

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**

—
FRIDAY, DECEMBER 17, 1920
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PART 3



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SOLDIERS' ADJUSTED COMPENSATION.

FRIDAY, DECEMBER 17, 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, Dillingham, Watson, Sutherland, Simmons, and Gerry.

Senator McCUMBER. We will first hear Mr. Hale.

STATEMENT OF MR. EDWARD H. HALE, CHAIRMAN NATIONAL LEGISLATIVE COMMITTEE, VETERANS OF FOREIGN WARS, 319 METROPOLITAN BANK BUILDING, WASHINGTON, D. C.

Mr. HALE. Mr. Chairman and gentlemen of the committee, I think it would be germane to make a few remarks regarding the organization which I represent. It is called the Veterans of Foreign Wars of the United States. It is an organization that has been in existence since the close of the Spanish-American War. In its originality it was an amalgamation of the various small societies that were created after the close of the Spanish-American War. The membership of the organization includes men who served in the Spanish-American War, and I think it is very conservative to state that they do not exceed over 35,000 members of our organization, the balance being entirely men who saw service in the recent war, either in France, England, Italy, Russia, or on the high seas without the continental limits of the United States.

The fundamental principles of our organization—

Senator DILLINGHAM (interposing). What was the number for the whole organization?

Mr. HALE. It is somewhere, Senator, between 600,000 and 1,000,000. It is impossible for me to accurately state what the membership is. I could say this, explanatory, that since our encampment in Washington, D. C., last September the membership is growing so rapidly that the adjutant general of our organization is unable to give an accurate statement of the membership.

Our fundamental principles, as I say, embody the patriotism, friendship, and primarily the conservation of the comradeship that was germinated in the camps on this side and which fructified during our service on the other side. The Veterans of Foreign Wars have been active in agitating an adjusted compensation, as it is termed, since their encampment in Providence, R. I., in August of

1919. At that encampment there were seven hundred and odd posts represented, and a resolution was unanimously adopted asking our legislative committee to endeavor to procure the passage of some legislation in harmony with the bill which was introduced by Congressman Royal C. Johnson and the bill which was fostered by our late lamented Dick Morgan, of Oklahoma. Appearing before the Committee on Ways and Means of the House of Representatives, our organization stressed those two features which embody the cash adjusted compensation and some form of home and land settlement.

The bill which is now under consideration, House bill 14157, I should prefer to classify as the product of the Ways and Means Committee, and not the child of any particular organization, because it embodies to some extent the two propositions which the Veterans of Foreign Wars advanced as a means of satisfying the men who were seeking adjusted compensation.

I would like to confine my remarks to the bill now before this committee. I notice and observe that the Senate Committee seems particularly concerned as to the amount of money that will be involved if the various features of this bill are enacted into legislation, and as far as it is humanly possible to conjecture I have arrived at the following liberal estimate of what it would cost to put this legislation in operation.

It is fairly accurately admitted that 300 days will represent the average service of the men who composed the Army and Navy. If the cash feature of this bill is enacted into law, it is safe to assume that not over 4,000,000 men would take advantage of it; that is the outside estimate—because the entire Army did not consist of over 4,200,000 men. Unfortunately a number of men sacrificed their lives, and they would be eliminated, and all officers above the rank of captain are eliminated. So I think we are perfectly safe in taking 4,000,000 as a basis of calculation.

The forces on the other side amounted to something above 2,000,000 men, so that would leave a residue in the United States of practically 2,000,000 men. If all the men who were on the other side were found to have served 300 days, and were paid at the rate of \$1.25 a day, as contemplated by the proposed bill, it makes an average of \$375 for each man who served. Multiplying that by the outside estimate of 2,000,000 men, would involve an expenditure of \$750,000,000. That would take care of the men who comprised the forces overseas, and would leave not over 2,000,000 men on this side, who, according to the terms of the proposed legislation would be paid at the rate of \$1 a day, or \$300. Three hundred dollars multiplied by 2,000,000 men would make a total of \$600,000,000; and the \$750,000,000 and the \$600,000,000 would aggregate \$1,350,000,000, if the cash features of this bill are put into effect.

Senator SMOOT. And the average service is but 300 days?

Mr. HALE. That seems to be, Senator, the accepted average.

By the way, if the cash proposition is the final decision of the Senate Committee, the bill provides that the payment shall be distributed over 10 quarters, that is, section 204, page 12—it shall be distributed over 10 quarterly installments. So that this payment would not fully accrue for two years and some months—two and a half years.

Senator SIMMONS. That is the cash payment?

Mr. HALE. That is the cash payment, Senator.

The bill provides also for vocational education and carries added payment of 40 per cent, which would make the average payment, if that feature of the bill was chosen—and I am basing my statement on the assumption that all the men will accept either one or the other; so that we can clarify the discussion and see what each feature of the bill would cost the Government. If all the men took advantage of the vocational training it would be \$1.75 a day for 300 days, which would be \$525 a man; and if 4,000,000 men took advantage of that it would mean an expenditure of over \$2,000,000,000. The disagreeable feature and the objectionable feature to that part of the bill is the fact that that amount would become immediately due if the men all took advantage of vocational training and entered into vocational training, because the period to which they are entitled to pay is simply an average of 300 days, and if they take 300 days for vocational training their vocational training would not extend over a year. So that if Congress passed that feature of the bill, and the men took advantage of it, it would mean that over \$2,000,000 would have to be available within a year. That statement also applies, so far as the availability of the money and the amount of money that would be involved is concerned, if the home feature of the bill and the land-settlement feature of the bill are put into effect, because the bill provides that if a man takes advantage of the home proposition or the land-settlement proposition, the money to which he is entitled, plus this 40 per cent, will constitute his initial payment, and if it constitutes his initial payment it necessarily follows that it must be immediately available.

Senator WATSON. What per cent do you estimate will want cash bonus?

Mr. HALE. I hardly think, Senator, that anyone is in a position to state that.

Senator WATSON. I just wanted your best judgment.

Mr. HALE. From my observation, frankly speaking, Senator, the majority of the men will avail themselves of the cash feature of the bill.

Senator WATSON. Do you think it will run as high as 90 per cent?

Mr. HALE. I would not want to commit myself, Senator, to any definite statement, but I would like to make the statement that the large majority of the men, in my opinion—and I think, without egotism, I am in a position to state from my contact with the men, as I happen also to be director of our Service Bureau, which has been maintained here in Washington, D. C., for the past two years—I think you will find the majority of the men will accept the cash bonus.

Senator McCUMBER. I would like to ask you why they should do it, if the bill passes as it is now written. If they accept the cash bonus or adjustment they will not receive the whole amount of the money for two and a half years: it will be paid in installments and take, as I say, two and a half years. If they accept the second proposition they get an additional 40 per cent above that, and at the expiration of three years can borrow 90 per cent of the entire sum of money and get it at one time.

Mr. HALE. I was going to touch on that. As you will recall I have not touched upon that. I have not touched upon the certificate; I have not referred to it as yet. I have just addressed my remarks to the vocational training and the land proposition, and cash.

Senator McCUMBER. Yes; but my point was, why, if they would really have as much cash at the end of the third year and get it all at once as they would if they accepted the cash, and they would have at least 10 per cent or 20 per cent more coming to them, we should be inclined to take the cash payment basis rather than the second proposition.

Mr. HALE. Senator, for this reason, I associated the certificate with a cash payment. I think that the majority—and when I say “the majority” will take the cash, I mean the majority are going to take either the actual cash or they are going to take these service certificates. I associated them together because they are practically a cash proposition.

Senator McCUMBER. That is what you mean, then, when you say they will take the cash; that they will take it under the first two propositions?

Mr. HALE. Yes; either the actual cash or the cash certificate; that was my idea.

Senator SMOOT. Are you acquainted with the organization known as the Buck Private Society, A. E. F.?

Mr. HALE. No, sir; I never heard of them.

Senator SMOOT. The telegram here says, “Buck Private Society, A. E. F.,” located at Chicago, Ill.

Mr. HALE. I have never heard of them, Senator.

Senator SMOOT. I have a telegram from that organization, and I judge that they are very closely connected with Stars and Stripes. It says [reading]:

You are right: 95 per cent of ex-service men are on straw vote record with the former Home Sector and Stars and Stripes newspapers.

Mr. HALE. I do not know them, Senator; I never heard of them.
Senator SMOOT (continuing):

The American Legion is the greatest misrepresentation the ex-service man ever had. Refused to have anything to do with arrangements here for a bonus. Parade using the wounded bundle as camouflage. Does not nor never will represent the rank and file of the ex-service man.

That is, they claim that 95 per cent of the service men are on record already as to the form in which they wish the bonus to be paid. I suppose that came about from what I have stated here, that I had tabulated these circulars I had received and that the tabulation showed that 98 per cent of them desired the money.

Mr. HALE. That is probably a true average.

Senator SMOOT. I know of nothing else that would bring the telegram. Then the telegram continues:

I am sending this message to you as the representative of 7,000 ex-service men of Illinois, a membership of 20,000 in the United States. Every man served under shell fire. All solidly behind you. We congratulate you. Thank God, somebody waked up.

(Signed) **EDWARD M. MCGUIRE,**
Senior National Field Representative,
Buck Private Society, A. E. F.,
125 North Clark Street, Chicago, Ill.

Senator WATSON. Do you construe that telegram to mean that those soldiers are against any bonus of any kind?

Senator SMOOT. I construe this to mean that they believe in a cash bonus.

Senator WATSON. One part of it seems to indicate that way.

Senator SMOOT. Yes; and the other that they do not. I can not tell. But that is the telegram I received.

Senator WATSON. While there seems to be something of rivalry between a good many of these various associations of soldiers, nevertheless when you come down to the basis of finality they nearly all want the cash bonus, in whatever branch they belong to. That is about true, is it not?

Mr. HALE. I believe, Senator Watson, that there is a unanimity of opinion amongst the majority of men as to cash bonus. And when I say the majority of the men want the cash bonus, I mean the certificate, or, in lieu of the certificate, actual cash.

But I do believe that if this bill were slightly amended in some features it will appeal to the majority of the members of our organization.

Senator SMOOT. I would rather have you spend your time now in telling the committee what those features are rather than to give us figures as to what each plan is going to cost, because we can figure that in our minds in two minutes.

Senator SIMMONS. Mr. Hale, before you enter upon that line of statement, I want to ask you if, in your opinion, any considerable number of service men would decline, if this bill is passed, to accept adjusted compensation?

Mr. HALE. I think, Senator, in answer to that, the only reasonable ground on which you could base a conclusion is the action that has followed the passage of the \$60 bonus bill. I understand there are probably three or four hundred thousand who are entitled to the \$60 bonus who have not applied for it. Whether that is correct or not—

Senator SIMMONS (interposing). Do you think the number who declined that bonus would be less or greater in reference to this?

Mr. HALE. That would depend entirely upon the psychology of their objection. A number of them may have refused to accept that bonus because of its smallness. I have heard remarks along that line. Some of the men have resented the amount of that bonus—probably "resented" is too strong a word; but they did not feel, I would rather put it, that it was an adequate expression, and I do not think Congress intended it to be any sort of an expression.

Senator SMOOT. The way they put it to me is that rather than to accept any kind of "donation," as they call it, from Congress, and that amounting to only \$60, they would prefer to be in position to say they had received none.

Mr. HALE. I think, Senator, that is an accurate presentation of it.

Senator SIMMONS. Anyhow, in your estimate of the number who were entitled to the bonus of adjusted compensation, you have not taken into account the number that may possibly refuse it?

Mr. HALE. No, Senator; I have taken the outside estimates of those who could possibly benefit by any legislation that may be passed; the extreme estimate.

Regarding the home feature of this bill, in order to make it really appealing to the service man, it should include some method of enabling him to receive assistance—I am talking about the man who is not a potential farmer and does not intend to go on a farm. You know there are millions of men who served in the last war who, if they had an opportunity to procure an urban home in their village or in their city, would avail themselves of that opportunity.

One of the unfair features of this bill, if I may use the word, is the fact that in order to obtain the benefit of land legislation a man must necessarily accept a farm unit to enjoy the assistance provided in this bill, while the men who want a home in their villages or in their cities are limited to the cash payment he would be entitled to plus 40 per cent. I think that inequality is causing a number of the men and associations who are opposed to this bill to voice their opposition.

I believe that if this Senate committee is disposed to pass legislation in harmony with the intention of this measure, that some parallel provision should be made for the man who may want an urban home. Of course, it is problemetical what that would cost; no man can conjecture even approximately what it would cost. But it would not be in the form of a gratuity. It could be in some form along the line of the present farm-home loan act, or something of the kind, so that the man who wants to live in a city, who wants to continue to reside with the people whom he has known from childhood, will not have to uproot his entire life and go to strange environments. Probably and unquestionably numbers of them are not equipped to follow farming and have no agricultural bent. Therefore, it would be illogical for them and unnecessarily expensive to the Government to encourage them to take up this farm feature. The farm feature is an excellent feature for those who avail themselves of it, but there should also be some provision made to enable a man to obtain a home in the city, or wherever he may elect to live.

Senator SIMMONS. Would not the cash proposition be found to be very convenient to a man who wants to buy a home in the city? It would provide him with 10 annual installments?

Mr. HALE. To the extent, Senator, of what his cash payment would be. That would probably be only \$375, or, even at the outside estimate, if he was an overseas man, according to the provisions of this bill \$625; or if a man on this side, \$575. As business men, we all know how far \$625, in homeopathic doses, stretched over a period of 10 quarters, would enable a man to buy a home in the city.

Senator SIMMONS. Do you think if a man is going to buy a home in the city instead of taking a cash payment, that he should be paid very much more than the man who gets a cash payment?

Mr. HALE. No; do not misunderstand me, Senator. I was pointing out the inequality of these two provisions of the bill. The provision provides that a man who elects to take a farm unit gets the equivalent cash payment, plus 40 per cent, to pay down on the farm; and yet he has got a farm unit and a number of years in which to amortize the balance.

Senator SMOOR. Remember this: He will have all he can do to do that, and he will have to take more than half of his labor to do that,

and if 25 per cent of them make a success of it they will be fortunate.

Mr. HALE. But, nevertheless, the inequality exists.

Senator SMOOT. I do not think there is an inequality. If he had lands such as were available in 1864 and 1865, following the Civil War, there would be an immense inequality. But by the time the man pays for what it is going to cost him to produce a farm with the provisions of this bill, you will find he has earned it.

Mr. HALE. Senator, my idea was this, in amending this bill: The cost to the Government would be practically no more than the cost which would be involved in this farm unit if the Senate can provide some way by which these urban propositions could be taken care of for the benefit of the man who is living in a city. He is working just as hard as the man who is working on the farm to make his living.

Senator SMOOT. That proposition came up when we first introduced the home reclamation bill, and it appealed to us all. But Congress can not buy a home in the city, you know, for every soldier. That is out of the question.

Mr. HALE. That would be a matter the Senate would have to decide. I am giving you now the benefit of the information that has come to me, for the enlightenment of the committee.

Senator GERRY. Have you any definite plan to suggest in regard to the handling of this urban home situation, as you call it?

Mr. HALE. I think if you will consult the record before the Ways and Means Committee—we went into that very thoroughly before the Ways and Means Committee, and I think if the Senator will pardon me it would take up unnecessary time here. It is fully discussed on pages 31 to 81 of the hearings before the Ways and Means Committee.

Senator McCUMBER. It is covered very fully, except that they do not show us where they are going to get the land.

Mr. HALE. It has been my experience with the service men since the fall of 1919 that they are not as unreasonable in their expectation as the propaganda would lead the Senate to believe. I feel perfectly safe in making the statement, in answer to an inquiry that the chairman made yesterday, that if this committee decided that it was inimical to the country at the present time to take on its shoulders a burden of \$1,300,000,000 to \$2,000,000,000, whatever the amount may be, would the ex-service men be content to wait until 1923 for whatever adjusted compensation Congress might decide was equitable.

I believe that the men whom you trusted with the honor of your Government and your country can be trusted to reasonably consider any action that the Senate may take. The only point that the ex-service man desires definitely settled at this time is whether or not Congress intends to adjust their compensation; and I believe that if the Senate and the House should pass a bill giving some evidence of the obligation to the men, to mature at a future date, the objections that you may hear to such an action will be overwhelmed by the voice of approbation that you will receive.

If the Senators desire to ask any questions I will be very glad to answer them. I think I have covered my points as far as I desire.

Senator McCUMBER. In your opinion do you not think that at least 98 per cent of the ex-service men will avail themselves of the

first two propositions—the cash and, as I call the “insurance plan,” with the right to borrow at the expiration of the second or third year?

Mr. HALE. I think that, Senator, taking the opinion of members of our organization, who were members of the A. E. F.—the men who were actually on the other side—that the majority of the ex-service men will take advantage of those two features, and I think if the Senate Finance Committee will address themselves to those two features they will be on the correct track.

Senator SMOOT. I think myself that if the second proposition, or the service certificates, are explained to the men there would be few of them but what will accept it.

Mr. HALE. Is that, Senator Smoot, the deferred certificate?

Senator SMOOT. It is the service certificate.

Mr. HALE. I would not want to contradict the Senator, but I would not want to say that that was correct.

Senator SMOOT. Those who want cash down are those who will spend it as quickly as possible. But anybody who wants the greatest assistance of the Government certainly would accept the second proposition—the service certificate, in other words—instead of payment down of the amount, for if he accepts cash he has to wait almost as long as the third period in the service certificates, and at the end of the service certificates he can get, if he had home service, within \$8.60 in a loan of what he would get in cash if he accepted a cash proposition, and he gets 40 per cent more thereafter.

Mr. HALE. You will find that the caliber of men who were in the last Army will exercise their intelligence, and they have sufficient intelligence to appreciate—to use a common expression, “to know a good thing when they see it,” and many of them are going to accept the second proposition. That is the reason I associated the two together as a cash proposition.

Senator McCUMBER. That is the reason I think when the vast majority, when they come down to contemplate just what it means, will take the second proposition.

Mr. HALE. That is what I think, although I would not want to commit myself.

Senator McCUMBER. Oh, certainly not.

Mr. HALE. I could not do that.

There was a statement made in the record, Mr. Chairman, I believe by the chairman, and which I think was due to misinformation. I happened to be with the Seventy-eighth Division in the St. Mihiel and the Argonne defensive, and I believe the Senator stated that there were about 200,000 men who actually took part in the fighting on the other side.

Senator McCUMBER. I think I stated that the information which I received, as I recall it, was that those actually engaged in battle—and I think I have the letter from the department—was about 250,000.

Mr. HALE. I took it up with the Statistical Division of the General Staff, and I think it might be a good idea to verify the record. There were 1,390,000 men who actually took part in the conflict on the other side in the St. Mihiel, Meuse, Argonne, Champagne, and Soisson, and the other engagements on the other side. That would leave about 900,000 men who took care of the service of supplies on the other side.

In conclusion, gentlemen, I just simply wish to state this: I think the attitude of the most conservative organizations of veterans is this: They feel in two years they have harrowed rather sterile soil; they felt when the House passed the bill they had planted a bearing seed; and they believe it will fructify when the Senate has finished its consideration of this bill. We feel perfectly secure in leaving the proposition in your very able hands; and whatever decision you may arrive at we are satisfied will please the majority of the men who will benefit by this legislation; and I thank you very much for the courtesy of this hearing.

Senator McCUMBER. Thank you very much. Who is the next witness?

Mr. SPERRY. I would like to say a few words.

Senator McCUMBER. We will hear you.

STATEMENT OF MR. MARVIN GATES SPERRY, NATIONAL PRESIDENT OF THE PRIVATE SOLDIERS' AND SAILORS' LEGION, NATIONAL HEADQUARTERS 810 F STREET NW., WASHINGTON, D. C.

Mr. SPERRY. Mr. Chairman and Senators, in presenting the views of the Private Soldiers' and Sailors' Legion we do not wish to take the attitude of coercion or threats, for we realize the great responsibility of looking out for the interests not only of the soldiers but of all of the people rests with the Senate and Congress.

Senator SMOOT. We are getting so used to coercion and threats that it does not have very much bearing upon us to-day.

Mr. SPERRY. We are perfectly willing to leave the welfare of the soldier with the committee of the Senate and the Congress.

In presenting our measure, we believe that this committee will do what is just and right, and we are perfectly willing to leave our welfare in the hands of Congress.

Senator SMOOT. You speak of "our measure." Do you mean the bill before the committee, or do you have something else?

Mr. SPERRY. No, sir. Mr. Chairman, I will consider it a very great favor if the committee will hear my detailed statement, and then I will answer any questions if I am able to do so.

Senator McCUMBER. That course may be followed.

Mr. Chairman and Senators, I should like to get the permission from the committee to incorporate in my remarks the declaration of principles of the Private Soldiers' and Sailors' Legion. They are too long, and I will not trouble the committee to read them.

Senator McCUMBER. They will be inserted in the record.

(The declaration of principles of the Private Soldiers' and Sailors' Legion subsequently submitted by Mr. Sperry are here printed in full, as follows:)

DECLARATION OF PRINCIPLES OF THE PRIVATE SOLDIERS' AND SAILORS' LEGION OF THE UNITED STATES OF AMERICA.

(Incorporated Mar. 18, 1919, under act of Congress for the District of Columbia. National headquarters: Suite 47, 48, 49, 53, 54, 55, 802-810 F Street NW., Washington, D. C.)

The Private¹ Soldiers' and Sailors' Legion is an organization of and for the private soldiers, sailors, and marines only.

The purpose of the legion is to unite all privates of the United States Army and Navy who served in the World War into one fraternal union for the mu-

¹The word "Private" as used in this document intends to cover those enlisted men in the Army and Navy who are not commissioned officers.

tual protection of their rights, the advancement of their interests, the promotion of their welfare, and the fostering and aiding of cordial, social, and fraternal relations among those who served as privates in the United States forces during the World War in the years from 1917 to 1919, inclusive, and to secure forever the blessings of liberty and peace to themselves and all their fellow citizens of the United States of America. These benefits of organization can only be accomplished by definite practical steps taken by the united action of the great body of the private soldiers and sailors themselves.

The successful achievement of the purposes of the Private Soldiers' and Sailors' Legion will not only be immediately and permanently helpful to those who wore the uniform, but will be of the greatest benefit to the prosperity, security, and welfare of all the people of the United States. It was by the laws and action of the United States Government that upon the private soldier, sailor, and marine were placed the great burdens, hazards, and losses of the war. Only by the laws and action of the United States Government can those burdens be removed and those hazards and losses to some extent be compensated.

To this end we demand that the United States Government shall promptly enact legislation to provide employment at once for all demobilized soldiers, sailors, and marines who are unable to find employment in private business. The first demand of the demobilized men of the United States service is the opportunity for employment for all.

To tide over the change from military to civil life we shall ask Congress to appropriate \$500 to be paid to each soldier upon his discharge from the service. This payment to be made to those who are already discharged upon the passage of the law.

Thousands of soldiers were subject to needless hardships and privations by the unjustly heavy fines and penalties imposed on soldiers by incompetent and unfit officers in courts-martial for insignificant, petty infractions of military regulations. Congress should at once take the necessary action to see that these fines for petty offenses should be promptly repaid to the honorably discharged soldiers, sailors, and marines. And all court-martial sentences should be reviewed that justice may be done.

We demand prompt action by Congress to open up for demobilized soldiers, sailors, and marines the opportunity to employ their labor on the unused lands and natural resources of our country. And we don't want to be confined to swamp lands, cut-over stump lands and desert lands, either. We hold that the hundreds of millions of idle acres of good agricultural, mineral, and timber lands and vacant city lots are none too good for the use of the soldiers who are conceded to have saved civilization at \$30 per month, minus large reductions for fines, insurance, etc.

We seek no crumbs of private charity; we ask no dole of public alms; we know our rights and we demand them like men.

We do not purpose to be used as crowbars to pry some other man or woman out of a job. Nor do we intend to be recruited into an army of unemployed to be used as a lever to force down the wages of other citizens. Nor do we intend to starve or beg. Nature's bounty has provided Uncle Sam and all his nephews with ample opportunity for all to work, if the Government will only let down the bars of monopoly and privilege. We reaffirm the Declaration of Independence and the Constitution of the United States of America, and the reestablishment of the rights of free speech, free press, and peaceable assembly, guaranteed by the Constitution. And we recognize the duty of the men and women of our times in this Republic to carry on to full completion the work begun by our forefathers, by establishing on a sure foundation the last and greatest of the rights of man—economic liberty—without which all the other forms of freedom fail.

Mr. SPERRY. Mr. Chairman and Senators, after reading this so-called bonus bill, H. R. 14157, I am, as an ex-service man of the World War, fully convinced that the bill is anything but a bill for the benefit of ex-soldiers. It is not a soldiers' bill. It is a land-speculator's bill under the false pretense of being a bill to give the soldiers a bonus. It is, in fact, a bill to prevent soldiers from getting a bonus drawn and supported by men and organizations who were at one time openly opposed to a bonus for soldiers and whom there is good reason to

believe are now secretly at heart opposed to a bonus bill while openly professing to be in favor of it.

The very terms of this alleged bonus bill, H. R. 14157, are such as to strongly arouse the suspicion that its authors are not really in favor of a bonus, but are using this bill as a means of occupying the time of Congress and blocking the passage of a straight cash-bonus bill. This bill H. R. 14157 was at first called by its sponsors a four-fold bill, and later it became a five or six fold bill. In fact the folds and wrinkles in it became so numerous that no one could tell just how many of them there really were.

For instance, it purports to be a bonus bill, not a straight cash-bonus bill, but a series of involved and intricate provisions which seeks to separate the soldiers into several different classes, apparently discriminating against some and in favor of others and leaving everyone in uncertainty as to just what its bonus provisions actually are, and finally postponing the payment of what little dribs of bonus it does give the soldier to a year or more from the date of its passage.

Then after dexterously bringing the bonus provisions into hopeless tangle and confusion out of which expert students of the bill in the House say that the most the soldiers could expect would be 50 cents a day for one class, 15 cents a day for another class, and 7 cents a day for another class. As I said, after having got the bonus bill itself into this delightful condition of confusion and uselessness its authors proceeded to hang a millstone around its neck in the shape of a land bill, about which there is only one thing that is clear and certain—that is, it is not a land bill for soldiers but a land bill for speculators.

Then these gentlemen who manufactured this legislative woodpile with such numerous senegambians in it, proceeded to pile on a vocational training provision which is apparently intended to deprive the soldier of most of what benefit he now derives from the present vocational training law.

Then in Title III these would-be guardians of the soldier proceed to set up a new insurance scheme which no soldier after he reads it can tell whether he will have either any insurance or any bonus when he is finally ground through this new legislative mill.

Finally this bill, H. R. 14157, sets up a revenue provision for raising the money to meet the cost of the measure by a system of taxes so numerous and complex that no one to-day can tell what amount will be raised, or on whom the burden of the taxes will fall, with the sole exception it is definite in heavily increasing the tax on the ex-service man's tobacco, cigars, and cigarettes.

In support of the truth of the criticisms I have made against this "bunko" bonus bill, I wish to quote the statements of some of the leading and ablest Members of Congress as to the deceptive character of this proposed law.

(The statements submitted by Mr. Sperry are here printed in full, as follows:)

HENRY T. RAINEY. This is a service pension, as my colleague from Illinois has stated. Talk about giving the soldiers a dollar and a quarter a day or a dollar and a half a day, as they have demanded, in cash. This is what you give them: You give those who accept the cash option a service pension, commencing one year one month and two days from this date. Those who served the longest in the war will get 55 cents a day for two years and six months. Over 2,400,000

men served less than 210 days. Deduct 60 days from that service, as this bill requires, and that leaves 150 days. You give to these men for two years and a half, commencing a year from this day, 15 cents a day. Five hundred thousand of these men will get, if they accept the cash option, commencing with July 1, 1920, 7 cents a day. They will get enough money, if they buy the cheapest kind of cigarettes, to buy three cigarettes a day. This is a gold brick that you are handing the soldiers.

* * * * *

Mr. Wood of Indiana. Mr. Speaker, the gentleman from Mississippi [Mr. Quinn], who has just preceded me, has said that everyone who votes against this rule is opposed to the bonus bill. The gentleman certainly did not measure his words. There are a great many people here who would like to vote for the right kind of a bonus bill. [Applause.] There are a number of people who will vote for this rule out of fear that they will not have an opportunity to vote for the right kind of a bonus bill. I am going to vote against this rule, for the reason that if it is adopted it is the intention of gentlemen who have charge of the so-called bonus bill that no occasion shall be had to make it what it should be—a bonus bill in fact. [Applause.] There is no disguising the fact that there is implanted in this so-called bonus bill the Lane-Mondell reclamation scheme, which has not 50 friends in this House if permitted to stand alone. Take and adopt a rule here giving us an opportunity to amend this bill. [Applause.] Take and give us a chance so that we may give the soldiers of this country what they want, and not what they have been compelled to accept.

I have before me here now, which every gentleman here no doubt has received, a letter from ex-service men, saying that they are not in favor of this Lane-Mondell reclamation scheme, and that a rule should be adopted giving a chance to eliminate it. If you give the friends of the soldiers here a chance to perfect a soldiers' bonus bill that will be acceptable to them, you will have no trouble in passing it. Every letter that you are receiving advocating the enactment of this law refers to four alternative plans. Is that true?

There is not one of them that has taken into consideration the fifth alternative plan or the reclamation scheme proposed by the Mondell plan that is injected into the body of this bill, and the eyes of the people of the country are not closed to the fact as to what it means in the way of expenditure. I took occasion some time ago—on the 5th of May, if I recall rightly—to put in the Record what this means in a money sense. It does not mean the mere expenditure of \$250,000,000. That is just simply the nose of the camel getting under the tent. It means an expenditure out of the Public Treasury of this country, if it means one dollar, of more than \$12,000,000,000. That is what it means.

If you will examine the testimony submitted by the Secretary of Agriculture that is set out in the Record of the 5th day of May, you will find that it means an expenditure of twice more now than would have been required in prewar days, and then it would have amounted, if you please, to more than \$6,000,000,000. So I say that this most extraordinary rule should not be adopted. There is no pretense that it would have been brought in here at all but for the fact that it was by this means that they are attempting to foist on the country, not a soldiers' readjustment bill, or an adjustment pay bill, but, if you please, primarily the purpose of those who are responsible for the situation we are in here to-day is to foist upon the country this reclamation scheme that they know they can not foist upon it in any other way.

A MEMBER. Are you in favor of the bill?

Mr. Wood of Indiana. If you take out that reclamation scheme and amend some of the tax provisions that should be amended I will vote for it without hesitancy. There are but few here that can concede conscientiously that the Mondell bill should have any place in this measure. It has been discarded in this House for the last seven years, and this Congress time and time again, and it would have no chance to pass if it was depending on its own virtue.

We have in the sundry civil bill, which we passed the other day, 25 of these reclamation projects by which the Public Treasury is now being milked at the rate of nearly \$9,000,000 to pay current expenses. If this is such a good thing, and this reclamation is so advisable, why not incorporate it in the reclamation law we have now? Because there is nothing to recommend it and it must of necessity find some subterfuge in order to have character given to it, and this is the means whereby they are attempting to use the soldier boys of this country and bills introduced for their benefit as the means to foist that on the country, which is a fraud in itself, a fraud on the soldier boys, and a

drain upon the Public Treasury that is not justified now or at any other time. [Applause.]

The SPEAKER. The time of the gentleman has expired.

Mr. MANN of Illinois. What will you answer when men say to you that a Republican majority in the House passes a revenue bill raising a billion and a quarter of dollars without a chance to amend it? No party in the history of the country has ever passed a revenue bill under suspension of the rules.

No party in the history of the country has ever proposed to pass a revenue bill without the right to amend it—a bill that takes a billion and a quarter of dollars out of the pockets of the people. You can not defend it by saying that it was to pay a bonus to the soldiers, because that is separate and apart from the principle—the vital principle of legislative liberty—that the Representatives of the people shall have the right to consider and amend propositions to put taxes upon them.

Mr. BLAND of Indiana. Is the gentleman against the bonus bill?

Mr. MANN of Illinois. I am against this outrageous, disgraceful, iniquitous bonus bill which carries this outrageous tax. The gentleman is in favor of any law that takes taxes out of one pocket and puts them into another pocket. I am in favor of all reasonable legislation. I do not oppose giving a preference or bonus to the soldiers, but I shall never consent freely to pass bills providing for the raising of revenue where the gag rule is applied. [Applause.]

* * * * *

Mr. CLARK of Missouri. We want to change some of the tax features that are provided in that bonus bill. I am in favor of getting the money out of the profiteers who piled up fortunes during the war. [Applause.]

* * * * *

Mr. TILSON. The gentleman from South Dakota [Mr. Johnson], who is recognized as one of the leading advocates of this legislation, describes the bill in such terms as ought to defeat it here to-day. He said, in substance, as an excuse for passing the bill in its present shape now that next December we can change it. In other words, he admits that this bill is bad now, but when December comes we can make its bad features good. If that is what he proposes on behalf of the service men, why not wait until December, when we in this House may have an opportunity to consider the entire matter on its merits? Who has given a single valid reason why the House should pass this bill at this time if it is to repose in a Senate committee until December? Can it be true that it must be rushed through now in order to catch the soldier vote at the approaching election? I have lived and served with soldiers and think I know something of their habits and thought. In my judgment they can not be fooled so easily.

The tax features of this bill are in many ways unsatisfactory. However, as the taxpayers seem to have but few friends here, it will be useless for me to use a single moment of my precious time in explanation of the taxation title of the bill.

The soldiers themselves will be most of all dissatisfied when they discover that in passing this bill we bring them no present relief. In passing it now to take effect more than a year hence we are guilty of attempting to play what is substantially a "bunco" game upon those toward whom we should feel the highest respect, honor, and gratitude. If we pass this bill as it is written, we shall place ourselves in the position described by Macbeth in Shakespeare's immortal tragedy as those—

"That keep the word of promise to our ear,
"And break it to our hope."

This describes what we are going to do to the veterans of the Great War if we pass this bill and it should become a law in the form in which it is proposed to pass it here to-day. I refuse to be a party to any such confidence game. [Applause.]

* * * * *

Mr. Sisson. Mr. Speaker, it is impossible, of course, to discuss this bill in two minutes. When he gets this bill the soldier will find that when he asked you for bread, you Republicans gave him a stone. He is asking for fish, and you are giving him a serpent.

This bill does not go into operation until over 12 months from to-day. Every soldier will be disappointed when he looks at this sham.

When this bill was under consideration in the Committee on Ways and Means there was a \$600 bonus in the bill. Members of that committee of the Democratic faith offered an amendment that would take the money necessary to pay that bonus from the war profiteers. You first reported a bill here carrying a consumption tax, taxing the wants and the needs and the necessities and the nakedness of the people, and your own side would not stand for it and you withdrew that bill. You know you are presenting the American soldier a gold brick, and they are going to find it out. I believe I really would insult your intelligence if I said that I thought a single one of you believed that this bill in its present form will ever become a law. [Applause.]

* * * * *

Mr. TREADWAY. Mr. Speaker, I am opposed to this bill for three principal reasons. First, it contains a so-called cash bonus; second, it makes no special provision for the disabled, the wounded, the sick, the widows, and orphans of the dead; third, it offers an unfair tax provision.

When this bill was first proposed it was called a bonus bill. That title of itself was so objectionable that it then became known as an adjusted compensation bill. Neither title did other than insult the soldiers. My title for this bill would rather be a bill debasing patriotic service to commercial value. [Applause.] That is what is it; nothing else. You insult the soldier if you put it on a commercial basis and say that he should only receive \$1 more than the man who works in the shop. If there is any equalization, it should be at the rate of not less than \$5 per day in the service. It does absolutely nothing extra for the sick or the wounded. Those are the ones, and their widows and children, the ones whose husbands and fathers lie buried on foreign soil, in whose behalf the taxpayers of this country stand ready to-day to go the limit. You can camouflage the tax argument in any way you wish. You can say that this form of taxation is most easily raised. It may be, but, nevertheless, it comes back upon the American people. They will pay this billion and a half of dollars. They are the ones who are to-day clamoring for less taxation. We here to-day are giving them more taxation. Is that the answer you make to the American people? [Applause.]

* * * * *

Mr. WOOD of Indiana. Mr. Chairman, in the time allotted to me I want to call the attention of the committee to what I think is the most objectionable provision of the soldiers' adjustment of pay bill introduced in this House last Thursday. I refer to Title VI. The proposed measure is divided into six different titles. Title I contains the general provisions. Title II refers to adjusted service pay, Title III to adjusted service certificates, Title IV to vocational-training aid, and Title V to farm or home aid, and Title VI to land settlement.

Each of Titles II, III, IV, V makes some provision exclusively for the benefit of those who served in the World War, either in the Army or the Navy. There are no strings tied to any of them. While Title VI purports to be for the benefit of these ex-service men, as a matter of fact it is for anybody and everybody else except these ex-service men. They are used merely to blind the real purpose of the provision. It is what is known as the Lane bill or the Mondell bill, which has been before this Congress in some shape or other for the last six years. It was one of the dreams of Secretary Lane when he became Secretary of the Interior to create a great reclamation bureau and expend millions and billions of dollars in reclaiming all kinds of waste land. It has never received a great amount of favor in this Congress. At the close of the war, and during the months of May and June, 1919, a great many bills were introduced providing for a bonus or a relief of some character to ex-service men. The first introduced among those, as I remember it, was this old Lane bill, camouflaged in the shape of a soldier's land allotment bill; but you can take and compare the bill as originally introduced by the gentleman from Wyoming [Mr. Mondell] with the original Lane bill, and there is no difference in principle, no difference in application or in practical working in the two, and if you will compare Title VI in this bill with the bill introduced by Mr. Mondell, you will find that it is the same old thing with a few new clothes on. I have been led to believe, and I think the majority of the Members of this House were of opinion, that this Mondell bill was as dead as a mackerel; and how it came to be rejuvenated and embodied in the bonus bill of course I do not know.

Mr. GARNER. Mr. Chairman, will the gentleman yield?

Mr. WOOD of Indiana. Yes.

Mr. GARNER. Does the gentleman favor legislation for the relief of the soldiers?

Mr. WOOD of Indiana. Yes; but I can not favor this provision.

Mr. GARNER. Why?

Mr. WOOD of Indiana. Because it is mere subterfuge.

Mr. GARNER. I ask the gentleman this question for this purpose. The legion requested certain legislation.

Mr. WOOD of Indiana. Yes.

Mr. GARNER. And I thought probably the gentleman was for this legislation because they asked for it, for he has given no other reason. The American Legion asked for this particular legislation, and that is one of the reasons it is in this bill.

Mr. WOOD of Indiana. I have been informed that they have asked for this bill, what induced them to do it has never been made plain. There is a whole lot that might be said about the Lane bill and about the campaign that has been made for it, from the time of its inception six years ago down to this time. I might recall to the attention of the committee that in the Sixty-fourth Congress \$200,000 was appropriated for the purpose of preliminary investigation looking to the feasibility of this character of legislation, and it might be interesting to know that the greater portion of the \$200,000 has been expended in propaganda for the purpose of popularizing this impractical and impossible scheme. But as to how much of this money has been spent in salaries to paid agents to get their indorsements I am not informed. It might be interesting at this juncture, however, to call the attention of the committee to some of this propaganda. I hold in my hand a booklet issued by the Department of the Interior under the name of the Secretary, entitled "United Reclamation Service," reading upon the outside "Hey there, do you want a home on a farm? If so, read this, fill in the back page, tear off, and mail—no postage required." Read the contents of this booklet and you will find that it would make Get-rich-quick Wallingford green with envy because of the glowing and great possibilities that have been pictured. It is an Elysian dream of what everyone of these men might expect to wake up and find a living reality. I desire to quote from it as follows:

"WORK AND HOMES FOR OUR FIGHTING MEN.

"Q. What do you mean, work and homes?—A. Just this, favorable action by Congress at the special session is expected on soldiers' settlement legislation, similar to that introduced and favorable reported at the recent session. If such legislation is passed it will enable the Interior Department to begin work at once developing cooperative farm settlements for soldiers and sailors in all or nearly all of the States.

"Q. Who will get the farms?—A. Those who create them by working on draining, clearing, irrigating, and improving the lands.

"Q. Will all get farms?—A. That depends on the amount of land reclaimed.

"Q. Is this plan only for men who have been across?—A. No; it is for all of the men who have worn Uncle Sam's uniform in the Great War.

"Q. Where is this land located?—A. In practically every State in the Union there are large areas of this land. There is dry land in the West that needs water, which can be provided by building dams and canals. In the East are large areas of cut-over or logged-off timberland, from which it will be necessary to blow the stumps and clear off the underbrush. In the South there is a large amount of cut-over land and swamp land which must be drained.

"Q. Could I get a job near my old home?—A. Probably you could. These proposed settlements are scattered all over the country, and it is time to have one in each State, if Congress provides the money for construction.

"Q. How about wages?—A. You will be paid fair wages by the Government while doing this work—just as good wages as you would be able to get in outside work of like character.

"Q. Would I be enlisted?—A. No; this work is only for men who have been honorably discharged from the service.

"Q. What kind of work is this?—A. The Government will have work of all kinds in connection with these settlements, from the highest technical and clerical positions to that of laborers.

"Q. Now, how about getting a home out of this?—A. After you have helped build the dams and canals, cleared the cut-over land of stumps, or built the

ditches to drain the swamp lands; after you have helped to erect houses and barns, built fences, constructed roads, and laid out town sites, built creameries, canneries, warehouses, schools; after you have, in fact, actually reclaimed the land, the Government will allow you to pick out one of these farms planted in crops."

Mr. BLANTON. Mr. Chairman, will the gentleman yield?

Mr. WOOD of Indiana. Yes.

Mr. BLANTON. Is this a propaganda for the Morgan bill or the Mondell bill?

Mr. WOOD of Indiana. This was a propaganda on the Mondell bill. To continue:

"Q. Does the Government give me this farm for nothing?—A. No. And you wouldn't want the Government to do it. The plan is to arrange for you to pay for your farm home in small payments over a long term of years, with interest charges at the rate of 4 per cent per annum.

"Q. How about stock and farm implements?—A. It is planned that the Government will also furnish you with the necessary stock and farm implements, to be paid for by you in small payments spread over several years.

"Q. Where will I get the money to make even these small payments?—A. You should be able to save the amount of the first payment out of your wages while working for the Government helping to build these settlements. The balance you should be able to pay from the proceeds from the sale of your crops.

"Q. I think I should like farm life, but I don't like the idea of being too far away from other people.—A. It is the plan, if Congress passes the bill now pending before it, to build what are known as community settlements, each containing not less than 100 farmhouses surrounding a town, so that you will have near neighbors, good roads over which to bring your produce to town, and market for the sale of your produce within a short distance of your farm home.

"Q. How many acres will my farm contain?—A. This will depend upon the location and kind of farming you engage in. For general farming, from 40 to 80 acres each; live stock, from 80 to 160 acres; fruit farms, 15 to 20 acres; and truck, from 5 to 20 acres.

"Q. I don't know anything about farming, but would like to get a farm home. How will I learn to farm?—A. Competent instructors in farm practice will be stationed on each project to teach men like you just how to make a success of farming.

"Q. You say that this plan depends on Congress passing this bill. Then, why are you asking me these questions now, before the bill is passed?—A. Because Congress has asked the Interior Department to make a preliminary investigation of possible settlements throughout the country, and also wishes to know whether, if construction of these settlements is authorized, the soldiers, sailors, and marines would be interested in securing work and homes on these settlements.

"Q. Can I get any further information about the plan?—A. Yes. Fill out the post card on the last page of this booklet and mail it. It doesn't require any postage. Your name will be on file in the Interior Department, so that you can be notified later if the plan is started. It is not possible now to say when this information can be sent you, and you should, of course, in the meantime not sit idly by, but instead accept the best employment that now presents itself. You are urged on your return home to get in touch with the United States Employment Service in your locality and with your local council of defense, both of which organizations will gladly give you advice and assistance in securing employment now.

"Now, fill out the post card on the back page and mail it. You don't have to put a stamp on it. Be sure and sign your name and write plainly. But remember that this means work. This is not a bounty scheme. It will give a chance to own a farm only to those who want to work a farm."

These persons are asked to fill out name in full; home address; how old are you; what was your occupation before you enlisted; have you ever worked on a farm; are you interested in this plan to provide work and a farm for you; what kind of farming do you wish to follow; state whether general, live stock, truck, or fruit; would you be willing to take a job on some project if offered you; in your own State; anywhere in the United States; write plainly and mail to-day; no postage required.

Mr. SMITH of Michigan. Will the gentleman yield?

Mr. WOOD of Indiana. I will.

Mr. SMITH of Michigan. Does the gentleman state that this bill carries out that project that he has read?

Mr. WOOD of Indiana. Absolutely; that is the purpose of the bill. Now, there were 250,000—

Mr. HARDY of Colorado. Will the gentleman yield?

Mr. WOOD of Indiana. I will yield.

Mr. HARDY of Colorado. How many of these replies did the Department of the Interior get back?

Mr. WOOD of Indiana. The Secretary of the Interior testified before the committee that they sent out 250,000 of these booklets from his office, and that they got back 48,000 of these cards of inquiry, but a little more than 1 per cent of the soldiers engaged in the war; that they received additional inquiries from other sources about 12,000 more, making 60,000 in all, or about 1½ per cent of those who were engaged in the war.

Mr. CLARK of Missouri. Will the gentleman yield?

Mr. WOOD of Indiana. I will yield to the gentleman from Missouri.

Mr. CLARK of Missouri. I will ask the gentleman from Indiana if the fact that what militated against this Lane-Mondell bill and worked up opposition to it was not the fact that they could not find any places to be drained that would make room for one of these colonies except the Everglades of Florida and southern Louisiana?

Mr. WOOD of Indiana. Well, I think that equal opposition was worked up to it by reason of the absolute impracticability and impossibility of it, and from the fact that it is a scheme for the reclamation of arid, waste, and cut-over lands. As some one has suggested, there are thousands and thousands of miles of area in some of these Western States where there is beautiful scenery and where rock is worth about 1 cent per cubic mile. There is lots of that character of land. Now, I wish to state further to show you how absolutely impractical this thing is, that the Secretary of the Interior in his testimony before the committee having this matter in charge originally suggested in answer to a question that he had calculated that it would take about \$6,000 to finish one of these projects; that is, the farm project would cost on an average about \$6,000. After I had read that testimony, in order that I might get some facts from some departments that had some experience and knew something of the practical operation of these reclamation schemes, I addressed a letter to the Secretary of Agriculture asking for information upon the proposition, which I think will be very edifying to this committee.

Mr. CLARK of Missouri. Now, before the gentleman gets to that, I want to ask him this: if the Morgan plan, so called, did not militate very much against the Lane-Mondell plan?

Mr. WOOD of Indiana. Well, there is not any doubt about that; and the fact is that the Morgan plan has some very attractive features about it, one of which is to create a revolving fund, as I understand it, of about \$100,000,000 for the purpose of loaning money to the men who are desiring to purchase homes of their own choice—real, existing propositions of their own selection, in their own State, among their kinsmen and friends. I am told by men who have some knowledge and have had much experience in these reclamation projects, if this thing were commenced to-day, we could not get one of these reclamation projects so it would be fit for occupancy within less than 10 or 15 years.

Mr. CLARK of Missouri. Is not the feature of the Morgan plan to loan money to soldiers at a low rate of interest so that they can buy a farm wherever they want to—the thing that popularizes the idea which Mr. Morgan suggests? The farm the soldier would get out in the gentleman's country or mine would, of course, be small, on account of the high price of land, but everybody does not want to go to the West.

Mr. WOOD of Indiana. No. That is one of the most objectionable features of this scheme, even if it were practicable—to have to go away from their home, to have to go away from the places of their birth, from their associates, from their environments. These men, if we are going to do anything for them, ought to have some choice in respect to their home, and not be forced to these strange and uninviting places.

But this very bill, as you will see if you will take and read it carefully, has in mind the creation and the establishment in perpetuity of a bureau of reclamation here; and the outlay is beyond the calculation of men. I think I will be able to show you before I get through with what I have to say that, instead of it costing \$300,000,000, as proposed by the bill, it would cost, if it was carried out as proposed in this measure, more than \$10,000,000,000. It provides for a board of four directors or commissioners, who are to act in conjunction with the Secretary of the Interior, at a salary of \$7,500 each, to continue in office for

a period of five years. And I wish at this juncture to call attention to this provision, which absolutely shows that it is not the purpose of this measure to benefit the soldier boy.

You can take the 250,000 of these cards that were sent out, and the propaganda that has been spread in every possible way, upon the rostrum, through the public press, and otherwise, and yet the returns from all those, with all that energy expended, has brought back less than 1½ per cent of the men who are interested in this legislation. And they have jumped to the conclusion that each one who has answered one of these cards is going to take one of these projects. And you will find further that it was contemplated from the inquiries that were received that at least 640,000 ex-service men would take advantage of the scheme. If that was carried out, basing your calculation upon what the Secretary of the Interior has said, that it would take to complete one of these projects \$6,000, it amounts to \$3 340,000,000. However, it would take more than three times that amount, or about \$10,000,000,000. But here is the joker in this proposition: After going on and providing and making all of the provisions for its creation and operation, here is what it says:

"Any unit not allotted to a veteran or repairate within one year after the public notice in respect thereto, as provided by this section, may be disposed of to qualified citizens under the provisions of the reclamation laws."

That absolutely establishes, if you please, that this Reclamation Service is not for the benefit of the soldier, who is expecting any relief Congress is going to give him within a year or two years at most. If they carry out this dream and if they ever have any of these projects ready and there should be no soldiers who wanted them, under the provisions of this law they could sell it to anybody who might take it.

Mr. SMITH of Idaho. Will the gentleman yield?

Mr. Wood of Indiana. I yield.

Mr. SMITH of Idaho. I wish to say that the provision to which the gentleman makes reference was put in by the clerks in the drafting bureau and did not receive much consideration in the committee, and there is no objection to eliminating it.

Mr. CLARK of Missouri. I would like to ask the gentleman a question. Who authorized this bureau you talk about to put anything in this bill?

Mr. SMITH of Idaho. I understand that this bill was turned over to these expert draftsmen to fix up, and they thought it would be a good idea to have it in there, and the committee did not go into any detail and did not approve it.

Mr. CLARK of Missouri. That is like the fellows who used to write a copy of the Bible. They would write a note on the edge and the next copyist would copy the note into the Bible.

Mr. SMITH of Idaho. It is the desire of those advocating these reclamation projects that the soldier shall have the entire benefit of these lands.

Mr. CANNON. Suppose they do not want it?

Mr. SMITH of Idaho. Eventually, if they do not want it, the land would be open to anybody who would take it.

Mr. WILSON of Louisiana. Will the gentleman from Indiana yield?

Mr. Wood of Indiana. I will.

Mr. WILSON of Louisiana. The gentleman has told us how this propaganda was carried on for the soldiers, but he did not tell us how the American Legion came to get behind this bill in its recommendations.

Mr. Wood of Indiana. I presume that was largely psychological. The American Legion was probably exercising its judgment as to the best plan possible to pursue. They knew this was the pet and the dream of the Secretary of the Interior. They knew that some gentlemen in this House were very enthusiastic about it, and I expect that they thought by putting this measure in that they would at least avoid a certain amount of opposition. That is a mere conjecture, but we have a right to draw our conclusions from all the circumstances.

Mr. BLANTON. Will the gentleman yield?

Mr. Wood of Indiana. Yes.

Mr. BLANTON. Are not the numerous defects which have been pointed out by the gentleman from Indiana [Mr. Wood] the reason now that this bill is known as the "Lane-Mondell bill"?

Mr. Wood of Indiana. I do not know. Now, permit me to proceed.

After reading these hearings for the purpose of getting the information that I alluded to a while ago, I addressed the letter to the Secretary of Agriculture for such facts as he could present concerning the cost of this reclamation proposition, and under date of July 24 he replied as follows:

DEPARTMENT OF AGRICULTURE.

Washington, July 24, 1919.

HON. WILL R. WOOD,
House of Representatives.

DEAR MR. WOOD: Receipt is acknowledged of your letter of June 23, requesting that you be informed of the results of any investigation that may have been made by the Department of Agriculture as to the cost of reclaiming lands and placing them in condition to be farmed, together with the cost of improvements to enable practical farming.

In regard to the reclamation of desert land, the cost of such reclamation may be divided into two parts, namely, providing a water supply and the improvement of the farm units. The first of these consists of such items as the building of a storage dam, diversion dam, main and lateral canals, and head gates, chutes, drops, flumes, siphons, etc., including whatever works are necessary to bring the irrigation water to the individual tracts to be reclaimed. The cost of such works at present depends entirely upon the physical conditions encountered and varies from a minimum of probably \$50 per acre to a maximum which has not been determined. Projects recently surveyed have indicated a cost of \$160 per acre. There are considerable areas of desert lands in the West which are physically reclaimable, but which can not be economically reclaimed at the present time because the crop returns from such land would not justify the cost of reclamation. This economic limit obviously varies with different soils, climatic conditions, and distance from markets. It would be feasible to spend considerably more in reclaiming land having a rich soil and a long growing season than land at a high altitude having a very short growing season.

Under the second group is included clearing and leveling the land, building farm ditches and ditch structures, plowing, fencing, domestic water supply, necessary farm buildings, farm implements, live stock, etc. The average cost of preparing land for irrigation—that is, clearing, leveling, and ditching, based on data secured several years ago—varied from \$9 in Wyoming to \$19 in California. At that time some rather fragmentary data on the cost of equipping an irrigated farm, where general farming was followed, showed that this varied from \$17 to \$32 per acre. These figures would have to be very materially increased in order to make them applicable to present conditions.

There remains to be reclaimed in the United States approximately 100,000,000 acres of swamp, wet, and overflowed lands. These may be divided into four general classes, (1) swamp lands, (2) tidal marshes, (3) lands that are too wet for cultivation at certain seasons of the year or are periodically overflowed, and (4) seeped irrigated lands. The cost of reclaiming these lands is determined by the following factors: The cost of the unimproved land; the cost of drainage; the cost of clearing and preparing for cultivation; the cost of necessary buildings and fences; interest on investment during the period of development; and any incidental expenses, such as for lime or commercial fertilizers where they may be needed.

The character of the timber determines largely the cost of clearing. The farmer clearing the land usually does not try to bring it under cultivation immediately, but cuts out the undergrowth and small trees and girdles the larger trees. The stumps and deadened trees are removed as they rot out; in the meantime the land may be either cultivated or used as pasture. Generally the labor on the farm is utilized for clearing land at such times as there is not much other work to be done. This method of clearing is slow, and the trees and stumps interfere with cultivation, but the amount of labor required is comparatively small. If it is desired to place the land under cultivation immediately after the timber is removed, the stumps either are grubbed out by hand or are removed with explosives or mechanical stump pullers, or a combination of the methods used. The number, size, kind, and condition of the stumps are the principal factors in determining the cost.

If it is desired to clear stumps from the land immediately after the timber is cut, this item generally will be the largest in the cost of reclamation. If the process can be made more gradual, the cost is materially reduced, but the stumps and trees remaining on the land interfere with farming operations. The cost of clearing is probably the most uncertain item entering into the cost of reclamation, and there is little data available in regard to the cost of clearing large tracts. It appears probable that if large tracts are to be cleared at one time, an organization could be built up and methods developed that would materially

reduce the cost. Large projects of this character would also be in a better position to utilize the by-products from the work.

Clearing new heavy hardwood stumps from land in the lower Mississippi Valley has cost from \$60 to more than \$150 per acre, and will probably average \$80 to \$90 per acre. Clearing stumps from pine lands, such as are found on the coastal plain region of the South, can be done more cheaply, usually for \$15 to \$50 per acre, as the stumps can be burned. In Idaho it has cost from \$75 to \$125 per acre or more to clear land; in northern Minnesota it has cost from \$100 to \$125 per acre; in the Pacific coast regions the cost sometimes has been above \$200 per acre; while in Canada clearing stumps from land that was heavily timbered has cost, in some instances, more than \$400 per acre. These figures are at prewar prices for labor and materials; if more efficient methods can not be used, the costs now would be much greater. However, in most clearing operations there is considerable salvage in the form of cordwood, poles, posts, logs, and other lumber. In some places these can be sold, or the farmer can utilize them, and thus the cost of clearing is reduced.

Recently engineers of this department have worked out rough estimates of the cost of reclamation for a number of projects in different parts of the country. The idea was to present not the cheapest project that might be found, but one that would be representative of a number of projects in each region under discussion. The costs of clearing used in these estimates have not been increased greatly over prewar prices, as it is thought that the saving from more extensive use of machinery, better organization, and more complete utilization of salvage will approximately offset the increases in prices for labor and supplies. Land prices are increasing rapidly in certain sections at present. The lands are expected to be developed in units of 5,000 acres or more, as topography or economic conditions may require. It is estimated that farms of 160 acres now will cost approximately as follows, for purchase of land, drainage, clearing, buildings, farm machinery, work animals, and some fencing, ready for cultivation:

Black lands of eastern Carolinas and southeastern Virginia—\$65 to \$115 per acre, average about \$90 per acre, if cleared by burning; \$100 to \$200 per acre, average about \$150, if cleared by pulling, grubbing, or blasting stumps.

Coastal Plain region of South Atlantic States—\$95 to \$155 per acre, average \$125 per acre.

Wet prairie lands of southern Louisiana—\$85 to \$140 per acre, average \$110.

Gulf coast of Texas between Orange and Bay City—\$85 to \$145 per acre, average \$115 per acre. Areas that require drainage by pumping will average about \$30 per acre more.

Northeastern Louisiana, eastern Arkansas, southeastern Missouri, and Yazoo Delta in Mississippi—\$110 to \$200 per acre, average about \$150.

Grand River Valley in northwestern Missouri—an area of approximately 60,000 acres can be reclaimed for \$150 to \$225 per acre, average about \$185.

Western Iowa, 40,000 acres—\$225 to \$300 per acre, average about \$260.

Northern Minnesota, northern Michigan, and northern Wisconsin—\$120 to \$200 per acre, average \$160.

San Luis Valley, Colo.—\$125 to \$150 per acre, average \$140.

Very truly, yours,

C. F. MARVIN, *Acting Secretary.*

These figures speak for themselves. They are not mine. They come from a coordinate branch of this Government whose business it is to furnish the Congress, or Members thereof, the facts. They were deducted from actual experience and experimentation by the Department of Agriculture in prewar times.

If the figures I have submitted represent the cost of reclamation during that period, you can multiply them by two or three and get the result as to what the cost would be now.

Remember that the Secretary of the Interior, in his hearings before the committee, testified that these projects would each cost on an average of \$6,000. I have taken the pains to make some calculations based upon the average figures submitted by the Secretary of the Interior and which I have just given to you.

I think it will be admitted that 160 acres is an average tract for farm purposes in any section of our country where agricultural pursuits are followed. Taking this as a unit, a tract of this size in the eastern Carolinas and southeastern Virginia would cost \$14,400. Farms of this character for the 600,000 that it is proposed to take care of under this legislation would cost \$8,640,000,000.

The same farm, if cleared by pulling, grubbing, or blasting stumps, would cost \$150 an acre, or \$24,000 per farm, or \$12,400,000,000 for 600,000 farms.

A farm in the Coast Plain region of the South Atlantic States, at \$125 an acre, would cost \$20,000, and 600,000 farms would cost \$12,000,000,000.

A farm in the wet prairie land of southern Louisiana, at \$110 an acre, would cost \$17,000, or \$10,500,000,000 for 600,000 farms.

A farm in the Gulf coast of Texas, at \$115 per acre, would cost, \$18,400, or \$11,040,000,000 for 600,000 farms.

A farm in the Gulf region of Texas, where pumping is required, at \$145 per acre, would cost \$23,200, or \$13,920,000,000 for 600,000 farms.

A farm in the northeast coast of Louisiana, eastern Arkansas, southeastern Missouri, Yazoo Delta of the Mississippi, at \$150 per acre, would cost \$24,000, or \$14,400,000,000 for 600,000 farms.

A farm in the Grand River Valley of northwest Missouri, at \$185 an acre, where it is estimated that there are 60,000 acres in a tract, would cost \$20,000, or \$17,700,000,000 for 600,000 farms.

A farm in western Iowa, where there is a 40,000-acre tract, at \$200 per acre, would cost \$41,000, or \$24,960,000,000 for 600,000 farms.

A farm in northern Minnesota, northern Michigan, or northern Wisconsin, where there are cut-over lands, at \$160 an acre, would cost \$25,000, or \$15,300,000,000 for 600,000 farms.

A farm in the San Luis Valley of Colorado, at \$140 an acre, would cost \$22,400, or \$14,400,000,000 for 600,000 farms.

The average cost of the 11 proposals just referred to is \$148.50 per acre. A 160-acre farm at this average would cost \$23,760, and 600,000 farms would cost \$14,250,000,000.

Bear in mind that these estimates are made upon the cost of labor and material in each instance at prewar figures.

The Secretary of the Interior, Mr. Lane, has estimated that these projects, 600,000 of them, if completed according to the plans set forth by him in his testimony and in the propaganda that has been sent broadcast over this country at the expense of the Government, would not exceed \$4,000,000,000. He bases his calculation, however, upon his estimate that these projects would not cost more than \$6,000 each. I do not believe there is a fair-minded man or set of men who have no interest in any of these projects but what would conclude in a moment that he has shot far under the mark and that the estimates submitted by the Secretary of Agriculture are far more dependable.

In view of past experience, it is my judgment if we venture upon this scheme and carry it to the conclusion desired by the proponents of this measure, it would come nearer costing \$40,000,000,000 than it would \$4,000,000,000.

All this talk about 600,000 ex-soldiers availing themselves of the opportunity of taking such projects is preposterous, and, in my mind, if the propagandist who has been going around over this country extolling the beauties of this scheme and the great benefits that would flow to the possessors of each project therefrom had given the facts instead of painting the Fabian picture that he did there would not have been a single resolution passed by a single legion post anywhere in the country in favor of item 6 of this measure.

The whole thing should be stricken out. The bill will be complete without it. Item 5 provides a splendid home-buying scheme and, if it is not sufficient, the addition of the Morgan proposition to create a revolving fund of \$100,000,000 to loan to ex-service men with which to acquire or build their homes would answer, in a practical way, all that is desired or could be hoped for by these men. This would permit them to choose their own home site and not compel them to go into these unforbidden wastes to eke out a mere existence.

I have felt it my duty to set forth the facts in my possession, coming as they have from an unprejudiced source—the Department of Agriculture—in order that the ex-service men of the country might be fully apprised of what they had been baited with and what a snare and delusion the whole scheme is. If I have succeeded in doing this, I will feel that the time required in gathering these facts has been well expended. Not only will it save them from disappointment, but, if this item is stricken from this bill, as it should be, it will save the Public Treasury in expenditure billions and billions of dollars. [Applause.]

The time having expired, by unanimous consent, Mr. Wood of Indiana was granted consent to extend his remarks in the Record.

Our bonus bill, in contrast to the endless complications of this bill, is plain and short and to the point. It is as follows, and anyone can understand it.

(The bill referred to and submitted by Mr. Sperry is here printed in full, as follows:)

Be it enacted by the Senate and House of Representatives in Congress assembled, That section 1406 of the war-revenue act of 1918, approved February 24, 1919, be amended by adding the following words, after the word "each," in the last line:

"And be it further provided, That all persons serving in the military or naval forces of the United States, as herein described, shall be paid in addition to all other amounts due them in pursuance of law. \$500."

Instead of the complicated and enormously costly land provisions of this bill, H. R. 14157, we propose the following land bill which was introduced in the House by Representative Huddleston.

(The bill, H. R. 11017, submitted by Mr. Sperry is here printed in full as follows:)

A BILL To provide employment for returned soldiers, to open up the unused lands and natural resources of the United States for the use of returned soldiers and other citizens who may desire access to them, and to promote the general welfare of all the people of the United States, and to establish an executive department of the United States to be known as the Department of Land and Natural Resources.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That there shall be at the seat of government of the United States an executive department, to be known as the Department of Land and Natural Resources, the head of which department shall be known as the Secretary of Land and Natural Resources, to be appointed by the President, by and with the advice and consent of the Senate, who shall be the head of said department and who shall receive a salary of \$12,000 per year, with powers and duties similar to the heads of the other executive departments of the Government.

That there shall be in the said department a First Assistant Secretary, in charge of matters relating to agricultural land, who shall receive a salary of \$7,000 per year; a Second Assistant Secretary, in charge of matters relating to mineral lands, who shall receive a salary of \$7,000 per year; a Third Assistant Secretary, who shall have charge of matters relating to forests and water resources, who shall receive a salary of \$7,000 per year; each of which Assistant Secretaries of the Department of Land and Natural Resources shall be appointed by the President, by and with the advice and consent of the Senate.

SEC. 2. That the duties of this department shall be to at once take a census and survey of the unused land, mineral, forest, and water resources of the United States, and report same to Congress and the President with recommendations for the quickest, simplest, and most equitable manner of procedure for the Government to pursue in order to open up for the practical use of returned soldiers, sailors, marines, and citizens these unused lands and natural resources of the United States. And it shall be the duty of the Department of Land and Natural Resources to investigate and report to Congress and the President at the earliest possible date, to what extent and degree it will be desirable to shift the burden of Federal taxation from those things which are the product of labor to the value of land exclusive of improvements, in order that the unearned increment of land which arises from the existence and growth of population shall be diverted from the coffers of private speculators and monopolizers of land and natural resources into the Public Treasury and thereby enable the Government to greatly reduce, if not entirely abolish, all those taxes on the products of labor which now result in such burdensome increase in the cost of living: *Provided*, That the Secretary of Land and Natural Resources shall at once organize within said department a Commission of Employment, which shall consist of three members who shall be selected by the Secretary and appointed by the President by and with the advice and consent of the Senate, who shall be and are hereby authorized, under the direction of the Secretary of Land and Natural Resources, to open and arrange the use of the necessary lands, agricultural, urban, mineral, forest, and water powers so as to provide immediate employment for all demobilized and unemployed soldiers, sailors, and marines of the war 1917 to 1919.

SEC. 3. That the existing Bureau of Public Lands and the Bureau of Mines and the Geological Survey in the Department of the Interior and everything connected therewith shall be transferred from the Interior Department to the Department of Land and Natural Resources. That those divisions of the Census

Bureau having to do with the taking of the census of lands, mines, forests, and water powers and everything connected with the said divisions of the Census Bureau shall be transferred from the Census Bureau to the Department of Land and Natural Resources, and that the Bureau of Forestry in the Department of Agriculture and everything connected therewith shall be transferred with the said Bureau of Forestry to the Department of Land and Natural Resources.

SEC. 4. That this act shall take effect from and after the date of its passage.

We do not want it understood that there is any disposition on the part of the Private Soldiers and Sailors Legion to neglect the interests of the wounded soldiers as regards a full and just recognition of their rights to a share of the unused land of the United States. I therefore present to the committee, and ask that it be made a part of my statement to the committee, a copy of our bill introduced in the House by Representative George Huddleston, of Alabama, H. R. 11017:

To establish an executive department of the United States to be known as the department of land and natural resources, to provide employment for returned soldiers, to open up the unused lands and natural resources of the United States for the use of the returned soldiers and other citizens who may desire access to them, and to promote the general welfare of all the people of the United States.

This bill, we believe, provides the only fair and just method for securing all ex-service men their equal rights to a share of this land; and while we recognize the fact that the enactment of a just and equitable land bill for ex-service men is a large and complex question, which will probably take much time for Congress to decide upon, we, in conformity with what we believe to be the wishes of this committee, do not desire to take up the time of the committee with extensive argument of the land bill at this time. But we do wish that the committee, when it comes to the consideration of land laws for the soldiers, give careful consideration to the plan set forth in Representative Huddleston's bill.

By this bill there will be created at once a Government department of land and natural resources, which will have the machinery, the power, and authority for planning a just and equitable provision for the soldiers' rights in the land. Such a plan will be far more comprehensive and equitable than any plan or scheme that is liable to be devised by any single individual or organization outside of the Government itself, and will provide a plan that will be more liberal, just, and equitable and not be in any way influenced by personal or selfish outside interests.

We feel that the wisest thing to do is to proceed at once with the enactment of the bonus bill at this time and take up the land question as early as possible thereafter.

The question has been repeatedly raised in the discussion before the committee as to whether the great majority of the soldiers themselves want a bonus bill enacted by Congress. Mr. Chairman, I think this question was answered not only by the statements of the various representatives of the soldiers who appeared before your committee, but I think it was most emphatically answered in the affirmative by the great petition signed by over 2,000,000 soldiers which was presented to the House of Representatives by the Hearst newspapers at the last session of Congress.

(The resolution referred to was subsequently submitted by Mr. Sperry and is here printed in full, as follows:)

[H. J. Res. 315, 66th Cong., 2d sess.]

JOINT RESOLUTION Instructing the Attorney General to institute proceedings against certain corporations restraining them from distributing surplus war profits.

Resolved by the Senate and House of Representatives of the United States of American in Congress assembled, That the Attorney General of the United States is hereby authorized and directed to at once begin injunction proceedings in the courts of the United States against the Standard Oil Company and its various affiliated or allied companies, the United States Steel Corporation and its various allied or associated steel, iron, coal, railroad, and banking corporations, to restrain the aforesaid corporations and companies and their officers and agents from taking any steps, either by stock dividends or other devices, to distribute the surplus war profits accumulated in their treasuries during the past six years.

SEC. 2. That the Ways and Means Committee of the House of Representatives be, and is hereby, instructed to immediately draft and report to this House a bill to provide for taking into the Treasury of the United States all the said surplus war profits of the aforesaid corporations and companies and all other corporations and companies similarly situated, the revenue so derived from the tax or surplus war profits to be used first for the benefit of each soldier, sailor, marine, or nurse who served in the United States military or naval forces during the European war of 1917 and 1918.

As a way of providing a quick, easy, and equitable method of raising revenue necessary to pay this \$2,000,000,000 bonus for the soldiers, our legion has, in conjunction with Representative E. C. Little, of Kansas, prepared and Representative Little introduced in the House a resolution which would convey into the Treasury the surplus war profits of corporations for the past six years. This immense fund would be used for the benefit of the veterans.

As evidence of the correctness of our claim that the carrying through of the provisions of the Little resolution will provide quickly and easily the entire \$2,000,000,000 needed for this bonus for the soldiers without burdening the masses of the people with new taxes, and without increasing the high cost of living, and entirely avoiding the dangers of a great new bond issue, I submit the following tables of accumulated surplus war profits now in the treasuries of the leading war-profiteering corporations in the United States. One table includes steel and other industrial corporations, and the other one is made up exclusively of oil companies.

Surplus war profits of the Standard Oil Trust and other oil companies.

[Last reported surplus.]

Atlantic Refining.....	¹ \$55, 316, 043
Ohio Oil	63, 839, 643
Prairie Oil and Gas.....	70, 433, 441
Solar Refining.....	3, 361, 999
Standard Oil of Indiana.....	105, 117, 258
Standard Oil of Kansas.....	5, 477, 170
Standard Oil of Kentucky.....	4, 240, 640
Standard Oil of New Jersey.....	² 463, 712, 410
Standard Oil of New York.....	110, 028, 634
Standard Oil of Ohio.....	³ 13, 482, 978
Vacuum Oil.....	43, 546, 700

These last three items adding \$127,000,000 to the surplus of the treasury of these oil companies represents other undisclosed war profits not included in the table above and should clearly come within

¹ Does not include proceeds of recent sale of \$20,000,000 preferred stock.

² Does not include proceeds of recent sale of approximately \$100,000,000 preferred stock of the 1919 earnings.

³ Does not include proceeds of recent sale of \$7,000,000 preferred stock.

the scope of the taxes to be now levied by Congress to raise the money to pay the soldiers' bonus.

In addition to the above list of the Standard Oil Cos. there are a great number of independent oil companies outside of the Standard, who have also accumulated hundreds of millions of surplus war profits that would properly come within the scope of the taxes we propose through Representative Little's resolution.

The above tables of corporations' surplus war profits are quoted from the financial columns of the New York American of Wednesday, March 10, 1920.

Total surplus war profits of the Steel Trust and other industrial corporations.

American Car & Foundry.....	\$31,324,521
American Locomotive.....	22,793,244
American Linseed.....	10,530,478
American Sugar Refining.....	21,383,433
American Woolen.....	10,724,023
American Brake Shoe.....	9,723,800
American Tobacco.....	44,584,333
Baldwin Locomotive.....	11,332,160
E. W. Bliss.....	6,131,874
Central Leather.....	30,500,274
Chandler Motor.....	7,225,228
Crucible Steel.....	38,325,593
Cuban-American Sugar.....	16,828,168
E. I. DuPont.....	71,741,304
General Electric.....	52,250,661
General Chemical.....	17,117,806
Goodrich Rubber.....	41,203,046
Goodyear Tire.....	33,332,666
International Paper.....	19,104,764
International Harvester.....	68,036,663
Lackawanna Steel.....	31,624,736
Liggett & Myers.....	19,753,025
Mexican Petroleum.....	16,466,804
National Enameling.....	8,230,604
National Biscuit.....	17,761,785
National Lead.....	6,054,168
New York Air Brake.....	6,054,168
Pittsburgh Coal.....	23,822,652
Republic Iron & Steel.....	33,880,971
Railway Steel Spring.....	1,532,004
Swift & Co.....	84,575,179
Scoville Manufacturing.....	18,383,032
Texas Co.....	69,000,406
U. S. Rubber.....	41,848,063
U. S. Steel.....	466,888,421
United Shoe Machinery.....	26,598,936
United Fruit.....	49,169,723
Virginia-Car Chemical.....	24,109,233
Wilson & Co.....	19,789,232

This is, of course, only a partial list of the great industrial corporations and monopolies who have accumulated hundreds of millions of dollars in their treasuries which should be properly taxed before any further levies are made on the mass of the people and before the country is burdened with any further bond sales.

It will be observed that in the case of two of these corporations, viz, the United States Steel Corporation, which has over \$460,000,000 surplus war profits in its treasury, and the Standard Oil Co. of New Jersey, which has over \$560,000,000 surplus war profits in the treasury; these two great monopolies alone out of their surplus war profits

can provide over one-half of the two billions required to pay this bonus.

The other branches of the Oil Trust have in excess of one-half billion dollars war profits available for this tax, while the miscellaneous steel, coal, and other great industrial corporations have over \$1,060,000,000 surplus war profits, every dollar of which should in justice and equity be taxed into the Public Treasury for the purpose of paying the soldiers' bonus before another penny of taxes is laid on the consumers of the country and before another dollar of bonds is issued for any purpose.

For the better care of one of the most unfortunate and worst afflicted classes of our men who suffered injury and disability in the World War, viz, the men afflicted with mental and nervous maladies, the Private Soldiers' and Sailors' Legion prepared, and Representative King, of Illinois, introduced in the House, the following bill, to provide for the segregation and care of the men of the United States Army and Navy and Marine Corps afflicted with mental and nervous maladies.

The need for improvement in the care and treatment of these most unfortunate sufferers from the war is so urgent that Congress ought to pass this bill without a moment's further delay.

Senator SUTHERLAND. How many members have you in your organization?

Mr. SPERRY. Senator, we have not two million.

Senator SUTHERLAND. I did not ask how many you did not have; how many have you?

Mr. SPERRY. We have at the headquarters I think in the neighborhood of 700,000 signed applications. but they are not all paying members. There is a very small percentage of our members who are paying members. We hope later on that they will all be able to pay their dues to carry on the work of the organization.

Senator SUTHERLAND. You consider them members of your organization whether they pay their dues or not?

Mr. SPERRY. We consider them members, yes. They have signed our application. I have an application here.

(The formal application submitted by Mr. Sperry, is here printed in full, as follows:)

FORMAL APPLICATION.

[Fill in and hand to any member or mail to national headquarters.]

_____, 192—.

PRIVATE SOLDIERS AND SAILORS LEGION.

802-810 F Street NW., Washington, D. C.

I hereby make application to become a member of _____ Legion, No. _____ of the Private Soldiers and Sailors Legion, located at _____. If accepted for membership I promise to obey the laws and rules of the legion and uphold the Declaration of Independence and the Constitution and laws of the United States of America.

Occupation _____ Served as _____ in Co. _____ of the _____ Regiment _____ in the United States forces during the war of 1917 and 1918.

Membership fee of \$1 submitted with application.

(Applicant)

(Address)

Recommended by:

(Title)

I wish to thank the committee on behalf of the Private Soldiers and Sailors Legion, and to assure you that we rely upon the Senate and Congress and believe they will do what is right and just by the soldiers.

STATEMENT OF MR. EDWARD H. HALE—Resumed.

Mr. HALE. In my previous statement to-day, the question was brought up of the differentiation in Title 2 of the payment to be made to overseas men, and those who had served on this side.

I believe that the representations of the Veterans of Foreign Wars were primarily responsible for the difference appearing in this bill, and we predicated our action on these reasons: The United States Government, even in peace times, when it sends its soldiers abroad, recognizes the additional expense to which the soldier is usually put and allows him 10 per cent for overseas service.

Aside from that, the 5 francs 70 centimes, or whatever the rate of interest may have been when the men were on the other side—and I can assure the Senator that when we were in the back areas, and most of the men who served on the other side will bear me out, did not have the purchasing power of the dollar that the men were receiving on this side.

In addition to that, the Government has seen fit to put a gold chevron on the arm of the men who served on the other side, and a silver chevron on the arm of those who served on this side; and in asking this differentiation it is not based on any disparity of service, or because we belittle the men or think less of the men who served on this side. Nobody holds them in any higher estimation than we do, because we recognize that every man who donned khaki was a potential member of the A. E. F.; and the differentiation is based entirely on economic reasons, because with our friends on the other side the equivalent of a dollar did not go as far as the dollar received by the boy on this side.

Senator McCUMBER. I wanted to ask one question, however, and I might as well ask it of you, and that is this: What actuated the committee in the House, if you know, in deducting the first 60 days from the service of the soldiers before the allowance of their \$1 and their \$1.25 should begin?

Mr. HALE. You will find, Mr. Chairman, that most of the men who are excluded from that provision served less than 30 days instead of the 60 days, and all the men who will benefit by this legislation served a much greater period than 60 days.

Senator McCUMBER. That is not the question. You possibly do not understand me. The question is this: Under the bill the payment of \$1 and the \$1.25 is for all days of service in excess of 60 days. It is not that it simply applies to those who served 60 days, like those who served 90 days in the Civil War in order to be entitled to a pension; but the \$1 a day and the \$1.25 a day are the days in excess of the first 60 days.

Mr. HALE. I think that maybe I can answer the question. I think that the Ways and Means Committee endeavored to prevent additional payment going to those men who had served a very short time. There were a number of men, you will find, who came in just a short time before the armistice; and they had already received \$60.

I tried to make that clear, but probably did not. And there were a number of men who probably served 10 or 15 or 20 or 30 days, and they have already received \$60, and a majority of the men who have received the \$60 and would receive this additional compensation have served a considerably longer period than 60 days.

Senator McCUMBER. I think that explains the reason. The estimate that is made by the Legion, as I understand it, is that the average service of each soldier was 300 days?

Mr. HALE. I think that is generally accepted.

Senator McCUMBER. That means, of course, 300 days in addition to 60 days?

Mr. HALE. No; I think it is 300 days, Senator, including the 60 days.

Senator McCUMBER. Then there would be only 240 days to compute on?

Mr. HALE. No, Senator. It must be remembered that \$60—that men who are prevented from accepting this additional compensation are only those who served less than 60 days. The men who served 60 days or over, the \$60 he has already received does not enter into it; he will receive an additional dollar for every day he served.

Senator McCUMBER. But that is not the reading of it. You are mistaken there. Let me call your attention—

Mr. HALE (interposing). That is my interpretation of it.

Senator McCUMBER. That is not the bill. Section 202, at the bottom of page 7 reads:

There shall be paid to any veteran upon application in accordance with the provision of section 4, and in addition to any other amounts due him in pursuance of law, the following sums for each day of active service in excess of 60 days in the military or naval forces of the United States after April 5, 1917.

Therefore, the sum for each day is for each day in excess of 60 days.

Mr. HALE. That was not my interpretation of the bill.

Senator McCUMBER. That is the way it reads, and that is the reason I am asking that question.

Mr. HALE. I was under the impression that the bill provides \$1 a day for each day of service, excluding those who had served less than 60 days, and who had already received the \$60 service.

Senator McCUMBER. Looking over that part of it which I called your attention to on this page, I want to ask you if you think the bill should be passed in that form, because without any question that clearly provides that the soldier is to only receive compensation for the days of active service in excess of 60 days, and not for the 60 days.

Senator SUTHERLAND. Has not that already been covered, Mr. Chairman, by the \$60 bonus that has already been paid them? The House in its action practically says all of the service men received \$60 bonus.

Senator McCUMBER. However that may be, that is not the purpose of the question. In taking the estimate of the cost here by the witness, the estimate is made upon the basis that there will be 300 days on which to base the compensation. According to this, if all of the average service was but 300 days, then the estimate would have to be made upon 240 days and not 300.

Mr. HALE. I see that is the only construction that can be put on the bill. But I overlooked it. I was under the impression that it simply applied to the man who had served less than 60 days, and who had already received his \$60 bonus.

Senator McCUMBER. That is not correct.

Mr. HALE. I see that that is not the case, and, in my opinion, it should be amended to omit the \$60 they have already received and pay them \$1 a day for the time actually in service, because this is adjusted compensation, and we have already taken into consideration the \$60 gratuity that the Government had given, and we are not asking for any gratuity now.

Senator McCUMBER. I think you have answered the question. Thank you. Are there any other witnesses?

Mr. JONES. If I may say a few words?

Senator McCUMBER. You may.

**STATEMENT OF RICHARD S. JONES, EDITOR STARS AND STRIPES,
WASHINGTON, D. C.**

Mr. JONES. I do not care to make any statement, except to say that I understood the matter of the activities of our newspaper, in connection with the circulation of bonus-opinion postcards, etc., has been somewhat discussed by the committee, and I think if I could throw any light on that I would be very glad to do so.

Senator WATSON. The only matter in which you were involved was that your paper had conducted a propaganda in favor of the cash bonus, and that you had sent out postal cards.

Mr. JONES. I think I can make the minds of the committee clear on that. The paper has conducted "propaganda," if you please to call it so, for the bonus, a very widespread one, not only of post cards, but by a great many petitions. And the petitions were sent to Members of the House, asking particularly for a cash bonus.

I think that the expression of opinion found on those post cards is a reasonably fair expression of the feeling of the people who sent them in.

Senator WATSON. When you commented on the question, did you advocate the cash bonus?

Mr. JONES. No. Our editorials have been in favor of, you might say, this present bill, and the principles of a selected bonus. The question of which form a man would select has not been discussed. As a matter of fact, if we did advocate any we would not advocate the cash bonus, because, as a matter of common prudence, there are other forms that would be more valuable.

I would say that under the present condition of unemployment, which brings us back to a fundamental reason for the entire bonus matter, the fact that out of 4,000,000 and odd men in the service it has been estimated that 2,000,000 at least, by reason of their military service, left homes of a rural character, farms or farm employment, on receiving their military discharge settles in the cities at a time of very high wages. The thought has been expressed by a good many organizations—I do not represent any one organization; our newspaper is purely an independent organ for all veterans—what has been expressed, and I think it is a very pertinent one, that the land

bonus in this bill, or of other bills presented, if put into effect at an early a date as possible, would be a wonderful help in the reconstruction problem by giving employment to men outside of the cities who are misplaced in the cities—are there by reason of the circumstance of their service and their discharge near a city and the temporarily high wages that they received there.

Considering the bonus matter as a matter of what good can be done for the ex-service man to readjust his condition to where he was before his service, that back door alone would do perhaps more good than any other involved in the whole bill; and I would like to say that our paper, while it is purely independent of the legion or the Veterans of Foreign Wars and these other organizations, has been one of the instrumental factors in the discussion of the followers, the publication of its news and the propaganda, if you want to call it so, in favor of it—I can assure you that our paper, as well as the officers of these organizations have assured you, would use every means in its power, if the entire bill were enacted in its present form, to assist in educating and distributing information to help every man to take advantage of the factors in this bill that would be most useful to him in a permanent way.

Senator WATSON. Have you information leading you to believe that the soldiers who after their discharge were attracted to the city by unusually high wages, having found that city wages have gone down, would return to the farm?

Mr. JONES. A good many would by reason of the aid that they would receive, as demonstrated by the applications that have been made to the Interior Department and other matters which have been brought up here; a good many more are going to be compelled to return to the farms by economic pressure by reason of the condition of unemployment which now prevails in the cities as it is shown at the present time. We come in contact with service men very closely through our paper and keep in touch with them, both through the editorials and by means of letters to the editor and through the sales of the paper, so that we know pretty fairly the condition of unemployment in the big centers.

Senator WATSON. What is the circulation of your paper?

Mr. JONES. It is 113,000 the 1st of December. It is growing rapidly.

Senator McCUMBER. Mr. Jones, we have quite a number of irrigation schemes and projects that the Government is at the present time trying to operate. A great many of them are failures. In other words, in a great many instances men who have taken their allotments are unable to pay for the water and pay for the land under the present situation, and the Government has not foreclosed them, although some of the projects, I understand, have been closed down because they could not make ends meet. You do not see a great deal of hope in giving the soldiers much benefit in those irrigation projects, do you? Probably our very best projects have been selected.

Mr. JONES. The House bill that is before you now differs from Senator Borah's bill or from the old Lane-Mondell bill or the Smith bill and other bills covering that in this respect: That the bonus bill, while it has the same plan for long-term payments, the same

plan for Government loans to buy live stock, and so on, it makes the adjusted compensation the first payment on that land. In other words, by doing that it gives a man from one to two years, the hardest part of his trouble, free of payment, and that is the worst portion of the time for a man to get over. I have lived out in that country and know about it.

Senator McCUMBER. Suppose they provided in this bill that the adjusted compensation might be applied if the soldier saw fit in the purchase of land or purchase of home or purchase or payments under the irrigation projects now in existence, under such rules and regulations as should be adopted. Would that be satisfactory?

Mr. JONES. The bill very substantially does so provide, with some little changes in what you have said.

Senator McCUMBER. I am very doubtful about getting the Government into any new schemes of irrigation or providing land for the soldiers, because I think they would be a wonderful disappointment to soldiers.

Mr. JONES. You mean if they could go on present projects?

Senator McCUMBER. Yes; or any projects to be developed in the future, without compelling the Government to spend hundreds and hundreds of millions of dollars for some project that will not be a success, and in which we would be tempted to make a trial, because we would want to satisfy the demands of the soldiers.

Mr. JONES. I think the service men's answer to that would be that the present projects are inadequate to take care of any great number of men, and that they are located at distant points. The thought of this bill was to create projects not only where the irrigation projects are in the West, but on stump land, for example, in the South, or on swamp land, or improve the land in every State so far as possible. If the present projects offered enough facilities for a large number of men, it might be practicable, as you have outlined. I do not know the statistics; I do not know how many projects there are and how many opportunities there are.

Senator McCUMBER. I have no faith, I will say, candidly, in the land project.

Is there anything further, Mr. Jones?

Mr. JONES. No; unless the committee wants to ask questions.

Senator McCUMBER. We are much obliged. We will now adjourn until to-morrow at 10.30 o'clock, when the committee will have a short executive meeting and determine what else we will do.

(Thereupon, at 12 o'clock noon, the committee adjourned to meet in executive session to-morrow, Saturday, December 18, 1920, at 10.30 o'clock a. m.)