

**EMPLOYMENT FOR DISCHARGED
SOLDIERS AND SAILORS:
HEARINGS; ON H.R. 13415;
FRIDAY, JANUARY 17, 1919**

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Employment for Discharged Soldiers and Sailors

HEARINGS

BEFORE

THE COMMITTEE ON LABOR

HOUSE OF REPRESENTATIVES

SIXTY-FIFTH CONGRESS

THIRD SESSION

ON

H. R. 13415

A BILL TO PROVIDE FOR THE PRESENT EMERGENCY ARISING OUT OF THE DEMOBILIZATION OF SOLDIERS AND SAILORS BY SECURING FOR THEM OPPORTUNITIES FOR PERMANENT AND PROFITABLE EMPLOYMENT THROUGH THE SETTLEMENT, COLONIZATION, AND DEVELOPMENT, UPON A SYSTEMATIC AND COMPREHENSIVE BASIS, OF AGRICULTURAL LANDS, AND OF THE FOREST, MINERAL, AND OTHER NATURAL RESOURCES WITHIN THE UNITED STATES AND ALASKA, AND FOR OTHER PURPOSES

FRIDAY, JANUARY 17, 1919



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EMPLOYMENT FOR DISCHARGED SOLDIERS AND SAILORS.

COMMITTEE ON LABOR,
HOUSE OF REPRESENTATIVES,
Friday, January 17, 1919.

The committee met at 10 o'clock a. m., Hon. Edward Keating presiding.

Mr. KEATING. This meeting was called this morning for the purpose of conducting a hearing on H. R. 13415, introduced by Mr. Kelly of Pennsylvania, which is a bill "To provide for the present emergency arising out of the demobilization of soldiers and sailors by securing for them opportunities for permanent and profitable employment through the settlement, colonization, and development upon a systematic and comprehensive basis, of agricultural lands, and of the forests, mineral, and other natural resources within the United States and Alaska, and for other purposes."

(The bill is as follows:)

[H. R. 13415, Sixty-fifth Congress, third session.]

A BILL To provide for the present emergency arising out of the demobilization of soldiers and sailors by securing for them opportunities for permanent and profitable employment through the settlement, colonization, and development, upon a systematic and comprehensive basis, of agricultural lands, and of the forest, mineral, and other natural resources within the United States and Alaska, and for other purposes.

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

A NATIONAL EMERGENCY BOARD, TO CONSIST OF THE SECRETARIES OF LABOR, AGRICULTURE, AND INTERIOR.

That there is hereby created a special administrative board of three members, to be known as the National Emergency Board for Soldier Employment (hereinafter called the "board" or the "national board"), to consist of the Secretaries of the Departments of Labor, of Agriculture, and of the Interior.

The national board shall act under the general supervision of the President and through a competent director to be selected by the said board and to be known as the National Director of Soldier Employment (hereinafter called the "director").

The said board shall provide the said director with all necessary expert, clerical, and other assistance by detailing to his office, through the respective Secretaries of the three departments, experts, clerks, and other employees from the personnel of said departments. All office, traveling, and other expenses herein required shall be paid from appropriations under this act.

A CONSTRUCTION SERVICE TO BE ORGANIZED BY THE NATIONAL BOARD.

SEC. 2. That in order to develop and carry out the projects for utilizing land and natural resources as provided for in this act, and in order to secure immediate employment for soldiers being demobilized and other workers being discharged from their occupations, the board shall organize, through a series of corporations or otherwise, a service or body of workers, to be known as the United States Construction Service, which shall act under the general supervision of the Director of Soldier Employment.

Employment in the said construction service shall be entirely voluntary, and the workers therein, or any body, division, or crew of such workers, shall have full power,

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under the terms of voluntary and collective agreements made by them with the national board, to resign from employment in the said service. All workers in the construction service, or any body, division, or crew of such workers, shall have full power to organize among themselves for their economic and social betterment.

STANDARDS OF LABOR FOR THE CONSTRUCTION SERVICE.

SEC. 3. That all operations conducted by the construction service shall be governed by provisions as stated in this section, and such provisions shall be embodied as terms in every contract which is authorized herein.

The minimum hourly wage for any class of labor in any operation conducted under authority of this act shall in no case be less than the average wage received in the locality by the respective class of labor working under conditions equivalent to those prevailing in said operation.

The basic working-day shall not exceed eight hours, and an increase of fifty per centum in the hourly wage (as hereinbefore determined) shall be paid for all overtime work.

No person under the age of sixteen years shall be employed for any purpose whatever. All operations shall be so conducted as to make employment therein as steady, continuous, and permanent as possible.

No contract shall be sublet without the consent of the national board, and said board shall require in any contract for subletting that the appropriate labor and other provisions of this act be embodied as terms therein.

The national board is hereby empowered, authorized, and directed to make all necessary rules and regulations (the same to be embodied when required as terms of contracts) to establish the necessary service—

To insure the safety of workers in the operations provided for in this act.

To provide for just and reasonable compensation to all workers in any operation or to their dependents, who may be injured or killed in the course of their work.

To provide for a system of insurance of workers employed in all operations under this act in cases of sickness, injury, or death.

To provide for an adequate system of sanitation, housing, and general living conditions for the workers engaged in any operation conducted directly or indirectly under authority of this act.

To promote the skill, interest, and efficiency of workers in any operation.

AGRICULTURAL LANDS.

SEC. 4. That in order to secure as a source of permanent and profitable employment, the proper settlement of lands for agricultural purposes, the national board is hereby empowered, authorized, and directed—

To locate, by means of examinations or surveys already made by any of the respective departments and by means of necessary additional surveys (the same to be made as expeditiously as possible), areas of land in the United States or Alaska suitable to be settled and colonized in convenient community units;

To reserve for this purpose any and all parts of the public domain, and to purchase, through condemnation or otherwise, any lands in private ownership which may be necessary;

To make plans for the efficient laying out, reclaiming, preparing, and organizing of the said lands for community settlement—including the providing of ready-made farms, farm buildings, stock and machinery to the prospective settlers, the maintenance of demonstration farms for their agricultural training, the organization of cooperative buying and selling agencies, the making of loans, and other suitable means for the settlers' economic and social welfare;

To carry out such plans through the use of the construction service and otherwise—all physical operations to be conducted as far as practicable by means of the said construction service;

To select ex-soldiers and other workers from the applicants for the lands in the communities to be settled;

To supervise the colonies when once established.

The national board shall make all needful rules and regulations for carrying out these duties.

All costs for reclamation and improvement shall be charged against each farm allotment and be amortized as provided by the national board, the interest charges not to exceed four and one-half per centum per annum.

The fee simple title to all land reserved or purchased for the purposes of this Act shall remain forever in the United States. Farm lands shall be allotted in areas

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sufficient for family use, and during such period only as the settler shall continue to reside on and use such land. Regulations for determining under varying conditions what amounts to residence and use shall be made by the national board. In case of the termination of any allotment the settler shall be reimbursed for improvements made at his own expense, the value of said improvement to be appraised by the board.

A yearly charge shall be collected by the board for the use of each farm allotment, said charge to be a reasonable percentage of the productive value of the land. From the charge so collected there shall be paid by the board equitable proportions thereof of the State, county, and other local governments rendering services within the area being settled.

No land shall be allotted for settlement until, in the opinion of the board and upon the basis of expert surveys and estimates, a reasonable presumption exists that the average yearly money return obtainable from farming the said allotment shall be sufficient to yield, in addition to the necessary yearly fixed charges for the use of the land, and for reclamation, improvements, and normal running expenses, a compensation to the settler for his labor, which shall be not less than the equivalent of the local wage rate, as determined in section three; and the said charge for the use of land shall be fixed by the board so as to allow to the settler, out of estimated gross returns, not less than the compensation aforesaid.

Settlement areas shall be selected by the board in those regions and areas, as nearly as possible, in which suitable markets are located and in which the economic and social advantages of community life can be made available.

FOREST LANDS.

SEC. 5. That in order to utilize the national forests of the United States as a source of continuous and profitable employment for returned soldiers and other workers, by means of the encouragement therein of lumber operations conducted by a stabilized labor force as distinguished from a migratory labor force, and through the development therein of permanent forest communities as distinguished from temporary lumber camps, the national board is hereby empowered, authorized, and directed to plan, establish, and organize, as soon as possible, within the said national forests a series of logging or milling operations, or both, which in each case shall, as far as practicable, be based upon a continuous and sustained yield of timber or wood to the end that a series of permanent communities of logging or mill workers may be established; and for this purpose the national board shall, by means as far as practicable of the construction service provided for in section two, build all necessary roads, flumes, and other transportation facilities, mills, buildings, and other plants, and equip and operate the same and sell the product thereof as far as practicable to local consumers, in the form of logs or lumber.

The board is hereby authorized, for the purpose of developing any project as provided for in this section, to purchase or lease any privately owned lands within or adjacent to any national forest.

COAL LANDS.

SEC. 6. That for the purpose of further utilizing the natural resources in the ownership and control of the United States Government for the profitable employment of returned soldiers and other workers the coal lands permanently reserved in the Territory of Alaska shall hereafter be developed by the national board, through direct operation or lease, so as to establish for the benefit of the said returned soldiers and other workers, and of the public generally, a series of suitable communities; and such development shall, as far as practicable, be conducted by means of the construction service aforesaid.

ROADS, WATERWAYS, AND GENERAL IMPROVEMENTS.

SEC. 7. That in order to provide further for the profitable employment of returned soldiers and other workers the national board is hereby authorized to utilize the construction service in the building and developing, to the extent desirable for the public interest, of such roads, waterways, and general improvements as will aid or advance the use of any projects in land settlement, forestry, or mineral development provided for in sections four, five, and six.

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COOPERATION WITH STATES.

Sec. 8. That the national board is hereby authorized to make written, specific cooperative agreements, in the case of any State, with any particular State official (or any State board or commission) who (or which) shall be authorized by the State, through appropriate official action, to make equally specific agreements with the national board: *Provided*, That each cooperative agreement shall be approved (1) by the President of the United States and (2) by the governor or by the legislature of the cooperating State.

The subject matter of any cooperative agreement aforesaid shall be limited—

(1) To the establishment of settlement areas on agricultural land to be developed and managed for the purpose of, and in a manner equivalent to, that provided for in section four;

(2) To the establishment of forest communities and operations to be conducted for the purposes of, and in a manner equivalent to, that provided for in section five;

(3) To the establishment of mining communities and operations to be conducted for the purposes of, and in a manner equivalent to, that provided for in section six; and

(4) To the building and development of roads and other public works for the purposes provided for in section seven: but no cooperative agreement shall be valid under this act which shall not provide—

(a) That the absolute title to all land reserved or acquired, and to all permanent and fixed improvements constructed for any of the purposes aforesaid shall be retained permanently in public hands (either vested in the United States or in the particular State according as the one or the other method may be agreed upon);

(b) That not more than seventy-five per centum of the total cost involved in any one project shall be paid out of appropriations under this act; and

(c) That the United States Construction Service provided for in section two shall, as far as practicable, be utilized in developing and maintaining any of the projects provided for in this section.

SOLDIER-EMPLOYMENT FUND FOR CARRYING OUT ACT.

Sec. 9. That there is hereby created in the United States Treasury a fund to be known as the "soldier-employment fund," to be expended by the national board for carrying out the provisions of this act, and the Secretary of the Treasury is hereby authorized and directed, upon request of the national board, to transfer from time to time to the credit of the soldier-employment fund such sum or sums, not exceeding in the aggregate \$500,000,000, as the said board may deem necessary, to be used from time to time for carrying out the provisions of this act; and such sum or sums as may be required to comply with this authority are hereby appropriated out of any money in the Treasury not otherwise appropriated: *Provided*, That the sums hereby authorized to be transferred to the soldier-employment fund shall be transferred only as such sums shall be actually needed by the board: *Provided further*, That all sums so transferred shall be restored to the Treasury as hereinafter provided.

BOND ISSUE TO PROVIDE FOR SOLDIER-EMPLOYMENT FUND.

Sec. 10. That for the purpose of providing the Treasury with funds for such advances to the soldier-employment fund, the Secretary of the Treasury is authorized to issue certificates of indebtedness of the United States in such form as he may prescribe and in denominations of \$20, or multiples of that sum; said certificates to be redeemable at the option of the United States at any time after ten years from the date of their issue and to be payable semiannually at not exceeding three per centum per annum; the principal and interest to be payable in gold coin of the United States. The certificates of indebtedness herein authorized may be disposed of by the Secretary of the Treasury at not less than par, under such rules and regulations as he may prescribe, giving all citizens of the United States an equal opportunity to subscribe therefor, but no commission shall be allowed and the aggregate issue of such certificates shall not exceed the amount of all advances made to said soldier-employment fund, and in no event shall the same exceed the sum of \$. . . The certificates of indebtedness herein authorized shall be exempt from taxes or duties of the United States, as well as from taxation in any form by or under State, municipal, or local authority; and a sum not exceeding one-tenth of one per centum of the amount of the certificates of indebtedness issued under this act is hereby appropriated, out of any money in the Treasury not otherwise appropriated, to pay the expenses of preparing, advertising, and issuing the same.

DISPOSITION OF RECEIPTS OF SOLDIER-EMPLOYMENT FUND.

SEC. 11. That certain proportions of the receipts of the soldier-employment fund shall be paid into the general fund of the Treasury of the United States, until payments so made shall equal the aggregate amount of advances made by the Treasury to said soldier-employment fund, together with interest paid on the certificates of indebtedness issued under this act, and any expense incident to preparing, advertising, and issuing the same: *Provided*, That said transfer of receipts shall be made at such times and in such proportions as the President shall direct: *Provided further*, That all receipts of the soldier-employment fund in excess of the amounts of advances made by the Treasury, as heretofore provided, to said soldier-employment fund which shall have been restored, shall be issued by the national board in accordance with the provisions of this act for instituting new colonization projects and for developing projects which shall have been established, and any sum or sums so expended shall, together with annual interest at four per centum on unpaid balances of said sum or sums, be assessed by the board against the appropriate land and collected as an improvement charge, in accordance with regulations to be made by the board, and when so assessed and collected the said sum or sums shall be returned by the board to the soldier-employment fund, to be used over again indefinitely by the board for like purposes.

Mr. KEATING. Mr. Kelly is here this morning and the committee will be glad to hear from him.

**STATEMENT OF HON. M. CLYDE KELLY, A REPRESENTATIVE
IN CONGRESS FROM THE STATE OF PENNSYLVANIA.**

Mr. KELLY. Mr. Chairman and gentlemen of the committee, I have here this morning a number of men whom I desire to introduce to the committee and have them explain the various phases of this bill.

First, however, I want to put before the committee this chart, showing the problem of demobilization and reconstruction, as we understand the words. The chart is a complete picture of the situation and problem of demobilization. You will notice that it is drawn in the form of three reservoirs, which must be emptied upon the declaration of peace. The first one is composed of the men under arms overseas, the second of the men under arms in the camps and cantonments in this country, and the third is composed of men in essential war industries. Those three tanks are now filled and must be emptied back into the tanks represented at the lower corner of the chart and standing for peace-time industries. Many causes and factors must enter into the situation, and they are all shown on the chart. The rate of flow from the camps overseas depends upon the rate of transport, and that in turn depends upon the arrangements which are made for shipping. The chart shows provisions for taking care of that portion of the flow which can not be utilized at once in industry. There is also shown the possibility of buffer employment in the United States in public improvements of all kinds. The proposition of this bill is to meet two of these factors; one is in this buffer employment over here—not a kind of artificial thing to give employment regardless of the value of services, but real constructive employment of permanent value. It meets also the need for agricultural settlements and permanent home plans for returning soldiers and workers.

The Secretary of the Interior has a plan to take care of a number of these men on public land and is urging Congress to take some action in that connection. This bill proposes to carry out that idea more extensively, and it provides for the organization of a national board, to be composed of members of the Cabinet; and under them there is to be established and carried out a reconstruction service.

That service is to be made up of corps or workers, consisting of discharged soldiers, sailors, and marines, and also workers in war industries.

The bill proposes to give this construction board power to take land on the public domain or to purchase private lands which may be available for community settlements.

We tried to get away from the Civil War proposition in meeting this problem. Then a soldier was given scrip entitling him to a certain part of the public domain, but in many cases he did not use it. As an illustration of that, I had recently a letter from an old soldier telling me of a Washington firm of attorneys who had informed him that they would give him \$100 for his rights. The soldier did not know he had the right to any land, and he wrote me and asked me whether he should take \$100 for it. That is an illustration of thousands of cases where soldiers of the Civil War were given public land and never improved it, and speculators finally came into possession. The way to meet that point, as we believe, is to have community organizations, and to have the title to the land vested in the United States Government. The bill provides that the fee simple title shall remain in the United States Government, and provides that the soldier shall have full possession while it is being used.

The bill attempts to present a comprehensive plan for the rules under which this service shall be carried out. It provides that the men shall have the benefits of this service, and it shall be the duty of the board to give them employment on the land while it is being prepared and to organize agricultural communities, forest communities, and mining communities.

It is provided that the worker shall be paid a wage, which shall not be less than the wage paid in the vicinity where the land is being developed. The standards of labor are of the highest type, those which have been approved by all the forward-looking organizations which have been dealing with this problem.

I want to submit a letter which I received yesterday in regard to this proposition. Here is a letter from a member of a machine-gun company of the Seventh Infantry of the American Expeditionary Forces, dated the 29th of November, addressed to me from a man whose home address is Pittsburgh. It requests information on behalf of the writer and brother officers as to the possibility of securing farm homes in the United States.

That man is a steel worker in the mills, or was before he went into the Army, and he wants to go on a farm. When I was in France, I talked with hundreds of boys from Pittsburgh who have worked all their lives in machine shops and mills, and in many cases they said, "We will never go back to the steel mills; we want to stay outdoors." There are hundreds of thousands of the boys in the American Army who have had such an experience with life in the open that they are not going back into the machine shops and into the various industries where they worked before they went into the Army. They are going to stay in God's outdoors.

It is a duty that rests upon Congress to provide some means by which they shall have such an opportunity by taking advantage of the opportunities that the United States possess, which will mean an incalculable benefit by increasing the number of producers in this country, and by organizing communities which will be examples of what American communities should be.