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SENATE

} REPORT
No. 542

TRANSFER OF LAND AT VETERANS' HOSPITAL NO. 78, NORTH LITTLE ROCK, ARK.

MARCH 14, 1928.—Ordered to be printed

Mr. SMOOT, from the Committee on Finance, submitted the following

REPORT

[To accompany S. 2905]

The Committee on Finance, to whom was referred the bill (S. 2905) to authorize the transfer of a portion of the hospital reservation of the United States Veterans' Hospital No. 78, North Little Rock, Ark., to the Big Rock Stone & Material Co., and the transfer of certain land from the Big Rock Stone & Material Co. to the United States, having had the same under consideration, report it back to the Senate without amendment and recommend that the bill do pass.

Following is a letter from the Director of the United States Veterans Bureau containing the facts and history of this case. The present bill (S. 2905) is a substitute proposed by the Director of the Veterans' Bureau, to which he refers in the last paragraph of his letter, for a former bill (S. 698) to which his report is directed:

UNITED STATES VETERANS' BUREAU,
Washington, January 4, 1928

Hon. REED SMOOT,
Chairman Committee on Finance,
United States Senate.

MY DEAR SENATOR SMOOT: I have the honor to refer to your letter of December 12, 1927, transmitting copy of S. 698, a bill to convey to the Big Rock Stone Co., a portion of the hospital reservation of the United States Veterans' Hospital No. 78 (Fort Logan H. Roots), in the State of Arkansas, requesting a report as to the merits thereof.

The bill proposes to authorize the director of this bureau, upon payment by the Big Rock Stone Co. of such sum as he may determine to be reasonable (but not less than \$150 per acre), to convey to the Big Rock Stone Co., a part of the hospital reservation at the United States Veterans' Hospital No. 78, North Little Rock, Ark., as described in detail therein. In this connection the attention of the committee is invited to the attached copy of letter, dated February 10, 1927, addressed to the chairman Committee on World War Veterans' Legislation, House of Representatives, relative to H. R. 11205, the purpose of which was identical with that of S. 698. It will be noted that I advised the committee that I would agree to the transfer of the 12.24 acres described in the bill to the Big

Rock Stone Co., provided that company would agree to abandon its blasting operations on land now owned by it which is situated closer to the hospital buildings than the land which they are now anxious to acquire (the specific territory to be designated by the bureau), and provided further that the purchase price be based upon the amount of rock available for quarrying instead of by an arbitrary price of \$150 per acre, as contemplated by the bill. It is estimated that there could be quarried and sold on this land approximately 400,000 tons of rock per acre, a total of 5,000,000 tons for the 12.24 acre plot which the Big Rock Stone Co., wishes to acquire. A reasonable price for this rock was fixed at one-half cent per ton, or a price for the whole plot of \$25,000.

Subsequent to the advancement of this proposal by the bureau the Big Rock Stone Co. addressed a letter to me in which they offered to transfer to the bureau two tracts of land containing together approximately 6.82 acres, contiguous to the hospital reservation, in exchange for a 5.5-acre strip of land, specifically described in their letter and within the original 12.24 acres they desired to purchase, and with this exchange enter into an agreement to discontinue all blasting operations on property now owned by them situated considerably nearer to the hospital buildings than the land to be acquired by them from the Government.

There is inclosed photostat of a plat showing the present holdings of the United States and the Big Rock Stone Co., respectively, and the tracts which they propose to exchange. Subsequent to the receipt of this offer from the Big Rock Stone Co., I referred the matter to the Federal Board of Hospitalization for their consideration, and on March 7, 1927, that board recommended that the offer of the Big Rock Stone Co. be accepted, the agreement to discontinue further blasting operations on land nearer to the hospital and the removing of said operations to a point north of the most southerly point of the land to be conveyed to them, which is approximately 50 per cent farther away from the hospital than the territory now being quarried, being a consideration of sufficient value.

I therefore recommend to the committee the advisability of making this exchange of property rather than the outright sale of the land described in S. 698, inasmuch as I believe that this transfer would be much more advantageous to the Government than the mere sale of the 12.24 acres.

There is inclosed for the use of the committee draft of a bill, which, if enacted into law, would authorize the exchange described herein.

A copy of this letter is inclosed for your use.

Very truly yours,

FRANK T. HINES, *Director.*