SOLDIERS' ADJUSTED COMPENSATION

HEARINGS

BEFORE THE

COMMITTEE ON FINANCE
UNITED STATES SENATE

SIXTY-SIXTH CONGRESS
THIRD SESSION

ON

H. R. 14157

A BILL TO PROVIDE ADJUSTED COMPENSATION FOR VETERANS OF THE WORLD WAR; TO PROVIDE REVENUE THEREFOR; AND FOR OTHER PURPOSES

THURSDAY, DECEMBER 16, 1920

PART 2

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SOLDIERS' ADJUSTED COMPENSATION.

THURSDAY, DECEMBER 16, 1920.

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

The committee met, pursuant to adjournment, in the committee room in the Capitol at 10.30 o'clock a. m., Senator Porter J. McCumber (acting chairman) presiding.

Present: Senators McCumber, Smoot, La Follette, Dillingham, McLean, Curtis, Watson, Calder, Watson, Sutherland, Simmons, and Nugent.

Senator MCCUMBER. You may proceed.

Mr. TAYLOR. At adjournment yesterday Mr. Bettman was speaking to you, and he will resume at this time.

STATEMENT OF MR. GILBERT BETTMAN—Resumed.

Mr. BETTMAN. Gentlemen of the committee, I was just about to close yesterday and will take very little of your time this morning. Indeed, I feel if I do not clear the floor soon that I shall be court-martialed by our national commander.

I was trying to say at the close of the hearings yesterday what we conceive to be the justification for this bill which has been passed by the House. As we see it, it is not a bounty; it is not the kind of thing that was done at the Civil War period in order to get men into the Army; it is not a bonus in the sense of a gratuity for military service. It is just exactly what the bill called it, which is an adjustment of compensation. That is not an empty word.

Senator MCLEAN. It is equalization?

Mr. BETTMAN. It is an equalization of the economic disadvantage which resulted from the operations of the selective service law, which was occasioned from the fact that we said to one young man in the country, "You go into the service and stay at $1 a day"; and to another young man, "You are permitted to stay here and make $5 or $6 or $7 a day during the war period." It is to correct that economic situation—that economic disadvantage—that this law is proposed.

Senator MCCUMBER. Will you, after making allowance for food and clothing, doctors' bills, and other matters which the soldier received, etc., give us a statement that will show just what the average amount would be for a soldier per day compared with the average amount that was received by the civilian employed in ordinary work in the United States?

Mr. BETTMAN. Well, I think the best line on that is these estimates that have been given about the increase in savings departments; the average was from $200 to $400, we are advised, during that period.

Senator MCCUMBER. I did not know but what you had made up a statement, probably, inasmuch as you made that the basis of the request at this time, and that that table would just show what the equivalent would be between the two classes.

Mr. BETTMAN. Oh, I do not think such a table has been prepared, because it would vary from one end of the country to the other; it would vary from the individuals who have gotten as high as $10 a day in the shipyards to the man who made probably $4 a day in other kinds of labor in other parts of the country. I do not think any such table has been prepared; and this, Senator McCumber, is only an approximation at an adjustment of compensation. It is not adequate; it is not complete; it is just approximate.

Senator MCCUMBER. I was just asking you to see if you had any definite information upon that subject.

Mr. BETTMAN. No; a table has not been prepared which meets that situation.

Senator MCCUMBER. Very well.

Mr. BETTMAN. There is nothing novel in the suggestion, either, gentlemen. Other nations have passed measures. Our allies have given an adjustment of compensation. The range in Canada, for example, is from $600 for a private to $4,658 for a major general. In Great Britain it is from $140 for a private to $7,290 for a major general. And even France, with her colossal debt of $40,000,000,000, has given an adjustment of compensation of $233.58 to a private.

Senator MCLEAN. Is not the Canadian system somewhat similar to the one proposed here? Do you know what percentage of men in Canada took cash?

Mr. BETTMAN. I do not know that that has been tabulated.

Senator MCLEAN. I have been informed it is 90 per cent.

Mr. BETTMAN. With regard to that question, I just want to make this observation: As to the question of just how much it will cost in any particular year, I want to call your attention to the fact that it is really a question of policy to be determined; it is impossible in advance to determine just what the expense to the Government will be each year as this policy is being carried out.

There is nothing novel about that in governmental legislation. When you passed the war-risk act in October, 1917, providing for insurance and compensation and allowance and allotments you did not know how many men would draw an allowance from the Government; you did not know then exactly how many men would draw compensation, whether it would be 10,000 men or 100,000 men; you did not know whether the men were going to be insured to the extent of 50 per cent of them or 75 per cent of them or 100 per cent of them. You determined the policy for the Army under that bill, and as the years went on you have given the necessary appropriations to carry out that policy.

Senator SMOOT. We did know, however, that they would not all be killed; we did know that they would not all die.

Mr. BETTMAN. Yes. But that knowledge would not be very helpful. I mean, it was not accurate, Senator; it would not tell you how

much it would cost to pay the compensation; that was dependent entirely upon future events.

Senator WATSON. Mr. Bettman, under these various sections, how many will be cut—everybody above captain? All those while wearing uniform filled civilian positions in the United States and drew wages? Do you know how many that is in actual numbers?

Mr. BETTMAN. No; I do not think there has been a tabulation of what that would be. There is this question, Senator Watson: How many men are going to apply? There are a great many men who will not apply for any adjustment of their compensation. The exact number only the future can determine.

There was a discharge bonus, and the War Department will advise you that only 1,000,000 men have applied for that discharge bonus. The exact number who got that $60 payment upon discharge to enable them to buy civilian clothes, etc., has never been determined by the War Department. But the applications, out of 4,000,000 men in the Army, amounted to only 1,000,000 men who applied for that. There is no way absolutely to determine in advance how many men will apply, and this adjustment of compensation is payable only upon application.

Every time the question has come up, if the committee please, to a vote of the people in any kind of shape, the result has been favorable. There are 29 States, I believe, that have soldiers' settlement boards, and those States are waiting and anxious for the National Government to pass a law in order that the State governments may cooperate in settling the men upon the farms. Every time the question has come up the people have voted in favor of giving this kind of aid to the service men; not a State has voted it down. Twelve States have voted already in favor of giving aid to the ex-service men. So there is nothing novel about it, and when it has been put up to the people they have approved it. When it was put up to the popular house of Congress it was approved by a vote of 298 to 92; and when it was put up to the American Legion, which we believe and we know is a very fair crosscut of the American social fabric, with every kind of view represented, the bill was approved with unanimity.

Senator CALDER. These votes in the several States was whether the States should pay bonuses, were they not?

Mr. BETTMAN. I am saying that when the policy of aiding the service men was put up to the people every time it has met with approval.

Senator CALDER. What was that vote in New York?

Mr. BETTMAN. The vote there was two to one in favor.

Senator WATSON. Has the legislature in New York voted upon it?

Senator CALDER. The legislature submitted it to the people by way of referendum.

Senator WATSON. I know that, but no action has been taken by the legislature?

Senator CALDER. No; but the particular bonus scheme was submitted.

Senator CURTIS. I want to ask you a word about the land-settlement proposition. As I understand it, from what you said yesterday the project is to settle the ex-service men upon the lands in the West mainly. In the West the available land is mostly irrigated, and in

the South the lands are cut over, timber, and swamp. Have you considered the number of people you have in the organization or who served overseas who would be fitted to develop farms in those parts of the country where irrigation is necessary or on cut-over lands and swamp lands?

Mr. BETTMAN. Half the men in the Army were farmer boys—those are the figures.

Senator CURTIS. I know, but you take a farmer from Kansas, Oklahoma, and Nebraska and he is not very well fitted to go on an irrigated farm and he is not very well adapted to the cut-over lands and the swamp lands in the South and under conditions like those.

Mr. BETTMAN. The land part of this bill, of course, Senator Curtis, does not apply to any particular area only. Wherever the Government feels it will be feasible to establish a land project and settle the service men upon the land, either in the South, in the West, or in some of the older States—and there are settlement boards in Delaware, for example, and the little State of Delaware has appropriated $25,000 for its land-settlement board to settle the ex-service men upon the land. It does not apply to any particular locality in the United States.

Senator CURTIS. I appreciate that. But you said yesterday that the land question was chiefly confined to the West, and I know something about the efforts made in the Southern States. When the bill was up in the House the argument in regard to lands was nearly all from the South and Northwest—irrigation and cut over. I have got a kind of a notion that you are not going to get many people outside of those various sections to take up that kind of land.

Senator SIMMONS. Those swamp lands are not bought-up lands.

Senator CURTIS. I know they are not. You have organizations who have bought up the land or controlled it, and that is ready to sell to the Government.

Senator MCCUMBER. I think the witness has stated that these soldiers will, for the most part, exercise good judgment, which will eliminate, for the most part, the whole land question.

Mr. BETTMAN. That is the way some feel just at the present time about farming, but I do not think farming is going to come to an end in America; I think the farmers will weather the present storm.

Senator MCCUMBER. They will undoubtedly get through.

Senator SIMMONS. They will have a hard time doing it.

Senator NUGENT. For your information, I wish to say that in the administration of the Carey Land Act in the western country, with which I am familiar, the lands were settled by people from other sections of the Union, and men who were accustomed to farming, generally speaking, have had but little difficulty in learning how to farm properly on irrigation projects in the West.

Senator CURTIS. We have had quite a number of farmers in our State who have had to come back from your State after an unsuccessful attempt there, too.

Mr. BETTMAN. We must keep in mind, too, that at the end of the Civil War the men who served were given a right to enter upon 160 acres, and we want to do everything now we can to encourage settlement upon land.

Senator CURTIS. I want them to go on farms, too. But what I want to know is, have you an idea about how many are going on

these farms, because I do not think you are going to have a great demand in that direction.

Mr. BETTMAN. There seems to be a great demand.

Senator CURTIS. I have had three letters since this whole question has been up, asking about land.

Mr. BETTMAN. I think your argument, Senator Curtis, goes to show the wisdom of this bill, in that it contains five options, because the land will not fill the entire need. Therefore there is the home-aid provision, there is also the vocational-training aid, and the cash provision, because we had to make a bill which would fit the needs of the entire country. Some men in the western region who have gotten familiar with irrigation, you say, will exercise that option. Another man who has dependents and lives in the city will probably exercise the insurance option; other men who want to build a little home will take their adjustment of compensation in that form, while others will take it in the cash form; and I think the argument shows the wisdom of the scope of the bill in not confining it just to one option, but giving these 4,000,000 men who are under different conditions and who have different tastes and different aspirations in life an opportunity to exercise their judgment as to what method of adjusted compensation will, under this bill, fit their particular needs.

Senator SIMMONS. I want to ask you one question, Mr. Bettman: In the South, where I live, I have heard it stated frequently that the ex-service men who left the farms when they entered the service have stayed away from the farm when they came back. I want to ask you if your experience, observation, and information leads you to believe that that condition on the part of ex-service men coming back is general throughout the country as it is said to be in some Southern States?

Mr. BETTMAN. I do not think I have any special knowledge on that. That is rather a question of economic conditions. I think that results, if it is true——

Senator SIMMONS (interposing). It is pertinent to the question you have been discussing.

Mr. BETTMAN. As I say, I have no special knowledge on it. It seems to me like a result of the fact that there were very high wages prevailing in the cities and the farm was not so attractive. But there is a flux and reflux on questions of that kind, and surely the country is going to adjust itself. We know that wages in the cities are lower now, and farm life will seem more attractive.

Senator SIMMONS. Do you think it was a difference in wages?

Mr. BETTMAN. I think that was what it was. That is what economists generally ascribe it to.

Senator SIMMONS. Farm wages have been mighty high in the South this year and last year—as much as $4 a day.

Senator SMOOT. Four a day? We have had to pay $7 and $8 and $9 a day in my State.

Mr. BETTMAN. You have been paying some wages.

Senator SIMMONS. Four dollars a day wages on a farm is considered mighty high in my country; they never reached that level before.

Mr. BETTMAN. Just a word in conclusion, and I will finish. The United States, it seems to me, started out on a great policy of what

might be called international altruism. We are now up against the extent of that international altruism project, and I know the Senate Finance Committee is wrestling with the problem of meeting the expense of that. I simply want to add this observation: It is not fair now to saddle the expense of that adventure upon the service men and make them not only fight the battle which made that adventure a success, and at the same time bear also the load resulting from the economic disadvantage which came from the fact that they entered the service of their Government. Though we may all believe in a policy of entrenchment, let us not retrench at the very time that the men who have come back and gotten back into civil life are asking for an equitable readjustment of the economic laws; and let us not put the entire burden of our adventure in international altruism upon the men in the service who withheld the Nation's cause and made that adventure a success.

Senator McCUMBER. I would like to ask you a question, after presenting a matter, before you take your seat. An examination of the present financial situation of the country shows that there are outstanding certificates of $700,000,000 that mature December 15; there are semiannual interest on first Liberty and Victory bonds of $140,000,000; there are outstanding certificates maturing January 3 to January 15, 1921, of $300,000,000. The December tax installment probably will bring us in $650,000,000—not to exceed that; and we had $160,000,000 in the Treasury on December 6, 1920. Now, the deficit, with the $250,000,000 required in the Treasury on January 1st, including the estimate of $650,000,000 for railways, $1,230,000,000, and other deficits, probably will bring it up to at least $1,250,000,000.

Now, the report shows also the estimated deficit, continuing matters as they are now and with our present tax will be $2,500,000,000 on June 30, 1921; and for June 30, 1922, an estimated deficit of $1,000,000,000 and about $500,000,000.

I am putting this question to you to answer and for such discussion as you want to make. If the conclusion is that it is impossible under present conditions of the Treasury to float the necessary bonds to meet this additional demand, and if the American Legion felt sure that legislation of the character you ask would be passed just as soon as conditions permitted it, would there be objection on the part of the Legion to postponing this legislation for a brief period; or, in lieu of that, to have the act take effect, say, January 1, 1922, or January 1, 1923, so that it could be made certain by the time or beginning this extra amount would be sufficiently far ahead to allow Congress and the Treasury to take care of the present deficits. I would like your idea along that line.

Mr. BETTMAN. First, upon that question, Senator McCumber, while we do not desire to avoid or sidestep, we do want to make this observation: We are here to present the question of the validity of the claim. How the debtor should pay the claim, when he should begin to pay the claim, out of what assets he should pay the claim, under what method of taxation he should meet this obligation—that is not for the American Legion to advise upon; that is for the Ways and Means Committee of the House, which has spoken, and for the Senate Finance Committee to finally determine upon. Our judg-

ment, our opinions on that question are utterly valueless as compared with the opinions and judgment of any member of the Senate Finance Committee. Therefore, we do not feel that we could be of assistance, and we do not desire to be drawn into a discussion of what method of taxation or what method the Senate should adopt to meet the obligation. We are here to establish the validity of the claim.

Senator McLEAN. Your bill provides for methods of raising the money?

Mr. BETTMAN. Not our bill. That method was determined not by our Legion but by the Ways and Means Committee. When this bill was presented they tacked onto the bill the ways of meeting that necessary payment.

Senator McLEAN. That, as I understand it, was with the approval of the representatives of the Legion.

Mr. BETTMAN. The bill was reported out and passed by the House, and we approved that method and will defend that method, Senator. Some of the Congressmen asked us "If we determine upon a definite method of taxation to meet this claim, will you defend in the public arena this method of taxation?" We said we would, and we will; and if the Senate Finance Committee determines upon any method of meeting this obligation as we have presented it and claim it is valid, we, of course, will defend the action of the Senate in saying that that is the method of taxation or that is the method of financial adjustment which is necessary to meet this claim.

Senator McCUMBER. I think your reply is a very fair one, and I know that the committee wants to do the very best it possibly can in the situation, and wants to make just compensation. But when and just how we can do it is a matter that, of course, you say, the committee must determine.

Senator LA FOLLETTE. Did I understand you to say, in answering that question, to mean that if this committee puts off doing anything for the soldiers for two or three or four years you will go out and defend it before the American people?

Mr. BETTMAN. I did not say that.

Senator LA FOLLETTE. I did not want any misunderstanding in the record.

Mr. BETTMAN. I do not mean that.

Senator McCUMBER. That was not included, either, in the question?

Mr. BETTMAN. No. Thank you very much, gentlemen of the committee.

Mr. TAYLOR. Mr. Chairman, I now desire to present Mr. F. W. Galbraith, the national commander of the American Legion.

STATEMENT OF MR. FREDERICK W. GALBRAITH, Jr., NATIONAL COMMANDER AMERICAN LEGION, INDIANAPOLIS, IND.

Senator McCUMBER. Mr. Galbraith, the committee will be very glad to hear from you.

Mr. GALBRAITH. Mr. Chairman and gentlemen of the committee, you have heard Mr. Bettman, who has ably covered the situation, and with your permission I would like to present to you the situation

as it existed at the time of the declaration of war, with the voluntary system for raising an army which was then in effect, and which produced, because of its being an unsound system, only a small number of men.

When the Congress of the United States adopted the selective service act, it performed a great service to the Nation, and those of us who were in the service recognize that that was the way, and the only way, in which a national army for national defense could have been raised.

In the operation of this law men were registered from all parts of the Nation. They were peaceful men, men untrained, men inexperienced in war; and yet with blind unreasoning confidence in their Government, when their names were drawn, in the great majority of cases, they responded to the call, realizing that it was their duty to enter the military service. They were mobilized in camps from the hills, from the farms, from the factories, from all parts of the Nation; and like the good Americans that they were, they entered upon a new and strange life. They were put into a uniform; they were drilled; they went to bed by a bugle, they got up by a bugle. Their life was not ordered as it had been. And yet in spite of that, gentlemen, these men enthusiastically entered upon the making of a soldier. The net result was that they were trained, equipped, and entered the service in a very short time, in the shortest space of time that it takes to make real soldiers—the American was the man who was made into a soldier in the shortest time.

In the meantime, what was the situation with his mates? He did not ask to enter the service, but he did it willingly. The man who sat beside him at the bench, or labored with him on the farm had an opportunity as the war developed. If he did not like the work in which he was engaged or if he could make more money in any other kind of work, he entered upon that. In other words, he had an opportunity to choose as to what he should do, while the man who entered the service was chosen for a particular thing.

It seems to us that that man did not love his home life, his future in business, his family less. But that he simply was answering the call and answered it enthusiastically and willingly, and was made into a soldier as I have stated.

The man who stayed at home, who was in exactly the same fix as he, so far as his age was concerned, perhaps claimed exemption; he had a right to do that. There were other industries at home which must have gone out of existence had it not been for him. As Mr. Bettman said yesterday, we recognize the fact that those who were not in uniform were just as much entitled to the grateful praise of the Nation as those who served, if they were doing the constructive work, which most of the citizens did.

But the opportunity for one was as a soldier, under discipline the rigors and the hardships of either the camp or the battlefield: and it does not make any difference to those of us who were in the service in the American Legion particularly, as to whether a man served in the camps in this country or whether he served upon one of the battle fronts. They are all the same kind of citizens. They were all willing to go where they were ordered to go, and the man who was fortunate enough to get into the scrap considers himself fortunate.

and the men who were back here felt they were out of luck, and justly so. They had just as hard a time; the work was hard, without the inspiration of the opportunity to come to grips with the enemy.

These men in the industries had an opportunity. They took advantage of it, as they should have taken advantage of it. The wages, say $2.50 a day or $3 a day when men were drafted, steadily rose until the man who remained at home—and, mind you, who had his own bed, and his own board, and his own family, his amusements, and his opportunities without any danger whatsoever—went upward, whereas the man in uniform as a private received $30 a month. He received $30 as a basic pay. Now, how much did he actually get? When the war risk act was passed and went into effect, I doubt if 10 per cent of the men in the Army wanted any insurance; they did not know anything about insurance. But, gentlemen—and it is very illuminating—those men were educated in every camp in the United States and also overseas in the matter of insurance until in my regiment we had no men who were not insured. In other words, we put on in every camp in the United States, under the direction of the Government, a campaign to sell insurance to these men, because it was good for them. It was an education; and we contend that in this particular bill which is before us the service man is ready to be educated to the more productive features of the bill than the cash bonus alone.

Senator WATSON. Have you any idea how many of those who took insurance have kept it up?

Mr. GALBRAITH. Most of them, Senator Watson, dropped it when they came back. Now, there has been a campaign on for reinstatement of insurance. The American Legion has been particularly active in urging these men to reinstate their insurance. I have not the figures, but it is remarkable how many men have reinstated their insurance after having dropped it.

Senator SMOOT. We have appropriated large sums of money for the War Risk Bureau to make this propaganda, and I think there are less than 800,000 men now carrying insurance by the Government.

Mr. GALBRAITH. I have not the figures.

Senator SMOOT. I have not the figures for the last six months. I do know what they were before that time.

Mr. GALBRAITH. Col. Jones told me recently that he was very well satisfied with the results they were getting, and that it was growing slowly but surely; and the Legion has been of great assistance in that direction, because in our posts we have urged these men to again take up their insurance.

It is not to be believed that these men should have been penalized, and it was not the intention of the Government to penalize them. Men had to be drafted for the Army, and these men were selected.

Senator NUGENT. You stated a moment ago that $30 a month was the basic pay for the soldier?

Mr. GALBRAITH. Yes, sir.

Senator NUGENT. But, as a matter of fact, he did not receive that sum, because of certain deductions mentioned; among others, the amount he was obliged to pay as premium on insurance?

Mr. GALBRAITH. Yes, sir.

Senator NUGENT. What was that, and what other sums were deducted from his pay?

Mr. GALBRAITH. The average amount that a man paid for insurance was in the vicinity of $7 a month, which was deducted from his pay. Then, if a man had dependents, he made an allotment of $15. It is true that the Government matched that with another like sum for his dependents. Then came the question of Liberty bonds, and it is a proud record that the American Army had on the question of subscriptions to Liberty bonds. These men were interested; they wanted to contribute, not as a savings proposition, gentlemen of the committee; it was not that; it was the fact that it was their war, and they wanted to serve and they wanted to put some of their money, as much of it as they could, into the Government—until it reached a point where an order was issued that a man should not take insurance, allotments, and Liberty bond payments from his pay, leaving him less than $5 a month. So that the real money that these men received—it is true that the allotment went to his family, as it should have done—those are desirable things—and his subscriptions for his Liberty bond. But these men did not have available sufficient funds for their actual needs. The spirit was there; they wanted to cooperate in every possible way for the consummation of this war.

Senator SMOOT. Do you remember the amount that it cost the Government over and above what the insurance policies covered, that were spoken of by the Senator from Idaho as having been deducted?

Mr. GALBRAITH. No, sir; it was supposed to be the actual cost.

Senator SMOOT. No; but I mean the actual cost to the Government for the soldiers that were killed; and the $10,000 paid to the beneficiaries.

Mr. GALBRAITH. No; I have not that information.

Senator SMOOT. I think it is about a billion dollars.

Senator MCCUMBER. Is it not true, also, that the soldiers in every company were almost compelled to buy Liberty bonds under a system by which each company was put in competition with every other company to raise its quota, and that necessitated the payment of an amount far beyond the means of the soldier to pay?

Mr. GALBRAITH. Senator McCumber, in answering that, I think not, sir. We urged these men and brought every argument to bear upon them in the insurance matter and in the purchase of Liberty bonds; and the 90 per cent or more—it is a larger proportion than that, in my opinion—bought the Liberty bonds because they believed it was the thing which they should do as an evidence to the country that they were not only soldiers but that they were real patriots.

Senator SMOOT. There is a propaganda on now to have them all changed and pay the amount of insurance in a lump sum instead of by monthly payments for 20 years. Has the American Legion taken any action upon that?

Mr. GALBRAITH. The law as it stands now provides that you may convert your insurance, and that in the meantime there is no lump-sum payment on the old line or old form.

Senator SMOOT. I am speaking now of the old form of insurance and those who are entitled to the monthly payments.

Mr. GALBRAITH. We believe that a lump-sum payment is extremely desirable. It is a question of cost.

Senator SMOOT. Do you know what that will require the Government to raise?

Mr. GALBRAITH. I say, sir, it is a question of cost, Senator Smoot; and the soldier is not coming constantly before the public demanding something from his Government for himself because of his service or because of his needs.

Senator SMOOT. I think history has proven in the past that there are only 8 per cent of the beneficiaries to whom insurance is paid in a lump sum who have a dollar of it at the end of five years.

Senator WATSON. What would that lump-sum payment cost?

Senator SMOOT. Oh, it would run above a billion.

Senator WATSON. You do not know how much?

Senator SMOOT. I do not remember. But the object of the passing of the law and making those monthly payments for 20 years was that the beneficiaries should at least have the amount of $57.50 per month for which the law provides, and that they could not expend it all at once. The Government wanted for at least 20 years to provide in part for their keep.

Mr. GALBRAITH. Yes, sir.

Senator SMOOT. And I think that is the very best policy to follow; but I wanted to know what you people desired in the matter.

Mr. GALBRAITH. The protection of the widow's mite certainly has been covered in this bill.

Senator SMOOT. But if we follow your desires in the matter, we would make a lump-sum payment; and if that were the case it would be spent in five or six years and 92 per cent of them would not have a dollar left to their name.

Mr. GALBRAITH. That may be the experience in the past, and it may be the experience in the future.

Senator SMOOT. It certainly has been in the past, and I have not any doubt in the world but what it would be just as heavy as that in the future.

Mr. GALBRAITH. In this matter we have made no request nor any suggestion. We believe in the protection of the dependents of these people who died.

Senator SMOOT. The reason I asked that question is because whenever the bill has been up before the subcommittee of this Senate committee the request has been made from so many sources that they want the lump-sum payments, and the committee has taken the position that it is not the best policy to pursue; and in many cases we have been told that the American Legion has taken action on it and that they were in favor of the idea that all insurance should be paid to the beneficiaries in a lump sum.

Mr. GALBRAITH. We believe that, as a fundamental principle, neither those who entered the service nor their dependents should suffer economic prejudice by reason of their military service. It is true that whether it could have been remedied is not for me to determine or touch upon, but it is true that they have suffered that economic prejudice, and it is the object of this bill to permit them to have some readjustment of that prejudice in this compensation bill. Mr. Bettman has told you what other countries have done. Other countries have done that in spite of the fact that their national debt, as compared to their national wealth, does not compare with our national debt in its relation to the national wealth of this country.

In speaking of the land settlement act, Canada has sent under its land settlement act, approximately 30,000 men under projects onto

new lands which have been opened up, and which are producing today the wealth of the nation and providing an opportunity for these service people to add to their usefulness and to their financial advantage.

Senator SMOOT. The Canadian land situation is about the same as our situation was immediately after the Civil War. We had lands then, which, as I stated, were worth while, and a man could go and make a home upon them. There are hundreds of millions of acres of land in Canada waiting for the hand of man to cultivate, and lands which men can go upon and make a living and a home at a moderate expense. But the lands that remain open for entry in the United States are lands which are very hard, indeed, to cultivate, and the expense of getting water upon them or draining the swamps or taking out the stumps of the cut-over land is a very expensive operation, indeed, for every acre reclaimed.

Mr. GALBRAITH. In reference to the land act, so far as the provisions of this bill are concerned, since the question was raised, it provides that the board is "authorized to establish veteran settlement 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."

I am advised that in one project alone there were 3,000 applications for 300 opportunities from ex-service people; that the Department of the Interior has already received an excess of 300,000 inquiries concerning land settlement; and the bill puts into the hands of the board the provision that these may be established wherever it may be determined desirable. Then, in the other act, the home aid act, it provides for the purchase of detached farms, but not under the same terms and provisions that the money available under this bill may be paid over to the soldiers, to be used in the purchase of a detached farm, in his own State or wherever he may determine it desirable.

It is a question in the minds of the American Legion as to the number of men, just as it is in your mind, who will take the first option, which is for cash, the service certificate, or the other options. We have not the slightest idea. But we do believe that an educational campaign setting out the advantages of the more productive options will be just as effective as it was in the case of the men who bought insurance and Liberty bonds; and we are pledged to that, gentlemen—we are pledged to it because we desire each individual man to take the option which is best for him under his circumstances, and which is best at the same time for the Government.

The American Legion believes that neither those who entered the service, nor their dependents, should suffer economic prejudice by reason of their military service. I repeat that because it is fundamental. We believe that the man who is put in the position of owning a home, a farm, or who buys an interest in a small or large business with the money which he gets under this bill, or who receives vocational training as contemplated under the bill, will become an even greater asset to the country and a better citizen than he was

during the war, and if he is a better citizen than he was during the war, gentlemen, we believe that he is the kind of a citizen whose equal does not stand under the sun. He was a good citizen during the war; he did everything that any man could be expected to do. He carried your banner high, and he did not do it for money; he did it because in his heart was the desire to serve. This man because of that service—and he is proud of the service, he is proud of it to-day—if he had it to do again he would do the same thing. But because he did that, because the burning desire in his heart to see the banner of his Nation carried forward and the torch held high, because he did that is not any reason now why we should say he is not the kind of citizen that he was then.

Gentlemen, we have heard arguments—not from this committee, thank God—but from men who are opposed to our interest and who do not understand why they oppose an adjustment of the compensation for these men. We have heard them say, "These men will spend it for automobiles or for this or that or the other thing. They need a guardian." They do not need a guardian; they did not need a guardian when they were in the camps or in the service of their country in battle, and they do not need a guardian now. All they need, gentlemen, is an opportunity to make themselves more useful to the Nation than they now are. We believe that the fundamentals of this bill are perfectly sound. We believe that the man views it as an attempt to equalize something. You never can equalize it; they do not expect it. They want the aid, the help, and they want it, gentlemen, in the best way, and they want it as soon as in the judgment of the Congress of the United States it can be granted to them.

As to what the people of the United States think on the question, the very first day they considered the question, either through the legislative body or by referendum to the people, they agreed to it. There are 12 States now in which there is a State compensation act. Connecticut passed the act. It was vetoed by the governor on the ground, as I understand it, that the legislature had no right to consider the question at that time. So that it is perfectly apparent to us that where a referendum has been held or where the legislature meets and considers it and passes it and approves it they believe there is some reasonable justice in the particular principle which is involved.

We are here to present the case, to establish the validity of the claim. We want you to get back again in your mind's eye, as is in your hearts, what these men were and what they now are. And in concluding may I say just one word as to a situation which exists now and which is doing incalculable harm to the future of our Nation, and which is indicative to some people of the forgetfulness of our Government and of our people, and that is the case of the man who is paying with his blood to-day in the hospitals of the United States, the disabled man, the real hero of this World War? Gentlemen, we by act of Congress provided certain things. The administration of those particular things, because of the tremendous magnitude of them, has gone astray. These men are lying in hospitals, twenty-odd thousand of them. What kind of hospitals? That is for you gentlemen to consider when we have presented you with the facts, as we shall do. Many thousands are outside of hospitals, and

those men feel, gentlemen, that there is not the desire, the intent to care for them as we pledged our holy honor we would do as a pension when they went to war. Even the dependents of those men in many, many instances—I would say thousands of instances—are not being cared for.

Senator DILLINGHAM. Where is the fault?

Mr. GALBRAITH. The fault, sir, is with the present lack of centralized authority in the various bureaus.

Senator WATSON. Is it because of a lack of money, Colonel—the lack of appropriations?

Mr. GALBRAITH. No, sir; it is not lack of appropriations. The Congress of the United States has done everything it could do.

Senator WATSON. That is our understanding about it.

Mr. GALBRAITH. Yes, sir; but it is a condition, and that is one of the things which is in the minds of so many people who have an idea that all of this has been provided; whereas in reality it has not been done, and they feel bitter.

Senator MCCUMBER. The whole thing is because of inefficiency in the administration?

Mr. GALBRAITH. Yes, sir; and the lack of centralization. There is no centralization of effort and decentralization of operation. It is a case of one and one and one makes three; but it is not three in one.

Senator SMOOT. That was my object in trying to abolish the War Risk Bureau, if they did not make the reforms, and place it in some of the departments where the soldier boys could get information from.

Mr. GALBRAITH. If the bill which has been introduced—the Capper bill—is passed by the Senate, and the Rogers bill by the House, the American Legion believes it has got it then exactly where it can be properly administered. There must be some one who is responsible; there can not be a hydraheaded organization which says, "It is your fault" and in the meantime the poor devil who is paying and paying with his blood stands in the middle and receives nothing but the brunt of the quarrel.

Senator WATSON. Of course, that situation has no relation to this adjusted compensation bill?

Mr. GALBRAITH. No, sir. The reason I mentioned it is this, there is a feeling in the minds of many people who are familiar with it that there is not the interest there should be. The American Legion knows that the Congress of the United States has this close to its heart, but because of the multitudinous things which come before it, and the order of the Congress that these things shall be cared for, it is presumed they will be cared for.

Senator CURTIS. The committee at the last session having charge of these appropriations—the appropriations estimated for—called the officials before them and pointed out many of these defects in the administration, and urged them to rectify them as fast as possible, so that these men could be cared for as well as their families. We all realize from the reports which we get that there has been great negligence.

Mr. GALBRAITH. Thank you, very much.

Senator SIMMONS. Colonel, let me ask you one question. As a commercial proposition, have these service certificates that your plan provides for a cash value in the market?

Mr. GALBRAITH. Yes, sir; after the third year.

Senator SIMMONS. Have you estimated what that cash value would be compared with the cash-pay proposition?

Mr. GALBRAITH. It is provided that they may borrow 90 per cent, sir, after the third year, and after the fifth year——

Senator SIMMONS (interposing). I am not speaking about their borrowing from the Government; I am speaking about the sale of the certificate in the open market. Would it have a cash value as a commercial asset?

Mr. GALBRAITH. That certificate is not to be sold, if I understand it correctly.

Senator SMOOT. It is not transferable.

Mr. GALBRAITH. It is not transferable.

Senator SMOOT. But I will say to the Senator, having received $500 for service, during the third year he can borrow from the Government of the United States $491.40, and the Government will have to provide the money to loan it to him.

Senator SIMMONS. The point I had in mind was if the soldier desired—of course, he could not do it under the provisions of this bill, but the bill could be amended in that particular—if he wanted to get the cash, would it have a cash value on the market after removing the restriction in the bill, and would it have a salable value in the markets of the country?

Mr. GALBRAITH. In the market, if all the restrictions were removed?

Senator SIMMONS. Yes.

Mr. GALBRAITH. Then I presume it would.

Senator SIMMONS. What would that value be as compared with the cash payment?

Mr. GALBRAITH. It would be unwise. The provision of the service certificate is to provide that it shall be a Government obligation at the end of 20 years, compounded at 4½ per cent interest.

Senator SMOOT. The answer would be whatever the loan value was at the time it was offered?

Mr. GALBRAITH. Yes, sir.

Senator SMOOT. And there is no need of any further provisions, because the bill provides now that the Government itself will loan the money?

Senator SIMMONS. After three years.

Senator SMOOT. And the bill provides just what that will be; or, in other words, the man who gets an adjusted service certificate for $500 for home service—for overseas it is more—but for home service, if he carries that until the expiration of 16 years, all he has got to do is to come to the Government of the United States and say, "I want to borrow $1,083.75 on this certificate."

Senator SIMMONS. At the end of three years?

Senator SMOOT. No; at the end of 16 years.

Senator SIMMONS. But I understood you to say at the end of three years he could borrow.

Senator SMOOT. $491.40; and at the end of 16 years he can borrow $1,083.75 on his $500 service certificate.

Senator SIMMONS. What is the reason? I have not considered it. I am asking for information. Why is it provided that that shall not

be transferable in the case of a service man holding it who is desirous of converting it into money?

Senator SMOOT. Senator, this is given here, and these privileges are given to the soldier, and if it were transferable to some other man that man has got to rely upon the death of the soldier.

Senator SIMMONS. The soldier can select cash payment if he wants to?

Mr. GALBRAITH. Yes, sir.

Senator SIMMONS. And if he select the other and afterwards changes his mind, why should he not have the privilege of disposing of it and converting it into cash?

Mr. GALBRAITH. Senator Simmons, he received 40 per cent increase at the time he selects to accept the service certificate; it is increased 40 per cent automatically.

Senator SIMMONS. But suppose he wants to convert it into money. Why should he not be permitted to do that? The Government would not be injured. That certificate in the hands of the holder, whoever he may be, would be an obligation of the Government, to be liquidated just as the bill provides, and as it would have to be liquidated in the hands of the soldier.

Mr. GALBRAITH. No, sir; because the Government would have penalized itself 40 per cent in favor of the man, because the initial amount is increased by 40 per cent.

Senator SIMMONS. The man would get the benefit of that 40 per cent when he sells it?

Mr. GALBRAITH. Yes, sir; but he can not sell it.

Senator SMOOT. If he could, it would be a new avenue for the money sharks.

Senator MCCUMBER. It is now 20 minutes of 12, and there is present a representative of the World War Veterans who must leave today, and he asks that he may have his hearing at this time.

TESTIMONY OF MR. CARL CALVIN, NATIONAL CHAIRMAN OF THE BOARD OF WORLD WAR VETERANS, WASHINGTON, D. C.

Mr. CALVIN. Mr. Chairman and members of the Senate Finance Committee, I have been instructed by the national executive committee of the World War Veterans to appear before the Members of Congress and your committee to urge the adoption of the House bill 14157, which has been outlined to you by the American Legion and several other organizations.

I do not believe that any Member in Congress, whether in the House or in the Senate, questions the patriotism of the men who went into the service. I do not believe that any member of this committee questions the validity of the claim that the men who were in the service are entitled to an adjusted compensation. But there is one difference that exists between the Members of Congress at the present time and the officers and representatives of the different organizations, and that is whether or not the Government can afford to pay that money.

We are not in a position, and I am not an expert in finance and will not attempt to tell you how and where to raise the money. But there is one question occurs in my mind, and has occurred from time

to time as I have read the newspapers, and that is this: That the Government at the outbreak of the war found it was necessary to have human lives, and found it was also necessary to have means of production, such as factories and different industries and the railroads and everything that we have in this country as well as human beings in order to conduct its war, and we took over these industries, and we told the railroads and we told all the different industries, "You give all you can for your Government and we will guarantee to give you a certain return on your investment."

In other words, gentlemen, we have guaranteed to the owners of these various industries just what we should have guaranteed them—there is no question about that, because it was their property—we guaranteed to them a certain return on their investment, and the Government has kept its word, and even at the present time I find by reading the newspapers, and I believe the report is true that certain of our railroads are asking the Government to pay them a certain part of that charge which they have not yet received, and our Government is going to give them their just return, which they claim they have lost under Government control.

Gentlemen, as long as the Government seems at the present time willing, and it is justice that it should be willing, to repay those different industries which have lost through the operation of the war is it not just and fair that the Government at the present time should find some ways and means by which to repay those men who have offered not only their lives, but also their property while they went to war?

Cases have come to me time and time again. I will tell you of a particular case that came to my attention. A young man who had dependents but who wanted to go into the war and who did go into the war and because his dependents were accustomed to a higher standard of living than the ordinary person this young man had to draw upon his savings in order to keep his parents up. In other words, the $15 a month which he had contributed as a part of his allotment and the $15 a month which the Government added to his $15, making $30, was not sufficient for his father and mother to live upon. So it was necessary for him to draw upon his savings, and by the time he returned after the termination of the war and by the time he had adjusted himself into business again he found he had lost practically every penny of savings that he had had.

Certain industries have been found to be in the same condition. But the Government in the case of industries is not saying to those men who control those industries, "You wait until 1925," or, "You wait until 1930, and we shall pay you what you have lost." The Government says to them, "You have lost your money, and we shall find ways and means now in which to pay, so that you may not be the loser during this war." And even in the case of contracts, the cancellation of which because of the termination of the war caused certain losses to men who made the contracts with the Government, the Government has found it proper to adjust those claims, and it is proper that it did, so that the contractor may not be the loser.

Consequently, we feel that since our executives and our Congress have found it proper to pay those men now whatever they have lost in their property, that the Government should also find it proper to find now ways and means by which to raise the money in order to

pay those men who have offered not only property but also their lives: and it is upon this principle, gentlemen, that I ask your consideration of this bill, that the men be granted an adjustment bonus compensation and all the other features of this bill without delay.

Senator WATSON. Your organization then favors this bill.

Mr. CALVIN. Yes, sir.

Senator WATSON. You represent the World War Veterans?

Mr. CALVIN. Yes, sir.

Senator WATSON. About how many of the World War soldiers are in your organization?

Mr. CALVIN. About 250,000.

Senator WATSON. What is the total membership?

Mr. CALVIN. Two hundred and fifty thousand.

Senator WATSON. I know; but I am talking about the World War Veterans. Then you have the Spanish War Veterans also?

Mr. CALVIN. The Spanish War Veterans do not belong to our association.

Senator WATSON. They do not belong to your association?

Mr. CALVIN. No, sir; only men who have served in the World War.

Senator MCCUMBER. That is a foreign war?

Mr. CALVIN. Yes, sir.

Senator SUTHERLAND. Do any of your men belong to more than one organization?

Mr. CALVIN. Yes, sir. One of our men, a gentleman upon whom you conferred the congressional medal of honor, who was here yesterday, is a member of our organization, of the executive committee, and also a member of the Veterans of Foreign Wars.

Senator LAFOLLETTE. Is that very general or is that an exceptional case; I mean, do many of your members belong to other organizations?

Mr. CALVIN. Some of our members who served overseas belong to the Veterans of Foreign Wars.

Senator LAFOLLETTE. About what percentage of them?

Mr. CALVIN. I could not tell that, Senator; I do not know.

Senator SUTHERLAND. Do some belong to the American Legion?

Mr. CALVIN. I presume a few of them do; I do not believe many of them do. Some of the American Legion are very excellent men, however.

Senator SUTHERLAND. There is no reason in your constitutional by-laws why they should not belong to several of these organizations?

Mr. CALVIN. Nothing at all. They can belong to any of them. I thank you, gentlemen.

Mr. TAYLOR. Some of the questions brought up here refer to the Watson bill; and some in regard to coordination refer to the Capper bill, which has just been introduced in the Senate; and those matters are given you fully in the report of the legislative committee, together with the adjusted compensation bill, on page 27. Might I distribute those to members of this committee?

Senator MCCUMBER. Yes.

Mr. TAYLOR. And now I would like to call upon Mr. Robert G. Woodside, commander in chief, Veterans of Foreign Wars, Pittsburgh, Pa. He has to leave the city and he will just take a few minutes.

Senator MCCUMBER. We will be glad to hear him now.

STATEMENT OF MR. ROBERT G. WOODSIDE, COMMANDER IN CHIEF, VETERANS OF FOREIGN WARS, PITTSBURGH, PA.

Mr. WOODSIDE. Mr. Chairman and gentlemen of the Finance Committee, it is not my purpose to go into the merits of the bill at this time, because the chairman of our national legislative committee, Mr. E. H. Hale, has given considerably more thought and study to the bill than I have been able to do. I am here merely to state that the organization which I represent is solidly back of the bill which is now before you, they having taken such action at the last national encampment which was held here in Washington, September 12 to 18.

Senator LA FOLLETTE. Please state the membership of your organization, approximately.

Mr. WOODSIDE. Our organization at the present time numbers between 500,000 and 1,000,000. I can not give you the exact figures. We have set 1,000,000 as our membership objective.

Senator LA FOLLETTE. Can you tell the committee about what percentage of that membership participated in the World War?

Mr. WOODSIDE. Yes, sir; at least 90 per cent of our membership at the present time are overseas men, men who have served in the A. E. F.

The thing that we would urge is immediate action of some kind on this bill. We want to see action. I have had the good fortune during the last year of traveling from one end of this country to the other, and I know that the sentiment, not only of my organization but of men who served during the World War, belonging to our own organization and men belonging to other organizations, is at least 90 per cent in favor of adjusted compensation of some kind.

Not long ago I had the privilege of leading what was called a "bonus parade" in New York City, October 16. The papers estimated at between 60,000 and 90,000. The division comprising the Veterans of Foreign Wars of the United States took two hours to pass the reviewing stand. The American Legion turned out in equal members, and there was one whole division.

I would estimate that there were from 10,000 to 20,000 men who belonged to no organization at all were marching in this parade to show what their attitude was toward the adjusted compensation.

All that we are asking for the men who served in this war is a square deal. We are not asking for charity. We are asking for a square deal. Of course, our organization stands on the bill as it is written, in so far as the distinction is made between men who served overseas and the men who served at home.

We feel that that is fair. I myself had the privilege of serving with the Regular Army civilians. We were kept overseas months after the armistice was signed. Many of the men who were in the A. E. F. did not get discharged until the fall or nearly the end of last year; consequently when they returned to their homes they found it impossible to get their old positions. Their old positions had been taken by somebody else, and they had to start at the bottom of the ladder. So that I feel that the bill, in so far as it makes this distinction, should stand; and our organization back the distinction in the adjusted compensation as between the overseas men and the men who served at home.

I have taken enough of your time now, gentlemen. I simply am here as the chief executive of our organization, to let you know what the attitude of our membership is toward this bill.

Senator McCUMBER. The committee is much obliged to you. We will now hear Mr. Lorenbein.

STATEMENT OF MR. S. LORENBEIN, CHAIRMAN RANK AND FILE VETERANS' ASSOCIATION, 602 F STREET NW. WASHINGTON, D. C.

Mr. LORENBEIN. This bill that is before your committee, H. R. 14157, which is approved by the American Legion and Veterans of Foreign Wars and other organizations, we wish to go on record as being opposed to. We find that a big majority of the service men, if they are to receive a bonus, prefer to receive it in a lump-sum payment, and they are also interested in where the money is to be raised.

Our organization is made up of men who served in the ranks and we exclude the officers. These men are more interested in receiving cash at this very time, because they are in need of the money, and if the payments are stretched over a period of two or three years, it would not materially benefit them; in fact, it would work a hardship, and they would have to be paying taxes while they are waiting for their small sum of $50 every three months.

The bill that we are anxious to see passed would take up each plan separately, giving the men a chance to get an education and also secure a farm or home aid, and incorporate them all in one bill. If it is the desire of this committee we would just as soon see the bill contain adjusted service certificate and extend the period for the loan to five years, and give every man who was in the service, regardless of why he had served, the same treatment. As this bill is drawn up now it cuts out over half of the men who served, and they would not have an opportunity to secure an education or any farm aid or home settlement benefits.

I have noted in my trips throughout the country that the men will take advantage of an opportunity to receive an education. At the present time there are organizations, such as the Knights of Columbus, who have been running news items in the newspapers, saying that there is room for a certain number of students, 100 to 200; and the result has been that there were some 2,000 to 5,000 applications for those opportunities.

If this bill is passed in its present form, none of these men, such as the Students' Army Training Corps, or men who have served here in the city of Washington, or who were stationed where they were receiving commutation of rations would be barred from these benefits; also the men who served less than 60 days would lose the benefits of this bill.

Our organization is anxious to see some bill passed with constructive features which will be a benefit to the country and also the men, and which will not receive the opposition that this bill is going to receive from the big business interests of this country.

If it is the intention of this committee to recommend this bill for passage as drawn up, we would rather see you strike the cash payment out and merely make it adjusted service certificate, and we will

use our influence to get a separate bill passed for vocational training aid and farm and home aid and land settlement. This will give the Government five years before any payments will have to be made out of the Treasury, and then you will be giving these men a protection that they are not receiving now, as very few of them are carrying war risk insurance, and we are anxious to see these service men protected by carrying insurance. No doubt they will be very materially benefited by having their attention called to the wonderful benefits that the Government gave through this offer.

I am the originator of the bonus, and the first man in America to take it up, and have been continuously in the movement since April, 1919, and I believe I have come in personal contact with more ex-service men than any other man in America. I realize that the ex-service men have their weaknesses, and that they will take advantage of the easiest plan, and if they accept the cash they will never be able to get the very thing that they need the most.

We have adopted a platform which shows in a concise way what we stand for.

Senator McCUMBER. Do you wish to present your platform and have it incorporated as a part of the record?

Mr. LORENBEIN. Not now. I am afraid it is a little too radical for the record. [Laughter.] But if you desire, I will read it [reading]:

PLATFORM.

1. We oppose exploitation of our patriotism and loyalty by any group of people for their selfish interests, and we object to being used to keep down wages and the standard of American living.
2. We are opposed to any measure providing universal military training or peace-time conscription.
3. We demand for all the people the right of free speech and peaceful assemblage.
4. Vocational training for all ex-service men regardless of their physical condition.
5. Loans by the Government to ex-service men for the purpose of securing farms and homes.
6. Bonus of $1 per day for each day of service to be paid by the National Government.
7. Fifteen dollars per month for each month of service to be paid by the State government.
8. Twenty per cent increase in compensation for disabled men.

Those things we are very much interested in. A good many States have already granted that 20 per cent increase for those temporarily disabled. And now they are getting $100 permanent or $80 temporary. We feel that a man really needs $100 where totally or temporarily disabled. So we want to get that passed in some other committee.

Senator NUGENT. What paper is it that you edit?

Mr. LORENBEIN. The Soldiers, Sailors, and Marines. I believe that is the paper which caused the American Legion to come out for the bonus. At their first convention in St. Louis they came out again for the bonus, and at Minneapolis they kind of dodged the issue—passed the buck. But now they are strong for the bonus.

But if the men in the legion really knew what they were going in get in this House bill I believe we can get the legion to come down to the right terms, and that the bill as it would be passed would

really do some good. I do not really like to see this bill go through as it is now.

Senator McLEAN. You think as a matter between education and cash they would take education?

Mr. LORENBEIN. No; they would not. That is the reason I am kicking on the bill. I want to see the bill passed in such form that it will give the men a chance to get an education and also farm aid, like the Mondell bill; and then I would like to see that insurance, instead of three years, give them five years to borrow the money, give them a chance to study it over.

If you put those three features in the bill and pass it, I would be for the bill.

Senator McCUMBER. There has been a call for the Senate, and the committee will have to adjourn. We will meet to-morrow morning in this room at 10.30 to resume the hearings.

(Thereupon, at 12.03 o'clock p. m., the committee adjourned to meet to-morrow, Friday, December 17, 1920, at 10.30 o'clock a. m.)

