



of putting a "corps of inspectors" on co-ops which abuse their tax immunity and nag them. He said he was very much in favor of co-ops but very much against these abuses. Several Cabinet members then pointed out the practical political impossibility of making any proposals on this problem now. The Administration certainly would be accused of going after the poor for the benefit of the rich. If we try to tax credit unions, for instance, this charge would certainly be made.

The President concluded that perhaps our best course of action now was not to make an immediate decision, but he asked Secretaries Humphrey and Benson to continue to try to work out some kind of proposal on the question of taxing co-ops.

Organization of the War Communications Administration - Dr. Fleming briefly summarized the proposal for which he sought Cabinet concurrence: That authority in this field be given to one person rather than a board collectively. The President emphasized that in any real emergency one man, rather than a committee, must have the responsibility. He pointed out that a board could be appointed but that its executive authority would have to be put in the hands of its chairman.

Report from the Dust Bowl. - Sec. Benson distributed a map showing the areas of potential danger and his recent itinerary.

(The President left the meeting briefly at this point.)

Mr. Benson summarized his impressions as follows: Colorado, some of Texas, and New Mexico were worse than the reports he had received. Other areas, especially Kansas, were not so bad. His own feeling was that the Government, through its system of price supports, is partly to blame for the over-cultivation of some of this area and has a moral obligation to help out. Even though the drought now is as severe as that in the 1930s, there has been no exodus from the area for several reasons: (1) Farmers now have greater resources than they had in the 30s; (2) they have better knowledge and better equipment; (3) they remember how the conditions of the 30s changed and improved after a while.

The Secretary said he saw large areas that were badly damaged in the 30s but are now surviving well because they have had the benefit of good agricultural practices -- and he described what some of these were and how they took effect in halting dust storms. He pointed out the variety of state laws in the area. Kansas, for example, requires that if a farmer fails to use sound agricultural practices and endangers his land thereby, the County Commissioners come in and work over his farm, and then charge the expenses to his taxes. Colorado, on the other hand, has a much more poorly enforced law. The Secretary told of the two meetings which he expects to call with the Governors of the central states and with the land grant colleges.

Overs seas Use of Administration Speeches (CI - 2) - Mr. Streibert referred briefly to a recent column by David Lawrence which pointed out the confusion in Europe about all the American voices which were heard speaking on policy matters for foreign audiences. He summarized CI-2, which was favorably received by the Cabinet.

(The President returned to the meeting at this point.)