STATEMENT OF SENATOR STROM THURMOND (D-SC) WITH REFERENCE TO
TO LOAN AMENDMENT TO THE PEACETIME GI BILL ON THE SENATE FLOOR
ON JULY 21, 1959.

Mr. President:

There are several factors which I feel should be brought to
the Senate's attention in connection with the pending amendment.

First, let me assure the Senate that this amendment is
not a hastily drawn, haphazard approach. As a matter of fact,
it is identical to the bill reported by the Veterans Affairs
Subcommittee to the Senate Labor and Public Welfare Committee
in 1958, as a result of extensive hearings held in 1957, and
after much thought and consideration by the then members of
the Veterans Affairs Subcommittee. The Senator from Massachusetts,
the Senator from Kentucky, and I, who are among the co-sponsors
of this amendment, were all members of the Veterans Affairs
Subcommittee in the 85th Congress.

There were a number of factors which contributed to our
conclusion that a loan program would be much preferable to a
program of grants. I would like to mention briefly a few of
these factors.

In the first place, there has always been made a distinction
between wartime and peacetime service in connection with veterans
benefits. This historical distinction is not arbitrary but is
based on logical and sound reasoning. This reasoning was well
summarized by the Veterans Administration in its report on S. 1138,
and I quote from page 37 of the hearings:

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In considering this matter, the committee will recognize that except for actual disability the hazards and other handicaps of wartime service are not present to the same extent during peacetime. The specific period of peacetime service is generally of shorter duration and is known in advance and, we understand, present Selective Service policies are designed to promote a reasonable integration of schooling plans with military service. Hence, the individuals affected are afforded a better opportunity of anticipating the interruption of civilian life and consequently of making the necessary arrangements for minimizing the impact. Moreover, the element of mass demobilization, such as existed at the end of World War II, is not present and the civilian economy is, in general, able to absorb these young men upon discharge.

It should also be noted that the representative of the Veterans of Foreign Wars emphasized this historical distinction, and I quote from the testimony of Mr. Stover of the VFW from page 131 of the hearings.

"Some may wonder why the Veterans of Foreign Wars is not in favor of a complete readjustment program on the same basis and to the same extent as previous so-called GI bills. The VFW has traditionally held there is a sharp distinction between wartime and peacetime service. We believe there must be a differential maintained between benefits granted wartime veterans as opposed to similar benefits granted to peacetime veterans."

It should be noted that the largest of all veterans organizations, the American Legion, has no recorded position whatsoever on the legislation which is being considered.

By adopting a loan program, all existing need will be adequately met. Opportunity, the essential ingredient to success, will be provided; for with the availability of a loan, any ambitious peacetime veteran can obtain an education.

In considering any program for veterans benefits, the Congress must not overlook the effect of the proposed program on the personnel problems of the Armed Forces. Only last year
the difficulties of personnel retention in the services was so severe that the Congress passed an extensive overhaul of the pay schedules of servicemen. The Military Pay Act of 1958 was enacted for the primary purpose of enabling the military to retain their trained personnel. The effects of a large scale grant program such as that proposed in S. 1138 would undo the good accomplished by passage of the Incentive Pay Bill last year and would cause a deterioration in the personnel retention program of the armed services below that which existed prior to the passage of the Military Pay Act. I call the Senate's attention to the statement of the Department of the Air Force on page 35 of the hearings, and I will quote two paragraphs from that report.

"The Department of Defense recognized that S. 1138 involves questions of broad national policy beyond the scope of the Department of Defense. However, it must be pointed out that proposals of this nature have a very definite effect on the ability of the Armed Forces to retain qualified personnel. Programs of educational and vocational assistance encourage personnel to leave military service immediately after accruing the maximum benefits which can be gained. This results in a serious handicap to the Armed Forces in their efforts to attract and retain qualified personnel on a career basis. The Department of Defense has emphasized before that the maintenance of a force-in-being of sufficient strength to assure the peace and security of the Nation without unreasonable expenditures of funds requires that a large percentage of personnel who volunteer for service in the Armed Forces remain there on a long-term basis.

Despite all of the best efforts of the Armed Forces themselves and despite the enactment by the Congress of legislation designed to increase the attractiveness of a career in the Armed Forces, retention of personnel remains one of our most crucial problems. Enactment of a bill reinstituting benefits available only to the person who separates from the service will compromise the effectiveness of the efforts now being directed toward personnel retention."
Not the least of the factors which should influence the Senate's judgment on this amendment is the impact which S. 1138 would have on the fiscal condition of the Federal Government. Beginning in 1960, with an estimated cost of approximately $93 million, the program would progressively become more expensive until it reached a cost in excess of $500 million a year. From the outlook of the world situation at present, it is most unlikely that the draft will die any time in the foreseeable future, and for that reason, this program, if enacted now, will continue almost indefinitely. I do not believe that sufficient need for this legislation exists to justify an expenditure of a half billion dollars annually for an indefinite period.

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We all know the fiscal condition which exists in this country today. We know that the United States now has a debt of between $285 billion and $290 billion. This is more money than all the other nations in the world combined owe. I cannot imagine the Senate seriously considering a bill which would incur a further responsibility of more than half a billion dollars a year, after the proposed legislation has been in effect only a few years.

It is my firm conviction that any young man who wants an education should only want the opportunity to obtain the education. I do not believe it is the responsibility of the Government to give him an education.
The amendment offered by the Senator from Kentucky (Mr. Cooper), on behalf of himself and other Senators, among whom I am proud to be a cosponsor, provides such an opportunity. We provide for a loan to the young man who goes into the service, of the same amount of money which the bill of the distinguished Senator from Texas would give to such a young man. We feel that what he should seek is the opportunity, and not a handout from the Government.

We are fast becoming a welfare State. We cannot continue along the line we are now following, and we must take steps to protect the fiscal condition of the Nation.

As everyone knows, we are facing a formidable enemy in the Communists. We must devote our efforts to a strong national defense. We are spending billions of dollars to protect the United States and keep it prepared; but we cannot continue to prepare the country adequately if we are to siphon away, for such purposes as those provided in the bill, the funds which are available. Our economy simply will not stand it.

This year alone our country incurred a deficit to the extent of about $13 billion. How long can we continue to go in debt at that rate?

The United States could become insolvent if such a condition should continue. The amendment would enable us to accomplish the same objective without appropriating a large amount of money which will not be returned.

This amendment offers opportunity to any young veteran to go to college. He can borrow the money and can repay it. We
think the amendment is sound.

As I stated, we conducted hearings for a period of a year on this particular matter, and the subcommittee came to the conclusion that the loan amendment which is being proposed here today was the proper answer to the problem.

It is my sincere hope that the Senate will seriously consider and adopt this loan amendment, and not in this instance set another example of making grants which can be avoided.

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