

# **SOLDIERS' ADJUSTED COMPENSATION**

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## **HEARINGS**

BEFORE A

**SUBCOMMITTEE OF THE  
COMMITTEE ON FINANCE  
UNITED STATES SENATE**

**SIXTY-SEVENTH CONGRESS  
SECOND SESSION**

ON

## **AN ACT**

**TO PROVIDE ADJUSTED COMPENSATION FOR VETERANS OF  
THE WORLD WAR, AND FOR OTHER PURPOSES**

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MAY 29, 1922

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Printed for the use of the Committee on Finance



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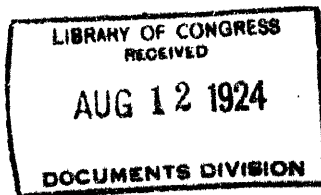
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## SOLDIERS' ADJUSTED COMPENSATION.

MONDAY, MAY 29, 1922.

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

The subcommittee met pursuant to call at 2:30 o'clock p. m., in the committee room, Capitol, Senator McLean of Connecticut presiding.

Present: Senators McLean (chairman), Curtis, Sutherland.

Present, also, Senator McNary, of Oregon, Congressman Sinnott, of Oregon, Smith of Idaho, and White of Kansas.

Senator McLEAN. Mr. Mondell, you are interested, I believe, in Title 8 of H. R. 10874, the bonus bill, so called, which reads as follows:

[H. R. 10874, Sixty-seventh Congress, second session.]

AN ACT To provide adjusted compensation for veterans of the World War, and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

\* \* \* \* \*

### TITLE VIII.—LAND SETTLEMENT.

#### NATIONAL VETERANS' SETTLEMENT BOARD.

SEC. 901. (a) There is hereby established a board to be known as the "National Veterans' Settlement Board" (hereinafter in this title called the "board") and to be composed of five members as follows:

(1) The Secretary of the Interior (hereinafter in this title called the "Secretary"), and

(2) Four members to be appointed by the President by and with the advice and consent of the Senate.

(b) No veteran retired for age or longevity of service from active service in the military or naval forces shall be eligible for appointment to, or remain eligible for membership upon, the board. Any vacancy in the office of an appointed member shall be filled in the same manner and under the same limitations as in the case of the original appointment.

(c) The Secretary shall be the executive and administrative officer to carry out the plans and purposes adopted by the board under the provisions of Title VII and of this title. The members of the board, except the Secretary, shall receive an annual salary of \$7,500. Of the members appointed to the board in the first instance, one shall be appointed for a term of two years, one for three years, one for four years, and one for five years. Their successors shall hold office for terms of five years; except that any member appointed to fill a vacancy shall be appointed only for the unexpired term of the member whom he succeeds.

#### ESTABLISHMENT OF PROJECTS.

SEC. 902. The board is hereby authorized to establish veteran settlement projects (hereinafter in this title called "projects") for the reclamation and settlement of lands by means of irrigation, drainage, or other manner or method of development and improvement thereof, including the building of necessary public roads within the projects. Projects shall be selected by the board with a view to the development of one or more projects in each of the several States where the establishment of a project is feasible.

SEC. 803. (a) The board may by gift, purchase, deed in trust, or otherwise acquire lands suitable for any project; but no project shall be finally selected, and no lands shall be acquired by purchase, unless the price and other conditions of acquisition have been submitted to and approved by (1) the governor of the State in which the lands are located, (2) as to price only, a land bank appraiser to be designated by the Federal Farm Loan Board, and (3) the board. If the governor of the State fails to signify his approval or disapproval within such time as the board by regulation shall determine, the land commissioner, or if there is in the State no official of such title, then the agency which under the laws of the State is authorized to perform the functions ordinarily exercised by a land commissioner, may act in lieu of the governor.

(b) In case any project includes privately owned land, no construction work shall be commenced upon the project until the owners of all such land in the project have each conveyed or agreed to convey to the United States title to all land owned by him in excess of a farm unit as established for the project under the provisions of section 806.

(c) The Secretary (1) may withdraw from location, sale, settlement, entry, or other disposition and place under the control of the board such unappropriated public lands as he deems necessary for any project, and (2) shall restore to public entry lands so withdrawn, if subsequently the board finds that such lands are not so required.

(d) The board may in its discretion contract with any irrigation or drainage district or other public corporation organized under the laws of the State in which the project is located to establish, develop, improve, and otherwise cooperate (in accordance with the provisions of this title) in the execution of, and the administration of the affairs of, any project comprising only the lands of such district or corporation.

#### COOPERATION WITH FEDERAL AND STATE AGENCIES.

SEC. 804. The board may, in executing the provisions of this title--

(a) Make use of, cooperate with, and allot moneys appropriated for its use to, any existing agency of the Federal Government which agrees to act as the agent of the board. Such agency is hereby authorized, within the limits of the moneys allotted it and under the direction of the board, to perform work in connection with any project.

(b) Whenever a State provides funds to be expended by the board in the establishment, development, and improvement of any project within the State, the board may contract with the State, or any agency thereof designated by the governor, to cooperate with the board, to such extent as the board deems advisable, in the work in connection with the project. The board may further establish a branch office in the State to administer matters arising in connection with projects in the State.

(c) Whenever a State provides not less than 25 per centum of the amount of the funds which are, in the opinion of the board, necessary to be expended by it in the establishment, development, and improvement of any project within the State, the board shall authorize the State, or any agency thereof designated by the governor, to undertake, subject to the general supervision of the board, (1) the selection, acquisition, and subdivision of lands for, and the improvement of farms within, any project, and (2) the development thereof after the project is open to settlement.

SEC. 805. So far as practicable, veterans shall be employed and their services utilized in the administrative and field work necessary to the establishment and development of any project by the board and all Federal agencies cooperating therewith. All contracts or other agreements of the board with any cooperating State or agency thereof shall contain a like stipulation. At the earliest practicable date each veteran so employed upon a project shall be allowed to select and shall be allotted, as herein-after in this title provided, a farm unit upon which he may construct a dwelling and make other improvements.

#### ALLOTMENT AND SALE OF LANDS.

SEC. 806. (a) The board shall establish for each project or portion thereof (1) farm units of an acreage sufficient, in the opinion of the board, for cultivation by and the support of a family, and (2) farm worker's units of a small acreage sufficient, in the opinion of the board, for part-time cultivation by a farm worker's family.

(b) The board may set apart and reserve tracts within any project for use free from all charge for community and other public purposes, but the title to such lands shall remain in the United States. Whenever any such tract fails to be used for the purpose for which it was set apart and reserved, the board shall, after due notice and hearing, declare the tract forfeited to the United States. Such tract shall thereupon resume its original status.

(c) The board may establish town sites within any project and develop and sell lots therein, to veterans and repatriates only, under such regulations and upon such terms as it shall prescribe.

Sec. 807. (a) When used in this title, the term "repatriate" includes (1) any citizen of the United States who has served with the military or naval forces of any nation allied against the German Government or its allies without loss of citizenship, and (2) any former citizen of the United States who has so served with loss of citizenship but has since been repatriated; except that such term shall not include a veteran or any individual who was separated from such forces under other than honorable conditions.

(b) Whenever in the opinion of the board farm units or farm workers' units within any project are available for settlement, the board shall give public notice and description thereof, together with a statement of the construction charges and other conditions incident thereto, and shall mail individual notices to any veteran whose name has been certified to the board under the provisions of section 303. The board shall allot a farm unit or a farm workers' unit to any such veteran or repatriate who applies therefor in such manner as the board shall by regulation prescribe. As between applicants, preference in making allotments shall be given, first, to a veteran who has been employed upon and who has rendered substantial service in the development of any project; and, second, to a veteran or repatriate, who, in the opinion of the board, is least likely to fail in his enterprise or to cause the United States loss.

(c) The board shall allot farm units, farm workers' units, and town lots to veterans and repatriates only.

Sec. 808. (a) The cost of construction, including the purchase price of any lands acquired for the project, but excluding administrative expenses and the expenses of maintaining general offices and exercising general supervision over projects, shall be apportioned equitably among the farm units, farm workers' units, town lots, and other tracts within the project in proportion to the selling value of each unit, lot, or tract; and the total sale price of all lands within the project shall be fixed with a view of repaying the total of such construction cost of the project.

(b) Each allottee of a farm unit or farm worker's unit shall pay to the board such price as the board shall fix for the unit in pursuance of the provisions of subdivision (a) of this section; except that in case the allottee is a veteran there shall be deducted from such price the amount of his adjusted service credit.

(c) A veteran or repatriate may at his option, in lieu of payment in full at the time of entry, pay all balances due upon the purchase price for his unit upon an amortization plan by means of a fixed number of annual installments sufficient to cover (1) interest on the unpaid principal at the rate of 5 per cent per annum, and (2) such amount of the principal as will extinguish the debt within an agreed period not exceeding twenty-five years from the making of the contract of purchase. In the case of a veteran, the installments shall be so arranged that he will not be required to pay any installment until two years after the making of the contract of purchase. The board may in its discretion, whenever it is of the opinion that any emergency has caused default in the payment of any installment of the veteran or repatriate, postpone the payment of such installment until such date as it deems expedient. Such postponed payments shall continue to bear interest on the unpaid principal at the rate of 5 per cent per annum from the date of the contract of purchase. The board shall make such regulations as to residence upon, and use or cultivation of, units by a veteran or repatriate, as in the opinion of the board will carry out the purpose of making the unit his permanent home.

Sec. 809. A patent or deed, as the case demands, shall immediately be issued to a purchaser who has paid the full price for his unit, and may be issued at any time more than five years after the date of purchase to any purchaser under the amortization plan who has met all payments then due from him to the board and has observed all conditions prescribed by regulations issued under the provisions of subdivision (c) of section 808. Each such patent or deed shall expressly reserve to the United States a prior lien on the land patented or deeded, superior to all other liens, claims, or demands whatsoever, for the repayment of all sums due or to become due to the board.

Sec. 810. (a) If the veteran dies after making application in accordance with the provisions of section 302 for land settlement aid and before having entered into a contract of purchase under section 808, the amount of his adjusted service credit shall be paid by the board to his estate, but no such payment shall be made if the veteran has been separated from the military or naval forces under other than honorable conditions or discharged therefrom on account of his alienage.

(b) If the veteran or repatriate dies, previous to the completion of his contract of purchase, the successor by law to his interest in the land, if a widow or heir at law,

may assume the contract of purchase. If the successor is other than a widow or heir at law, the balance due the board under the contract of purchase shall be due immediately and shall be paid the board within such time after the death of the veteran as the board shall by regulation prescribe.

Sec. 811. No lands within any project shall in any event become liable to the satisfaction of any debt contracted prior to the issue of the deed or patent therefor. No transfer, assignment, mortgage, or lease of the interest of any purchaser of a unit shall, unless approved by the board, be valid previous to the issue of the deed or patent for the land, or within five years after the date of purchase.

Sec. 812. Prior to the issue of a deed or patent, as the case may be, for any unit, lot, or tract within a project, such unit, lot, or tract shall be subject to taxation by any State, or political subdivision thereof, but only upon the appraised value of the owner's interest in the land and improvements thereon. If the owner fails to pay any such tax or assessment, the board is authorized to pay such tax or assessment and to include the amount of the payment, together with interest and penalties at the rate provided by law for delinquent taxes in the State in which the land is located, in the installments payable under the contract of purchase.

Sec. 813. Upon the default of any payment due to the board under, or upon the violation of, the provisions of subdivision (c) of section 808, or of section 810, 811, or 812, the interest of the purchaser in the unit shall revert to the United States free of all encumbrances, but subject to the right of the defaulting debtor, or any mortgagee, lien holder, judgment creditor, or subsequent purchaser, to redeem the land, within one year after the board gives notice of such default, by payment of all moneys due with interest at 8 per centum per annum from the date of default, and costs. The board, at its option, may cause the land to be sold at any time after such failure to redeem. From the proceeds of the sale the board shall retain all moneys due, with interest as provided, and costs. The balance of the proceeds, if any, shall be the property of the defaulting debtor or his assignee. In the case of sale after failure to redeem under this section, the board is authorized to bid in such land at not more than the amount in default, including interest and costs.

Sec. 814. In case a veteran has entered upon land reclaimed under the reclamation law, the board shall, upon application of the veteran, pay to the reclamation fund the amount of the adjusted service credit of the veteran, and the Secretary of the Interior shall thereupon credit such sum to the amount payable to the fund by the veteran.

#### RECEIPTS FROM PROJECTS.

Sec. 815. All moneys received by the board as payments in respect to lands within any project shall be covered into the Treasury of the United States as miscellaneous receipts; except that from such receipts shall be deducted the amounts required to make such repayment or reimbursement to any State or designated agency thereof, or to any district or other public corporation, as is necessary to carry into effect the provisions of subdivision (d) of section 803 and of subdivisions (b) and (c) of section 804.

#### APPLICABILITY OF RECLAMATION LAW.

Sec. 816. The board shall, so far as possible, in executing the provisions of this title, make use of existing agencies in the Department of the Interior and comply with the reclamation law in so far as such law is applicable and not inconsistent with the provisions of this title. Such reclamation law shall, for the purposes of this title, be deemed applicable to the reclamation of lands by drainage, or by any other manner or method, as well as to reclamation by irrigation. This section shall not be construed to give the board any control over the disposition of moneys in the reclamation fund.

#### EFFECTIVE DATE.

Sec. 817. Sections 802 to 816, both inclusive, shall take effect on January 1, 1923. Senator McLEAN. You may proceed.

#### STATEMENT OF HON. FRANK W. MONDELL, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF WYOMING.

Mr. MONDELL. Mr. Chairman and gentlemen, I wish to thank you for the opportunity of appearing before you to urge the adoption of a reclamation land settlement, and farm-home development provision on the adjusted compensation bill, or, as it is known, the bonus bill.

The very earliest proposal of aid and assistance to the returning soldier, not only the soldier who may have been somewhat injured, but the soldier who came home well and hearty, was along the line of assistance to enable him to secure a home on the land. Many of those men are without any considerable means, and we all know that it is difficult for a man starting without some savings to acquire ownership and proprietorship of an improved, developed farm home.

Our people from the very beginning of our history, or our young people at least, have, in large measure, obtained their homes on farms by going upon the raw lands and developing them. By so doing they have been enabled by their own efforts and their own labor to add to the lands the improvements necessary to make them productive. They have, by reason of their productive residence upon the lands and the improvements made upon the lands and in the community by themselves and their neighbors, become the beneficiaries of the increasing increment of value that came with development; and by securing lands in their more or less raw state and aiding in their development, men have been able to secure valuable farm homes who would have found it difficult to secure such homes had they, without previous savings, attempted to secure them through purchase.

Our returning soldiers, from the very beginning of the Government, have turned their faces toward the farms, toward the new lands, the raw lands.

It was the soldiers of the Revolutionary War who very largely blazed the way, or at least broadened the trails and roads across the Alleghenies, who settled the country along the Ohio. It was the soldiers of the Civil War who largely settled and developed the prairie States.

We have reached a point now where those opportunities no longer exist. The area of free lands or cheap lands that can be made productive by merely turning the sod is practically exhausted. The returning soldier of the World War looking to a farm home must either become a renter, must, as some few of them have, avail himself of very limited opportunities now offered under irrigation development and on the unirrigated lands of the West, or he must begin an uphill effort to secure a home by purchasing a farm already partly developed. It is very difficult for him to do that, or even to attempt to do it, without some considerable means; and if he does attempt it without considerable savings he is very likely to fail in his efforts.

In view of this changed situation, some of us who have had to do with new settlement and development and pioneering the land for a great many years began immediately after the close of the war and the signing of the armistice to consult together with a view to working out some plan whereby we might, in a measure, give to the returning soldier of the World War something like the opportunities that the returning soldiers of other wars have had.

With that object in view there were quite a number of meetings held in the office of the Secretary of the Interior, Hon. Franklin K. Lane, and elsewhere, and out of those meetings came a bill which was introduced during the Sixty-sixth Congress as H. R. 487, to provide employment and rural homes for those who served with the military and naval forces, through the reclamation of land. It came to be known as the soldier settlement act and was sometimes referred to as the Lane-Mondell bill.

That bill laid down a broad and comprehensive plan of land development applicable to practically all sections of the Union. Under that bill the lands that were to be reclaimed for the benefit of the soldier and by the soldiers in the far west would be reclaimed by irrigation reclamation; in the South and Northwest—some sections of the Northwest—by a combination of drainage, clearing, and leveling; in the States where certain areas have never been fully developed and others once developed have been more or less abandoned, by the orderly development and improvement of areas that have never been fully and completely developed for agricultural purposes, or for one reason or another may have been partly or wholly abandoned.

The plan or thought was the establishment throughout the country, for the purpose of furnishing homes for the soldiers, of conditions under which communities of soldiers would have a common interest, a common purpose, in the improvement and development of a considerable area of land to be divided into farms, each to secure such farm area as might be suited to his capacity as a farmer and might please his fancy as a landowner.

We have seen in the West the wonderful benefits of community development. I do not mean of communal development, but development through individual effort where everyone in the community has a common stake in making the community and the areas of the community productive. The community spirit is established, whereas a single individual going among well-to-do farmers on a tract of land which is not in its original state as alluring as the surrounding acreage, is likely to become discouraged by reason of the fact that he is doing pioneering work while all his neighbors are operating on developed properties. Where, however, everybody in the

community is doing pioneering work each encourages the other and no one is better circumstanced than another; all have a common interest in the development of the area and of the community as a whole.

The projects of development in order to be successful should include an area or acreage sufficient for a considerable community, a community which might gather around a center already established, or established a new center, a community large enough to enable those who participating in the development to have the benefit of cooperative effort so far as they might desire to engage in such effort.

In the arid West we have such communities under the Reclamation Service, and they have been in the main very successful. The same sort of communities could be developed anywhere in the Union. There is not a State in the Union outside of, possibly, two or three peculiarly fortunate States like Kansas, Illinois, and Iowa, where there are not very considerable areas producing little or nothing, which could, through cooperative effort, be transformed into thriving communities and the lands made fertile and productive.

If the committee had time, I could refer to localities of that sort within 100 to 150 miles of the capital. I visited several of them within 100 to 150 miles of this city last summer and the summer before, where, for one reason or another, areas have either never been well developed, or for reasons that were rather obscure and a little difficult to figure out, they have been partially abandoned, and where very prosperous and splendid communities could be built up.

It was the purpose of this soldier settlement bill to do a constructive thing for the country and for the soldier. The bill in question was reported by the Committee on the Public Lands of the House of Representatives on August 1, 1919, and remained on the calendar of the House during the remainder of that Congress. I was very anxious to have it brought up, but at that time the argument was made that we might want to do other things for the soldier and that this might be made a part of the general plan on behalf of the soldier and that, therefore, it would not be wise to consider the matter as a separate proposition.

The report on the soldier settlement bill was made by Mr. Sinnott, of Oregon. That report goes into the matter so intelligently, outlines the situation to be met, the conditions to be overcome so clearly, the benefits which it is hoped would accrue so convincingly, that I shall ask permission to place a portion of that report in the record. I shall not take the time of the committee to read it at this time.

(The extracts from the report referred to are here printed as follows:)

#### NATIONAL SOLDIER SETTLEMENT ACT.

The committee has given the most patient and thorough consideration to the matter of framing a comprehensive constructive program in the interest of our returning soldiers.

Broadly, the problem is how to absorb them into our national life on terms that shall be satisfactory to them and profitable to the Nation. Specifically, the problem as presented in all of the bills referred to the committee is how to furnish them with immediate employment and to open the way to self-sustaining homes on the land, and how to furnish them with the necessary capital.

There are two considerations to be borne in mind in dealing with the question. The first is the welfare of the soldier himself. It is incumbent upon Congress to see that no man who offered his life to protect the Nation in time of war shall come to want in time of peace. Every soldier who needs employment upon being discharged from the Army should have employment; and, so far as possible, employment at some congenial task. Moreover, it will be desirable in many instances to provide the soldier with a permanent occupation, and this should be of such a nature as to lead in the direction of genuine economic independence. The second consideration to be observed is, of course, the welfare of the Nation.

The American stock is of the colonizing breed. Not only the descendants of our earliest settlers but even our latest immigrants belong to the element which does not rest content with existing conditions, but constantly seeks to better them by reaching out to new opportunities in new lands. Our great patrimony of free public lands has been the safety valve of the Republic in the past. Lord Macaulay predicted that when this was gone—"then will come the real test of your institutions." If there was any measure of truth in the prediction, the present moment carries a challenge to the genius of American statesmanship, for the free public lands suitable for agriculture without irrigation are practically gone. Nevertheless, if the past is any guide for the present and the future, this is a challenge which must be accepted in order that the Nation shall remain sound and wholesome, and that man's conquest over the resources of nature shall go on in this and in coming generations.



In this connection it is worth while to recall how the veterans of the Revolution made their way through the almost trackless forests of the Alleghenies and planted the seeds of the great civilization we now behold both north and south of the Ohio River. It is well to recall how the veterans of the Civil War completed the occupation and development of the great region watered by the Mississippi and its tributaries, carrying their homes and farms to the extreme limit of the district where crops are assured by natural rainfall, and to the very threshold of the arid region.

There is another lesson which it is very important for us to learn from the past. The number of veterans who actually availed themselves of land opportunities at the close of former wars was small as compared with the total number engaged. Even so, the invitation to go on with the development of natural resources was effective not only in meeting the needs of the discharged soldier, but in steadying the whole fabric of industry and society at the most critical periods in our history.

As has already been said, the problem of how best to provide for the welfare of the returning soldier is not our problem alone, but equally that of all other countries. It is interesting to observe that the other great English-speaking countries—England, Canada, and Australia—are turning to the land as a means of meeting the need of the hour. England has a density of population equal to that of any American State. Its last acre of free public land disappeared centuries ago. And yet England is finding room upon her crowded soil to make more homes and farms for her soldier boys, and she is backing them in the new adventure with her money and credit. Canada and Australia have adopted most generous policies in this regard, as fully set forth in the report of the Secretary of the Interior on H. R. 487.

#### LEADING PRINCIPLES OF A SOUND POLICY.

In view of the foregoing considerations, the committee has decided that it is unquestionably the duty of Congress to enact legislation with the least possible delay which shall make provision for the welfare of returning soldiers, sailors, and marines; and that such legislation should be based on these principles:

First. The continuation of our historic policy of opening the way to work and homes on the land for the veterans of our wars.

Second. In the absence of any considerable area of public land suitable to the purpose, the acquisition of lands now in private ownership followed by such improvement as may be necessary, either by clearing, fertilizing, draining, or irrigating, in order to render them fit for the best forms of agriculture.

Third. The employment of soldiers wherever practicable in all departments of the work to be done on the basis of current wages to the end (a) that opportunities for remunerative work may be supplied to those who need or desire it, and (b) that the soldiers may have opportunity to accumulate the amount of money that will be required as final payment upon property subsequently allotted to them.

Fourth. The advance of limited sums of money to be used by the settlers in the construction of permanent improvements, such as houses, barns, and fences, and of other limited sums for the purchase of necessary livestock and equipment, always with a reasonable margin of security for the Government.

Fifth. The subdivision of lands into lots, farm-workers' tracts and farms and the disposal of such property upon such terms as shall, in a period of not more than 40 years, reimburse the Government for its entire outlay, with interest at 4 per cent per annum.

Sixth. The provision of reasonable safeguards against speculation in farm allotments, to the end that permanent homes shall be made in good faith.

Seventh. The colonization of soldier veterans in groups of sufficient size to enable them to take advantage of every opportunity for economy and efficiency in the purchase of supplies and sale of products and for organized social life; also to permit them to receive the full benefit of community-created values.

Eighth. The absolute solvency of the entire enterprise, alike from the standpoint of the Government and the soldier settler, and the authorization of a total expenditure of not more than \$500,000,000, but with actual appropriations made from time to time as particular projects shall be submitted to Congress by the Secretary of the Interior.

#### PROVISIONS OF THE BILL.

The present bill has been perfected after consultation with many elements of citizenship, representing many different parts of the United States. Soldiers, statesmen, sociologists, men of large affairs, practical farmers, gardeners, live-stock men, experienced administrators of the immensely successful Mormon colonization work in

Utah all have been consulted in the hope of evolving a measure that should be founded on sound economic principles, yet made sufficiently elastic to fit the widely varying conditions which must be dealt with in different parts of the country.

The original idea was to develop projects in every State where feasible opportunities were found, and the latest reports are to the effect that such projects will be found in every State. The ideal project would be one which should offer a sufficient area to make possible complete community development and thus to afford the cooperation, assistance, encouragement, and stimulus to be found in a well-organized community. The bill, however, fixes no minimum unit either for the farm or the project. It will be entirely feasible, under the wide discretion granted to the Secretary of the Interior, acting in cooperation with State authorities, to develop a small number of contiguous farms. In this connection it is well worth while to quote the testimony of Arthur P. Davis, the Director of the United States Reclamation Service:

"We know of an attractive tract in Pennsylvania, and quite a number in the State of New York: In Greene County, N. Y., there is a tract that I had better describe as being typical of others that can probably be found in other parts of the Northeast, where the settlement is supposed to be rather dense.

"Not far from Albany, in the Hudson Valley, is an area of eighteen to twenty thousand acres, already in farms and with farm buildings. The farms are usually from 154 to 400 acres, and most of them are under cultivation, but the majority are farmed by tenants. The great majority of the farms in the group I speak of are listed for sale, and I should say that the majority of the farms that are offered for sale could, at the time I looked, last December, be purchased at less than the present value of the improvements."

Secretary Lane has also directed attention to opportunities in the northeastern States, as follows:

"We have the land; we have it in every part of this country, in the North as well as in the South. One of the richest parts of the United States is Aroostook County, Me. Maine has been deserted in part in her farming regions because the boys have had a lust for the western country that I love, and I can not blame them for that; but they have left good farms there. In Massachusetts it may surprise you to know, perhaps, that we have one little section of country around Cape Cod where there is some of the richest land in the United States, and it has been proved so in the last two or three years; and in the body of the State they have very considerable quantities of land that needs to be cared for a little bit--cut-over land that has been deserted, that needs to be brought into shape--that will make good farm land. The same thing is true in New York."

It should be said that it is not proposed, as some critics have averred, to divert men from their own States and ask them to settle in "district swamps and deserts." The idea is to find opportunities of employment and homemaking in their own States and, so far as practicable, in their own districts, unless they prefer to go elsewhere. Since there will be an average fund of something more than \$10,000,000 available for each State, it will be entirely possible to have many small projects in a given State, provided favorable opportunities are found. It will be possible also to create industrial settlements near centers of population where groups of soldiers engaged as wage earners may desire to make homes on very small farms and perpetuate the beneficent scheme of war gardens. In a word, the soldier-settlement fund is designed to assist soldiers in getting homes under the best conditions, as these shall develop in practical administration.

Attention should be called to the safeguards which will surround the expenditure of the large appropriation authorized in this bill. The first actual appropriation asked for will be very small, only sufficient to enable the Secretary of the Interior to negotiate with various State commissions and enter into preliminary contracts for the acquisition of the needed lands. Each particular project and contract will then be submitted to the Committee on Appropriations and, if approved, presented for the action of Congress. Under this system the danger of serious blunders in the selection of projects would be very small indeed. Four different agencies will be brought into action before a dollar is expended in actual development, viz: First, the Secretary of the Interior, with his well-equipped organization for investigation, acting in cooperation with the farm loan board of the district; second, the governors and their State commissions, who will doubtless cooperate with important civic bodies in their various States; third, the Committee on Appropriations, which must consider and pass upon each contract and project; fourth, both Houses of Congress, who must actually vote the appropriation before the money can be expended.

The project having been developed to a point where the lands, by restoration, clearing, drainage, or irrigation, or a combination of these, were in fit condition for

utilization for farming, the area would be divided into farms of suitable size to support a family, and the price fixed on the farms, which in the aggregate will pay the cost of the project, the price of each farm to represent, as near as it is possible, its value compared with the total cost and the value of the other farms.

The soldier who has worked upon the project will be given the preference in the selection of farms, and a payment of 5 per cent of the value fixed is to be paid at the time the farm is allotted. Assuming the average value of \$5,000 or \$6,000 per farm, this would require an initial payment of \$250 to \$300, a sum which the soldier could save in anticipation of the projects during the period of the development of the project, which would be from one to three years.

After the farms have been allotted, assistance is to be given the soldier in the making of his improvements, the maximum loan provided for this purpose being \$1,500, and not in excess of three-fourths of the cost or value of improvements. The soldier's contribution to improvements could, and undoubtedly in the majority of cases would, be in the form of labor. During or in connection with the making of his improvements the soldier could by his personal efforts and work easily contribute his 25 per cent of the total cost.

Provision is also made for loans to the soldier settler for the purchase of necessary live stock and equipment, the maximum of such loans being \$1,200, or 75 per cent of the total cost of necessary live stock and 60 per cent of the cost of equipment. Here again the soldier's obligations under this class of loan could if necessary be met by his individual efforts. In fact, while it is assumed that in many cases the soldier would have some savings which he could utilize in getting a start, it is believed that a man starting at the beginning of one of these projects without any capital could, through industry and frugality, earn and save enough to meet his initial and other payments as they become due.

#### APPROVED BY PUBLIC SENTIMENT.

The late President Theodore Roosevelt advocated the soldier settlement policy, as proposed by Secretary Lane, in the last article which he wrote for the press. President Wilson has urged it upon Congress in two messages. The governors of 27 States have appointed commissions to cooperate with the Secretary of the Interior, and all of these commissions have expressed their earnest interest in legislation of this character.

One of the strongest indorsements of the bill in its present shape has come from the officers of the Eastern States Agricultural Industrial Exposition, which has its headquarters at Springfield, Mass., but represents 10 Northeastern States—the six States of New England and New York, Pennsylvania, New Jersey, and Delaware. This organization represents some of the strongest business interests in the country, who have inaugurated great plans looking to the systematic renewal and restoration of a prosperous agriculture throughout the northeastern part of the United States. They have discovered the very intimate relationship between industrial and agricultural prosperity and find that the existing condition under which, in the State of Massachusetts, for example, 92.8 of their entire population lives in cities, a very serious menace to their welfare. They are seeking, through the instrumentality of a permanent exposition at Springfield, to demonstrate that farming can be made a paying business and that it is possible to create more attractive conditions of rural life. These gentlemen have discovered that their work exactly parallels the policy embodied in the soldier settlement plan and have come to believe that the soldier will do as great a work for his country at home as he did abroad, while at the same time achieving an independence for himself. Hence they are urging the support of the measure by all the members from their 10 States.

#### DOES THE SOLDIER WANT IT?

The most vital question that can be asked in regard to this policy is this: Does the soldier want it? The answer is: *He does*. The American Legion has officially indorsed the bill after a careful consideration of its provisions. Up to the present writing 112,088 soldiers have made formal application for opportunities of employment and home getting under the terms of this bill. The number, which is increasing every day, ranges all the way from 8,752 in Illinois to 60 in Delaware.

The most impressive evidence in respect to the soldiers is contained in letters from commanding officers with the American Expeditionary Forces in Germany. Maj. Gen. Mark L. Hersey, for example, in command of the Fourth Division, American Expeditionary Forces, was requested, among others, by Secretary Lane, to ascertain the feeling of his men. He states that he went into the matter "with a view to deter-

mining in actual figures the number of men in this division that would not only be interested in farming, but interested with sufficient definiteness to take up the work should the plan be put into effect." His reports in detail upon each regiment, the net result being as follows:

"Present strength, officers and enlisted men, 23,363.

"Number interested in soldier settlement plan, 4,595."

General Hersey expresses his own opinion as follows:

"The men who are returning to America from the European battle fields have given to their country the best they have. They have paid their debt to America; not in full, perhaps, but in full up to the present time. It is up to the United States to take care of them; to exercise over them a proper degree of paternalism; to make them feel that what they have given up in order to come to the war will be made good by the Government. These men are coming with a higher respect for American institutions and for constituted authority than they ever had before. They are thoroughly good citizens who need only the ties that bind them to the land, that give them a sense of proprietorship in the soil, that impel each man to establish his own home and to rear his own family. All these your proposed plan should furnish. I am heartily in favor of it. I hope you may push it to a successful conclusion. Several of the division staff officers have received letters similar to the one that was sent to me. I might say that this letter voices their sentiments as well as my own."

Mr. MONDELL. Some time after this soldier settlement bill was reported in the Sixty-sixth Congress there was a very insistent demand in the House of Representatives for the passage of an adjusted compensation act, and a great many bills were introduced -- I think as many as 60 -- proposing bonuses or compensation for the soldiers of the World War in one way or another. Finally, in order to secure action, these bills were referred to the Committee on Ways and Means, and the Committee on Ways and Means of the House called on the legislative committee of the American Legion for such suggestions as it cared to make touching the proposition of soldiers' bonus or adjusted compensation. After a number of meetings between the representatives of the legion and members of the Ways and Means Committee, the legion presented to the Ways and Means Committee their recommendations in the form of a bill which they referred to as the "fourfold plan."

The first feature of the bill thus presented by the American Legion to the Congress was the soldier settlement plan to which I have just referred. You understand that this was a proposal made by the legislative committee of the legion after a meeting of the legion, at which this committee was appointed and at which meeting the general view of the legion with regard to adjusted compensation was expressed. Not only was this soldier settlement plan a part of the fourfold plan of the American Legion, but it was the first feature of the fourfold plan; in other words, it was the first proposition ever presented officially to the Congress by an organized body of soldiers of the World War asking for legislation in their behalf.

After the presentation of this fourfold plan many legion ex-soldiers were heard, and among them members of the legislative committee of the legion, representatives of other organizations of veterans, and ex-soldiers appearing as individuals. Everyone of those so appearing asked to have a soldier settlement plan made a part of the aid and assistance which it was proposed to render to the soldiers. In addition to that, representatives of the American Federation of Labor and representatives of the Chamber of Commerce of the United States appeared before the committee urging the reclamation plan. At that first hearing there was more urging of the reclamation plan than of any one of the features of the fourfold plan save the cash bonus. In addition to that many who were opposed to the cash bonus and, in fact, to several of the other features of the bonus bill, favored this development feature.

Naturally, there was no question about the measure being made a part of the bonus bill, and the bill was reported to and passed the House by a large majority, carrying as one of its features the soldier settlement plan as it had been reported by the Committee on the Public Lands, with some modifications which did not materially affect its scope, plan, or purpose.

That bill was not considered in the Senate. Early in the present Congress the Committee on Ways and Means took up the question of adjusted compensation or bonus. Most of you gentlemen are familiar with the difficulties that were encountered in arriving at a satisfactory agreement or compromise touching that legislation. Conditions in the country had changed quite materially between the passage of the original bonus bill in the Sixty-sixth Congress and the agitation of the bonus measure in the Sixty-seventh Congress. People were not as flush as they had been, things were getting back to normal, the weight of taxes was being felt to a greater extent, profits and incomes had dwindled somewhat, and whereas there was no very exten-

sive or organized opposition to the adjusted compensation bill in the Sixty-sixth Congress, there has developed, or did develop, a very considerable adverse sentiment and opinion when the matter was taken up by the present Congress. But the extraordinary thing about that, as affecting the matter we have now under consideration, is that many of those who were most pronounced against the bonus as a general proposition, particularly against the cash bonus and even against the proposal for the issuance of insurance certificates that might be cashed, were strongly in favor of a provision of reclamation land development for the soldier.

The Chamber of Commerce of the United States early in the present year sent out a referendum, known as Referendum No. 38 on legislation for veterans of the World War. Four questions were submitted:

First. Do you favor a national system of reclamation to be initiated through adequate Federal appropriation and to be carried out for the purpose of offering ex-service men opportunity to cultivate the soil?

Second. Do you favor national legislation and appropriations to enable ex-service men to build homes?

Third. Do you favor national legislation and appropriations to enable ex-service men to obtain vocational education?

Fourth. Do you favor national legislation for a general bonus, whether paid in cash immediately or with payments deferred, through the issuance of certificates?

Now, you gentlemen understand how the chamber of commerce presented its referendum. In order that there shall be no question but that these gentlemen were voting intelligently, let me say the arguments pro and con which pertain to a national system of reclamation were stated fairly in the referendum. I think anyone who reads will say that the two sides of that question were fairly stated, and if either side was weighted it was the negative rather than the affirmative side.

The answer to that question was 1,250 votes favorable to a national system of reclamation to be initiated through adequate Federal appropriation and 461 votes against it; approximately 3 to 1 in favor of this proposition. This remarkable vote in favor of reclamation in connection with the bonus bill is particularly appreciated when we notice the votes on the other features of the bonus bill.

The vote on the second question, "Do you favor national legislation and appropriations to enable ex-service men to build homes?" was 1,023 favorable to 677 against. The majority was very much less than in the reclamation case.

"Do you favor national legislation and appropriations to enable ex-service men to obtain vocational education?"

That was favorably responded to.

"Do you favor national legislation for a general bonus, whether paid in cash immediately or with payments deferred, through the use of certificates?" brought out a vote of 467 in favor to 1,231 in opposition.

So that this organization which put itself on record as against what many have considered the more important or more popular portion of the bonus bill, the portion that has been most criticized, is on record more than 3 to 1 in favor of a reclamation plan on the bonus bill.

If I had time I would be very glad to give the vote by States. If I may, I shall put some of the votes by States in the record because we must remember these votes go out. Men read the arguments pro and con; they sent in their votes; they come from all over the Union; and they reflect very clearly the opinion of the bankers, the business man, and the manufacturer.

Senator SUTHERLAND. Are these votes by organizations or votes by individual members?

Mr. MONDELL. The vote is by organizations, I believe.

Senator McLEAN. Of course, it is opposed to any bonus at all. I would assume, from its record, as a choice of two evils, it chooses the reclamation plan because it would cost less money, possibly.

Mr. MONDELL. Well, I think that is not just an accurate statement of the situation, Senator, if you will allow me, because the Chamber of Commerce of the United States is favorable to the general proposition of reclamation on behalf of the soldier. They would not have a cash bonus, but they would have a provision under which there shall be vocational training and under which this land-home opportunity shall be afforded to the soldier.

Senator McLEAN. Assuming that we must do something for the soldier, we prefer this plan to any other, but if we could have our way, we would not do much of anything. I guess that is the way the majority of the Chamber of Commerce are.

Mr. MONDELL. That may be true, but the vote on this proposition is overwhelming, and I think it has been presented very fairly, too. Of course, they had plenty of time in which to answer.

I am just getting a little ahead of my story. I will go back to the point where I referred to the fact that in this Congress the Committee on Ways and Means again took up the question of adjusted compensation. They again considered many bills. They again called in representatives of the Legion and of other patriotic organizations and organizations of ex-service men.

All of the representatives of the ex-service men, without exception—and if I had the time I would go through the hearing here in detail, but I will not take time to do that—expressed their desire to have a land settlement, land development provision, contained in the bill. They reiterated that desire when the question was put to them, as it was in one or two cases, "Do you insist upon having this as a part of the bill?" "Well, we are not insisting upon anything," they said, but they always came back—all who appeared—with the statement that they desired to have a reclamation provision in the bill. Asked as to the character of the reclamation provision, to be placed in the bill, they did not in all cases pretend to insist upon details, but said in each case that they believed that the provisions which had been in the former bonus bill and which was before the committee, was a satisfactory one. At any rate, with some slight modifications the land settlement bill again became a part of the adjusted compensation bill, and as a part of the adjusted compensation bill it passed the House by a vote of nearly 5 to 1.

It is now before the Senate. During the time it has been before the Senate I have had many appeals from ex-service men, from representatives of the American Federation of Labor, from representatives of the United States Chamber of Commerce, urging the retention of a land settlement, land development provision in the bill. I am sure that representatives of these organizations have visited the members of the committee, and talked with them about it. They have talked with the chairman about it, I am very confident. They are still exceedingly urgent that such a provision shall be in the bill. I understand that there is some disposition in the Senate not to retain a land settlement and land reclamation provision in the bill. I find it difficult to understand how anyone dreams of helping ex-service men, and particularly anxious to help them along the lines that they themselves suggest would be helpful, can oppose the retention in the bill of that provision which has passed the House twice and which originated with the ex-service men themselves, and which has been continuously urged by them up to this hour.

As to the demand among ex-service men for lands, we have abundant evidence. At one time there was in the Interior Department a list, as I recall, of over 100,000 ex-service men who had asked to have some land settlement, land development provision made, and expressing their desire to participate in such development.

At openings of irrigated lands, that we have had in the United States since the World War, the number of ex-service men who have applied and who have taken the trouble to go long distances at great expense to secure lands has been very great.

At an opening held in eastern Wyoming about a year ago there were, as I recall, over 3,000 ex-service men who applied at the opening at which there was to be an opportunity to secure only 86 farms.

At another opening in northern Wyoming a little later, at a distant point, where the cost and the inconvenience of travel was great, the number of applications was almost as great as on the other occasion.

There is not any doubt about the desire of the ex-service man for an opportunity to secure farm lands, and this gives him that opportunity.

As the members of the chamber of commerce have well said, this is the one feature of the adjusted compensation bill that not only aids the soldier but aids him in a way that will be permanently helpful and permanently of value to the country. It is a plan to make lands which are not now productive to any considerable extent productive in a high degree; a plan under which the soldier himself may work out his own salvation; may secure employment, if he desires; may apply his compensation on his payments; and under which he is to pay back to the Government the amount of the Government's expenditure less the amount of the bonus which he applies on that expenditure.

There may be some differences of opinion with regard to the plan in the bill as it passed the House. The plan is one carefully drawn by men familiar with reclamation work, aided by the experts of the Reclamation Service, and applicable to almost any condition and almost any section. It is a perfectly sound, sane, sensible provision, but I do not insist on securing the enactment of this particular statute or the placing on the statute books this particular method of reclamation though I know it is a sound plan; I do want the enactment of some legislation which will bring about what we need very greatly in the West and what is needed quite as much in other sections of the country—practical, helpful land development under conditions that are likely to prove success-

ful not only from the standpoint of the individual but from the standpoint of the community. I should be perfectly content to have this committee place on the bonus bill its own form of legislation, whatever it may be; the plan the committee believes best, whatever it may be, providing it is a plan which will lead to reclamation development. While my desire is primarily to help the soldier, I believe in the policy of land reclamation and development as a national policy and have long believed in it, and I believe in Federal aid in behalf of such policy. I believe that such a policy is highly useful and helpful to the country as a whole.

Of course, we all realize that under any plan or reclamation development that you may undertake there will be at least a portion of the area that will be utilized, by others than soldiers, as the areas to be developed are except for the public lands now in possession of private individuals; it may be neither wise nor helpful to take over all individual holdings. Retention of certain portions of individual holdings would, in many cases, be a very proper and very practical thing, and that could be accomplished under the bill that is now part of the bonus bill, or by some modification of that bill that the committee might agree to.

The Senate could prevent the matter in the way it believes best and wisest and in conference the two Houses could come to a satisfactory adjustment of their differences.

Senator CURRIE. Some of the speakers, Mr. Mondell, have complained about your bill because of the extensive scope of it and the awful expense attached to it. Have you figured out the amount of money that would be required?

Mr. MONDELL. It would not cost a dollar unless the Congress appropriated it.

Senator CURRIE. That is so, but under this bill would not Congress be under obligation to appropriate for it, if it passed this measure?

Mr. MONDELL. Yes, the Congress would be under obligation to appropriate if it passed any reclamation measure. This measure, as it appeared on the bonus bill the first time, carried a limitation of the total expenditures, and a limitation could be placed on it now.

Senator CURRIE. What was that limitation? I have forgotten.

Mr. MONDELL. That limitation was \$350,000,000. Any limitation the committee might desire to place on the bill could be placed on the bill. The amount that would be spent under any reclamation plan would be the amount that Congress in its wisdom saw fit to appropriate.

Senator CURRIE. We realize that.

Mr. MONDELL. No matter what reclamation plan you adopt, its primary purpose must be for the benefit of the soldier; it must at least appear to be, and this bill is unquestionably for the soldier. But no reclamation bill would have any standing anywhere which did not, at least on its face, give preference to the soldier and which did not give to the soldier the benefit of the first chance to take the land that might be developed and opened to entry. No bill that did not do that ought to be considered.

Under the national reclamation law land was originally opened to all comers, but no land now subject to entry or to acquisition, under the reclamation law, can be acquired by anybody but an ex-soldier. The ex-soldier has first choice, and as there are so many more ex-soldiers than there are lands, as in the cases that I have referred to, not only now but for many years to come, the ex-soldier would be the man who would secure the land.

There is another bill that has been reported to the Senate, a reclamation bill, and so far as I am concerned, if the Senate thinks that bill ought to be placed on the bonus bill instead of this bill, I shall not quarrel with that at all. I want reclamation development and I want it primarily for the soldier. It must be for the soldier in any event, and I am willing to take it in any reasonable form. I have no special pride of opinion.

This particular measure, the bill to which I have referred, is said by some not to be quite so wide in its application as the reclamation measure on the bonus bill, because it is said that it does not, or would not, authorize the development of any lands except those irrigated or those drained; but I think a reading of the Smith-McNary bill will make it quite clear that under the bill almost any form of development that would bring the lands into a condition of usefulness, whether it was clearing combined with drainage, or drainage combined with irrigation, or irrigation combined with either or both, could be started under that bill. But if our soldier settlement provision now on the bonus bill is too broad, it is very easy to amend that. I do not think it is. I think a reclamation law should be broad. It is very easy to narrow its provisions if you want to.

Senator McLEAN. Mr. Mondell, I received a letter last Friday from Mr. Herbert Myrick, publisher of the Farm and Home, which I acknowledged and promised to submit to the committee, and I think that inasmuch as not only you but other gentlemen here are interested in this scheme or some similar scheme, it might be well to call it to your attention now.

Mr. MONDELL. I am interested in all of them.

Senator McLEAN. Yes; and that is why I want to call attention to it now. It is dated May 26, 1922.

(The letter referred to is as follows:)

SPRINGFIELD, MASS., May 26, 1922.

HON. GEORGE P. McLEAN,  
*The Senate, Washington, D. C.*

DEAR SENATOR McLEAN: I observe that you are on the subcommittee to hear Representative Mondell relative to substituting reclamation bill for land settlement feature stricken out of bonus measure by Senate.

Of course you know that at the National Agricultural Conference in Washington in January after a prolonged contest in committee and later on the floor that great body voted unanimously:

"That no public expenditure be encouraged in the creation of more farms until present acute conditions in agriculture at home and abroad shall have been fully adjusted."

Now this reclamation scheme to use \$350,000,000 as a revolving fund directly violates the above principle upon which the farmers of the whole country are well nigh unanimous. Nor do the preferences for service men in the reclamation bill amount to anything.

The effort to work this bill into the bonus measure looks too much like a desperate effort to "slip it over." For otherwise it can never pass either Senate or House. Farmers and taxpayers simply will not stand for it.

We hope you will not be a supporter of that scheme in any way, shape, or manner. It is loaded with dynamite. Enough said.

Very sincerely yours,

FRANK M. MYRIK,

*President and Editor in Chief Farm and Home.*

Mr. MONDELL. May I look at that, Senator?

Senator McLEAN. Certainly, you may. That is why I called attention to it, because I should be glad to hear from you about it.

Mr. MONDELL. Senator, this is a very interesting letter from a widely-known and highly-esteemed man. Mr. Myrick has done a very great and useful work for agriculture. But I must say that I am a little surprised at seeing this letter at this time. There was a time a year and a half ago, perhaps, when the conditions in the industry of agriculture were very desperate. They are not altogether satisfactory now; but they were very desperate then. The prices of all agricultural products were either down to the level of or much below the cost of production.

In that condition of affairs, it was not perhaps strange that a certain number of people forget all of the lessons of our history and declared for "closed shop" in agriculture. I think at one time there was quite a little sentiment in some of the Mississippi Valley States against Federal aid in the opening of more land to settlement and cultivation. I believe that it was a very narrow view, and I imagine there are comparatively few who now hold that view.

In a country developing as rapidly as our country is, with the population increasing as it is, there must, of course, be continuous increase in the amount of land under cultivation, or in a short time we shall have not only a shortage of agricultural products, but what is even worse, we shall have an increase in the percentage of our people living in the cities and towns, away from the soil, adding to the number of consumers as compared to the producers. No country will prosper where there is an opportunity for the increase of its agricultural acreage which does not bend its energies and lend its aid—at least its encouragement—to the extension of the agricultural area.

These settlements that are proposed, which will largely be engaged in intensified agricultural production, will themselves be among the best customers for the staple products of the farmer.

Senator McLEAN. Do you know what organization of the farmers of the country he refers to when he states it voted unanimously against this project?

Mr. MONDELL. He refers to the National Agricultural Conference in Washington in January. This is the first notice I have had that that conference did take any action at all on that subject, and if they did take action as stated, it is curious that it did not become generally known here in Washington; if they did, it was action contrary to one of the basic recommendations or suggestions of the President himself to that conference.

Of course, so far as Congress is concerned, it is more or less bound by declarations of the political parties, and both political parties have declared, particularly the Repub-



lican Party, in favor of a general system of land-reclamation development; in fact, the Republican Party inaugurated such a policy in the reclamation law under President Roosevelt, and has been following it continuously ever since, and the party, as a party, has always been known to be favorable to it.

Mr. Myrick assumed in his letter that the Senate committee had finally and definitely concluded to strike out of the bill the provision of land settlement that was in the bill as it came from the House, and he further assumes that I am informed of that alleged action, and urging that if that is to go out another provision go in. Well, I have not so far understood that the committee has definitely determined to strike from the bonus bill a land-settlement or reclamation feature, but I am here to urge that some land-settlement reclamation be retained in this bill. Such a provision belongs in the bill, has always been in the bill; the soldiers are for it, and men who are opposed to other provisions of the bill are favorable to a land-settlement provision in this bill.

Coming back now to the question of cost: This committee can scarcely take the position that a land-settlement provision should not be in the bonus bill because of its cost, unless we are to understand that the committee and the Senate, if it follows the committee's view, is paid - I reclamation because it will cost no more to reclaim lands under a provision in the bonus bill giving preferential rights to soldiers than it would cost to reclaim lands on an independent measure giving the soldier preferential rights.

I think it is quite certain it would be possible to secure more liberal appropriations for land reclamation as a feature of a bonus bill than as an independent matter. That is one reason why I want it in the bonus bill, because I think we can carry out this beneficial program of development more rapidly as a feature of a bonus bill than we could possibly do as an independent matter. But the ultimate cost will be measured by what the Congress determines should be done, and a limitation can be placed if it is deemed wise to place a limit upon the amount which may ultimately be expended. There are various reasons, which I do not care to go into at length, why, from the viewpoint of those who are interested in reclamation, it would be advantageous to have such a provision in the bonus bill, in addition to the reason I have just given - that of the greater ease of securing appropriations. For one thing, there would then be no question of its constitutionality.

There is not any doubt but what with the soldier behind this development it will have an impetus and score a success that it would not possibly secure as an independent matter. Practically the same sort of development can be secured, but in my opinion it would be secured more promptly and more surely if it is a feature of a bonus measure. Unless the Senate, a third of the Members of which are from the arid States, or States having some development under plans similar to those proposed, is prepared to say that it is not favorable to land development in any form, I do not see how the Senate can agree to strike a reasonable land-development provision off the bonus bill.

In the House only 8 per cent of our Members are from the country where land reclamation under Federal aid has been tested and proven, but those Members were able to impress their views on the House in regard to this matter, supported as they were by the soldiers, and so here we are with our plan thus far - here in legislation half way through Congress - all it requires now is the action of the Senate. I would not want to believe that the Senate is not favorable to reclamation land development. I can not understand how the Senate, with 30 per cent of its Members from States where irrigation reclamation is carried on, could afford to take from a soldier bonus bill a land development feature in such form as you may deem wise - when such a feature was the very first thing that the soldier organizations asked of the Congress.

Before cash bonuses, before service certificates, before paid-up insurance, before vocational training, care for the soldiers themselves requests for land development along these lines in their behalf, in which they could participate.

Of course, a plan of this sort, no matter whether the bill be in the form in which it is now on the bonus bill or otherwise, would be very helpful to the entire country, and its benefits could be felt by others than the soldiers. But the soldier himself has asked for it, up to this hour still requests it; and, in addition to that, the strong forces of labor and of business are still urging this as a feature of the adjusted compensation plan.

Senator McNary. May I just interrupt long enough to say that I do want the privilege, if you desire to incorporate in this bill the land-settlement bill, to come before the committee and explain another bill which is a little different from the one which has been presented by Mr. Mondell so interestingly to the committee? It is advised by the National Reclamation Association with painstaking care, and I think is more feasible, omits some of the errors of this bill, and while I have no pride in the

bill only have a desire to see the best legislation possible put over if it goes in and the chairman will be kind enough to notify me, should you try to incorporate this provision. I should like to be heard then and will not take up further time to-day. Senator McLEAN. We will be glad to notify you. If you desire to be heard, Mr. White, the committee will be glad to hear you now.

**STATEMENT OF HON. HAYS B. WHITE, MEMBER OF CONGRESS  
FROM KANSAS.**

Mr. WURR. I have prepared a short statement. I did not know how much time I might be given. I think, gentlemen, I can make a consecutive statement of what I have to say in about 10 minutes. This is a very moderate statement, and contains some of my opinions, and they are given as such. I will make my consecutive statement and I want then to occupy a very few minutes in answer to one or two statements made by my colleague, the House leader, Mr. Mondell.

I will say, first, there is nothing sought to be accomplished by the inclusion of this land-settlement provision as it passed the House or the Smith-McNary bill, which I have examined very carefully in the limited time I have had at my disposal since the bill came under my notice, which can not in my opinion, be accomplished much more successfully through the provision known as the farm or homestead provision, Title VII, of the bonus bill as it passed the House; and in my judgment as a business man at approximately one-fifth of the expense to the Government and with incomparably greater advantage to the service man.

I desire to call the attention of this committee to a very brief and fundamentally sound statement in the report of the House committee on this bill found at the bottom of the first page of its report:

"In the ordinary transaction of borrowing, the security is in existence and is put up when the money passes from the lender to the borrower, while under the proposed law the money to be advanced is to create the security for its return."

Mr. SWAIN. What bill do you refer to?

Mr. WURR. I refer to the Smith-McNary bill.

So that it is fair and appropriate to designate this provision the great \$350,000,000 governmental adventure into the domain of business experiment.

Who has submitted to this or any other committee of either branch of the Congress a per capita estimate of the cost to the Government, either in the case of this provision or the land-settlement title which passed the House without opportunity for amendment?

I am a farmer and stockman and have been all my life, with occasionally a little side adventure into politics, and I feel competent, in a modest degree, to discuss the practicability of this proposition.

Would you think \$62.50 per acre a high estimate to set as the cost of development of land as provided for in the proposed section? That would be exactly \$5,000 for the reclamation of an 80-acre unit, or \$10,000 for the reclamation of a 160-acre unit. Those are not random figures. They are far below the actual cost of land already placed under irrigation through the Reclamation Service. The question of the election to be made as to what particular one of the many provisions offered in the bonus bill shall be selected by service men is extremely speculative and problematic, to say the least. But if 1,000,000, or 25 per cent, of the service men should elect to choose the provisions of this proposed section, the Government would spend \$5,000,000,000 to develop one million 80-acre farm units; or \$10,000,000,000 to develop one million 160-acre farm units; that would provide for approximately one-fourth of the service men. Or if they shall choose half-and-half, so that the Government should reclaim 1,000,000 farm units at \$7,500 each, the Government would then be involved to the extent of \$7,500,000,000. Do you smile at this, gentlemen? Do you know what they will elect to do? Do you pretend to know? I am frank to say I do not know, and I do not pretend to know. But I do know that there is no stronger urge in the human mind than to secure power and wealth, and I do know, and every observant man knows, that every normal boy associates in his thought the possession of wealth, power, and financial independence with the ownership of property. And more than any other class of property, property in land.

It is borne in upon his thoughts by the sight of his eyes and by every environment of his life; and I say to you that this plan here proposed to be inserted in this bill is as dazzling as it is impossible and chimerical. It is the latest dream, and to the practical business mind, as preposterous as the myth of Midas.

Do not misunderstand me, gentlemen; I am for a soldier bonus and I am for it now. I do not believe its payment, if judiciously undertaken, will disturb the financial situation in the country.

I am unqualifiedly in favor of reclamation, and I have consistently supported the legislation proposed in the past three years for its development and extension. The Government has been and continues to be very generous in its provision for its maintenance and extension. It is a wise and beneficent public policy. A revolving fund of approximately one hundred and thirty millions of dollars is now available for its promotion and further development. Much has been accomplished already and under its orderly development there is great promise for the future. It has no warmer friend nor proponent than myself. I am for it solely on the ground that I believe it is a wise national policy to pursue, for not a dollar of all the millions which have been expended and which will be expended in the future has ever been or ever will be expended in the district I have the honor to represent.

But notwithstanding all that I have said in favor of the reclamation it is yet true that in the severe readjustment of the past two years, which seems to have fallen with greater weight upon agriculture than upon any other industry, that no section of agriculture has felt so keenly the effect of the low prices of agricultural products resulting from this readjustment, as the irrigation farmers themselves. And legislation has been enacted for their temporary relief from the payment of charges for operation and maintenance. This is indeed most regrettable; but is at the same time the strongest sort of an argument against the Government's proposed adventure upon this stupendous experiment, which has not, so far as I know, anywhere in the world to-day or at any time in the past a successful precedent to its justification. I am speaking, Mr. Chairman, of the plan proposed; I am not speaking of the irrigation already established and in successful operation.

Would it not be better, I ask you seriously, gentlemen; would it not be wiser and safer for both the service man and the Government to pay to the service man through an act of legislation, "Make your own selection, exercise your own judgment in the locality where you may desire to make your investment, where you are familiar with the conditions, where you may have the advice of your father and mother, your friends who are interested in your welfare, of your banker, whom you may subsequently look to for financial assistance, and also where there are established markets, transportation facilities, educational institutions, and all the concomitants of civilization?"

Mr. MONDELL. Will you allow me a question?

Mr. WHITZ. I shall be very glad to.

Mr. MONDELL. Would that plan cost less money than the other plan?

Mr. WHITZ. Much less, as stated. I shall be very glad to elaborate, when I finish my statement.

These, gentlemen, I claim, are the important considerations which must be weighed if the service man himself is to succeed and if the government is to be made safe in its investment. Do not for his own sake send him to an untraversed desert to be ranked up in communities, for I say to you this is a bitter prank to play upon the brave service man to whom this Government is now proposing to do justice. The result of this provision can not be good, but will finally discredit its author and bitterly disappoint its designated beneficiaries.

Mr. MONDELL. Will you allow me just one other question?

Mr. WHITZ. I should be very glad to.

Mr. MONDELL. I did not quite understand whether your criticism applied equally to either plan or to both; that is, the plan contained in the House bill, or to the Smith-McNary bill which you referred to.

Mr. WHITZ. If I understand my colleague, the gentleman from Wyoming, it makes little difference, as far as I am concerned, and the application is made for the reason that my colleague stated, if I understand him correctly, that he had no personal pride, that he was not so strongly and especially in favor of the land-settlement bill or of any especial bill, except that he was in favor of a policy of reclamation. So that I am willing that the committee shall understand my statement as applying to both propositions: That contained in the House bill as it passed the House, or the Smith-McNary bill as it is now introduced and is before the House.

Mr. Chairman, I want to call the attention of the subcommittee to this fact: The bonus bill as it passed the House was not considered under the 5-minute rule. I want to state this opinion as a Member of the House, that the membership of the House did not support the bonus bill because the reclamation feature was written into it, but they supported it with the reclamation feature in it because there was no opportunity under the rule to get it out.

I want to call this committee's attention to another fact in the history of this legislation, which I think, in view of the statement of my colleague, should not be overlooked, that in the consideration of this bill before the Public Lands Committee,

occupying a period, as I remember, of something like six weeks of almost consecutive hearings, the sentiment was not unanimous for the original reclamation or soldiers' settlement bill under consideration I forget the number known as the Lane-Mondell bill; and that instead of there being a unanimous report there was a majority report and a minority view was signed by four members of the committee; and while I am not anxious especially that that should appear in the record, if it is the purpose to print the majority report, and I may be allowed the courtesy, Mr. Chairman, I should like to see the minority report printed, or excerpts therefrom, which I shall be very glad to furnish the committee.

As a matter of membership in the House and of personal opinion, I do not believe, Mr. Chairman, nor have I ever believed for one moment that the original Lane-Mondell bill providing, as I remember, for a \$500,000,000 authorization—I am referring now to the bill to which Mr. Mondell referred—ever stood a ghost of a show of passing the House under the five-minute rule, or of passing the House as an independent measure; nor do I believe, Mr. Chairman, that the land settlement feature of the bonus bill ever stood a ghost of a show of passing the House could there have been an opportunity to have amended by striking it out.

Mr. MONDELL. What do you think about the Smith-McNary bill; do you think that would pass the House?

Mr. WHITE. I do not, sir. I do not hesitate to answer in the negative; I do not think it would come within, metaphorically speaking, a thousand miles of passing the House.

Mr. SMITH. Upon what do you base your conclusion, Mr. White? It has not yet been considered by the House.

Mr. WHITE. I do not care to make an excursion in to the discussion of that bill, technically; I feel I am prepared in a modest way to do it, but I do not think it is pertinent at this time. I was asked my opinion; it is based upon what I believe to be a fairly intimate knowledge of the sentiment of the House.

Mr. CHAIRMAN. I desire to call your subcommittee's attention to another statement of my colleague, that this reclamation bill includes others than the soldier. But Mr. Chairman, it should not. In the condition of our finances I think there could be nothing more ill-advised than to go into this auxiliary proposition of reclamation involving an initial expense of \$350,000,000, providing as it does, if the units as designated in the bill should be set at 100 for 125,000 only of the more than 4,000,000 service men in the United States to be benefitted thereby, and it is the only provision of the bonus bill, Mr. Chairman, that would be in anybody else except the soldier.

Mr. MONDELL. One of the criticisms that have been made of the soldier settlement provision in the bonus bill, Mr. White, by some who favored other plans of reclamation, is that that provision is too wholly and exclusively a soldier provision. Of course it is, and practically without exception its benefits would go to the ex-service men; there are very few cases where it would not.

Mr. WHITE. Mr. Chairman, let me say, as a partial answer to the gentleman—

Mr. MONDELL. (interposing). I am speaking now of the provisions in the bonus bill.

Mr. WHITE. Let me see, Mr. Chairman: It is not incumbent on the Republican Party in order to fulfill its pledge in the national platform or the Democratic Party, so far as I know, to approve and enact this legislation. Why, Mr. Chairman, it would require the greatest stretch of imagination to believe for a moment that those republicans over at Chicago, sweating in that awful heat, or those Democrats away out there in San Francisco imbibing that fine atmosphere laden with the sea breezes, ever thought of anything as chimerical, as impossible, as the provisions of the Smith-McNary bill or the land settlement bill as it passed the House.

Mr. CHAIRMAN. It was well said by my colleague, the gentleman from Wyoming, that the day of the free land, of the public land, when you could turn over the sod and develop a farm, is past. It has been reiterated many times in reports from year to year in the last 15 years, that the public domain is gone.

It is a fact, gentlemen, that there are 100,000,000 acres of land lying out there, and it has lain there since the morning stars sang together, and no man has occupied it. I do not know what God made it for. It is a habitation for bats and owls, and I do not know whether it is worth a dollar a cubic mile, much of it. The Kinkadeers have been before Congress, to which I call your attention, asking for extension, and they have been granted graciously in every instance, and I voted for them gladly and will do so again. But when the Republican platform and the Democratic platform declared for the doctrine of reclamation, undoubtedly, Mr. Chairman and gentlemen of this committee, they were thinking of that policy of reclamation which has been gradually developed through all the years, and through the generosity of this Govern-

ment has assigned to its fund the proceeds from the sale of public lands, of the royalties upon oil, and all that; and very properly so.

Mr. Chairman, a closing word: I have occupied too much time of the committee; I did not expect to speak except to make my consecutive statement. But this is an excursion of this Government into the domain of the private individual, into what is his proper sphere and function; and I ask you, Mr. Chairman and gentlemen of this subcommittee, has there anything come to your notice within the past five years that has led you to believe that this Government can do anything that the private citizen can do, as cheaply and efficiently and as successfully as private enterprise can do it?

Mr. Chairman, insert this provision into this bill and you will have your projects that the gentleman talks about and says there are opportunities to, organize them in almost every State of the Union, and you will have them improved with labor at Federation of Labor prices, the most expensive labor; and Government labor; and you will have men to supervise the development of these projects at enormous expense and you can not tell where this stupendous, this iridescent dream will end. It marks the beginning, so far as I can see it, from the viewpoint of a business man, of the most chimerical, impossible, impractical, expensive scheme which has ever been proposed to the American Congress.

I thank the committee.

Senator CURRIE (presiding). Mr. Smith, do you want to be heard?

Mr. SMITH. I do not care to be heard just now.

Senator CURRIE. Mr. Simmet, do you wish to be heard?

Mr. SIMMET. No; thank you.

(Thereupon, at 1.15 o'clock p. m., the subcommittee stood adjourned.)