSTIN. I say I venture the assertion, because there are very few of these office buildings that I know anything about, especially buildings of the kind mentioned, that will carry the weight we have in a decennial census.

Senator BYRNES. Is that all?

Senator ADAMS. Is there anything else?

Admiral PEOPLES. That is all, sir.

DEPARTMENT OF AGRICULTURE

BUREAU OF ENTOMOLOGY AND PLANT QUARANTINE

STATEMENT OF HON. JOHN H. BANKHEAD, 2D, A UNITED STATES SENATOR FROM THE STATE OF ALABAMA

WHITE-FRINGED BEETLE

Senator ADAMS. Senator Bankhead wants to find out about something.

Senator BANKHEAD. The white-fringed beetle—our people are tremendously interested in that because they say that it is the most destructive insect we have ever had in the country. It is worse than the boll weevil, the grasshopper, or anything else. It just simply takes all vegetation as it goes.

Senator ADAMS. We had previous mention of that, Senator, when Dr. Strong was here.

Senator BANKHEAD. I want to arrange to get the Chief of the Bureau of Entomology and Plant Quarantine here. When would be a suitable time? I want to get somebody up here from the Department on that. If you will tell me what time to have them here we will be here. Any time before you finish will be satisfactory. I am not trying to rush you. I just want to appear before you close the hearings. I do not want you to close without an opportunity of presenting the facts about this. It is a desperate situation.

Senator ADAMS. We will let you know.

Senator BANKHEAD. Thank you.

(Thereupon, at 4:55 p. m., the subcommittee adjourned to meet at 11 a. m. the following morning, Thursday, February 2, 1939.)

FIRST DEFICIENCY BILL, 1939

THURSDAY, FEBRUARY 9, 1939

SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
UNITED STATES SENATE,
Washington, D. C.

The subcommittee met at 11 a. m., Hon. Alva B. Adams, presiding.
Present: Senators Adams, Glass, Hayden, Russell, Overton, Hale, Townsend, and Nye.

FOREST SERVICE

STATEMENT OF SENATOR WALLACE H. WHITE, JR., A UNITED STATES SENATOR FROM THE STATE OF MAINE

NEW ENGLAND HURRICANE RELIEF

Senator WHITE. Mr. Chairman, I wish to join my voice with that of other Senators from New England who have urged an increase in the proposed appropriation for New England hurricane relief. I think the suggestion has been made that the amount be increased from \$3,000,000 to \$5,000,000, that being the amount recommended, as I understand, by the Budget.

This hurricane, I suppose, is without parallel in the extent of the damage done by it. As I understand, the proposed appropriation relates only to fire hazard and fire prevention. I think it has been estimated that there is down timber in the New England area to the extent of something like 2,650,000,000 feet. In some sections—and that is particularly true of my own State—close to 80 percent of that down timber is white pine.

White pine dries out very rapidly. It is highly inflammable, and it is the greatest menace that a State like Maine, with its immense forests, has ever faced. I presume close to three-quarters of the area of the State of Maine is covered by forests of one sort or another, pine constituting in some sections of the State a very large proportion. We feel that it is a danger which the property owner, both large and small, have never been called upon to face before, and I think I express the hope of most people in the State of Maine when I urge that the appropriation suggested be made.

Senator ADAMS. Senator White, was the hardwood timber blown down to the same extent as the pines?

Senator WHITE. Hardwood timber was blown down but, perhaps, not to quite the same extent. If I may illustrate it by personal experience, I have a small farm. We were on the very fringe of this

hurricane. After the storm was over every apple on every apple tree we had was blown down. We put a force of men to work in our woods cleaning out the hardwood. I have a pile of hardwood back of my barn, and I am now calling for volunteers to come up there and help me saw it. I will give room and board to any man who will come up and saw. I have a pile of hardwood probably 200 feet long and 4 feet high. I have thousands of feet of pine piled up in the pasture, which those working for me took out.

I am more fortunate than many persons. Mine is a small farm, and I could get the fallen timber out. However, there are hundreds and thousands of farms all over New England where the people have neither the facilities nor the means to clear their own land of this down pine, which constitutes a threat and a danger of a magnitude that cannot be overstated.

FIRE HAZARD

Senator ADAMS. Is there not always a certain hazard from pine forests? That is, the pine needles are inflammable anyhow.

Senator WHITE. That is true; but the present situation is much worse because these trees are down in a hopeless tangle. There are portions of these pine forests where one simply cannot get through. The trees are down and interlaced, intertwined, and drying out. The property loss because of the down timber is in some measure being taken care of through the Surplus Commodities Corporation. However, there is this appalling fire hazard.

Senator ADAMS. I gathered from one of the witnesses yesterday that there was not any extrication or even hope of cleaning all this out. All they were expecting to do was to make a clearing along the highways where there was exposure to fire.

Senator WHITE. What can be done depends upon the conditions in each locality and on each farm. If one is a long way from a highway, about all he can do is to gather the stuff up, saw it, and stack it up, confining it in the narrowest possible area, and thereby reducing the danger. If one is on a highway of any sort, or railroad, or water, then it is possible to clear it off, with the exception of the smallest slash, and move it into concentration areas, again reducing the hazard. But whatever is done there is still some hazard left. We cannot avoid that. But as it is now there never was anything like it in the way of fire hazard facing a substantial area in the entire New England States.

I could not say any more if I talked to you for three-quarters of an hour.

PROVISION FOR MATCHING FEDERAL FUNDS

Senator HAYDEN. The House not only reduced the amount of the appropriation from the Budget estimate of \$5,000,000 to \$3,000,000, but also inserted a proviso to the effect that the amount allocated for expenditure in any State shall be made available when the State in which the allocation has been made shall make available a like sum from State funds for the same purpose. What have you to say to that?

Senator WHITE. I would much prefer that that provision not be in the bill. I think we have done a great deal of work of this general character, such as relief work in removing the dangers of disease and

the dangers from floods, without contributions from local communities or States. I would like to have New England treated just as other sections of the country have been treated. I should like to see that provision eliminated. Some of the States are already doing such work. Other States, perhaps, are in no position to do it. I do not know, as a matter of fact, whether my State has made any contribution or not.

Senator HAYDEN. There was testimony yesterday to the effect that——

AID RENDERED BY STATE OF MASSACHUSETTS

Senator WHITE. I think Massachusetts has made a contribution of nearly \$20,000,000.

Senator HALE. Not toward this direct work. It has contributed only about \$2,000,000 toward this direct work.

Senator HAYDEN. Massachusetts has made a sufficient contribution to match the proposed appropriation. There is no question about that. The indications were that that was also true in New Hampshire. The witness did not know about the rest of the States. I wanted to inquire of you what was done in Maine.

Senator HALE. I think those are the only two States that have made a contribution. This is not a permanent improvement. This is emergency work. When we make an appropriation for the control of grasshoppers, we do not provide that the State shall match it.

Senator HAYDEN. The other testimony that interested me very much was that in every locality there were local committees, and the local authorities were contributing time and money toward relieving this situation.

Senator HALE. The towns are contributing.

Senator HAYDEN. The House provision requires the State to do something. What I had in mind was whether this effort that is being made by the communities should also be recognized by Congress.

Senator WHITE. I have a 100-acre farm. I have cleaned it at my own expense, hiring from 3 to 8 or 10 men for weeks during the fall. However, there are literally hundreds and thousands of people, small-farm owners, who cannot do anything. They have no facilities. The work requires teams. It requires logging facilities of all sorts. It requires saws, peavies, axes, and everything of that sort. It requires a man with some knowledge of the woods to work intelligently and handle the down timber. Most of the people who are hurt by this hurricane are utterly impotent in the situation which confronts them. They just cannot do anything. Of course, I should like very much to see that provision go out, because I think it is exacting of us what has not generally been exacted when relief has been sought for disasters which have come upon people and communities. I just do not feel that Maine and New England should be asked to do more than other communities which face untold and unprecedented disaster. Also, I should like to see the amount increased.

I think that is all, Mr. Chairman.

BUREAU OF ENTOMOLOGY AND PLANT QUARANTINE

STATEMENT OF HON. JOHN H. BANKHEAD, UNITED STATES
SENATOR FROM THE STATE OF ALABAMA

WHITE FRINGED BEETLE CONTROL

Senator BANKHEAD. Mr. Chairman, I am very much interested in the appropriation for the white fringed beetle control.

Senator ADAMS. May I ask what that name means?

Senator BANKHEAD. I cannot tell you, sir. However, there is a representative here from the Bureau of Entomology and Plant Quarantine of the United States Department of Agriculture, who can give you the technical information.

There is very grave alarm about the situation in three or four States on the Gulf. Dr. Rohwer is here, and I should like to have him give you the information. The state department of my State took the matter up with me. I have heard a great deal about it. I have been asked to take an interest in getting this item increased. The House did not allow even what the Bureau of the Budget authorized. For some reason the question has not had much consideration, because this insect is not widespread, and the subject has not yet attracted the interest of many people. However, unless something is done we will be talking pretty loud about it as the years go by.

Senator OVERTON. Mr. Chairman, did the House provide for an appropriation for the eradication of the white-fringed beetle? I have a memorandum in lead pencil on the copy of the bill which I have regarding the insertion of an item for the eradication of white-fringed beetles, on page 3, line 28. Was that provision adopted in the House?

Senator HAYDEN. Yes.

Senator OVERTON. It is not carried in the print. Evidently there was a misprint.

Senator BANKHEAD. You mean in line 24?

Senator ADAMS. It was inserted on the floor of the House, Senator.

Senator OVERTON. I should like to ask one question of Senator Bankhead.

You suggest that there be a separate appropriation for this item, do you not?

Senator BANKHEAD. I think we ought to have a break-down of some sort. It is grouped with various other things.

Senator OVERTON. It is grouped with grasshoppers, Mormon crickets, and chinch bugs.

Senator BANKHEAD. The grasshoppers will absorb it all unless there is some indication from the committee otherwise, because you know how the grasshopper fight has been going on for years. There has been a clamor for money. I am just afraid that they will get the bulk of it, or practically all of it, unless some break-down or specification is put in the bill.

I should like to have the committee hear the statement of Dr. Rohwer, and then deal with the matter in one way or the other, either with a break-down, which I suppose would be binding on the Department, or with a specification. I would rather have a specification in the law.

AMOUNT REQUESTED BY DEPARTMENT

Senator ADAMS. Senator Bankhead, on pages 30 and 31 of the House hearings, there was a statement of the program of the Department of Agriculture. The amount of \$477,000 was suggested in reference to white-fringe beetles, on the basis of the larger appropriation. It is pointed out that last year there were two appropriations. Under one appropriation \$215,000 was expended, and under the other \$154,000 was expended in the eradication of the white-fringe beetle.

Senator BANKHEAD. Did they appropriate that much?

Senator RUSSELL. That is what they asked for on the basis of a \$6,000,000 appropriation.

Senator BANKHEAD. They did not appropriate that. They gave only \$2,000,000. The total is \$4,700,000, and the appropriation contained in the bill, as shown on page 4, is only \$2,000,000 instead of \$4,000,000.

Senator TOWNSEND. That is about three-fifths of \$6,000,000, is it not?

Senator BANKHEAD. No. The appropriation set out in the House hearings, on page 30, shows a total of \$4,700,000 for the different items.

Senator TOWNSEND. If the total appropriation had been \$6,000,000, you would have received \$483,000.

Senator RUSSELL. Pro rata, they would get only about \$100,000.

Senator TOWNSEND. The appropriation was cut to \$2,000,000.

STATEMENT OF S. A. ROHWER, ASSISTANT CHIEF, BUREAU OF ENTOMOLOGY AND PLANT QUARANTINE

WHITE-FRINGED-BEETLE CONTROL

Senator BANKHEAD. Without going into detail, just give us a statement about this situation.

Mr. ROHWER. If agreeable to the committee, I will tell you first about the white-fringed beetle, and then discuss the question regarding appropriations.

Senator ADAMS. Go ahead.

Mr. ROHWER. The white-fringed beetle is an insect which was introduced into the United States, how we do not know, but probably in connection with bones and fertilizer. It was first discovered in parts of northern Florida in 1936. It has been commonly called the white-fringed beetle because the beetle itself has a lot of white hair along the side of its body; and, as you look down on it, it looks as though the body is lined with a white fringe.

The adult beetle is wingless. It cannot fly. It does not reproduce by mating. It is one of the group of insects which reproduce parthenogenetically, so a single insect is capable of establishing an infestation. It has a larva which feeds on the roots of over 200 different kinds of plants, and has been especially destructive to corn, cotton, peanuts, and certain other important crops in the South. The larvae, when they become abundant in the soil, cause the plant to die, and we have blank spaces in the fields, so that the field is completely useless as far as production is concerned.

So far as the records now available show, the insect does not attack the entire field at one time, but it will attack large areas

within the field, and then move over to another part of the field, so that it leaves the land in a condition where it is not productive from the standpoint of farming.

The adult beetle feeds on the foliage of a number of different kinds of plants, particularly cotton and peanuts; and when it feeds on the foliage it causes a limited amount of damage. The bug is most destructive as a larva or worm.

METHODS OF CONTROLLING

The ways of combating the beetle are only rather imperfectly worked out, because it is a new pest. We have not very much information on it, and in its own country it is not a pest of importance.

Senator **BANKHEAD**. Where did it come from?

Mr. **ROHWER**. It came, we believe, from South America, because that is the place where it has its native home. It has been recently reported from parts of New South Wales in Australia, where it is doing damage to alfalfa and related crops; so it probably reached Australia from its native home in South America. In combating the adult, we first do everything we possibly can to prevent its spread; and since the insect cannot fly but has to walk or crawl, when the insects emerge from the soil in the spring they start to move out from the place, and come to new areas where they might lay eggs. We put barriers around the field in cooperation with the farmers and the States, and in that way prevent the spread; and, as far as we know, the control is not unlike that of our native insect, the chinch bug, which is so destructive in the Central Plains area.

Senator **HALE**. Has any parasite been developed that kills the insect?

Mr. **ROHWER**. We have no knowledge of any parasites that attack this insect, either in this country or in South America. We now have a man who is carrying on some investigations in South America with the hope of finding out more about the insect there, and how to locate, if possible, any of its natural enemies. He went down there in September, and is gathering a lot of facts; but nothing in the way of natural enemies has developed.

Senator **ADAMS**. You state that in South America the insect is not as destructive as it seems to be here?

Mr. **ROHWER**. It is not very destructive; but that is not unusual, Senator, because it is true of many of our insects. For instance, the Japanese beetle in Japan is not of any economic importance; but since it came over into the United States, and found conditions much more congenial to it, and without its natural enemies, it has been a pest of major importance. It works that way lots of times.

JAPANESE BEETLE

Senator **TOWNSEND**. Can you give any reasons for that?

Mr. **ROHWER**. As far as the Japanese beetle is concerned, Senator Townsend, there are a good many reasons that may be given, one of which is that in our country we have much more sod land than they have in Japan, which gives the beetle a better opportunity to develop in large numbers; and then, of course, it has no natural enemies in this country yet, except the few that we have imported and are trying to establish.

Senator RUSSELL. Do not plants build up resistance to these beetles and other insects when they have to contend with them over a long period of years?

Mr. ROHWER. A good deal of resistance is built up by certain types of plants.

Senator RUSSELL. Certain plants do not have any resistance; and having extinguished the plants of that species that are particularly susceptible to an insect over a period of years, you develop one that will be more hardy in combating it; do you not?

Mr. ROHWER. We have been doing that for a number of pests.

Of course, going back to the Japanese beetle, the system of farming in Japan is quite different than in our eastern United States; and there are not the opportunities for the Japanese beetle to develop there, either by sod lands or having fruits in which to feed.

AREA INFESTED

The white-fringed beetle is known to occur only in some 41,000 acres of land in four States of the United States. These are illustrated on this map [producing map]. You will note that there is a small infestation in the Florida-Alabama area in the general vicinity of Florida. There is a small infestation in the town of Mobile in Alabama, a small infestation in the town of Pensacola, and then there is an infestation in southern Mississippi around the town of Gulfport, and one around the town of Laurel; and there is quite a little area of infestation in the city of New Orleans. A few isolated spots also have been found where the beetle was first discovered, but, as far as we know now, it has been eradicated in that area.

We consider this insect a potential pest of major importance over a wide area of the United States. The evidence which has so far been accumulated indicates that it is very resistant to certain low temperatures—not like the temperature that we have in the vicinity of Washington; but since the grubs will go down into the soil as far as 24 inches, it may, if it becomes established elsewhere, be a pest of importance even as far north as the District of Columbia, and as far west as parts of the United States where the country has moisture conditions suitable for it.

From the destruction the beetle has caused in the Alabama-Florida area, where it has been most destructive as a field pest because it is probably best established there, it put the farmers in that area actually out of business. The farmers found that they could not grow crops profitably; and since many of them are tenant farmers, they said, "We will move from this place to a place where this pest does not occur."

The Department has been cooperating with the States, since the beetle has been discovered, in an effort to eradicate it; and, as a part of that effort, we have enforced quarantines which prevent the movement of products likely to carry it.

FEDERAL QUARANTINE

When the insect was first found, these quarantines were State quarantines; but in response to an urgent demand on the part of people in the States involved and the people in adjacent States, the Department

held a public hearing in New Orleans last September to consider the advisability of enacting a Federal quarantine. The sentiment for that quarantine was unanimous on the part of all the State officials and the farmers and nurserymen and others, and the Secretary promulgated a quarantine which became effective on January 15. That quarantine, being a Federal quarantine, smooths out any difficulties or differences that might result from numerous State quarantines. It inspires confidence on the part of the noninfested States that the problem is being effectively handled, and will, we believe, eliminate State quarantines which otherwise would be an embargo on the areas that may be infested.

SUPPLEMENTAL ESTIMATE TO ENFORCE QUARANTINE

To enforce that quarantine, the Department submitted a supplemental estimate to the Bureau of the Budget. It was not considered in time to come up here with the first submission for the deficiency bill, but has been submitted in House Document 148, which came up on January 27.

So the work that the Department is doing against this insect is of two categories: A quarantine to prevent its spread, and control or suppressive measures to eliminate it in the area in which it occurs.

The Department is definitely and vitally interested in its effort to combat this pest, because we think it is one that is established only in limited areas, and should be eradicated to prevent the losses that will occur if it is allowed to go into new areas and attack crops there.

Senator RUSSELL. How much money did you ask in the estimate submitted on January 27?

Mr. ROHWER. The Budget estimate is for \$250,000 in House Document 148. That is for quarantine enforcement, Senator Russell.

Senator RUSSELL. Not for eradication?

Mr. ROHWER. It should not be confused with the item which we included in our break-down under the incipient and emergency amount. The Budget estimate would finance the work of quarantine enforcement from April 1 on, but we had submitted a program to begin with February 1.

Senator RUSSELL. That was in addition to the \$488,000?

Mr. ROHWER. That was in addition to the amount referred to under the incipient and emergency outbreaks.

Senator BANKHEAD. Under this suppression item, what is pending there? Regardless of the quarantine for the moment, how much did you ask for?

AMOUNT REQUESTED TO ENABLE COOPERATION WITH STATES

Mr. ROHWER. The Department requested \$477,000 to cooperate with the States in the suppression of the white-fringed beetle.

Senator TOWNSEND. What amount did you have last year, or the past 2 years?

Mr. ROHWER. We have allocated, out of the previous appropriations made under this general authorization, \$370,396 for this particular work. As of December 16, of that amount, we had expended \$355,618.

This general authorization for the control of incipient and emergency outbreaks of insect pests and plant diseases gives the Department authorization to use appropriations thereunder to do just such

thing as we are doing against the white-fringed beetle. It was fortunate, we believe, that money was available so that the Department, when they found this bug in the middle of the summer of 1936, could immediately start operations to carry on the work against it, and that is what we did.

STATE COOPERATION

The States have contributed very materially to that work; and even for the calendar year 1937, which provided for work during the 1936 season and 1937, the States made available actual State funds to the amount of \$13,687, in addition to the amount that the local people did, and the local communities. For 1938 the States expended \$60,766, and their program of work for the coming year involves expenditures of approximately \$100,000, in addition to that which will be done by the local communities as a part of the work. The farmers help materially where the beetle occurs on their infested areas.

Senator HAYDEN. When you began, over how many acres was there infestation?

AREA INFESTED

Mr. ROHWER. When we began, Senator, we found the insect only in a very small area down in Florida. It was first found in Florida. Then we began to make a survey to find out where else it occurred. This figure of 41,000 acres is the result of the survey, which we think has been very effective; and probably we have located all the infestations, unless there is some that is incipient.

The green on this map indicates the areas where the survey was carried on. It is divided into two shades—one which is shaded, where we have sort of spot surveys, and the other which is solid green, which covers all the southern part of Alabama, Mississippi, all of Louisiana, and a large part of Florida where we had intensive surveys. So we feel fairly well satisfied that we have limited the area of infestation.

Senator HAYDEN. If it is only in 41,000 acres, that is not a very large area of land to control, if you can get some money to do it.

Senator BANKHEAD. That is why we want to do it thoroughly in that area.

Mr. ROHWER. That is exactly correct. Since the infestation is restricted to such a small area, it is very desirable to proceed as rapidly and as effectively as we possibly can in the eradication of the bug.

Senator RUSSELL. Have you found any spray or poison that is effective?

SPRAY USED

Mr. ROHWER. The experimental work so far has indicated that the most effective spray or dust for the adult is calcium arsenic.

Senator RUSSELL. It must be akin to the boll weevil.

Mr. ROHWER. It is. This insect is closely allied with the boll weevil.

Senator OVERTON. How does it prey on plant life? Take cotton, for instance.

Mr. ROHWER. The adult feeds on foliage, and the larva feeds on the roots of the plant; and when it feeds on the roots of the plant it kills

the plant. There [producing photograph] is a picture which shows the center of a field which has been planted four times, if I recall correctly, to cotton to get a stand, and there is no cotton there. The bug also, in the immature stages, will go down and feed within the tubers of potatoes, and make those potatoes entirely unsuitable.

Here is a picture of the grub, and here is a picture of one in a potato tuber. These other pictures show just little spots of fields where the bug has been bad, and has actually eliminated the vegetation by feeding on the roots, and the plant just dies.

Senator RUSSELL. I was interested in your statement that this insect is able to procreate itself. In other words, there is only one sex?

Mr. ROHWER. There is only one sex.

Senator RUSSELL. Any one of these insects, then, can lay eggs?

Mr. ROHWER. That is true.

Senator RUSSELL. Have you any estimate as to the number of eggs?

Mr. ROHWER. The eggs laid by a single individual vary from, I think, 200 as a minimum to 750 or 950 as a maximum average; but some specimens have laid as high as 1,100 eggs.

Senator OVERTON. Do they lay them once a year?

Mr. ROHWER. Not at one setting. The eggs are laid on the surface of the soil, usually under some material that gives the adult a little protection, just on the top of the ground, masses of 8 or 10 more or less grouped together in a gelatinous mass. They may even adhere to scrap iron, or lumber, or any other thing like that. The eggs are laid over rather a long period of months. The adults come out, usually, in the Florida area, around the middle of July. In the New Orleans area they come out somewhat earlier. After a short period in which they feed, they then start to lay eggs. Four or five days are required for them to feed, and then they start laying eggs; and from then until they die they keep on laying eggs, a few each day, until ultimately they have laid their full amount, which may be as many as 1,100.

Senator RUSSELL. When were these insects first discovered?

WHEN FIRST DISCOVERED IN THE UNITED STATES

Mr. ROHWER. In the United States they were first discovered in the fall of 1935, when a man sent a single specimen of this insect to the Department as a novelty. He did not know what it was. The specialist recognized it as one of the South American insects; and so we sent men down there in the spring of 1936 to see what we could find out about it, and we found this situation in the Florida area. The farmers had seen this bug for a few years, and had realized that it was a bug of some importance, but did not know what to do with it, and had just abandoned their farms without taking any steps. So when these facts were developed, following the emergence of the beetle in July, the Secretary authorized us to use part of this emergency fund to organize an effort to combat the insect, and eradicate it if possible; and that led to the work that developed the information we now have regarding it.

Senator RUSSELL. There had not been any specific provision made to deal with the white-fringed beetle as such?

Mr. ROHWER. No; there had not been any specific provision made to deal with it.

Senator ADAMS. The fact that you had a general appropriation rather than a specific appropriation is what enabled you to undertake the work. That is, if all the appropriations had been allocated to a particular purpose you would not have had the money to start the work on this particular phase of the situation?

Mr. ROHWER. That is correct, Senator. Since the work involves the enforcement of a quarantine and since we feel we have the area fairly well limited, we submitted an estimate for quarantine enforcement. We did not submit an estimate for the work of suppression of the white-fringed beetle separately, because we did not feel that we could make that estimate accurately enough fully to tell what we want to do.

Senator BANKHEAD. You mean you did not submit a separate estimate?

Mr. ROHWER. No; we did not submit a separate estimate. We were waiting, with the idea that next season we will have sufficient information, so we can put this matter in as a separate item and treat it as such. But since we are so interested in this thing we feel that if any money is appropriated under this authorization for the control of incipient and emergency pests, white-fringed beetles are one of the things that are going to get the first attention. That is why the Secretary addressed the letter to you, Senator Adams, and suggested the elimination of that language which was inserted on the floor of the House. That language which was inserted seemed to us somewhat ambiguous and possibly limiting in its nature.

Senator TOWNSEND. What are the practical mechanics of the quarantine?

Mr. ROHWER. The quarantine is rather definitely different than any quarantine that we are now enforcing, because the area infested is small, and there are many different kinds of products that have to be regulated. That is, lumber that might lie on the ground in an infested field might have eggs attached to it, and it is dangerous to move that lumber. So instead of enforcing the quarantine, as the Japanese-beetle quarantine is enforced, we are proposing to have men go into that area and acquaint the people of the infested area thoroughly with all the dangers that are involved regarding those insects, the products that are likely to carry it, and keep general track of the situation, so the people in the area will not take those products from an infested spot to an uninfested spot, either in their own State or in the area where we are trying to eradicate the insect pest.

It is not proposed to maintain road stations and other types of quarantine enforcement that are necessary under other conditions, but this type of quarantine will need the intimate knowledge of the inspectors with the conditions in their local environments, and to see that they do not either move the adult beetle, which in itself would start an infestation, or move eggs to a place where they might become established.

AMENDMENTS RECOMMENDED BY DEPARTMENT OF AGRICULTURE

Senator ADAMS. At this point I ask that the letter from the Secretary of Agriculture, Mr. Wallace, addressed to me as chairman of the Subcommittee on Deficiency Bills, Senate Committee on Appropriations, be incorporated in the record.

The letter is as follows:

DEPARTMENT OF AGRICULTURE,
Washington, January 25, 1939.

HON. ALVA B. ADAMS,
Chairman, Subcommittee on Deficiency Bills,
Senate Committee on Appropriations.

DEAR SENATOR: The first deficiency bill for the fiscal year 1939, which passed the House January 23, includes an item for the Bureau of Entomology and Plant Quarantine for the control of incipient and emergency outbreaks of insect pests and plant diseases. The appropriation to be provided by this item is \$2,000,000, or \$1,300,000 less than the amount recommended by the President, and is below the amount the Department believes to be necessary to enable it to cooperate with the States and local agencies in protecting crops from the widespread outbreaks of grasshoppers and Mormon crickets which will occur unless conditions unfavorable to them prevent their development, and to continue operations necessary to suppress the white-fringed beetle, an important recently introduced pest established in limited areas in the States of Florida, Alabama, Mississippi, and Louisiana.

The language recommended by the Department for this appropriation was changed in two places. These changes will, it is believed, have an important bearing on the program believed to be necessary.

One of these changes is the amendment made by the committee of the House as a whole which added the following words to line 24, page 3, "for the eradication of white-fringed beetles." The discussion regarding this amendment indicates that the addition of these words was intended to assure that the appropriation would be available for the eradication of the white-fringed beetle. The insertion of these words, however, makes the language providing this appropriation ambiguous, and is believed to be unnecessary and undesirable.

The Department is very definitely interested in the eradication of the white-fringed beetle and proposes to use its best efforts to suppress this pest and to cooperate with the interested States to accomplish its eradication. This pest is of potential importance to large sections of the country not now infested. In common with most insects, the white-fringed beetle can be combated most effectively during those seasons of the year that it is most active. There are, however, certain operations which must be carried on throughout the year if it is to be eradicated, and hence the work is continued throughout the year. The addition of the words "for the eradication of white-fringed beetles" does not provide any needed authorization and is believed to limit authority already provided. Also, it seems possible that they may be construed to restrict the use of these funds to eradication of the white-fringed beetle. It is recommended that these additional words be omitted.

The other change relates to the period for which the appropriation shall be available. The language in the bill as it passed the House provides that the appropriation shall remain available until December 31, 1939. The proposal submitted by the Department requested funds for the work believed to be necessary for the crop year 1939 but requested that they remain available until June 30, 1940, so there would be no interruption of the work. It was fully recognized that the white-fringed beetle could not be suppressed in one season. The termination of operations against this pest on December 31, 1939, even if additional funds were later provided, would be very undesirable. Operations to combat incipient and emergency outbreaks of plant pests have to be carried on vigorously during the active season. It is, therefore, necessary that funds be provided early in the calendar year and the operations planned largely on the basis of crop seasons. Experience has shown that estimates for work on control of incipient and emergency outbreaks of insect pests and plant diseases can be prepared with greater accuracy on the basis of a crop season rather than a fiscal year. Such procedure has been approved by the Bureau of the Budget and it is understood that the needs for funds that may be required for the crop season 1940 will be considered as one of the deficiency items of the next session of Congress. To limit an appropriation to a calendar year, however, would make it impossible to continue operations, such as those now required and under way on account of the white-fringed beetle, during the period from December 31 until Congress could consider estimates of funds required for the next crop season. It is recommended that the date during which these funds may remain available be changed from December 31, 1939, to June 30, 1940.

Representatives of the Department will be glad to furnish additional information that may be desired.

Sincerely,

H. A. WALLACE, Secretary.

LETTER FROM HON. J. H. BANKHEAD

Senator ADAMS. I also ask to have printed in the record at this point the letter which Senator Bankhead wrote to me, together with the attached telegram from Haygood Patterson, commissioner of agriculture, to Senator Bankhead.

The letter and telegram are as follows:

January 25, 1930.

Senator ALVA ADAMS,
Senate Office Building, Washington, D. C.

DEAR SENATOR: Some of us in the deep South are very much concerned about the progress being made by the white-fringed beetle, a very destructive insect. An appropriation was included in the deficiency bill, but those in charge feel that it is entirely inadequate, and we desire to make an effort to increase the appropriation from \$2,000,000 to \$3,000,000.

I am sending you copy of telegram received from Hon. Haygood Patterson, commissioner of agriculture of Alabama. I wish you would let me know when your committee takes up that subject, and I will also thank you to request Mr. Rohwer, Assistant Chief of the Bureau of Entomology and Plant Quarantine, to be on hand to give testimony on the subject of the need for fighting the white-fringed beetle.

Sincerely yours,

J. H. BANKHEAD.

MONTGOMERY, ALA., January 24, 1930.

Senator JOHN H. BANKHEAD,
Senate Office Building:

House Document 89 of the Seventy-sixth Congress for \$3,300,000 for control of insect pests and plant diseases was passed by the House but reduced to \$2,000,000. Would appreciate your support for the restoration of the entire amount, as the reduction will greatly hamper the efficiency of the control and eradication work of the white-fringed beetle here in the South.

HAYGOOD PATTERSON,
Commissioner of Agriculture.

Senator BANKHEAD. How much does the Department of Agriculture feel they ought to have to carry on the work until the 1st of July this year, the rest of the fiscal year? What amount does the Department think they ought to have in connection with doing this work?

Mr. ROHWER. We asked for money for suppression work for a crop season, because we wanted to do the work from January to January. We asked for the amount of \$477,000 for that work. That was an estimate of what we thought would be needed on the basis of the facts that we then had, but we recognized that conditions might change, and we did not want it to be a binding amount, because if situations developed so we needed to spend more of this incipient emergency money for the white-fringed beetle we wanted to have the freedom to do it; and if we do not have to spend that much money we will do as we have done in the past and turn the money back.

Senator BANKHEAD. What is the amount which you feel you need for that work?

Mr. ROHWER. \$477,000.

Senator BANKHEAD. What will you receive the way the item stands as adopted by the House?

Mr. ROHWER. The House appropriation is for \$2,000,000.

Senator BANKHEAD. What was your Budget estimate?

Mr. ROHWER. \$3,300,000. The House appropriation bill is for \$2,000,000. We have not at this moment made up the program of what would be done with the appropriation of \$2,000,000; \$2,000,000

will not make it possible to do the things that we think are necessary to do under this appropriation.

Senator RUSSELL. That includes grasshoppers, Mormon crickets, and other insects, does it not?

Senator BANKHEAD. And chinch bugs.

Mr. ROHWER. Yes; that includes those insect pests.

Senator TOWNSEND. What was the appropriation you had 2 years ago from which you were able to use \$355,000 for the suppression of the white-fringed beetle?

Mr. ROHWER. The appropriation, Public, 55, under the general authorization bill.

Senator TOWNSEND. What was the amount allocated for this purpose?

Mr. ROHWER. Out of the appropriation, which was \$1,000,000, we allocated \$215,400.

Senator ADAMS. What was the total amount for various kinds of plant-disease eradication during the last fiscal year?

Mr. ROHWER. The total amount that has been appropriated under this general authorization since it was enacted?

Senator BANKHEAD. No; the Senator meant last year.

APPROPRIATION IN LAST FISCAL YEAR FOR CONTROL OF INSECT PESTS

Senator ADAMS. I meant how much money altogether in the last fiscal year was appropriated for all of these kindred purposes?

Mr. ROHWER. The last fiscal year \$2,700,000 was appropriated for all of those purposes.

Senator RUSSELL. This is a continued appropriation?

Mr. ROHWER. No; the authorization is continuing, Senator, but the appropriations have all had a limitation placed on them.

Senator RUSSELL. There was no reappropriation?

Mr. ROHWER. No. Last year Congress appropriated by Public Resolution 81, \$2,000,000, and that appropriation became effective in the early part of March. They appropriated in the last deficiency bill an additional \$700,000, thus making available for the crop season 1938, \$2,700,000, in addition to the amount that had previously been appropriated and remained available until June 30, 1938. That was about \$600,000. So we had available for the crop season of last year \$2,000,000 plus \$700,000 and about \$600,000.

Senator TOWNSEND. \$3,300,000?

Mr. ROHWER. Yes.

Senator ADAMS. How much remains unexpended of that amount?

UNEXPENDED BALANCE FOR INSECT CONTROL WORK

Mr. ROHWER. We estimate that at the end of January last year we would have \$700,000 unexpended.

Senator ADAMS. You mean January 1939?

Mr. ROHWER. That is correct. And we used that in requesting the amount from the Department. The Department's estimate of the funds needed was \$6,117,000, from which we subtracted \$700,000 which we had, making the Department's estimate \$5,417,000.

Senator TOWNSEND. From this appropriation of \$3,300,000 you were able to use for the white-fringed beetle \$355,618; is that correct?

Mr. ROHWER. That is right.

Senator BANKHEAD. The estimate you have here is for \$447,000?

Mr. ROHWER. Yes.

Senator HAYDEN. I have before me the letter of the Secretary of Agriculture addressed to the chairman of the subcommittee. He indicates that inserting the words "for the eradication of white-fringed beetles" for carrying out the purpose, and so on, is not the proper way to go about it. On the other hand would there be any objection if the committee struck that out, and to insert after "grasshoppers, Mormon crickets," the words "white-fringed beetles"? That would put them in the same class as the others, in line 5, page 4.

Mr. ROHWER. Senator, you will find that the words with reference to grasshoppers and chinch bugs, are in quotations; it is a citation to an act.

Senator HAYDEN. Surely. That is merely a reference to the authorizing act.

Senator RUSSELL. I do not think that any of these bugs were found in our State.

Senator BANKHEAD. Senator Russell, you will find that they are very close to the border of your State.

Senator RUSSELL. But I have seen a moving picture made in south Alabama, in territory which is very highly infected, and the picture was certainly a very striking illustration of what the insects can do. If these insects can reproduce as rapidly as the Japanese beetle it would not take very long for them to cover the whole county.

Senator BANKHEAD. Senator Russell, there is only one county between the infested area in Alabama and your State of Georgia. Mr. Rohwer, I notice there is one county in Louisiana very close to Texas.

Mr. ROHWER. We found one or two beetles over there, Senator, and we made an effort to eradicate them, and we believe we were successful. We will have to go back and look over that area very carefully.

INFESTATION IN CITIES

Senator ADAMS. You mentioned the cities. Were you using the cities simply to give the location of an infestation on farms in the neighborhood of certain cities, or are they actually in the cities?

Mr. ROWHER. The infestation is actually in the cities, Senator. There it is actually in urban properties. But mostly it is in the urban properties immediately adjacent to lumber yards or railroad yards, where the bugs apparently have been moved in on lumber or other commodities and have fallen off of that lumber and crawled into the lots nearby, and causing damage in those small city properties. That is the situation in Pensacola.

Senator BANKHEAD. What do they eat in the city?

Mr. ROHWER. They eat anything that you grow in your garden. If you grow turnips they eat those right down. They eat turnips as they do potatoes.

Senator RUSSELL. They will eat almost any kind of grain also, will they not?

Mr. ROHWER. They feed on the roots of almost any kind of plant that grows.

Senator BANKHEAD. Do they eat flowers grown in yards?

Mr. ROHWER. They are not particularly destructive of foliage. Their feeding on foliage seems to be somewhat restricted to particular types of plants.

Senator HAYDEN. What is the size of the grub worm?

Mr. ROHWER. The grub worm is one-half inch long, Senator Hayden, and the beetle is about half an inch long. The white-fringed beetle is somewhat bigger than the boll weevil.

Senator TOWNSEND. Is it not unusual to find that insects propagate without mating?

Mr. ROHWER. No; that is a circumstance which is very common in the insect world, in fact in the animal kingdom. There are whole groups of animals which reproduce without mating, so far as any record is known. This beetle is only one of a number of important pest, which does that.

Senator TOWNSEND. What other examples of propagation without mating can you cite?

Mr. ROHWER. Some of the worms reproduce without mating, and some of the fishes reproduce without mating, as far as two individuals are concerned. One individual contains both the sperm and ovum.

Senator BANKHEAD. Are you asking anything in this bill with respect to the establishment of quarantines?

Mr. ROHWER. The bill which is before you, Senator, does not have in it any item for quarantine enforcement.

Senator BANKHEAD. Has a request been made that an appropriation for quarantine enforcement be placed in the bill? When do you need that money?

SEPARATE ESTIMATE FOR QUARANTINE ENFORCEMENT

Senator ADAMS. I will say, Senator Bankhead, that there is a separate estimate before the House now for quarantine enforcement. It is a separate estimate.

Senator BANKHEAD. If the money is needed now, could we not put it in the bill which is now pending before us?

Senator ADAMS. The House is considering it on a separate estimate which went in on the 28th of January.

Senator RUSSELL. But if we do not take it up now, it will have to wait until the next deficiency bill.

Senator ADAMS. The next deficiency bill is under way in the House committee now.

Mr. ROHWER. We are proposing to use, as we have been using, this incipient and emergency money to enforce that Federal quarantine. We are proposing to use that money which is appropriated under this language to enforce the quarantine. So our set-up for the white-fringed beetle work involves not only this \$477,000 but it involved an amount for quarantine enforcement of \$294,700. And that was with the idea that we would start with that quarantine money on February 1. The Budget estimate provides for beginning the quarantine enforcement expenditures under a separate appropriation at a later date. So if the Budget estimate is provided for quarantine enforcement, and the full amount that the Department thinks is required is provided for the work on incipient and emergency outbreaks, there will be a difference of around \$40,000 between the amount of the Department's program and the appropriations that are made under those conditions.

Senator ADAMS. So that we get the picture, let me say that an amendment was offered over in the House to include the white-fringe beetle in the bill. That was carried. The amendment to increase the amount by \$300,000 was defeated.

Senator BANKHEAD. Right at this point I wish to ask a question for information. I do not know what the situation is, but should like to know whether there is any distress situation in relation to money to continue the quarantine enforcement. Is there any emergency in that respect? If so, we can be called upon to act in this bill, rather than let it go over until the next appropriation measure is considered. What are the facts about that, Mr. Rohwer?

Mr. ROHWER. The facts are these, Senator. We will use the appropriations that are made under this incipient and emergency authorization to enforce the quarantine until a separate appropriation becomes available for us.

Senator BANKHEAD. Referring to the item for quarantine enforcement that you took out, can you later get it into another bill?

Senator ADAMS. If it is in generalized terms rather than specific terms. That is, the broader the term of the appropriation, the more leeway they will have.

Senator BANKHEAD. I see that, but I was wondering whether he would find himself handicapped under that procedure later.

Senator TOWNSEND. Under the language of the measure passed last year they were able to use \$355,000, so I think that language is quite liberal.

Senator BANKHEAD. That is all, gentlemen.

FOREST SERVICE

STATEMENT OF RAYMOND B. STEVENS, CHAIRMAN OF THE UNITED STATES TARIFF COMMISSION

NEW ENGLAND HURRICANE RELIEF

Senator ADAMS. State your name, Mr. Stevens, and your position for the record.

Mr. STEVENS. Raymond B. Stevens. I am Chairman of the United States Tariff Commission.

I appear before you, not in connection with tariff at all but on this section of the bill which has to do with an appropriation for fire hazards in New England. I should like, if I may, to qualify as a witness. I have no direct official connection with the fire-hazard work or timber-salvage work, but I have a sort of a semiofficial position. I was asked by the committee appointed by the Governor of New Hampshire on this emergency matter to cooperate with them, and I have, with the consent of the President and with the consent of my own Tariff Commission, devoted not all but a considerable part of my time in the last 8 months to the problems that have grown out of that tropical hurricane in New England.

Mr. Chairman and members of the committee, I have lived there all my life. I have lived in a rural area, which has a great deal of timber, and I am thoroughly familiar with the timber situation. I was there

at the time of the hurricane itself, and have been in constant touch since with Mr. Silcox's organization, the State organizations, and I have been up there watching the work that has been going on. I just returned this morning from a trip to New England.

Very few people in the United States, and many people in New England who live in the cities, have little conception of the extent and permanent injury to New England that was caused by that hurricane, either in the damage done to standing timber or in the extent of the fire hazard created by that hurricane in New England. I have been over a good deal of the down area myself. For example, 75 percent of the area of New Hampshire is woodland, and it is not remote woodlands away from settlements, but all through the woodlands there are small valleys with farms, sometimes villages, hotels, tourist properties, and thousands of these summer camps for girls and boys are scattered on the edge of and throughout this timbered area, where we have billions of feet of down timber, mature timber, and immature timber, most of it pine.

FIRE HAZARD

It follows that unless a great deal of money is spent, and spent immediately, there is not only a possibility, but a very great probability of fires there, because we have a great many people throughout the summer, tourists, traveling there and living throughout this area. It has become a great tourist area. If the fires start up there, with the situation which exists today, they will spread over a very considerable part of the State of New Hampshire. They will not only burn up such standing timber as is left, and probably burn up the top soil, but, what is perhaps far more serious than that, there is bound to be a very great loss of property and probably a great loss of life. Farms, whole villages, hotels, tourist camps—all of them are in a danger area from this sort of fire.

If a fire started under present conditions it would be utterly impossible to control it. If there is any wind, and a draft, it will scatter ahead of it burning brands on other areas, and the fire will spread almost as fast as an automobile can travel.

That situation created two problems. The first problem, an emergency problem, is the removal now, during this winter and spring, of the down timber along the highways and in strategic places, near villages and tourist property, and through certain fire lines, so that protection may be afforded. That work ought to be done. It ought to be under way right now. The cheapest time to burn brush is in the wintertime and early spring. That work ought to go on.

I do not believe for a moment that the New England States ought to throw the full expense of this work on the Federal Government, but I do think that it has created a problem of such magnitude, and requires so much money at once, that the Federal Government ought to make a substantial contribution to it. I do not object in principle to the idea of making the States contribute an equal amount. As a practical matter I think it might be unwise to put it in this bill, because that work ought to be going on at high speed now.

COST TO NEW ENGLAND STATES

No matter how much money you appropriate, whether your appropriate \$3,000,000 or \$5,000,000, the New England States will have to spend a great deal more money than that in connection with this fire hazard work. There is going to be a great addition to the expenditure in those States in an entirely different field than the burning and clearing up of brush. I refer to fire prevention and fire control. We must greatly increase the number of men on patrol, and the number of fire stations, engines, and equipment to fight fires all through New England, no matter what you do here. Whether you give us \$5,000,000 or \$6,000,000, we will have to spend in New England a great deal of money of our own to help protect the essential property up there and our tourist business.

Senator RUSSELL. Have any reliable estimates been made of the total monetary damage sustained by forests and woodlands?

Mr. STEVENS. I have seen some estimates. I could not give you the figures. I can give you some idea.

Senator RUSSELL. Was the timber which was blown down capable of being processed into lumber?

Mr. STEVENS. It consisted of both kinds. I will give you my best judgment. Let me say that the estimates made up there are only estimates. It is very difficult to go over down timber and tell how much was there in the first place.

Senator RUSSELL. I thought perhaps the Forest Service might have cruised the area.

Mr. STEVENS. They have looked at it.

ESTIMATED AMOUNT OF TIMBER DAMAGED

Senator OVERTON. Mr. Silcox made the statement that there was 1,000,000,000 feet.

Mr. STEVENS. There are 4,000,000,000 in the opinion of the people best informed. The men who know the most are the men who knew what the stand was before the hurricane struck. You can tell very little by looking at down timber, where it is all down, either as to the amount or the grade. Probably 2,000,000,000 feet were merchantable timber. Of the 4,000,000,000 feet I think there is about 2,000,000,000 that is now worth getting out, if we had time enough and men to get it out. The other 2,000,000,000 is not. It is so mixed in with the smaller stuff that is down, that if you go in and get it now, the cost would be more than it is worth. There is about 2,000,000,000 feet that could be saved and sawed, which would bring back expenses, if we had the time to get it out. The Forest Service figures that the ideal amount would be 1,500,000,000. However, in addition to that, there is much more immature and growing timber that came down with it. The problem up there is a continuing problem. The additional expense that the New England States must assume on account of this fire hazard, in the way of fire control and fire prevention, patrol, fire stations, engines, and equipment, is not a temporary expense at all. Soft timber, which has fallen down in the woods, and crossed itself so that the branches are off the ground, will not rot for years. I can show you fallen pine trees the limbs

and bodies of which are sound. The bark will fall off. The sap wood will fall off, and those dry trees will stay there for years and years. They do not rot unless they lie on the ground.

So, we have in New England a task which we will have to take on ourselves and carry out for a good many years. We have to spend large sums of money in fire patrol and fire control, and equipping fire stations all through this area to deal with fires if they start, because it is utterly impossible to clean up all this brush land. It would require an enormous sum of money to do it, and I think nobody plans to do it. So, even with these expenditures, we are going to be left with a serious problem for many years, which we in New England expect to carry ourselves.

Senator GLASS. We are very glad to have had your statement, Mr. Stevens.

Mr. STEVENS. It will not be necessary for me to come back?

Senator RUSSELL. No. I notice that Mr. Silcox went into the question very fully before the House committee, and we have those hearings printed and available. He gave practically the same figures.

Mr. STEVENS. I do not know that I have added anything to it. I know so much about it, and am so interested in it, that I feel compelled to take advantage of any opportunity I have to urge the seriousness of the situation on the officials in Washington.

Senator GLASS. We are very glad to have your statement.

(The following letters were ordered to be printed in the record:)

LETTERS FROM FEDERAL HOUSING ADMINISTRATION

FEDERAL HOUSING ADMINISTRATION,
Washington, January 27, 1939.

HON. ALVA B. ADAMS,

Chairman, Subcommittee in Charge Second Deficiency Bill,
United States Senate, Washington, D. C.

MY DEAR SENATOR ADAMS: Under date of January 4 the President transmitted to the Speaker of the House of Representatives a supplementary estimate of appropriation for salaries and expenses of this administration for the fiscal year 1939 amounting to \$5,000,000, of which \$2,750,000 is to be paid out of our mortgage insurance fund and \$2,250,000 out of funds of the Reconstruction Finance Corporation.

This estimate of appropriation became necessary by reason of the large increase in our expenses as a result of the amendments passed to the Housing Act last February, which have more than doubled our volume of business.

We had thought that this item was to be included in the second deficiency bill, which has passed the House and which is now before your subcommittee, but it now develops that it was not so included. Our present position now is that we have barely enough money to pay our February pay roll and certainly will not have anything with which to pay our pay roll or other expenses after February 28.

I would deeply appreciate it if you can find it possible to include this item in the second deficiency bill which is now before your subcommittee.

With kind personal regards, I am

Sincerely yours,

STEWART McDONALD, Administrator.

[Memorandum]

FEDERAL HOUSING ADMINISTRATION,
December 13, 1938.To: Mr. Stewart McDonald, Administrator.
Subject: Estimates, fiscal year 1940.

The following is a schedule showing our estimated receipts from fees, premiums, and interest on investments for the fiscal year 1940:

Examination fees (net) Mutual Mortgage Insurance.....	\$3, 181, 500
Premiums, Mutual Mortgage Insurance.....	11, 818, 500
Examination fees (net), housing fund.....	517, 500
Premiums, housing fund.....	985, 007
Interest on investments, Mutual Mortgage Insurance.....	708, 545
Interest on investments, housing fund.....	49, 258
Total receipts (applicable against expenditures).....	17, 821, 000
For this same period the Budget Bureau has allocated for expenses.....	12, 500, 000
Surplus.....	4, 821, 000

W. ZANE, Executive Assistant.

FEDERAL HOUSING ADMINISTRATION,
Washington, D. C., January 31, 1939.

Hon. ALVA B. ADAMS,

Chairman, Subcommittee in Charge Second Deficiency Bill,
United States Senate, Washington, D. C.

MY DEAR SENATOR ADAMS: When Mr. Zane and myself appeared before your subcommittee yesterday in connection with a deficiency appropriation of \$5,000,000 for the expenses of this Administration for the fiscal year 1939, you requested that I write you and explain why our regular appropriation for the fiscal year 1939 was not apportioned over the entire year and why we found ourselves at this time with only sufficient money to carry us through the month of February.

You will recall that in February 1938 an act was passed amending our act so as to greatly extend and broaden our activities. When it appeared probable to us that the amendments would be passed, we undertook to reach some estimate as to the amount of additional expenses that we might be called upon to incur during the remainder of the fiscal year 1939 by reason of our increased operations under the amendments.

The act making the amendments was finally approved by the President on February 8, 1938, and a day or two thereafter we presented to the Bureau of the Budget a supplemental estimate for additional funds in the amount of \$3,000,000. The reaction of the Budget Bureau to this estimate of increase was that we had no facts or experience on which we could make any reasonably accurate estimate of what our additional costs would be, and any estimate that was made at that time would be largely guesswork. It was pointed out that the amendments might not increase our expenses at all, so that the \$3,000,000 would not be necessary; and on the other hand, the amendments might cause such a substantial increase as that it would be necessary to submit to Congress a further supplemental estimate later on. The Budget Bureau then suggested we wait until we had some further experience on which we could base a reasonably accurate estimate and in the meantime that we should furnish monthly estimates of our anticipated expenses, which the Bureau would permit us to pay out of our regular appropriations.

In accordance with this understanding the Budget Bureau, under date of January 3, 1939, submitted to the President for his consideration a supplemental estimate of appropriation for this Administration for the fiscal year 1939, amounting to \$5,000,000, of which \$2,750,000 is to be paid out of the moneys of the Administration and \$2,250,000 paid out of funds advanced to the Administration by the Reconstruction Finance Corporation. The justification for this estimate was stated by the Budget Bureau to be due to the amendments which I have above referred to. The President, under date of January 4, 1939, transmitted the estimate to Congress for its consideration.

As I stated to the committee yesterday, we have at the present time about \$1,150,000 out of our original appropriation, which ordinarily would pay our expenses for the month of February. It is apparent that without the deficiency appropriation this Administration will have to reduce immediately its force to a purely skeleton force and possibly close our State offices.

With kind personal regards, I am,

Sincerely yours,

ARNER H. FERGUSON,
General Counsel.

LETTER FROM HON. MILLARD E. TYDINGS RELATIVE TO APPROPRIATION FOR SENATE OFFICE BUILDING

UNITED STATES SENATE, *February 1, 1939.*

HON. ALVA B. ADAMS,
United States Senate, Washington, D. C.

DEAR SENATOR ADAMS: I understand that incorporated in the legislative appropriation bill for 1940 is an item to supply venetian blinds to that part of the Senate Office Building not already so equipped, and that the same has been approved by the Rules Committee.

If this is correct, would it be possible for our subcommittee to consider transferring the funds from the regular legislative appropriation bill to either the first or second deficiency bill? Mr. Younger has the necessary information and can be called before the committee to furnish a copy of the item and an explanation of the same.

I make this suggestion for the reason that if we are to appropriate for this equipment it might just as satisfactory, as I see it, to include it in the deficiency bill, and by so doing make it possible to have the benefit of the same during the coming summer months. My office is located on the west side of the building, and the glare throughout practically the entire day is very trying for my secretaries working in the office, and I am sure that the same is true in the other offices which are on this side of the building.

You will understand that I am not definitely asking the committee to approve the item, but if the majority feel that it is necessary equipment for the building, I do ask that we consider it for the deficiency bill rather than wait until funds are made available in the 1940 bill. By doing that it would probably mean that we would not have the benefit of the equipment for another year.

I write this note, as I may not be able to attend the meeting this morning, since I am working on an important speech which I am to deliver in New York tomorrow.

With best wishes and kind regards, I am,

Sincerely yours,

M. E. TYDINGS.

(Thereupon, at 12:05 p. m., the subcommittee adjourned.)

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