

APPENDIX

PROPOSED LEGISLATION FOR THE FARM COLONY

Such wide-spread interest has been aroused in the problem of the rehabilitation of the returning soldier, and especially in the placing of the soldier on the land, that a measure has been prepared at the instance of Secretary of the Interior Franklin K. Lane, for adoption by the several States. The proposal for the reclamation of waste land and the development of farm colonies has received the approval of the President in his address to Congress December 2, 1918.

Copies of the measure can be secured by writing to the Secretary of the Interior, Washington.

The proposed measure follows:

DRAFT OF BILL PROPOSED FOR CO-OPERATION BETWEEN THE STATES AND THE UNITED STATES TO PROVIDE EMPLOYMENT AND HOMES FOR SOLDIERS,

SAILORS, AND MARINES, UNDER WHICH THE STATES SHALL FURNISH THE LANDS AND THE UNITED STATES THE FUNDS; WITH AN ALTERNATIVE PROPOSITION SO THAT THE STATES MAY PARTICIPATE FURTHER IN FURNISHING FUNDS AND ALSO IN SUPERVISING THE IMPROVEMENT AND SETTLEMENT OF THE LANDS.

AN ACT PROVIDING FOR CO-OPERATION WITH THE UNITED STATES IN THE SETTLEMENT OF RETURNED SOLDIERS, SAILORS, AND MARINES, ON STATE LANDS AND LANDS ACQUIRED UNDER THIS ACT; CREATING A SOLDIER SETTLEMENT BOARD, DEFINING ITS POWERS AND DUTIES, AND MAKING AN APPROPRIATION THEREFOR.

(Note.—Certain features of this draft may need change in some States to comply with Constitutional requirements. References to irrigation, water rights and the appropriation of water and other similar matter should be stricken out where not applicable in any State.)

SEC. 1. This Act may be known and cited as "The Soldier Settlement Act."

SEC. 2. The object of this Act is, in recognition of military service, to provide employment and rural homes for soldiers, sailors, marines, and others who have served with the armed forces of the United

States in the European war or other wars of the United States, including former American citizens who served in allied armies against the Central Powers and have been repatriated, and who have been honorably discharged, hereafter referred to generally as "soldiers"; and to accomplish such purpose by co-operation with the agencies of the United States engaged in work of a similar character.

SEC. 3. Two alternative plans for such co-operation are embodied herein, one in section 7 and the other in section 8, all other sections in this Act contained being equally applicable to both such plans. In order to carry out the provisions hereof there is hereby established a fund to be known as the "Soldier Settlement Fund" by appropriation herein and hereafter made. For co-operation with the agencies of the United States there is hereby created a Soldier Settlement Board, hereafter referred to as the Board, composed of three members, one to be appointed by the Governor and designated as Soldier Settlement Commissioner and who shall serve as chairman of the Board, and shall receive a salary of \$5,000 per annum, the two others shall be the president of the State Agricultural College, and the state engineer, as ex-officio members. The Commissioner shall hold office for a term of five years and until his successor has been appointed and shall have qualified. The Attorney General shall be the legal adviser of the Board and prosecute

or defend any suits or actions arising out of the discharge of their official duties. The Board shall appoint a secretary and such other officers and employees as it deems necessary, shall fix their salaries, and provide for all necessary expenses for carrying out the provisions of this Act. The Board may dismiss the secretary or any officer or employee for good cause. Two member shall constitute a quorum, which may exercise all the power and authority conferred on the Board.

SEC. 4. The Board shall satisfy itself of the practicability of each undertaking proposed, utilizing all related State agencies, and thereupon shall cooperate with the authorities of the United States in the preparation of plans for settlement of soldiers. The Board is authorized to utilize public lands of the State and to acquire agricultural lands which may be deemed suitable for settlement, together with necessary water rights, rights of way, and other appurtenances. When deemed advisable in the discretion of the Board and the co-operating agencies of the United States, any of said lands may be leased until it may be deemed advisable to sell or use the same. The Board may also set aside and dedicate to public use appropriate tracts for roads, schoolhouses, churches, or other public purposes. Any lands belonging to the State and deemed by the Board suitable for the purposes of this Act shall be available for disposition by the Board and the State Land Board shall co-operate

with the Board in every way necessary to carry out the purposes of this Act in regard to such lands. The Board is hereby authorized to perform all acts necessary to co-operate fully with the agencies of the United States engaged in work of similar character.

SEC. 5. Whenever the Board, in accordance with plans agreed upon with the authorities of the United States, desires to acquire land, it shall give notice by publication in one or more newspapers of general circulation in the State calling for offers from owners of land of the character desired. Such notice shall be published once a week for five consecutive weeks, the last date of publication being not more than one week prior to the date of opening offers, and shall specify the matter which should be incorporated in such offers. After thorough investigation and report as to the character of the lands, rights and appurtenances, upon an examination by one or more members of the Board, together with a representative of the co-operating agency of the United States, and such experts of the State Agricultural College and others as may be deemed advisable, and after approval by the Attorney General of the State of the title to lands and any water-rights or other rights appurtenant thereto deemed essential by the Board, and after approval of the purchase by the authorities of the United States and arrangements made by the United States so that the Federal Government may undertake the reclamation of the

lands if necessary and for improvement and subdivision of the lands, the Board may recommend the acquirement of the land to the Governor, and on the approval by the Governor, the lands deemed necessary for carrying out the plans agreed to with the United States, shall be acquired by purchase, gift, or condemnation. Payment, if necessary, shall be made out of funds provided by the State or by settlers under conditions fixed by agreement between the Board and the owners of said lands. The Board shall have the discretion to reject any or all offers, to accept offers which may not be the lowest and to readvertise from time to time as it may deem necessary.

SEC. 6. In co-operating with the agencies of the United States the Board is empowered to take title in the name of the State to lands in fee simple or in trust or under such other conditions as may be deemed advisable for the purposes of this Act, and may convey title thereto or execute such liens as may be necessary for carrying out the plans decided upon in co-operation with the agencies of the United States. The title to the land furnished by the State shall be held by all purchasers under such conditions and restrictions as may be specified in the Federal statutes relating to this subject, or approved by the Secretary of the Interior.

SEC. 7. The basis of co-operation under the first alternative plan shall be that the State shall provide the land needed for settlement and the United

States shall provide the money necessary to meet the expenses of reclamation and subdivision and the necessary improvements and equipment, perform the necessary work and have charge of all settlement work. The Board shall make appropriate arrangements with the agencies of the United States for repayment to the State of the cost of land furnished by the Board which may be utilized in providing homes for the soldier, and all money so received or otherwise received by the Board shall be turned into the Soldier Settlement Fund and be available for meeting the obligations of the Board on account of the land and for further expenditures in accordance with the provisions of this Act. The moneys so payable to the State shall be collected by Federal agencies, and the Board may contract with the United States to the end that where disbursements have been made by way of construction costs for the reclamation and improvement of any given land, repayments to the United States on account thereof shall be divided between the Federal Government and the State Soldier Settlement Fund in proportion to the disbursements made by the Federal agencies and the Board respectively.

SEC. 8. The basis for co-operation under the second alternative plan shall be that the Board shall make actual expenditures in an amount not less than 25% of the total investment for reclamation as hereinafter defined, for actual payment for the land, for farm improvements as hereinafter

defined, and for the purchase of farm implements, stock and other necessary equipment, any actual outlay of money for the lands to be used being computed as a part of such 25%, and the Board shall have the option, under the supervision of the Secretary of the Interior, to control the preparation of the land as homes and the settlement thereof under such agreement as may be made with the United States and in accordance with the following provisions:

(a) After the necessary financial plans have been made, the Board shall proceed with such work, providing in the subdivision of the land for farms each having a value when unimproved as determined by the Board not exceeding \$15,000 and for farm-laborer allotments each having a value when unimproved as determined by the Board, not exceeding \$1,500; and the Board may make the necessary improvements or may contract with the settler to make such improvements upon each farm or farm allotment among others the following: seeding, planting, and fencing the land and causing dwelling houses and outbuildings to be erected, the construction of farm drains and laterals and the making of such other improvements as may be deemed necessary or proper to render the particular farm or allotment habitable and productive, the same being collectively hereinafter referred to as "farm improvements." The maximum expenditure for farm improvements upon any allotment shall be fixed as

to each project by agreement between the Board and the agencies of the United States. The contract with the United States may provide for the construction by the Federal Government of works for drainage, irrigation, building levees, general sanitation, and the subdivision of the lands and for the clearing of timber, as the nature of the individual project shall require and for the levelling of land when necessary, and other work needed to render one or more groups of farms available for agriculture, which works is defined for the purposes hereof as "reclamation."

(b) The Board is authorized to secure from the United States the necessary funds to make loans to approved settlers for making permanent improvements and for the purchase of farm improvements, stock and other necessary equipment, which are defined for the purposes hereof as "short-time loans," each to be secured by a mortgage or other effective lien on the land or upon property purchased with said loan; the total amount of each short-time loan shall not exceed \$3,000 for a farm or \$1,000 for a farm-laborer allotment. As funds are needed from the United States the proper agencies thereof shall be requested to advance the same. Such funds shall be used for no other purpose than as provided for by the Federal laws, and the rules and regulations. Each employee of the Board handling such funds shall be required to give bond of an amount and with sureties satisfactory to the agencies of the

United States having charge of soldier settlement work. Any interest which may accrue upon funds advanced by the United States shall be credited to the account of the United States. The Board is authorized to give to the agencies of the United States such assurances of repayment of moneys advanced by the United States by mortgages, liens or assignment of mortgages or liens or otherwise as may be required by the Federal laws and the rules and regulations thereunder.

(c) The Board is hereby authorized to take over from the Secretary of the Interior of the United States and to operate and maintain any irrigation, drainage or other works or improvements constructed for the benefit of soldiers by the U. S. Reclamation Service, and involving lands owned or controlled by the Board under this Act, and shall become responsible for the proper care thereof and provide for the repayment of the cost thereof. The Board shall require of each purchaser of land the payment of proper and reasonable charges for the operation and maintenance and preservation of such works and shall also be authorized to make reasonable charges pursuant to general regulation for services rendered to the purchasers of lands and others.

(d) The Board shall collect from settlers the sums due for principal and interest on lands, reclamation costs, farm improvements and in payment of short-time loans, and shall first repay all sums advanced by the United States for short-time loans to settlers

and thereafter the payments of settlers shall be divided between the State and the United States in proportion to the amounts due them respectively, all amounts due the State being turned into the Soldier Settlement Fund, and be available to meet the Board's obligations.

(e) The lands disposed of under this Act shall be sold in accordance with plans prepared in cooperation with the agencies of the United States for soldier settlement, after public notice in one or more newspapers of general circulation in the State, once a week for five consecutive weeks, the last date of publication being not more than one week prior to the date of sale, setting forth in general terms the information necessary for the public and providing for detailed statements to be available at the office of the Board and other convenient places which shall supply full information as to the farms and allotments and the several prices therefor. The manner of sale shall be such as to afford equal opportunity to all qualified soldiers desiring to purchase. The purchaser may be required to make application in a form approved by the Board stating among other things, whether he has available the minimum amount of capital deemed necessary by the Board, which shall be not less than 10 per cent of the improved and equipped value of the farm or allotment, and whether he can comply with the terms of payment and give such assurances in regard thereto as the Board may

require. The Board shall have the discretion to reject any or all applications and to readvertise from time to time any or all tracts, as it deems necessary. Any land which may be purchased or otherwise acquired, not deemed necessary for the purposes of this Act, may be sold after public notice for the same period of advertisement as herein specified, upon such terms as the Board may prescribe.

(f) The soldier to be a qualified applicant must be a citizen of the United States and must satisfy the Board that he is not the holder of agricultural land or possessory rights which, together with the land, improvements, and equipment to be purchased hereunder shall exceed a value of \$15,000. No purchaser shall hold more than one farm or allotment on which all charges are not fully paid, and each purchaser shall satisfy the Board as to his fitness to cultivate and develop the same successfully, both financially and otherwise. The Board may, in its discretion, require applicants to appear before it in person.

(g) Each approved applicant shall enter into contract of purchase which, among other things, shall create a mortgage or other effective lien for the payment of the purchase price of the land, the reclamation costs and the farm improvements and other charges, if any, and also require the purchaser to actually occupy the land within six months and to actually reside thereon for at least 8 months in each calendar year for a period of at least 5 years,

unless prevented by illness or other cause satisfactory to the Board; any other absence from the land exceeding four months in any calendar year shall be a breach of the contract. The contract shall provide for immediate payment of 2 per cent of the sale price of the land, including reclamation costs and in addition not less than 10 per cent of the cost of the farm improvements. The balance of the amount for the land and reclamation costs shall be due as follows: 2 per cent each year for the first four years, and thereafter shall be due in annual payments to be fixed by the Board for a further period not exceeding 40 years so as to repay the capital sum with interest on deferred payments from the date of the contract at the rate of 4 per cent per annum. The title to the land shall not pass until full payment for the land and the reclamation costs. The amount due on farm improvements shall be repaid in a period to be fixed by the Board not exceeding 20 years so as to return the capital sum with interest on deferred payments at the rate of 4 per cent per annum. The repayment of short-time loans shall extend over a period to be fixed by the Board not exceeding 5 years, payable in such amounts and at such times as may be determined by the Board. The purchaser shall have the right on any instalment date to pay any or all instalments thereafter due.

(h) The contract shall also provide that the purchaser shall cultivate the land in a manner to be

approved by the Board and shall keep in good order all buildings, improvements, and equipment, reasonable wear and tear excepted. Each purchaser shall pay such assessments as may be levied by the Board to provide the equivalent of insurance to protect the interest of the State and the United States in all buildings, improvements and equipment.

(i) The contract shall also provide that until all payments thereunder have been made no farm or allotment shall be transferred, assigned, or mortgaged in whole or in part without the written consent of the Board.

(j) The contract shall also provide that in case of failure of the settler to comply with any of the terms thereof the Board shall have the right, at its option, to cancel the contract and shall thereupon be released from all obligations under the contract and the purchaser shall forfeit all rights under the contract. All payments theretofore made shall be deemed to be a rental paid for occupancy. The failure of the Board to exercise any option to cancel for default or violation of the contract shall not be deemed a waiver of such right but the same may be exercised thereafter. No forfeiture or cancellation shall in any way impair the lien and security of the mortgage or other lien securing the purchase price of the land, and reclamation costs and farm improvements, or the repayment of loan. Upon forfeiture, cancellation, or relinquishment of a contract the Board shall have the right to sell any farm

or allotment and appurtenances, improvements, and equipment to any other qualified purchaser.

(k) In case of the death of any purchaser before full payment the rights under the contract shall pass to his heirs or devisees, who shall be bound by all the conditions thereof, but may surrender the same to the Board upon terms and conditions satisfactory to the Board.

SEC. 9. The Board may provide all necessary means for furnishing agricultural training for the soldier so as to render him better qualified for the cultivation of his land. The Board is authorized to arrange with the agencies of the Federal Government for sharing in the expense of such work under appropriate conditions of supervision by the Federal Government.

SEC. 10. In any case where works have been or are to be constructed which are of general benefit to an area involving a number of farms or allotments as in the case of irrigation, drainage, clearing cut-over land or other means of reclamation or development, and where the co-operating Federal agencies find that the interest of the project would be advanced by the organization of an Irrigation, Drainage, Conservancy, Improvement District or other public corporation, the Board shall take all necessary steps in its power to accomplish such organization. The Board is authorized to contract with such district or the United States, or both, to carry out any or all provisions of this Act.

SEC. 11. The power of eminent domain shall be exercised by the State at the request of the Board for the condemnation of property of any kind which may be necessary for carrying out the purposes of this Act, and upon request of the Board the Attorney General shall promptly initiate and carry on the appropriate proceedings. The Board shall have full authority to appropriate water under the laws of the State as may be necessary or desirable for carrying out the purposes of the Act.

SEC. 12. Whenever the Secretary of the Interior and the Board shall find that all or any part of such lands remaining available will not be required for homes for soldiers they may be opened to disposition to other citizens of the United States, subject to the provisions and limitations of this Act.

SEC. 13. In case of any undertaking for the reclamation of lands in two or more States or any undertaking involving construction works in any State for the drainage, irrigation or reclamation of lands in whole or in part in another State, the Board is authorized and directed to co-operate with similar boards of other States and the authorized agents and officers of the United States, and either the United States or the said board of such other State shall have authority to acquire by condemnation, purchase, or other lawful means such property, rights, or easements in this State as may be needed for such interstate undertaking, upon the same terms and in like manner as if such undertaking were wholly in this State.

SEC. 14. For the purpose of carrying out the provisions of this Act the sum of \$..... is hereby appropriated out of any moneys in the State Treasury not otherwise appropriated to be covered into the Soldier Settlement Fund. The State Comptroller is hereby authorized and directed to draw warrants upon such fund from time to time upon the requisition of the Board and the State Treasurer is hereby authorized and directed to pay such warrants.

SEC. 15. The Board shall report annually to the Governor giving a full statement of its operations, shall also make investigations regarding the subjects with which it is authorized to deal, and make recommendations for legislation. The Board shall furnish copy of its report to the Secretary of the Interior.

SEC. 16. The Board is hereby authorized to perform any and all acts and to make such rules and regulations as may be necessary and proper for the purpose of carrying the provisions of this Act into full force and effect.

SEC. 17. If any part of this Act shall for any reason be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder of this Act, but shall be confined in its operation to the particular part thereof directly involved in the controversy wherein such judgment shall have been rendered.

SEC. 18. All Acts or parts of Acts in so far as

inconsistent with the terms of this Act are hereby repealed. The right to alter, amend or repeal this Act is hereby expressly reserved.

Sec. 19. (Usual emergency clause.)

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