Forging a Veteran-State Social Contract: The American Legion, 1919-1956

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Introduction

Forging a Veteran-State Social Contract

On January 21, 1935, *Time* magazine featured on its cover a portrait of John Thomas Taylor—the forty-nine year old, mustachioed Vice Chairman of the American Legion's National Legislative Committee. The headline read: "He Put Three Presidents in Their Place." In a long profile on the veterans' association's chief lobbyist, *Time* reporters described Taylor as a man extravagant in taste and shrewd in politics. According to the magazine, the Legionnaire "love[d] his little luxuries" and frequently indulged in delicacies like "lobster Newburg, pastries, pies & cakes" with friends. But when conducting Legion business, Taylor was another man; in politics, the lobbyist embraced an austere professionalism. In his Washington office, located just blocks away from Capitol Hill, Taylor kept bound volumes detailing how every congressman and senator had voted on each "bill, resolution, hearing and report [that] in any way affect[ed] veterans... magnificently cross-indexed." Armed with this information (more data than most lawmakers had about their own voting records) Taylor forged relationships with important allies: he knew "the right Representative to advance his bills at the right time." Taylor declared that "by a wave of his hand thousands of telegrams of protest will descend on the Congressional desk of anyone that dares oppose" his legislative dictates. With nearly one million Legion members dispersed in voting districts across the country, the *Time* writers explained, this was not an idle threat. Ultimately, the magazine concluded, "From the day Congress meets until it adjourns, some one in Washington is

always counting noses... Behind [the veterans' cause] is an *unbeaten organized minority* which knows what it wants and how to get it."

The *Time* writers identified an important dynamic in twentieth century veteran politics, one that scholars have largely overlooked in the decades since the magazine first published its cover story on John Thomas Taylor and his lobbying apparatus: The American Legion was *the most important force* in veteran policymaking from its 1919 establishment through the mid-1940s, exerting greater influence over the shape of readjustment programs than Congress, the White House, or the expanding veteran bureaucracy. In an era of powerful interest groups, from the farm lobby to organized labor to business associations to women's clubs, the Legion stands out as one of the most effective.² The first goal of this dissertation is to demonstrate how Legionnaires gained political power between the World Wars and then deployed their influence during the 1940s to claim a new super-citizenship status for veterans, particularly white exservicemen. The second aim of this work is to explain why, at the apparent height of their power, Legionnaires started to lose their position of leverage, as a new cohort of

¹ Time, Vol. 25, No. 3 (January 1935): 20-22. Emphasis added.

² On the farm lobby: John Mark Hansen, Gaining Access: Congress and the Farm Lobby, 1919-1981 (Chicago: University of Chicago Press, 1991). On the Grand Army of the Republic and women's organizations, see, Protecting Soldiers and Mothers: The Political Origins of Social Policy in the United States (Cambridge, MA: Harvard University Press, 1992). Also on women's club, organized labor, and farmers, see, Elisabeth S. Clemens, The People's Lobby: Organizational Innovation and the Rise of Interest Group Politics in the United States, 1890-1925 (Chicago: University of Chicago Press, 1997). On the Anti-Saloon League, see, K. Austin Kerr, Organized for Prohibition: A New History of the Anti-Saloon League (New Haven, CT: Yale University Press, 1985); Peter H. Odegard, Pressure Politics: The Story of the Anti-Saloon League (New York: Columbia University Press, 1928). On the 1928 Herbert Hoover presidential campaign's efforts to target interest groups, see, Brian Balogh, "'Mirrors of Desires': Interest Groups, Elections, and the Targeted Style in Twentieth-Century America," in *The Democratic Experiment New* Directions in American Political History, eds. Meg Jacobs, William J. Novak, and Julian E. Zelizer (Princeton, NJ: Princeton University Press, 2003): 222-49. Edwin Amenta has written an excellent study of Townsend Clubs, Edwin Amenta, When Movements Matter: The Townsend Plan and the Rise of Social Security (Princeton, NJ: Princeton University Press, 2006). See also, Cathie Jo Martin on the National Association of Manufacturers. Cathie Jo Martin, "Sectional Parties, Divided Business," Studies in American Political Development, Vol. 20, No. 2 (Fall 2006): 160-84. For more on the evolution of lobbying, see also, Christopher M. Loomis, "The Politics of Uncertainty: Lobbyists and Propaganda in Early Twentieth-Century America," Journal of Policy History, Vol. 21, No. 2 (2009): 187-213.

congressional and White House officials circumscribed benefits for later generations of veterans.

Established on March 15, 1919, the Legion was born during a transitional moment in American attitudes toward military service. During the eighteenth and nineteenth centuries, the United States relied on a militia system (supplemented by a small permanent army) for its defense, a security model predicated on widespread participation by local volunteers who served in times of crisis and then transitioned back to civilian work after the emergency expired.³ The ideal of the citizen-soldier—a man who would come to the defense of the nation in a moment of need—contained within it no obvious rationale for compensating veterans. The government stipulated that each male citizen owed to the nation his loyal service, and this construction of the veteran-state social contract largely stymied the flow of benefits to able-bodied ex-service members before World War I.⁴ Able-bodied Union veterans were a rare exception to this trend. Northern Civil War veterans were among the chief beneficiaries of the restoration of strong two

³ As David R. Segal has argued, "Military manpower policy for our first century and a quarter was based on the principle of a widespread obligation to serve—a principle that was more an expression of sociopolitical values than an effective military manpower policy." David R. Segal, *Recruiting for Uncle Sam: Citizenship and Military Manpower* (Lawrence, KS: University of Kansas Press, 1989), 17. See also, Lawrence Delbert Cress, *Citizens in Arms: The Army and the Militia in American Society to the War of 1812* (Chapel Hill, NC: University of North Carolina Press), 15-33; Philip Gold, *Evasions: The American Way of Military Service* (New York: Paragon House, 1985), 65-73; Richard H. Kohn, "The Creation of the American Military Establishment, 1783-1802," in *The Military in America: From the Colonial Era to the Present*, ed. Peter Karsten (New York: Free Press, 1980), 73-84.

⁴ The federal government has disbursed service-connected benefits to veterans since the Revolution. The evolution of benefits provisioning for disabled veterans is discussed further in Chapter One. Excellent studies of this topic, include, John M. Kinder, *Paying with their Bodies: American War and the Problem of the Disabled Soldier* (Chicago: University of Chicago Press, 2015); James Marten, *Sing Not War: The Lives of Union & Confederate Veterans in Gilded Age America* (Chapel Hill, NC: University of North Carolina Press, 2011); Michael J. Lansing, "Salvaging the Man Power in America': Conservation, Manhood, and Disabled Veterans during World War I," *Environmental History*, Vol. 14, No. 1 (January 2009): 32-57; Peter David Blanck and Michael Millender, "Before Disability Civil Rights: Civil War Pensions and the Politics of Disability in America," *Alabama Law Review*, Vol. 52, No. 1 (Fall 2000): 1-49.

party competition after Reconstruction. Both parties (and the Republicans in particular) acted quickly through legal (and occasionally fraudulent) means during the 1870s and 1880s to liberalize pension requirements for Union veterans to make benefits available to the able-bodied. These efforts were intended to build partisan support and did not reflect new attitudes about the military obligations of American citizenship. In fact, veterans' public image was badly marred by overwhelming negative public perceptions of the (often real) abuses of the pension system.⁵

The use of military conscription in 1917, however, shifted the terms of the debate. Whereas the earlier volunteer system permitted men the free choice to sacrifice their lives and fortunes in order to enter military service, the draft compelled them to serve, placing the decision in the hands of government. First World War conscripts viewed the new draft law as an uncompensated theft of individual freedom, as a group of Legionnaires explained to organization headquarters in an October 1919 letter, calling conscription an "injustice... to those men of our country who were called to the colors and thereby lost not only their opportunity to continue in peaceful industry but also ran

⁵ On corruption at the Bureau of Pensions see, Marten, *Sing Not War*, 199-245; Heywood T. Sanders, "Paying for the Bloody Shirt: The Politics of Civil War Pensions," in *Political Benefits: Empirical Studies of American Public Programs*, ed. Barry Rundquist (Lexington, MA: Lexington Books, 1980), 137-59; Blanck and Millender, "Before Disability Civil Rights"; Skocpol, *Protecting Soldiers and Mothers*, 102-52; Richard Franklin Bensel, *Sectionalism and American Political Development, 1880-1980* (Madison: University of Wisconsin Press, 1984), 62-66.

⁶ Although both the Union and the Confederacy passed draft legislation decades prior, only 2% of Civil War soldiers were conscripts whereas more than half of the Americans who served in the military between 1917 and 1918 were drafted. On the progressive embrace of military professionalism, see, Christopher Capozzola, *Uncle Sam Wants You: World War I and the Making of the Modern American Citizen* (Oxford: Oxford University Press, 2008), 21-54; Peter Karsten, "Armed Progressives: The Military Reorganizes for the American Century," in *The Military in America: From the Colonial Era to the Present*, ed. Peter Karsten (New York: Free Press, 1980), 229-71; John Whiteclay Chambers II, "Conscripting for Colossus: The Progressive Era and the Origin of the Military Draft in the United States in World War I," ibid, 275-96; Stephen Skowronek, *Building a New American State: The Expansion of National Administrative Capacities*, 1877-1920 (Cambridge: Cambridge University Press, 1982), 212-83.

the risk of losing health, limbs or lives when serving with the colors." By changing the military obligations of citizenship to require a select group of (three million) men to assume a disproportionate share of the country's national security burden, the federal government opened the door to a new set of demands from veterans for compensation for their service.⁸ This dissertation places the Legion at the center of an interwar era effort to create a new restorative veteran-state social contract premised on ex-service members' sacrifice. Testifying before the House Ways and Means Committee in March 1920, Legion National Commander Franklin D'Olier characterized this latest approach to veteran-state relations for the assembled lawmakers, explaining, "the overwhelming majority of ex-service men feels strongly that this Government owes an obligation to all persons who are handicapped either bodily or financially because of military or naval service during the recent war." In arguing that the state should provide the medical and financial aid necessary to return veterans to their prewar positions, the Legion framed their interwar era demands as an effort to reverse the hardships of military service, not as a pursuit of additional gains.

This dissertation shows that Legionnaires were remarkably successful in actualizing this restorative vision of the veteran-state social contract. By 1936, Legion

⁷ Letter from Theodore H. Shannon to Woodrow Wilson, 10 October 1919, Warren G. Harding Papers, File 95, Box 546, Folder 10.

⁸ About 34,000 servicewomen volunteered to serve in the military during World War I: most worked as nurses in the Army and Navy; 233 women served as Army telephone operators in France while 305 performed similar work for the Marines at home. Kimberly Jenson, "Volunteers, Auxiliaries, and Women's Mobilization: The First World War and Beyond, 1914-1939," in *A Companion to Women's Military History*, ed. Barton C. Hacker and Margaret Vining (Boston: Brill, 2012), 215; The Women's Memorial, "Highlights in the History of Military Women," https://www.womensmemorial.org/timeline.

⁹ Jennifer D. Keene, *Doughboys, The Great War, and the Remaking of America* (Baltimore: The John

² Jennifer D. Keene, *Doughboys, The Great War, and the Remaking of America* (Baltimore: The John Hopkins University Press, 2001); Capozzola, *Uncle Sam Wants You*, 21-54. *Restorative veteran-state social contract* is my term.

¹⁰ Congress, House, Committee on Ways and Means, Soldiers' Adjusted Compensation: Hearings Before the Committee on Ways and Means, United States House of Representatives, 66th Cong., 2nd Sess., January-February 1920.

organizers had lobbied successfully for the passage of new rehabilitation and economic readjustment legislation. More importantly, they built a structure for their future demands. During this period, the Legion helped to establish the Veterans Administration (VA), the House Committee on World War Veterans' Legislation, and the Senate Finance Subcommittee on World War Veterans' Legislation, which would support a second renegotiation of the veteran-state social contract during the 1940s.

By the middle of World War II, policymakers across the political spectrum had coalesced around the need to provide greater reintegration support to the newest generation of veterans as a means of preventing a postwar economic recession. However, President Franklin Roosevelt's New Dealers and the Legion were divided over how government should approach the readjustment problem. The administration wanted to pay its debt to ex-service members by extending new social security provisions to *all* Americans, including veterans, a position articulated most clearly by the Postwar Manpower Conference, a division of the National Resources Planning Board. In a June 1943 report, the agency argued that "the problems of military and civilian readjustment" should be addressed together, in one reintegration program, because they "are in fact simply different aspects of one task—namely, that of providing measures whereby returning soldiers and civilian war workers may find their place in a reconstructive civilian economy." During the 1940s, Legionnaires pushed back against this inclusive model of postwar planning, insisting that because veterans had rendered extraordinary

¹¹ The Roosevelt administration's approach to postwar planning is particularly well documented in Glenn C. Altschuler and Stuart M. Blumin, *The GI Bill: A New Deal for Veterans* (Oxford: Oxford University Press, 2009).

¹² "Demobilization and Readjustment": Report of Conference on Postwar Readjustment of Civilian and Military Personnel, June 1943, Franklin D. Roosevelt Presidential Library, Harry Hopkins Papers, Group 24, Box 203, National Resources Planning Board.

service to the state in wartime, they had earned the right to be reintegrated separately and superlatively. With strong support from allies in Congress and at the VA, the Legion defeated the administration's postwar planning proposal. With the passage of the Selective Training and Service Act (which extended rehiring rights to veterans), the Legion-authored GI Bill of 1944, and the Veterans' Preference Act of 1944 (which extended veterans' hiring privileges in federal job applications), Legionnaires succeeded in rewriting the veteran-state social contract for a second time. This work argues that by the mid-1940s, the state no longer simply guaranteed ex-service members' *restorative* rights. Instead, it recognized them as *super-citizens*, entitled to special privileges. ¹⁴

Despite veterans' World War II era political gains, the veteran-state social contract remained fragile at mid-century. This dissertation brings to light how during the late 1940s, civilian groups challenged the emerging *veterans' preference infrastructure* (the legal and social framework that advantaged veterans over civilians) in court and in public, arguing that the new super-citizen construction of veteranhood threatened their equal protection rights. The American Federation of Labor and the Congress of Industrial Organizations led the campaign to curb veterans' preference during this period. Labor organizers argued that the Roosevelt administration's expansive interpretation of veterans' rehiring rights (which occasionally required employers to lay off civilian

¹³ Mark Leff has defined the politics of sacrifice as "a political process in which claimed sacrifices and contributions could be parlayed into political advantage or into efforts to shift war burdens to others." Mark H. Leff, "The Politics of Sacrifice on the American Home Front in World War II," *The Journal of American History*, Vol. 77, No. 4 (March 1991): 1298.

¹⁴ The Legion helped to confer super-citizenship to veterans just as non-veterans were beginning to gain access to a new suite of social and economic rights, including Social Security, labor arbitration, and workplace non-discrimination rights. For an excellent study of civilian rights talk during World War II, and the role that civilian rights claims played in helping to legitimate state expansion, see, James Sparrow, James T. Sparrow, *Warfare State: World War II Americans and the Age of Big Government* (New York: Oxford University Press, 2011).

¹⁵ Veterans' preference infrastructure is my term.

workers in order to reemploy returning veterans) violated workers' collective bargaining rights. On May 27, 1946, the Supreme Court affirmed this view, finding that while veterans were entitled to preference in *hiring*, that privilege was limited to accrued seniority only. Civilian workers with greater seniority could not be terminated in order to accommodate returning veterans.¹⁶ Although civilians failed to entirely dismantle existing privileges for ex-service members, this research shows that they succeeded in limiting the continued flow of benefits to veterans at the high-water mark of the Legion's political power.

If the Legion's rise drove the expansion of veterans' benefits between 1919 and the mid-1940s, the organization's post-1946 decline helps to explain why veterans' benefits became progressively less generous over the second half of the twentieth century. This dissertation demonstrates how after reaching the zenith of its political power during World War II, the Legion rapidly lost policymaking influence as a result of several factors, including shifting public attitudes toward military service, a backlash within the veteran community against the organization for its failure to adequately defend prisoners of war (POWs) from right-wing attacks, and—most importantly—the dawn of what seemed to be a permanent state of militarization. Facing the prospect of perpetual Cold War, self-proclaimed experts like Texas Democrat Olin E. Teague argued that the scope of any potential readjustment aid package for Korean War veterans had to be pared back to keep costs manageable. Unlike earlier opponents of adjusted compensation,

¹⁶ Fishgold v. Sullivan Drydock, 328 U.S. 275 (1946).

¹⁷ For American Legion enrollment data from 1920-2015, see Appendix A. American Legion, "National Membership Record: 2015,"

https://archive.legion.org/bitstream/handle/123456789/2713/aa002170.pdf?sequence=4&isAllowed=y; Robert E. Newman and John W. Querfeld, "2017 Internal Affairs Commission Report," https://www.legion.org/sites/legion.org/files/legion/commissions/2017 IA edited.pdf.

Teague and his allies believed that veterans' deserved extraordinary rights and privileges; they were simply unwilling to fund them at World War II levels. On July 16, 1952, Congress and the Harry Truman White House took advantage of the Legion's institutional weakness to pass a more tight-fisted readjustment package for a new generation of super-citizens. *Forging a Veteran-State Social Contract* argues that the curtailment of benefits for Korean War veterans helped to establish a new equilibrium in the balance of power between veteran organizers and the state, one that has endured to the present.

This dissertation proceeds chronologically in two parts. Part One (Chapters One, Two, and Three) charts the Legion's rise to political prominence between the World Wars, demonstrating how organizers formulated and actualized a restorative construction of the veteran-state social contract. Chapter One examines the Legion's efforts to reform the vocational rehabilitation system to increase disabled veterans' access to the medical care and job training necessary to productively reintegrate them back into the civilian economy, a process intended to shore up the ex-service members' economic independence and masculinity. Chapters Two and Three illuminate the key role that non-elite Legionnaires played in the organization's fight to secure the World War Adjusted Compensation Act of 1924 (authorizing a federal bond issue to veterans set to mature in 1945) and its 1936 amendment (making those certificates immediately payable).

The second part of this dissertation (Chapters Four and Five) begins by demonstrating how the Legion renegotiated the veteran's place in American society during World War II, helping to establish a new super-citizen construction of the veteran-state social contract. The remainder of Part Two emphasizes the fragility of this

arrangement. Chapter Four explores the efforts of aggrieved civilian workers to prevent the implementation of veterans' reemployment programs during the late 1940s. Chapter Five traces the causes and consequences of the Legion's post-1946 decline in organizational enrollment, arguing that the association's diminution created space for a new generation of congressional and White House officials to decrease benefits for Korean War veterans.

Drawing on internal Legion memos, committee meeting minutes, National Convention transcripts, and organization periodicals (including the *American Legion Weekly*, the *American Legion Monthly*, the *American Legion Magazine*, *The National Legionnaire*, and *Firing Line*), this dissertation places Legionnaires at the center of this account of veteran policymaking, capturing the voices of both elite and non-elite veterans and their families. This work also relies heavily on several caches of letters, which veterans wrote to the Warren Harding, Herbert Hoover, Franklin Roosevelt, and Harry Truman White Houses demanding administration support for new aid programs. These notes include some of the clearest articulations of ex-service members' views of the evolving veteran-state social contract. A broad range of government documents (including administration memos, transcripts of congressional hearings, and published reports) help to explain how elected officials and bureaucrats perceived veterans' demands.

This dissertation intervenes in debates in the history of U.S. veteran politics and the literature on American Political Development (APD) in three significant ways. First, it challenges existing scholarship on twentieth century federal veteran policy, which has

tended to be Whiggish and progressive, by demonstrating that the 1944 GI Bill normally considered an end point in the history of veterans' struggles for benefits disbursement—was only a temporary high-water mark. Soon after the passage of the GI Bill, the contest over benefits between veterans and the state resumed, resulting in a significant retraction of federal aid. By re-periodizing the narrative, this dissertation reveals both the Legion's under-examined interwar era successes as well as the erosion of veteran lobbying power after World War II. Second, this dissertation illuminates the political activism of Legionnaires at both the elite and non-elite levels, demonstrating that power flowed two-ways within the organization. In contrast to earlier work that ascribes either a monolithic or top-down structure to the group, Forging a Veteran-State Social Contract shows that lower-status veterans were instrumental in pressuring the Legion's leadership to embrace the causes of adjusted compensation and early payment during the 1920s and 1930s. While historians have pointed to the importance of non-elite veteran organizing in the Bonus Army (an informal and temporary social movement opposed by the Legion's leadership), little scholarly attention has been paid to how middle and working class Legionnaires used the organization's republican structures to affect policy change at its highest levels. Third, Forging a Veteran-State Social Contract participates in the "associational turn" in APD literature, writing civil society back into an earlier generation of scholarship that characterized bureaucracy as an "autonomous actor" and political arrangements (not social movements) as the progenitors of reform. ¹⁸ In revealing the crucial role that the Legion played in renegotiating the veteran's

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¹⁸ Brian Balogh has used the term "associational turn" to describe work that examines public-private policymaking and implementation. Brian Balogh, *The Associational State: American Governance in the Twentieth Century* (Philadelphia, PA: University of Pennsylvania, 2015), 18.

relationship to the state, this dissertation underscores the effectiveness of widespread federated organizations in twentieth century interest group politics.

In placing the Legion at the center of a decades-long struggle to define the federal government's obligations to its demobilizing service members, this dissertation challenges persistent narratives about the stability and periodization of twentieth century veteran-state relations. Whereas most scholarship tells a story of ever improving veterans' benefits as a reward for service, my work reveals an ongoing contest between Legionnaires and government which highlights the fragility of veterans' mid-century achievements. Historians have failed to adequately examine this long history of continual struggle to define the veteran's place in American society. The primary reason for this oversight is that the 1944 GI Bill occupies an outsized role in veterans' studies literature, obstructing a full view of the Legion's interwar era successes and late twentieth century failures. GI Bill-centric histories characterize World War II as a critical juncture in veteran politics when government finally and fully repaid its debt to ex-service members by providing them with unparalleled levels of postwar reintegrative support, including new programs like education funding and home loans designed to entrench returning soldiers, sailor, and marines firmly in the American middle class. This idea that the passage of the GI Bill was a turning point in U.S. veteran history—is championed in popular histories of the legislation. World War II triumphalists like Tom Brokaw, Edward Humes, and Michael Bennett credit the readjustment program with making "dreams come true" for the "greatest generation" of Americans. 19 Brokaw's work has

¹⁹ Tom Brokaw, *The Greatest Generation* (New York: Random House, 1998); Edward Humes, *Over Here: How the GI Bill Transformed the American Dream* (Orlando, FL: Harcourt Books, 2006); Michael J.

been most influential in advancing this nostalgic adulation for the GI Bill and its recipients. Wildly popular with general readers, *The Greatest Generation* suggests that this cohort of returning service members was uniquely deserving of government's unprecedented generosity. This narrative of the GI Bill and World War II veterans is pervasive in American culture; it has been reified in literature, film, public addresses, and at war memorials.

Although they are far more circumspect than the triumphalists about the GI Bill's impact, policy historians have reached similar conclusions about the legislation's significance as a "departure from the historical pattern." In one of the first scholarly treatments of the GI Bill's construction and passage, historian Davis Ross characterized the years 1940-1946 as the "crucial turning point" in the state's treatment of its exsoldiers when "for the first time the government anticipated the needs of all its veterans." More recently, Kathleen Frydl, Glenn Altschuler, and Stuart Blumin have also argued that the GI Bill ushered in a new era in veteran-state relations. Building on Ross's earlier work, Frydl likens U.S. interwar era veteran policy to the ancient Athenian system of benefits disbursement, wherein government provided aid only to those veterans whose service resulted in injury. She argues that during World War II, Congress and the VA were instrumental in developing a new "Roman" approach to veteran-state relations whereby benefits were "furnished under a model of citizenship that compelled a citizen to

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Bennett, When Dreams Came True: The GI Bill and the Making of Modern America (Washington, DC: Brassey's, 1996).

²⁰ Davis R.B. Ross, *Preparing for Ulysses: Politics and Veterans During World War II* (New York: Columbia University Press, 1969), 4.

²¹ Ibid., 290.

²² Altschuler and Blumin, *The GI Bill*; Kathleen J. Frydl, *The GI Bill* (Cambridge: Cambridge University Press, 2009).

do less and featured a state that did much more." 23 Altschuler and Blumin agree that the GI Bill was a "dramatic departure" from World War I readjustment programs.²⁴ While my work acknowledges that the GI Bill helped to mark ex-service members as supercitizens, this dissertation places 1944 in a longer context, demonstrating that the Legion's World War II era successes were premised on veterans' 1919-1936 gains. Ex-service members leveraged their hard won restorative social contract to press for new rights during the 1940s.

In the last decade, a new wave a scholarship has attempted to modify this GI Billcentric literature by emphasizing the role of interwar era veterans in laying a foundation for the passage of the 1944 law. These historians argue that growing public perceptions of government's mistreatment of World War I veterans "served as the catalyst for an avalanche of demands" a generation later. In this view, the GI Bill is "the final legacy of World War I to the nation."²⁵ The infamous rout of the Bonus March on July 28, 1932 (when the U.S. Army drove approximately 10,000 starving veterans out of the nation's capital at bayonet point), figures prominently in accounts by Jennifer Keene, Thomas Allen, and Paul Dickson.²⁶ They argue that President Herbert Hoover's decision to forcibly evacuate the veteran protesters from Washington had a transformative impact on policymaking a decade later. Keene describes how, during the 1940s, embittered World War I veterans "forced the government to accept responsibility for redistributing profits and opportunities from advantaged civilians to [a new generation of] disadvantaged

²³ Ibid., 40, 42.

²⁴ Altschuler and Blumin, *The GI Bill*, 7. Keene, *Doughboys*, 198, 205.

²⁶ Ibid.; Paul Dickson and Thomas B. Allen, *The Bonus Army: An American Epic* (New York: Walker & Co., 2005).

veterans" as a means of redressing their own grievances.²⁷ Although these historians tell longer narratives about veteran politics, revealing under-examined episodes in U.S. veterans' history like the Bonus March and protests against Economy Act spending cuts, Keene, Allen, and Dickson ultimately link ex-service members' interwar era political activism directly to the passage of the 1944 GI Bill decades later. This teleological interpretation leaves little room for contingency and almost entirely overlooks the Legion's success building institutional support between the World Wars.²⁸ Stephen Ortiz's book *Beyond the Bonus March* is an important exception to this trend in interwar era veterans' studies. In his examination of Depression era veteran politics, Ortiz complicates the "Bonus March to GI Bill thesis" by highlighting the period from 1933-1936 as a critical, understudied moment when veterans succeeded in reversing the Economy Act's "draconian cuts" and secured early payment of the Bonus.²⁹

In addition to illuminating the interwar era context for veterans' 1940s' gains, this dissertation also re-periodizes U.S. veteran-state relations by looking beyond 1944 into the 1950s to show how lawmakers reduced benefits for successive generations of veterans, beginning with the curtailment of aid to Korean War returnees. The bulk of veteran policy histories conclude with the passage of the World War II GI Bill.³⁰ This periodization has fundamentally limited the way that scholars and the public think about the veteran's place in twentieth century American society. As historian Mark Boulton

²⁷ Keene, *Doughboys*, 214.

²⁸ Suzanne Mettler also makes this point in *Soldiers to Citizens*. Suzanne Mettler, *Soldiers to Citizens: The G.I. Bill and the Making of the Greatest Generation* (Oxford: Oxford University Press, 2005), 19-20.

²⁹ Stephen Ortiz, *Beyond the Bonus March and GI Bill: How Veteran Politics Shaped the New Deal Era* (New York: New York University Press, 2010), 8.

³⁰ There is a larger literature on benefits disbursement to the (post-1973) all-volunteer military. Exemplary of this trend are, Beth L. Bailey, *America's Army: Making the All-Volunteer Force* (Cambridge, MA: Belknap Press, 2009); Jennifer Mittelstadt, *The Rise of the Military Welfare State* (Cambridge, MA: Harvard University Press, 2015).

has pointed out, "By either ignoring or diminishing the story of Cold War veterans' benefits, scholars have left a strong impression that the original 1944 G.I. Bill marked the end point in the turbulent history of veterans' politics." This narrative has obscured veterans' ongoing struggle to claim federal benefits after World War II, programs that became progressively less generous over the second half of the twentieth century.

My work aims to fill this historiographical gap in two ways. First, it highlights the role that organized civilians (particularly labor unions) played in defining the outer limits of an emerging veterans' preference infrastructure during the late 1940s. Historians have largely overlooked the issue of post-World War II veteran-civilian antagonism, emphasizing instead a narrative in which returning service members were welcomed home as conquering heroes. James Sparrow has made this argument most clearly in *Warfare State*, suggesting that "in general, civilians conveyed unqualified

³¹ Mark Boulton, Failing Our Veterans, The G.I. Bill and the Vietnam Generation (New York: New York University Press, 2014), 5-6.

³² Post World War II veteran-civilian conflict remains largely unexamined in the veterans' studies literature. A critical exception to this trend is work that highlights the war's role in fueling both civil rights activism as well as white supremacy in the 1940s and 1950s. African American veterans played an integral in organizing black communities and testing new strategies of resistance during the postwar period. Politicized by their service in a segregated military, this cohort of black ex-service members demobilized with a renewed commitment to fighting discrimination. Although they became prime targets of white supremacist legal and extra-legal suppression, black veterans organized voter registration drives and headed NAACP branches across the South. Having been trained to use weapons by the military, many also expressed a willingness to use arms to defend their communities when necessary. Although their gains were more limited than those of their successors, the World War II generation helped to lay the organizational and intellectual groundwork for the Civil Rights and Black Power Movements of the 1960s. See, Jennifer E. Brooks, Defining the Peace: World War II Veterans, Race, and the Remaking of Southern Political Tradition (Chapel Hill, NC: University of North Carolina Press, 2004); Sparrow, Warfare State, 218-37; Timothy B. Tyson, "Robert F. Williams, 'Black Power,' and the Roots of the African American Freedom Struggle," Journal of American History, Vol. 85, No. 2 (September 1998): 540-70; Charles M. Payne, I've Got the Light of Freedom: The Organizing Tradition and the Mississippi Freedom Struggle (Berkeley, CA: University of California Press, 1995); Robert F. Williams, Negroes with Guns (New York: Marzani & Munsell, 1962). On the commensurate increase in white supremacist violence against black veterans after World War II, see, Brooks, Defining the Peace; Jason Morgan Ward, "A War for States' Rights: The White Supremacist Vision of Double Victory" in Fog of War: The Second World War and the Civil Rights Movement, ed. Kevin M. Kruse and Stephen Tuck (New York: Oxford University Press, 2012), 126-44.

³² Boulton, Failing Our Veterans, 5-6.

support for the best treatment of 'the boys' on their return."³³ This dissertation modifies this approach, suggesting instead that civilian resentment of veterans' new super-citizen status was embedded within the emerging victory culture.³⁴

Second, Forging a Veteran-State Social Contract builds on recent work by Melinda Pash and Mark Boulton to show how government officials reduced aid to veterans of Cold War conflicts during the late twentieth century. Pash describes this benefits reduction as a response to perceived abuses of the World War II era program.³⁵ In his study of Vietnam era policymaking, Boulton finds that Cold War spending concerns were chiefly responsible for further cuts.³⁶ This dissertation supports these analyses, demonstrating that congressional efforts to reduce fraud and spending in the face of perpetual Cold War were both important factors undergirding the curtailment of benefits to Korean War veterans. My work offers an additional explanation for decreasing mid-century generosity: the Legion's loss of power. Weakened by a series of public relations crises, the organization struggled to push back against new legislative efforts to curb veterans' entitlements.

By examining the political activism of non-elite Legionnaires, this dissertation also challenges the existing literature on Legion policymaking, which has largely elided the critical role that grassroots organizers played in securing both the World War Adjusted Compensation Act in 1924 and its 1936 amendment, which made veterans'

³³ Sparrow, Warfare State, 254.

³⁴ Tom Englehardt, *The End of Victory Culture: Cold War America and the Disillusioning of a Generation* (Amherst, MA: University of Massachusetts Press, 1995), 1-6.

35 Melinda Pash, In the Shadow of the Greatest Generation: The Americans Who Fought the Korean War

⁽New York: New York University, 2012), 213.

³⁶ Boulton, Failing Our Veterans, 36-51, 212-13.

certificates immediately payable. Official histories of the Legion generally overlook the political significance of lower-status white veterans in Legion policymaking. Celebratory accounts by Richard Seelye Jones, Thomas Rumer, and Raymond Moley, Jr. characterize "the Legion" as a monolith, assigning a single preference to all one million interwar era members.³⁷

Academic historians Thomas Littlewood and William Pencak have modified this static portrait of Legion dynamics to acknowledge *a* role for non-elite members, but they are circumspect in describing the grassroots' contributions. Littlewood weakly concludes that questions about lower-status members' influence "must be left unanswered," while Pencak ambiguously suggests that the "Legion was no tool of its leaders" without elaborating where power was concentrated.³⁸ Writing primarily about Legion nationalist ideology, Christopher Nehls is much clearer in his assessment, ascribing a top-down power structure to the group. Nehls finds that "while ideas could flow from the bottomup, and posts could easily disregard official directives, it was difficult for members to change the direction of the organization."³⁹

This dissertation builds on work by political sociologist Theda Skocpol about the democratizing effect of civic participation to suggest the opposite: that power flowed both ways within the Legion.⁴⁰ The organization's federated membership structure

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³⁷ Richard Seelye Jones, *A History of the American Legion* (Indianapolis: Bobbs-Merrill Co, 1946); Thomas A. Rumer, *The American Legion: An Official History, 1919-1989* (New York: M. Evans, 1990); Raymond Moley, Jr., *The American Legion Story* (New York: Duell, Sloan, and Pearce, 1996).

³⁸ Thomas B. Littlewood, *Soldiers Back Home: The American Legion in Illinois, 1919-1939* (Carbondale: Southern Illinois University Press, 2004), 155; William Pencak, *For God & Country: The American Legion, 1919-1941* (Boston: Northeastern University Press, 1989), 205.

³⁹ Christopher Courtney Nehls, "'A Grand and Glorious Feeling.' The American Legion and American Nationalism between the World Wars," (PhD diss., University of Virginia, 2007), 10-11.

⁴⁰ Theda Skocpol argues that federated membership organizations established "two-ways links... between members and leaders" which "helped to create a democratic civil society in which large numbers of ordinary people could participate, forge recurrent ties to one another, and engage in two-way relationships

empowered lower-status white members to advance their policy preferences through elected representatives to state and national conventions. This work shows how post and state-level Bonus activism in the 1920s and 1930s forced the Legion's conservative leadership board (the National Executive Committee) to embrace the causes of adjusted compensation and early payment. Working and middle-class members elected delegates who supported their views to represent them in organization meetings, helping to shift the Legion's legislative agenda over time as pro-Bonus forces became increasingly dominant within the organization.

Finally, this dissertation provides further evidence of the critical role that interest groups played in U.S. state building during the early twentieth century, revising earlier work that characterizes bureaucracy, not civil society, as the driver of reform. For generations, scholars of progressive politics have emphasized the expansion of bureaucracy as the most significant turn of the century political development. In the 1940s and 1950s, political scientists like Samuel Huntington and Marver H. Bernstein looked closely at the relationships between regulatory agencies and their charges, suggesting that bureaucrats were highly influenced by the groups they were responsible for supervising. 41 Over the next two decades, historians of the New Left revised this progressive synthesis to suggest that a more collaborative relationship had existed between government officials and industry. As Gabriel Kolko argues, "regulation itself

with powerful leaders." Theda Skocpol, "How Americans Became Civic," in Civic Engagement in American Democracy, ed. Theda Skocpol and Morris P. Fiorina (Washington, DC: Brookings Institution Press and Russell Sage Foundation, 1999), 70; Clemens, The People's Lobby.

⁴¹ Exemplary of the progressive synthesis are, Samuel P. Huntington, "The Marasmus of the ICC: The Commission, the Railroads, and the Public Interest," The Yale Law Journal, Vol. 61, No. 4 (April 1952): 467-509; Marver H. Bernstein, Regulating Business by Independent Commission (Princeton, NJ: Princeton University Press, 1955). For an excellent overview of the progressive synthesis, see, John Higham, History: Professional Scholarship in America (Englewood Cliffs, NJ: Prentice-Hall, 1965), 171-232.

was invariably controlled by leaders of the regulated industry, and directed toward ends they deemed acceptable or desirable." Building on the work of corporate liberalists, scholars of the organizational synthesis focused on the institutional arrangements undergirding turn of the century political development, emphasizing the roles of technology, corporatism, and professionalization. In an important analysis of this new school of thought, historian Louis Galambos summarized the contributions of this approach, writing that while organizational studies "varie[d] in subject matter and emphasis," they shared a key premise: "some of the most (if not the single most) important changes which have taken place in modern America have centered about a shift from small-scale, informal or regionally oriented groups to large-scale national, formal organizations."

Responding to a call to "bring the state back in," political scientists and sociologists joined historians of the organizational synthesis in their effort to link political structures to policy outcomes during the late 1970s and 1980s.⁴⁵ Stephen Skowronek's

⁴² Exemplary of this approach are, Gabriel Kolko, *The Triumph of Conservatism: A Reinterpretation of American History, 1900-1916* (New York, NY: Free Press, 1963); James Weinstein, *The Corporate Ideal in the Liberal State, 1900-1918* (Boston: Beacon Press, 1968); Martin Sklar, *The Corporate Reconstruction of American Capitalism, 1890-1916: The Market, the Law, and Politics* (Cambridge: Cambridge University, 1988).

⁴³ On the origins of the organizational synthesis, see for example, Samuel Hays, *The Response to Industrialism, 1885-1914* (Chicago: University of Chicago Press, 1957); Alfred D. Chandler, *Strategy and Structure: Chapters in the History of the American Industrial Enterprise* (Washington, DC: Beard Books, 1963); Robert Wiebe, *The Search for Order, 1877-1920* (New York: Hill and Wang, 1967); Louis Galambos, "The Emerging Organizational Synthesis in Modern American History," *Business History Review*, Vol. 44, No. 3 (Autumn 1970): 279-90; Louis Galambos, "Technology, Political Economy, and Professionalization," *Business History Review*, Vol. 57, No. 4 (Winter 1983): 471-93; Brian Balogh, "Reorganizing the Organizational Synthesis: Federal-Professional Relations in the Modern Era," *Studies in American Political Development*, Vol. 5, No. 1 (Spring 1991): 119-72.

⁴⁴ Galambos, "The Emerging Organizational Synthesis," 280.

⁴⁵ Bringing the State Back In, ed. Peter B. Evans, Dietrich Rueschemeyer, and Theda Skocpol (Cambridge: Cambridge University Press, 1985). See also, Martin Shefter, "Party Bureaucracy and Political Change in the United States," in *Political Parties: Development and Decay*, ed. Louis Maisel and Joseph Cooper (Beverly Hills, CA: Sage, 1978); Elizabeth Sanders, *The Regulation of Natural Gas: Policy and Politics*, 1938-1978 (Philadelphia, PA: Temple University, 1981); Bensel, Sectionalism and American Political

Building an American State was integral in setting the scholarly agenda for early practitioners of APD. In this influential work, Skowronek charted what he called the "systematic transformation of American state organization" whereby the nineteenth century state of "courts and parties" was replaced by a new administrative regime. ⁴⁶ In Skowronek's view, it was government officials "seeking to gain or maintain political power and institutional position" (constrained by the "institutional arrangements that define[d] their position[s]" in the burgeoning administrative state) who drove this development. ⁴⁷

While the first generation of APD scholarship characterized institutions as autonomous actors, this dissertation participates in a second wave of work that calls this assumption into question. As Elisabeth Clemens pointed out, "building bureaucracies was not the only imaginable, not the only actual, response" to the "state of courts and parties" that Skowronek theorized.⁴⁸ Instead, scholars like Martin Shefter showed that, in "render[ing] the minority party useless as a vehicle through which individuals and groups without preferential access to the dominant party could challenge those with it," the realignment election of 1896 prompted a new development: the rise of interest group politics.⁴⁹ Unable to advance their legislative goals through the defective party system,

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Development; Morton Keller, Regulating a New Economy: Public Policy and Economic Change in America, 1900-1933 (Cambridge, MA: Harvard University Press, 1996).

⁴⁶ Skowronek, Building a New American State, 4.

⁴⁷ Ibid., 4-5.

⁴⁸ Elisabeth S. Clemens, "Lineages of the Rube Goldberg State: Building and Blurring Public Programs, 1900-1940," in *Rethinking Political Institutions: The Art of the State*, eds. Ian Shapiro, Stephen Skowronek, and Daniel Galvin (New York: New York University Press, 2006), 194.

⁴⁹ Martin Shefter, *Political Parties and the State: The American Historical Experience* (Princeton, NJ: Princeton University Press, 1994), 76. See also, Michael E. McGerr, *The Decline of Popular Politics: The American North, 1865-1928* (New York: Oxford University Press, 1986); Skocpol, *Protecting Soldiers and Mothers*, 67-102; Clemens, *The People's Lobby*. Elisabeth Clemens offers the following excellent definition of interest group politics, which informs this work: "*interest group politics* designates political organization mobilized around specific issues or policy demands and sustained not only by financial

Elisabeth Clemens, John Mark Hansen, Theda Skocpol, Brian Balogh, Cathie Jo Martin and others have revealed how "extrapartisan" voluntary associations mobilized their members around "specific issues or policy demands" during the early twentieth century. 50 Organized "interests" flourished at the turn of the century. By 1900, an estimated fifteen percent of American men participated in politics through fraternal groups. Similarly, more than a million women joined new organizations like the General Federation of Women's Clubs and the Women's Christian Temperance Union to advocate for maternalist causes like mother's pensions and minimum wage regulations as well as prohibition.⁵¹ Labor associations also proliferated during this period as did agrarian organizing.⁵² In business, a similar pattern unfolded. Corporate leaders joined both large, cross-industry organizations (like the National Association of Manufacturers and the Chamber of Commerce) as well as smaller, professional associations (like the American Association of Advertising Industries and the National Restaurant Association), which focused their lobbying efforts on narrower, industry-specific reforms.⁵³ The Legion was not only a part of this trend in interest group organizing, it

resources (as were many 'lobbies' of the late nineteenth century) but by extrapartisan voting blocs." Ibid., 2. Emphasis added.

⁵⁰ Quote: Ibid. On the farm lobby, see, Hansen, *Gaining Access*. On the Grand Army of the Republic and women's clubs: Skopol, *Protecting Soldiers and Mothers*. On Townsend Clubs, see, Amenta, *When Movements Matter*. For an excellent account of the early politics of the National Association of Manufacturers, see, Martin, "Sectional Parties, Divided Business." On labor organizers, farmers, and women's organizations at the turn of the century: Clemens, *People's Lobby*. For accounts of the Anti-Saloon League, see, Kerr, *Organized for Prohibition*; Odegard, *Pressure Politics*. On interest group targeting in electoral politics: Balogh, "Mirrors of Desires;" Loomis, "The Politics of Uncertainty." For an excellent overview of the impact of World War I on civic organizing, see also, Theda Skocpol, Ziad Munson, Andrew Karch, and Kayliss Camp, "Patriotic Partnerships: Why Great Wars Nourished American Civic Voluntarism," in *Shaped By War and Trade: International Influences on American Political Development*, ed. Ira Katznelson and Martin Shefter (Princeton, NJ: Princeton University Press, 2002), 134-80

⁵¹ Clemens, *People's Lobby*, 36-37.

⁵² Within a year of its 1919 establishment, more than 317,000 farmers joined the new American Farm Bureau Federation. Hansen, *Gaining Access*, 29.

⁵³ Skocpol, Munson, Karch, and Camp, "Patriotic Partnerships," 53.

stood out as one of the most effective twentieth century lobbies. During a period of significant mobilization around non-partisan interests, Legionnaires successfully claimed an expansive set of economic, social, and cultural benefits for American veterans.

In emphasizing the interdependence of Legionnaires, bureaucrats, and elected representatives, this dissertation participates in this "associational turn" in APD.⁵⁴ Participation in the Legion helped to foster a collective sense of veteran identity among members and in coming together to speak with one voice, these self-identified veterans gained political leverage. 55 As Theda Skocpol has shown, "widespread federated interests" like the Legion were well positioned to achieve their legislative aims. ⁵⁶ In Protecting Soldiers and Mothers, Skocpol stresses the significance of "fitting" organizational structures to political arrangements: "the efforts of turn-of-the-century U.S. reformist professionals to promote new social policies succeeded only when they were allied with popular constituencies associated across many localities and legislative districts."⁵⁷ Forging a Veteran-State Social Contract provides strong evidence for this argument. Legion lobbyists like Legislative Committee Vice Chairman John Thomas Taylor kept meticulous records of lawmakers' voting patterns and used that information to influence future decision-making. In the early 1920s, Taylor first developed what he called the "barrage technique": a lobbying tactic that the Legion used throughout the twentieth century to pressure congressmen into changing their votes on veterans'

⁵⁴ Balogh, *The Associational State*, 18.

⁵⁵ In his excellent study of Townsend Clubs, Edwin Amenta points out that new identities were forged through interest group organizing. According to Amenta, "Political interests do not simply emerge from social commonalities and categories;" instead, they are constructed through participation in political and social organization. In the case of Townsend Clubs, participation helped to create a sense of "senior identity." Amenta, *When Movements Matter*, 56.

⁵⁶ Theda Skocpol describes this interpretation as a "polity-centered approach." Skocpol, *Protecting Soldiers and Mothers*, 46.

⁵⁷ Ibid., 46-47.

legislation.⁵⁸ Whenever Taylor discovered that a lawmaker intended to vote against a Legion initiative, the Vice Chairman would call on Legion members to "barrage" him with letters and telegrams condemning the action, cautioning future electoral consequences. The approach was extremely effective. With posts in every congressional district, lawmakers were particularly sensitive to Legion threats, making Taylor one of the most feared men in Washington.

As this dissertation reveals, the Legion not only leveraged its widespread federated structure to advance an evolving vision of the veteran-state social contract, Legionnaires also molded institutions to serve their needs. Veterans did not simply adapt to the political arrangements that already existed. During the 1920s and 1930s, Legionnaires campaigned successfully for the consolidation of the Federal Board of Vocational Education, the War Risk Insurance Bureau, and the Public Health Service into one supervisory agency (the Veterans' Bureau) and then for the expansion of that new bureau a decade later (creating the VA). They were also instrumental in helping to create the House Committee on World War Veterans' Legislation and the Senate Finance Subcommittee on World War Veterans' Legislation. These new institutions were critical partners to the Legion in supporting the expansion of veterans' benefits.

In the case of the VA, agents never achieved "bureaucratic autonomy," but as Elisabeth Clemens has suggested, that may not have been the goal.⁵⁹ Forging a Veteran-State Social Contract reveals how the VA "borrowed capacity" from the Legion to

⁵⁸ "The New Legislative Chairman," *American Legion Weekly*, Vol. 2, No. 27 (30 July 1920): 20.

⁵⁹ Daniel Carpenter posits that bureaucratic autonomy occurs when "bureaucrats take actions consistent with their own wishes, actions to which politicians and organized interests defer even though they would prefer that other actions (or no action at all) be taken." Daniel P. Carpenter, *The Forging of Bureaucratic Autonomy: Reputation, Networks, and Policy Innovation in Executive Agencies, 1862-1928* (Princeton, NJ: Princeton University Press, 2001), 4. Elisabeth Clemens's model of "capacity borrowing" implies that the goal is less autonomy than effective public-private partnership. Clemens, "Lineages of the Rube Goldberg State," 191-92.

expand benefits during the twentieth century, relying on Legionnaires to communicate information about readjustment programs to veterans and to help administer new programs, rather than establishing this ability itself. Within days of becoming director of the newly established Veterans' Bureau (the predecessor to the VA) in August 1921, Charles R. Forbes reached out to the Legion's National Executive Committee to request the organization's assistance in informing the nation's disabled ex-service members about government-sponsored rehabilitation programs and in disbursing aid to qualified applicants. The Legion's leaders agreed to Forbes's proposal and, in the fall of 1921, they stationed organization representatives in each of the bureau's fourteen regional offices to serve as intermediaries between veteran claimants and the state. During the first half of the twentieth century, the Legion was the public face of the benefits application and disbursement process for many veterans who looked to the organization for help navigating the complicated veteran bureaucracy. Confused veterans frequently sought assistance from local posts and state departments, not regional Veterans' Bureau (or later, VA) agents. Legion officials funneled cases to the organization officials embedded at the bureau, who worked with agency partners in turn to resolve disputed cases in a sort of shadow claims process. In allowing the Legion to interface with exservice members on its behalf, government naturalized the flow of state functions and resources to individuals, ensuring that it remained "out of sight." 60

⁶⁰ Brian Balogh has pointed out that the success of this "associational state" depended on building state power through private associations like the Legion which the public perceived as benign, community-based groups, despite the fact that they delivered state services. Balogh, *The Associational State*; Brian Balogh, *A Government Out of Sight: The Mystery of National Authority in Nineteenth Century America* (Cambridge: Cambridge University Press, 2009); Suzanne Mettler, *The Submerged State: How Invisible Government Policies Undermine American Democracy* (Chicago: University of Chicago Press, 2011).

Legionnaires no longer drive the benefits disbursement process as they did at the height of the organization's power in the 1920s, 1930s, and 1940s. Instead, the Legion's approach to veteran policymaking—a model of veteran-state relations by which the federal government rewards ex-service members with special privileges—has been embedded in new centers of power: in congressional committees on veterans' affairs and at the VA. While aid to veterans became less generous as the Legion lost influence over the second half of the twentieth century, many of the organization's policy preferences have endured. The state continues to treat veterans as super-citizens, albeit less entitled ones.

Chapter One

Building a Movement: Rehabilitation Policymaking, 1919-1930

I.

On January 18, 1927, Assistant Secretary of War Hanford MacNider received a short letter from Mrs. Pennington of Montgomery County, Pennsylvania on behalf of her son William, a disabled veteran of the First World War. Born into a prominent banking family in Mason City, Iowa, the assistant secretary joined the National Guard in 1916 and served with the American Expeditionary Force (AEF) in France, rising to the rank of lieutenant colonel. Upon homecoming, MacNider became a founding member of the American Legion veterans' organization and was runner-up for that group's highest office in its first election. Having lost in a close vote, MacNider was chosen to serve as department commander for his home state of Iowa before he was tapped for the coveted national commandership the following year. Even after his retirement from formal leadership at the Legion in the fall of 1922, MacNider maintained his reputation as one of the country's most effective veteran organizers.

When Mrs. Pennington turned to MacNider in the winter of 1926, seeking his intercession on behalf of her disabled son, she had lost all trust in the Veterans' Bureau (VB), the federal agency responsible for managing disabled veterans' care, and looked to MacNider, as a representative of the Legion, for relief. According to his mother, William had been kicked in the stomach by a horse during the war and never fully recovered from the injury. Although the VB originally approved his application for medical benefits, Mrs. Pennington explained that the agency had recently revoked William's assistance

payments. In responding to the concerned Mrs. Pennington, MacNider emphasized the value of working through the Legion to address the issue because the organization could apply pressure to the VB in order to bring about the reevaluation of her son's case. "I would suggest," MacNider wrote, "that along with such efforts as I may be able to give the case that you ask your Son's Post of the Legion to forward his claim to the Service Division of the American Legion... They are expert in the handling of cases of this character and are in close and daily touch with all of the various agencies of the Veterans Bureau who make the decisions."

As this correspondence reveals, MacNider understood that, by the mid-1920s, the Legion exerted significant influence over decision makers at the VB (including its director) to change case outcomes in favor of wounded ex-service members. This chapter explores how disabled veterans came to distrust the agencies charged with administering reintegrative care and to place their faith instead in veterans' organizations like the Legion to ensure the delivery of those services. To advance the cause of rehabilitation reform, the Legion publicized stories of rampant government neglect of disabled veterans and reached out to legislators directly, urging them to increase program oversight. In so doing, Legionnaires cultivated their reputations as experts on the topic of rehabilitation and projected the idea that they were more attuned to the challenges facing ex-soldiers than the agencies responsible for administering government services to them. By 1921, the Legion's advocacy had so discredited the federal government's efforts that lawmakers turned to the Legion's National Executive Committee (NEC) for help in redesigning the

¹ Letter from Mrs. Pennington to Hanford MacNider, 31 December 1925, Herbert Hoover Presidential Library, Hanford MacNider Papers (hereafter HHPL, HMP), Box 42, Assistant Secretary of War Veterans Bureau Pennington – Ross.

² Letter from Hanford MacNider to Mrs. Pennington, 4 January 1926, ibid.

country's veteran rehabilitation system. In looking to the Legion's leadership for guidance on veterans' programs, legislators revealed their dwindling confidence in the bureaucrats responsible for managing disabled veterans' care, a problem that deepened throughout the 1920s as the VB became embroiled in one of the largest fraud scandals in American history.

As public trust in the VB declined, veterans (like the Penningtons) and lawmakers began to circumvent the agency when applying for benefits and crafting policy, seeking assistance directly from the Legion, giving the organization great power to shape public policy. With posts in every congressional district, the Legion was well positioned to leverage its new influence, forging extrapartisan support for its disabled care reform program in Congress.³ The Legion's influence over veterans' affairs became so great by the end of the decade that a 1929 internal review of VB policymaking concluded that, "The Director of the Veterans' Bureau has to play the game, more or less, with the veterans organizations. If he should adopt the policy of fighting against them and for the Government when further extension and liberalization of the laws are being sought, he would probably lose his job. No very effective opposition to the demands of the veterans can be expected from him."⁴

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³ Theda Skocpol emphasizes the importance of the "fit" between voluntary organizations and political structures. According to Skcopol, widespread federated interests like the Legion were best positioned to work through Congress to achieve their aims. Theda Skocpol, *Protecting Soldiers and Mothers: The Political Origins of Social Policy in the United States* (Cambridge, MA: Harvard University Press, 1992), 46. In an excellent study of the rise of interest group politics at the turn of the century, Elisabeth Clemens shows that this type of political organizing was defined largely by the creation of *extrapartisan* voting blocs. Elisabeth S. Clemens, *The People's Lobby: Organizational Innovation and the Rise of Interest Group Politics in the United States*, 1890-1925 (Chicago: University of Chicago Press, 1997), 2.

⁴ Internal Veterans' Bureau Report, October 1929, HHPL, Herbert Hoover Papers, Presidential Papers, Subject File (hereafter HHP, PP, SJ), Box 196, Government Departments—Coordination of Veterans Affairs.

Although the Legion's growing prestige prevented the VB and its successor agency, the Veterans Administration (VA), from achieving "bureaucratic autonomy," as Elisabeth Clemens has suggested, that may not have been the goal.⁵ This chapter demonstrates how the VB and the VA "borrowed capacity" from the Legion to expand benefits provisions during the first half of the twentieth century, relying on Legionnaires to communicate updates about rehabilitation aid to beneficiaries, rather than establishing this capability itself.⁶ During the 1920s, the Legion's NEC provided direct support to the VB by disseminating benefits' information to its members and forwarding their claims to the appropriate agencies. In so doing, the Legion created important information conduits upon which the VB came to rely. Bureau officials recognized that the Legion was far more effective in relaying information to veterans than the VB was, and by the end of the decade, agents began taking advantage of the organization's expertise by partnering with the Legion to advertise new bureau initiatives. This cooperative effort kept the government "out of sight" to beneficiaries, helping to naturalize the dissemination of public aid to private individuals.⁷ In return, VB leaders (and their superiors in the White House) invited Legionnaires to participate in the policymaking process. Although some

⁵ According to Daniel Carpenter, bureaucratic autonomy occurs when "bureaucrats take actions consistent with their own wishes, actions to which politicians and organized interests defer even though they would prefer that other actions (or no action at all) be taken." Daniel P. Carpenter, *The Forging of Bureaucratic Autonomy: Reputation, Networks, and Policy Innovation in Executive Agencies, 1862-1928* (Princeton, NJ: Princeton University Press, 2001), 4.

⁶ Elisabeth Clemens demonstrates that, in some cases, bureaucrats "borrowed capacity" from private organizations rather than establishing public capabilities. Elisabeth S. Clemens, "Lineages of the Rube Goldberg State: Building and Blurring Public Programs, 1900-1940," in *Rethinking Political Institutions: The Art of the State*, eds. Ian Shapiro, Stephen Skowronek, and Daniel Galvin (New York: New York University Press, 2006), 191-92.

⁷ Brian Balogh has shown that this public-private governance model succeeded by building state power through voluntary associations. Brian Balogh, *A Government Out of Sight* (Cambridge: Cambridge University Press, 2009); Brian Balogh, *The Associational State: American Governance in the Twentieth Century* (Philadelphia, PA: University of Pennsylvania, 2015); Suzanne Mettler, *The Submerged State: How Invisible Government Policies Undermine American Democracy* (Chicago: University of Chicago Press, 2011).

administration officials (particularly those in the Treasury Department) remained skeptical of the Legion, by the end of the 1920s, federal agents at the VB had established collaborative partnerships with the nation's most prominent Legionnaires.

In highlighting this public-private arrangement, this chapter pushes back against earlier APD studies that have characterized autonomous bureaus as progenitors of reform, overlooking the significance of civic groups like the Legion in crafting policy and disbursing aid. VB agents and Legionnaires relied on each other to co-develop and implement rehabilitation programs. Ultimately, it was an effective system. By the late 1920s, as bureaucrats came together with lawmakers and Legionnaires, veterans and their supporters became one of the most powerful interest groups in American politics. During this period, ex-soldiers built a durable institutional infrastructure upon which all future reforms would be built.

II.

In asserting compensation claims based on wartime service, First World War veterans became part of a long American tradition—dating back to the Revolution—by which returning service members appealed to the state for reintegration assistance. In

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⁸ The first wave of American Political Development scholarship treated government officials "seeking to gain or maintain political power and institutional position" (constrained by the "institutional arrangements that define[d] their position[s]" in the burgeoning administrative state) as the authors of reform. More recently, the "associational turn" has pointed away from this overemphasis on structures, underscoring instead the importance of civil society in political development. Quotes: Stephen Skowronek, *Building a New American State: The Expansion of National Administrative Capacities, 1877-1920* (Cambridge: Cambridge University Press, 1982), 4; Balogh, *The Associational State*, 18. Exemplary of the new institutionalism (first generation) approach are, Martin Shefter, "Party Bureaucracy and Political Change in the United States," in *Political Parties: Development and Decay*, ed. Louis Maisel and Joseph Cooper (Beverly Hills, CA: Sage, 1978); Skowronek, *Building a New American State*; Elizabeth Sanders, *The Regulation of Natural Gas: Policy and Politics, 1938-1978* (Philadelphia, PA: Temple University, 1981). Exemplary of the associational turn are, Skocpol, *Protecting Soldiers and Mothers*; Clemens, *The People's Lobby*; Edwin Amenta, *When Movements Matter: The Townsend Plan and the Rise of Social Security* (Princeton, NJ: Princeton University Press, 2006).

fact, one of the first acts of the original Congress had been to pass a pension law granting members of the Continental Army "unsettled" lands in the Ohio Valley. Although these pensions remained relatively small due to public skepticism about military professionalism, as historian James Wright explains, by the mid-nineteenth century, public attitudes toward soldier claims began to soften. During the first half of the nineteenth century, Democratic Republican politicians helped to warm Americans to a "democratiz[ed] heroic memory" of the nation's ex-servicemen by recalling the patriotic heroism of the Continental Army in their political campaigns. In linking the veteran with bold nationalist imagery and effusive praise, Democratic Republicans softened the political ground for veterans' entitlement claims.⁹

During this era, as politicians began experimenting with pensioning former service members, they tended to develop policy uniformly for all veterans, regardless of ability. Little consideration was given to the particular needs of soldiers who had been wounded—and as a result, disabled—in conflict. Why? Quite simply, the "problem of disability"—as historian John Kinder has described the sociopolitical challenge of reintegrating the war-wounded—was largely invisible in the colonial and early republic periods. In a nation as large and agrarian as the United States, the small disabled veteran population was diffuse. Families and local communities generally succeeded in absorbing and supporting their own injured returnees, relieving pressure on the state to provide assistance.

⁹ James Edward Wright, *Those who have Borne the Battle: A History of America's Wars and Those who Fought Them* (New York: Public Affairs, 2012), 70.

¹⁰ Historians estimate that 16,000 soldiers were disabled in service during the American Revolution, War of 1812, Mexican-American War, and conflicts with Native Americans combined. CNN Staff, "By the Numbers: U.S. War Veterans," CNN, 5 June 2013, http://www.cnn.com/2013/06/05/us/war-veterans-by-the-numbers/.

This changed with the dawn of the Civil War, which rendered service-connected disabilities visible to a broad community for the first time, forcing government officials to confront the growing community of disabled veterans. More than half a million Civil War soldiers returned home without limbs and afflicted with new diseases like tuberculosis, typhoid fever, and "soldier's heart" (a contemporary term for a condition that is now often referred to as post traumatic stress disorder). The preservation of men's economic and political independence was a chief concern for policymakers who understood masculinity to be integral to the stability of Gilded Age American democracy and commerce.¹¹ As a result, when crafting disabled veteran policy during the second half of the nineteenth century, Congress experimented with several measures aimed at promoting the independence of disabled veterans, including western settlement initiatives, hiring preferences for government jobs, community relief programs, and pensions for those with service-connected disabilities. Each of these programs was designed to help the veteran to "overcome" his disability in order to become self-reliant, rather than dependent on charity, once again. While most disabled veterans leveraged these programs to successfully remain off of charity rolls, the establishment of programs like the National Home for Disabled Volunteer Soldiers (NHDVS)—which came to house thousands of indigent, disabled veterans by the end of the nineteenth century seemed to belie the possibility that all disabled veterans could achieve self-sufficiency,

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¹¹ On public concerns about reliance on charity, see, Jackson Lears, *Rebirth of a Nation: The Making of Modern America, 1877-1920* (New York: HarperCollins, 2009); Kristen L. Hoganson, *Fighting for American Manhood: How Gender Politics Provoked the Spanish-American and Philippine-American Wars* (New Haven, CT: Yale University Press, 1998); James Marten, *Sing Not War: The Lives of Union & Confederate Veterans in Gilded Age America* (Chapel Hill, NC: University of North Carolina Press, 2011). On the construction of Gilded Age masculinity, see, Nancy Fraser and Linda Gordon, "A Geneology of Dependency: Tracing a Keyword of the U.S. Welfare State," *Signs*, Vol. 19, No. 2 (Winter 1994): 309-36; Martin A. Berger, *Man Made: Thomas Eakins and the Construction of Gilded Age Manhood*, (Berkeley, CA: University of California, Berkeley), 2000; Lears, *Rebirth of a Nation*; Hoganson, *Fighting for American Manhood*; Kinder, *Paying with their Bodies*.

drawing public scorn. A Milkwaukee woman summed up public attitudes toward dependent veterans when she described a Wisconsin NHDVS home as "too, too lovely. If only they would take those disgusting soldiers away it would be heavenly." ¹²

Initially, this fear of cultivating state-based dependence kept Congress from extending pensions to able-bodied Civil War veterans as well. However, during the 1870s, a rapid succession of external events changed the political calculus for veteran advocates, making possible a new era of generosity in veteran policymaking. As political sociologist Theda Skocpol suggests in her important study of Gilded Age welfare policy, veterans were among the chief beneficiaries of Reconstruction's collapse. 13 During the 1860s—as a result of the disfranchisement of former Confederates and the enfranchisement of new black voters—Republican candidates for local, state, and national offices won wide-margin victories across the country, effectively undermining competition in what had previously been a vigorous two-party system. However, by the early 1870s, white southerners—loyal to the Democratic Party—had largely regained the right to vote and increasingly used legal and extra-legal tactics to prevent African American voters' access to the polls, restoring political competition not only in the former Confederacy, but throughout the north as well. This political revival was so dramatic that, by 1874, Democrats had succeeded in retaking control of the House of Representatives.¹⁴

The restoration of strong two-party competition during the 1870s had enormous

¹² "Milwaukee Sentinel," 8 October 1883, cited in Marten, Sing Not War, 166.

¹³ Skocpol, Protecting Soldiers and Mothers, 1-152.

¹⁴ John Hope Franklin, *Reconstruction after the Civil War* (Chicago: University of Chicago Press, 1961); Eric Foner, *America's Unfinished Revolution, 1863-1877* (New York: HarperCollins, 1988); Hannah Rosen, *Terror in the Heart of Freedom: Citizenship, Sexual Violence, and the Meaning of Race in the Postemancipation South* (Chapel Hill, NC: University of North Carolina Press, 2008).

consequences for veterans who were well positioned to take advantage of resurgent patronage politics. In the ultra-competitive partisan climate of the late nineteenth century, Republicans and Democrats both hoped to gain an advantage at the polls by winning the "veteran vote," a large enough demographic to determine electoral outcomes. Since the end of the Civil War, the Grand Army of the Republic (the most prominent nineteenth century veterans' organization) had lobbied for pension law liberalization. Beginning in the mid-1870s, Republican and Democratic officials heeded this call in a political race to the top, alternately increasing the size and accessibility of pensions for all disabled and able-bodied Civil War veterans in an effort to win votes. As a result, by the turn of the century, "over a third of all the elderly men living in the North along with quite a few of all elderly men in other parts of the country and many widows and dependents across the nation, were receiving quarterly payments from the United States Pension Bureau," accounting for *more than 40% of the total federal budget*. 16

This dramatic increase in government spending fueled widespread public resentment toward veterans who, by the early twentieth century, were frequently accused of cash strapping the U.S. Treasury for personal benefit, a sentiment deepened by reports of pervasive fraud at the Pension Bureau. During this period, greedy pension agents frequently entered unqualified middle-aged men onto the pension rolls (often without their knowledge) in order to earn sizable government commissions, a practice that cost the state millions of dollars. Of the approximately one million pensioners receiving

¹⁵ For more on the Grand Army of the Republic, see, David Blight, *Race and Reunion: The Civil War in American Memory* (Cambridge: MA: Belknap Press, 2001); Barbara A. Gannon, *The Won Cause: Black and White Comradeship in the Grand Army of the Republic* (Chapel Hill, NC: University of North Carolina Press, 2001); Marten, *Sing Not War*; Stuart McConnell, "Who Joined the Grand Army? Three Case Studies in the Construction of Union Veteranhood, 1866-1900," in *Toward a Social History of the American Civil War: Exploratory Essays*, ed. Maris A. Vinovskis (Cambridge: Cambridge University Press, 1990).

¹⁶ Skocpol, *Protecting Soldiers and Mothers*, 1; Kinder, *Paying with their Bodies*; 26. Emphasis added.

benefits in 1900, historians estimate that between 5 and 33 percent were illegal claimants. Congress was also complicit in the corruption, meeting frequently in the middle of the night to pass private pension bills extending benefits to individual citizens (often friends and political allies) who were otherwise ineligible for benefits. By the turn of the century, spending was so out of control—and corruption so rampant—that Secretary of the Interior Carl Schurz (charged with managing the pension program) was forced to admit that "the present system does not give the Pension Office the means to detect fraud unless it betrays itself..."

Veterans bore the brunt of public outrage over the pension scandal. Newspaper editors regularly attacked "greedy" ex-servicemen for "secur[ing] [pensions] for wounds [they] never received, or for disease[s] they never contracted" and for marrying teenage girls when they were "on the verge of the grave" in order to ensure continued payments to young beneficiaries. ¹⁹ Although these claims were largely unsubstantiated (most fraudulent pensioners were actually civilians claiming to be veterans, not veterans exaggerating their need), ex-service members' reputations were deeply marred by the scandal. Historian James Marten aptly characterizes the extent of public frustration when he writes that, "by the turn of the century, the pension program was widely perceived to be the government's most partisan and most corrupt initiative."²⁰

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¹⁷ On corruption at the Bureau of Pensions see, Marten, *Sing Not War*, 199-245; Heywood T. Sanders, "Paying for the Bloody Shirt: The Politics of Civil War Pensions," in *Political Benefits: Empirical Studies of American Public Programs* (Lexington, MA: Lexington Books, 1980), 137-59; Peter David Blanck and Michael Millender, "Before Disability Civil Rights: Civil War Pensions and the Politics of Disability in America," *Alabama Law Review*, Vol. 52, No. 1 (Fall 2000): 1-49; Skocpol, *Protecting Soldiers and Mothers*, 102-52.

¹⁸ Letter from Carl Schurz to E.L. Godkin, 7 December 1879 in *Speeches, Correspondence, and Political Papers of Carl Schurz Volume 3*, ed. Frederic Bancroft (New York: G.P. Putnam's Sons, 1913), 492.

¹⁹ "The Veterans and the Pension Frauds," *New York Times*, 14 January 1898.

²⁰ Marten, Sing Not War, 27.

Against this backdrop of public outrage over the Civil War pension system's spiraling cost, lack of transparency, and intense partisanship, government officials looked for new policy alternatives in assisting First World War veterans with reintegration decades later. A cohort of socially minded reformers—or "progressives" as they were known—coalesced around a two-part strategy to rationalize veteran spending for a new generation. Informed by the emerging disciplines of the social and physical sciences, progressive reformers and politicians across government called first for the pension system to be replaced with an insurance program indemnifying soldiers against death and disability, and second for the creation of a new program providing medical care and job retraining to disabled veterans in order to reduce their continued government dependence.²¹

²¹ Progressives believed that modern, "business-like" organizational structures, staffed by specialists, were the institutions most capable of efficiently delivering government services to an ever widening and expectant public. Informed by the emerging disciplines of the social and physical sciences, bureaucratic professionals and social reformers pursued a wide array of initiatives at the turn of the century in their quest to achieve what Eldon Eisenach has described as a "new national ideal of American democracy." Eldon J. Eisenach, The Lost Promise of Progressivism (Lawrence, KS: University of Kansas, 1994), 78. As Dorothy Ross has shown, the new social scientific concept of "social control," which privileged "objecti[ty], quantitative methods, and behaviorist psychology," helped to rationalize reform efforts during this period. Dorothy Ross, The Origins of American Social Science (Cambridge: Cambridge University Press, 1991), 311. On the professionalization of social science and medicine, see, Thomas L. Haskell, The Emergence of Professional Social Science: The American Social Science Association and the Nineteenth-Century Crisis of Authority (Urbana, IL: University of Illinois Press, 1977); Don S. Kirschner, The Paradox of Professionalism: Reform and Public Service in Urban America, 1900-1940 (Westport, CT: Greenwood Press, 1986), 27-52; Paul Starr, The Social Transformation of American Medicine: The Rise of a Sovereign Profession and the Making of a Vast Industry (New York: Basic Books, 1982). On women's growing professionalism, see, Robyn Muncy, Creating a Female Dominion in American Reform, 1890-1935 (Oxford: Oxford University Press, 1991), 66-93. The progressive reform agenda was also grounded in a rejection of classical liberal conceptions of the atomistic individual. Reformers thought that men were "interconnected"—bound to their neighbors through invisible ties of national community. On the concept of "interconnectedness," see, Haskell, The Emergence of Professional Social Science, 13. This belief in a national, common good drove progressive reformers to seek to reconstitute the state in accordance with "ethical principles." James T. Kloppenberg, Uncertain Victory: Social Democracy and Progressivism in European and American Thought, 1870-1920 (New York: Oxford University Press, 1986), 349. For more on the intellectual underpinnings of progressivism, see, Eisenach, The Lost Promise of Progressivism; Christopher Courtney Nehls, "'A Grand and Glorious Feeling': The American Legion and American Nationalism Between the World Wars (PhD diss., University of Virginia, 2007), 15-48. Progressives pursued the goal of empirically based social reform in divergent, occasionally conflicting, ways during the late nineteenth and early twentieth centuries. The veteran rehabilitation movement was one of many causes.

Treasury Secretary William McAdoo led the Woodrow Wilson White House's effort to overhaul the existing pension system, the first part of the progressive movement's two-fold reform program. In order to reign in and professionalize the process of benefits disbursement, McAdoo proposed that the state indemnify soldiers against potential wartime hazards, rather than pay flat-rate pensions.²² The secretary tasked two of his political allies, Julian Mack (a federal judge for the Seventh Circuit Court of Appeals) and Julia Lathrop (Director of the U.S. Child's Bureau) with crafting a program offering servicemen the opportunity to purchase short-term life and disability insurance policies from the newly created Bureau of War Risk Insurance. Congress passed the War Risk Insurance Act unanimously on October 6, 1917. Under the new law, soldiers were able to purchase between \$1,000 and \$10,000 in coverage with a portion of their wages, which, in the event of total disability, would trigger payments of \$5.25 per month for 240 months. ²³ Less severe injuries were also compensated at predetermined

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Alexander Keyssar has examined shifting public attitudes toward unemployment in Massachusetts during this period, finding that after the severe depression of 1893, middle class citizens began to accept the idea that poor people were "involuntarily idle" as a result of structural circumstances, not due to personal failings. According to Keyssar, this shift in public attitudes gave rise to new unemployment relief programs at both the state and national levels. Alexander Keyssar, *Out of Work: The First Century of Unemployment in Massachusetts* (Cambridge, MA: Harvard University Press, 1986), 194-298. David J. Rothman and Michael Willrich have charted a similar evolution in the contemporaneous criminal justice reform movement. David J. Rothman, *The Asylum and its Alternatives in Progressive America* (Boston: Little, Brown and Company, 1980); Michael Willrich, *City of Courts: Socializing Justice in Progressive Era Chicago* (Cambridge: Cambridge University Press, 2003). For an excellent study reformers' use of social science to treat drug addiction: Arnold Jaffe, *Addiction Reform in the Progressive Age: Scientific and Social Responses to Drug Dependence in the United States, 1870-1930* (New York: Arno Press, 1981). On maternalist reform during this period, see, Skocpol, *Protecting Soldiers and Mothers*, 311-524; Muncy, *Creating a Female Dominion*.

²² Jonathan Levy details the proliferation of risk management strategies (including "insurance policies, savings accounts, government debt markets, mortgage-backed securities, bond markets, futures markets, and stock markets") during the late nineteenth century. The War Risk Insurance Program reflects these market developments. Jonathan Levy, *Freaks of Fortune: The Emerging World of Capitalism and Risk in America* (Cambridge, MA: Harvard University Press, 2014), 4. For an excellent treatment of risk distribution in the early twentieth century stock market, see also, Julia Ott, *When Wall Street Met Main Street: The Quest for an Investors' Democracy* (Cambridge, MA: Harvard University Press, 2011).

²³ An act to authorize the establishment of a Bureau of War-Risk Insurance In the Treasury Department, Pub. L. No. 65-90, 40 Stat. 398 (1917); William G. McAdoo, *Crowded Years: The Reminiscences of*

rates, according to how gravely War Risk Insurance actuaries believed they would impact future earning potential. A below-knee amputation, for example, was paid out at \$19.50, while a full-leg amputation was worth \$27.00.²⁴ (In the event of death, payments were made to a preselected beneficiary).

Having eliminated pensions for able-bodied service members, and made insurance payments to the disabled contingent on the nature of their injuries, progressives turned to the second major component of their reform plan: the creation of a vocational rehabilitation program. Rehabilitation was a comprehensive approach to disabled veteran care that combined medical treatment with education and job training in an effort to productively reintegrate the veteran into the civilian economy. By supporting the veteran's recovery and teaching him new skills suited to his physical abilities, proponents of rehabilitation hoped to recover a cadre of industrial workers seemingly lost to war injuries.

The modern concept of rehabilitative care for the disabled emerged in France at the start of the First World War. Édouard Herriot, the Mayor of Lyon, founded the world's first training school for the war wounded, École Joffre, in 1915. There, soldiers received both medical care—including prostheses fittings—and job training in new industries to accommodate their disabilities.²⁵ The model quickly spread not only across France, but throughout all of Europe as well, as the warring nations struggled to find

William G. McAdoo (Boston: Houghton Mifflin, 1931); Douglas B. Craig, Progressives at War: William G. McAdoo and Newton D. Baker, 1863-1941 (Baltimore: Johns Hopkins University, 2013), 177; Kinder, Paying with their Bodies, 63.

²⁴ "Niggardly to be Maimed," New York Times, 13 April 1919, A4.

²⁵ Douglas McMurtrie, *Reconstructing the Crippled Soldier*, (New York City: Red Cross Institute for Crippled and Disabled Men, 1918), 6.

ways to reconcile "Victorian ideas about masculine independence, work, citizenship, and the state's obligation to assist those who, through no failing of their own, could not provide for themselves" with the war's massive scale of destruction. In France alone, more than two million soldiers had been injured in the war. According to the Disabled Society of Britain, 41,050 soldiers from that country had at least one limb amputated. In Germany, more than ten percent of the nation's population was disabled—or dependents of the war wounded—by 1918. As millions of disabled men returned to their homes from the front, European governments struggled to figure out what to do with the growing numbers of angry, wounded men. École Joffre seemed to provide a useful model for both satisfying the veterans' demands and providing a way to make the disabled soldiers useful once more to the war effort. In so-called hospital "shops" across Europe, soldiers were trained in new industrial skills, which they put to use producing war materiel.

After the United States entered the war on April 6, 1917, American progressives began looking to their European counterparts for guidance in crafting a vocational rehabilitation program across the Atlantic. Douglas McMurtrie—President of the Federation of the Association for Cripples and editor of the American Journal of Care for Cripples—emerged as the key figure shaping American disability policy during this

²⁶ Seth Koven, "Remembering and Dismemberment: Crippled Children, Wounded Soldiers, and the Great War in Great Britain," *American Historical Review*, Vol. 99, No. 4 (Oct. 1994): 1172.
²⁷ Ibid., 1185.

²⁸ Robert Weldon Whalon, *Bitter Wounds: German Victims of the Great War, 1914-1939* (Ithaca, NY: Cornell University Press, 1984), 16.

²⁹ For more on British rehabilitation programs, see, Koven, "Remembering and Dismemberment"; Jeffrey S. Reznick, "Work-Therapy and the Disabled British Soldier in Great Britain in the First World War: The Case of Shepherd's Bush Military Hospital, London," in *Disabled Veterans in History*, ed. David A. Gerber (Ann Arbor, MI: The University of Michigan Press, 2000), 185-203. In *The War Come Home*, Deborah Cohen contrasts British and German rehabilitation practices. Deborah Cohen, *The War Come Home: Disabled Veterans in Britain and Germany, 1914-1939* (Berkeley, CA: University of California Press, 2001).

period. As the President of the Federation of the Association for Cripples, McMurtrie had deep ties to the transnational progressive rehabilitation movement, which had begun experimenting with job training programs for disabled industrial workers and children before the war.³⁰ McMurtrie kept abreast of rapid developments in the field between 1914 and 1917 through correspondence with colleagues across the Atlantic and by traveling to École Joffre to study the academy's work with veterans.³¹ The rapid growth of rehabilitation programs in Europe convinced McMurtrie that the United States needed a similar plan to support its returning war wounded. Writing in the *American Journal of Care for Cripples*, he underscored how,

Foreign experience in rehabilitation seems to point most clearly to the need of special schools. Practically all of the schools of re-education in France have been organized for war cripples. In Great Britain, where the existing facilities of technical institutes have been largely availed of, it has been found in experience necessary to start special classes or sections for the disabled, as the men did not mix successfully with the regular pupils. Even in Canada, with the exception of the interesting placement in apprenticeship which has been done, the most successful re-education has been in schools given over to become special institutions for disabled soldiers.³²

Convinced of the importance of rehabilitation for both the nation and the disabled veteran, McMurtrie founded his own training school, the American Red Cross Institute for Crippled and Disabled Men, in 1917.³³

From his new position at the Red Cross Institute, McMurtrie began a decadeslong public relations campaign to convince government officials, the public, and—most

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³⁰ For more on the transnational character of progressive social movements, see, Daniel T. Rodgers, *Atlantic Crossings: Social Politics in a Progressive Age* (Cambridge, MA: Harvard University Press, 2000), 267-317.

³¹ McMurtrie, Reconstructing the Crippled Soldier, 7.

³² Douglas C. McCurtrie, "Testimony on the Bankhead-Smith Bill," *American Journal of Care for Cripples*, Vol. 8, No. 1 (1919): 65.

Ana Carden-Coyne, "Ungrateful Bodies: Rehabilitation, Resistance and Disabled American Veterans of the First World War," *European Review of History—Revue européenne d'Histoire*, Vol. 14, No 4 (December 2007): 551.

importantly—disabled veterans themselves, that rehabilitation was a viable means of restoring the wounded service member's economic independence and shoring up his masculinity. Summarizing his support for rehabilitation in a pamphlet describing the Red Cross Institute, McMurtrie explained that, "... The return to useful labor benefits the cripple even more than it does the state. Though a disabled man may be prevented by his handicap from returning to the occupation in which he was previously employed, it has been found that even the most seriously crippled can be trained for other trades, at which they can earn the full standard wage."³⁴ For progressives, the possibility of restoring the veteran's economic independence through the application of physical and social science was at the heart of rehabilitation. As McMurtrie emphasized to lecture audiences and pamphlet readers (he was a voracious leafletter, distributing six million pamphlets besigning readers to do "Your [Their] Duty to the War Cripple" in the fall of 1919 alone), "We must, therefore, find for the cripple the kind of job for which he is capable, and see that the community influence encourages him to tackle it. If we demand that the disabled man get back in the work of the world, we shall find him only to ready to do so."³⁵

The possibility of recovering a population of seemingly lost industrial workers appealed to both business and labor leaders who came to support rehabilitation as the best approach to veteran reintegration. By the end of 1917, there was strong consensus across government and industry that the state should provide medical and vocational training for the new generation of disabled veterans. Congress began developing the country's rehabilitation policy in October 1917 with the amendment of the War Risk Insurance Act, and later extended its commitment to the disabled with the passage of the National

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³⁵ Ibid., 236. Emphasis Added.

³⁴ McMurtrie, *Reconstructing the Crippled Soldier*, 1-3.

Rehabilitation Act (sometimes referred to as the Smith-Sears Act for its sponsors) on June 27, 1918, which provided medical aid and vocational training to wounded veterans.

Whereas France and Germany both mandated vocational training for the war wounded, the new U.S. rehabilitation system was predicated on the idea of individual choice. Disabled American veterans did not automatically receive rehabilitation aid; they had to apply for it. This was intentional. In order to be fully rehabilitated, American progressives believed that the disabled veteran had to choose the path toward recovery and then will himself whole through hard work and determination. As McMurtrie explained, "There are two attitudes the man may take. One is that he has done his duty by his country, been seriously crippled in its performance, and therefore, it is incumbent on the government to support him for the rest of his days... The second attitude is that he must continue to do his full duty to his country 'as befitting a soldier and a man;' that he will make an earnest effort to fit himself for a position of independence and self-support." In this construction of disability and recovery, the injured veteran *could* recover, but only by applying the tools of rehabilitation and personal grit.

Civic organizations like McMurtrie's Red Cross Institute played a major role in shaping American perceptions of disabled soldiers both during and after the war.

Because of their distance from the fighting—and the fact that most wounded U.S. troops did not return home until after the armistice was signed (even the severely injured tended to convalesce across the Atlantic)—Americans came to rely on the information disbursed

³⁷ McMurtrie, *Reconstructing the Crippled Soldier*, 18-19.

³⁶ Ana Corden-Coyne emphasizes this point in "Ungrateful Bodies," pointing out that "in the United States... the idea of choice performed a crucial role in mediating notions of successful 'restoration,' informed by the capitalist rhetoric underpinning postwar reconstruction, but also modern industrial notions of progress and ambition." Carden-Coyne, "Ungrateful Bodies," 552.

by public and private organizations to shape their understandings of injury and the potential of rehabilitation to restore men to "usefulness." Surgeon General William C. Gorgas founded *Carry On* magazine in the summer of 1918 to educate the families of disabled service members about what to expect upon the return of their injured loved ones. In his first readers' note, Gorgas stressed his continued faith in the ability of the war wounded to recover and to find second careers.

The Medical Department of the Army will "CARRY ON" in the medical and training treatment of the disabled soldier until he is cured or as nearly cured as his disabilities permit. We shall try to do our part in his restoration to health efficiently, with the belief that the wounded and sick soldier shall have the opportunity to return to civil life capable of pursuing a career of usefulness. This will enable him to enjoy the freedom and happiness afforded by world wide democracy for which he has given his all.³⁹

The able-bodied public had a critical role to play in the recovery of the disabled, rehabilitation advocates argued. However, there was a risk of fostering dependence through charity, they warned. In a Red Cross Institute pamphlet, McMurtrie admonished the able-bodied community not to pamper the disabled, but to hold them accountable for achieving economic independence. "Crippled men testify unanimously that the 'handicap of public opinion' has been to them a greater obstacle than the loss of a limb. People have assumed them helpless and, only too often, have persuaded them to become so... If we demand that the disabled man get back in the work of the world, we shall find him only to ready to do so."

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³⁸ For more on the role of civic organizations and government agencies in shaping public perceptions of disability through the dissemination of literature and iconography, see, Carden-Coyne, "Ungrateful Bodies," 543-65; John M. Kinder, "Iconography of Injury: Encountering the Wounded Soldier's Body in American Poster Art and Photography of World War I," in *Picture This! World War I Posters and Visual Culture*, ed. Pearl James (Lincoln, University of Nebraska Press, 2009): 340-82; Kinder, *Paying with their Bodies*, 72-78.

³⁹ William C. Gorgas, *Carry On: A Magazine on the Reconstruction of Disabled Soldiers and Sailors*, Vol. 1, No. 1 (June 1918): 3.

⁴⁰ McMurtrie, *Reconstructing the Crippled Soldier*, 236.

In this highly gendered construction of work, women played a significant role in supporting the rehabilitation effort. 41 As one wife of a disabled soldier told other women in Carry On, "Our government asks that we use our love to strengthen the will of our wounded..."42 In supporting their husbands, fathers, and brothers in their pursuits of medical care and vocational training, women shored up the patriarchal economic structure, often while they worked to support their convalescing family members. This emotional labor was integral to the rehabilitation project and was a cornerstone of progressive policy, which ultimately aimed to support men's economic independence. For the disabled veteran, the fear of losing one's manhood was deeply entwined with the ability to work and provide for a family. Writing for Carry On, Sergeant W.H. Zimmerman described how he had suffered a crisis of masculinity when he was blinded in combat, but that he had regained his sense of self through rehabilitation. "When I went over there I had a girl so when I returned I made up my mind I would have to give her up. I didn't know that blind men could make a living... You see I have got to get a job now, because they [Army Blind Hospital School] sent for my girl to come down here to see me and she said, 'Bill, if you make good I am going to marry you.' Well blindness is a handicap of course but it's not going to stop me."43 Zimmerman's message was clear: by applying oneself in vocational training, a disabled soldier could not only recover his economic future, he could save his manhood.

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⁴¹ On social anxiety about disabled men's masculinity, see, Michael J. Lansing, "Salvaging the Man Power in America': Conservation, Manhood, and Disabled Veterans during World War I," *Environmental History*, Vol. 14, No. 1 (January 2009): 32-57.

⁴² Alice Duer Miller, "How Can a Woman Best Help?" Carry On: A Magazine on the Reconstruction of Disabled Soldiers and Sailors, Vol. 1, No. 1 (June 1918): 18.

⁴³ W.H. Zimmerman, "Our First Blinded Soldier: He is Being Re-Educated and Will Make Good," *Carry On: A Magazine on the Reconstruction of Disabled Soldiers and Sailors*, Vol. 1, No. 1 (June 1918): 13.

Rehabilitation experts—like McMurtrie and Surgeon General Gorgas—largely succeeded in their efforts to convince both veterans and the public that the disabled veteran could be restored to independence through medical care and vocational training. By the end of the war, Americans across government, industry, and labor embraced rehabilitation policy as the best means of reintegrating wounded service members back into the economy and society. However, despite strong support for the program, it was poorly administered from the start.

Congress began laying the groundwork for a nationwide veteran rehabilitation program in October 1917 when it amended the War Risk Insurance Act, "plac[ing] the work of rehabilitation, re-education, and vocational training of disabled men" in the hands of Charles Allen Prosser, the Director of the Federal Board of Vocational Education (FBVE). Despite the great expense of retraining disabled soldiers, the legislature only appropriated two million dollars for the program—far less than what Prosser had requested—undermining the Director's efforts from the outset. As the *New York Times* editorial board observed shortly after the first American Expeditionary Force (AEF) deployments, "Without additional legislation, Congress is placed in a position of having made a promise to enlisted men without providing a dollar to carry it out." Concerned about his agency's inability to provide the training that Congress had guaranteed mobilizing soldiers, Prosser submitted several reports to the legislature in March outlining his urgent need for an additional eight million dollars to fund a teacher

⁴⁴ An act to authorize the establishment of a Bureau of War-Risk Insurance In the Treasury Department, Pub. L. No. 65-90, 40 Stat. 398 (1917).

⁴⁵ "Big Project to Aid the War's Disabled: Reports to Congress Show a Great Proportion Can be Restored to Usefulness," *New York Times*, 3 March 1918, 18.

training program. In the report, Prosser emphasized the importance of vocational education in restoring the disabled soldier's economic independence and masculinity, the twin goals of rehabilitation.

In June 1918—more than a year after Prosser submitted his unanswered request for increased funding—Congress passed a major expansion to the rehabilitation program. The National Rehabilitation Act established two stages of reintegration assistance for the disabled: physical care (performed by medical doctors in military hospitals) and vocational training (administered by an expanded FBVE) wherein the veteran would be taught new skills for a future career. Theoretically, the disabled veteran was to pass incrementally through the two stages of the rehabilitation program—receiving medical treatment first, before entering vocational training—a two-step system that was rarely executed as intended because administrative responsibility for the program was both diffuse and poorly delineated. As one New York Times reporter observed in 1918, "very grave uncertainty exists from a legal standpoint, as to the duties, powers, and relationships between the Treasury, War, and Navy Departments in dealing with the problem of vocational rehabilitation." Significantly, although the National Rehabilitation Act had consolidated administrative responsibility for vocational training in the hands of Charles Prosser and his FBVE, the War Risk Insurance Bureau (WRIB) was still responsible for determining whether or not a veteran qualified for the program, setting up significant impediments to veteran care as the two rival bureaus had distinct priorities and an aversion to working cooperatively. Moreover, the first phase of rehabilitation—medical care—was to be administrated by a third agency, the Public Health Service (PHS), which received its funding, in turn, from the WRIB. (The PHS

46 Ibid.

also struggled to disentangle itself from the War and Navy Departments as jurisdictional questions often arose during discharge).

Severe underfunding compounded the bureaucratic imbroglio. Government officials, union leaders, and businessmen had all embraced rehabilitation because it held the promise of transforming industrially "unproductive" bodies into productive citizens, an intensive process that demanded significant resources. Despite Prosser's complaints, however, Congress did not properly fund the program even after the passage of the National Rehabilitation Act. Originally, the FBVE had intended vocational training to take place in state-owned facilities under the guidance of government instructors. Without the resources to construct training facilities and hire teachers, Surgeon General Rupert Blue settled for designating 45 military hospitals as dual medical-vocational facilities where physical reconstruction and educational training were to take place simultaneously, despite the intention to keep these programs separate. Furthermore, to save additional funds, Prosser and his agents contracted with more than 3,500 colleges, universities, commercial schools, and correspondence programs and more than 30,000 businesses to deliver courses privately rather than construct new vocational training facilities as planned.⁴⁷

By the spring of 1919, American newspapers began to report sporadically on the failures of the rehabilitation program. In March, the New York Times ran a story about the "thousands of wounded men" who had recently "left the hospitals without knowing of the opportunities the Government has promised them," an allegation that Representative William B. Bankhead (a Democrat from Alabama) confirmed in a March interview.

⁴⁷ Kinder, *Paying with their Bodies*, 125.

In the discharge of soldiers from the army and navy hospitals after they have been physically and functionally rehabilitated it was found impossible, with the limited number of agents in the field for the Federal Board to keep in close and intimate touch with these soldiers, or to advise them or confer with them relative to the benefits conferred by this [National Rehabilitation] act; so that as a result of their situation, and on account of the rapid discharge of these disabled soldiers from the various hospitals of the country, thousands of these men, who, as a matter of fact, are entitled to receive the benefits of this humanitarian legislation that we passed affecting them, have not had the opportunity even to be informed specifically under its operations.⁴⁸

On August 8, 1919, the recently formed Association for Disabled Soldiers, Sailors, and Marines—a group of 5,000 New York-based, disabled veterans—released a damning report on the FBVE's training record. Characterizing the agency as "ineffectual," the Association noted that, of the nearly quarter of a million veterans eligible for services, only 5,873 had been placed in job training as of June 21, resulting in [the] employment of merely 11 participants. "Men have been compelled to wait for six weeks to six months without [the] pay" guaranteed to them by the National Rehabilitation Act, and as a result, they are "forced to depend on the help of friends or charity before their cases are finally acted upon," undermining the entire premise of rehabilitation, the Association alleged.⁴⁹ The organization's secretary, John Jay Ridgway, a civil engineer and amputee, added that "whatever progress is made and whatever is the final outcome as to the vocational training and placement, the fact stands out that between the different Government agencies which have to do with the soldier there is a period, which he waits for a decision as to his status, when he is in effect a cast-off for the time being by the Government in whose defense he was made a cripple."50

⁴⁸ "Rehabilitation of Wounded Soldiers," New York Times, 2 March 1919, 40.

⁴⁹ Association for Disabled Soldiers, Sailors, and Marines, *Industrial Arts and Vocational Education Magazine*, Vol. 8 (1919): 27-29.

⁵⁰ "Crippled Soldiers Disheartened by Delays," New York Times, 24 August 1919, 43.

This was the case for many of the wounded veterans receiving treatment at Fort McHenry Hospital in Baltimore. Although a vocational education adviser was stationed on the premises—charged with providing eligible veterans with information about the FBVE and assisting them with the application process—a local reporter found that only a handful of the injured even knew about their benefits. When asked whether or not they intended to apply, one man questioned if the reporter was perhaps mistakenly describing war risk insurance while another simply quipped, "that must be one of Uncle Sam's jokes." Of those who had heard of vocational education, one explained that he would not be applying because of his friend's bad experience with the system: "I don't expect much," the man said. "My pal, who has been out for some time, wrote me his experience. He was 25 per cent disabled. He was a salesman before but wanted to be taught rubber salesmanship. They promised to teach him, but he got tired of waiting after two months and went into another job." Another McHenry Hospital patient admitted that he had applied but, like tens of thousands of disabled veterans, was still awaiting an answer from the FBVE, eroding confidence in the system.⁵¹

The rehabilitation program's failures only became more evident to observers throughout the second half of 1919 as the pace of demobilization increased and the corresponding number of eligible veterans grew, highlighting the disparity between available resources and need. In an August report on vocational education, one *New York Times* reporter concluded that "from the first the contact of the representatives of the Federal Board with the men in the hospital—at a time of discouragement and doubt; when the stimulating hope offered by the vocational opportunity was most needed—[the FBVE] has been defective.... The result," he concluded, "is that thousands of disabled

⁵¹ Ibid.

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men who have been discharged from the hospitals are yet in doubt as to what is to become of them. Thousands of them, owing to the working of the law and the administration of it by different branches of the Government, have been without sufficient money to support themselves and their dependents."⁵²

Disabled African American veterans faced the greatest challenges in negotiating the complex veteran bureaucracy. In shoring up the wounded veteran's economic future, black veterans' participation in rehabilitation threatened the Jim Crow order by providing a vehicle for African American economic advancement, an outcome feared by white Americans who benefitted from racial stratification. In order to preserve white supremacy, Congress had purposefully entrusted the administration of the rehabilitation program to regional FBVE boards, rather than centralizing control at the federal level. In devolving management responsibility to local authorities—empowering these boards to accept or deny a veteran's application for benefits, Congress had implicitly sanctioned the segregationist practices of regional FBVE boards, many of which systematically denied African American veterans' claims. This was particularly true of southern FBVE boards, which, in addition to denying black veterans' applications outright, were also known to charge African American claimants illegal fees to complete necessary medical paperwork. As a result, thousands of black disabled veterans' petitions for support were denied; many others chose not to file claims rather than be humiliated by white FBVE agents who would ultimately reject their applications. The problem became so great that the National Association for the Advancement of Colored People (NAACP) began looking into the racist practices of FBVE boards in early 1919. That winter, NAACP President Walter White took up the cause of disabled black veterans' access to

52 Ibid.

rehabilitation when he started pushing for the inclusion of African American agents on FBVE boards in order to ensure equality of access to benefits. The agency eventually appointed J.R.A. Crossland to oversee vocational training for black veterans in 1921. Although Crossland used his position to highlight the mistreatment of disabled African American veterans and underfunding at segregated black training schools, he was largely unsuccessful in bringing about policy changes to improve access for African American veterans.⁵³

In spite of these major administrative failures, disabled veteran care received little legislative attention during the first year of reintegration, largely due to the fact that few Americans had firsthand experience with the bureaucratic infighting and delays that came to encapsulate the rehabilitation program. Disabled soldiers comprised a relatively small percentage of the total World War I veteran population. Of the nearly five million Americans who had served between 1917 and 1918, less than a fifth applied for disability benefits between demobilization and 1923 (the peak of the American rehabilitation movement). Of those veterans who sought support, only 200,000 received a 100% disability rating, meaning that they received regular aid from the state. Most applicants suffered from less visible ailments like muscle fatigue, shell shock, and the effects of poisonous gas.⁵⁴ Without a large group of knowledgeable, politically engaged citizens

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⁵³ Jennifer D. Keene, "The Long Journey Home: African American World War I Veterans and Veterans' Policies," in Veterans' Policies, Veterans' Policies: New Perspectives on Veterans in the Modern United States, ed. Stephen R. Ortiz (Gainesville, FL: University of Florida Press, 2012), 153-54. See also, Chad L. Williams, *Torchbearers of Democracy: African American Soldiers in the World War I Era* (Chapel Hill, NC: University of North Carolina Press, 2010); Adriane Lentz-Smith, *Freedom Struggles: African Americans and World War I* (Cambridge, MA: Harvard University Press, 2009); Peter N. Nelson, *A More Unbending Battle: The Harlem Hellfighters' Struggle for Freedom in WWI and Equality at Home* (New York: Basic Civitas, 2009).

⁵⁴ Kinder, *Paying with their Bodies*, 5.

calling attention to the problems at the FBVE and demanding change, it was easy for politicians to ignore the issues of underfunding and administrative dysfunction, and to instead direct resources toward more powerful interests, especially in light of pervasive concerns about fostering economic dependence among the disabled.

The American Legion completely transformed the political trajectory of rehabilitation reform with its embrace of this issue as its chief legislative objective in the fall of 1919. The Legion had initially been conceived by a small group of political elites as a vehicle for consolidating veterans' political power and channeling the "soldier vote" upon homecoming. Meeting over drinks, (son of the twenty sixth president and industrialist) Lieutenant Colonel Theodore Roosevelt, Jr., Assistant Adjutant General George A. White, (Wall Street lawyer and college footballer) Major William "Wild Bill" Donovan, and (Yale Ph.D. and civil engineer) Major Eric Fisher Wood first discussed the idea of founding a new, modern organization for veterans of the First World War in January 1919. Unlike the Grand Army of the Republic, this theoretical new group would be free of the former's damaging association with the imperiled Civil War pension program and would be an instrument for a new generation of veteran advocacy. 55

The desire for a new, untainted veterans' organization was pervasive among Doughboys. By the end of January 1919, ten separate groups had been established, threatening the Legionnaires' vision of a consolidated veteran voice. The Legion's strongest competitor was the Comrades in Service, an organization also founded in January by Congregational minister Ora D. Foster and Episcopal Bishop Charles Brent in concert with the Young Men's Christian Association (YMCA). The Comrades had been

⁵⁵ William Pencak, *For God & Country: The American Legion, 1919-1941* (Boston: Northeastern University Press, 1989), 49-50.

officially endorsed not only by President Woodrow Wilson, but most problematically for the Legion, by the overwhelmingly popular AEF commander, General John J. Pershing, who wielded great influence among both the officer class and the rank-and-file. In order to establish dominance over the Comrades, Roosevelt reasoned that he would need to find a way to get the general to walk back his endorsement. The lieutenant colonel recognized such an opportunity while visiting Pershing at the AEF's General Headquarters in Paris in February. During his visit to Headquarters, Pershing asked Roosevelt for advice on improving the morale of soldiers deployed to Europe awaiting demobilization. (Low morale had become a major problem for the AEF by the winter of 1919. Absent without leave and misbehavior incident rates had been on the rise since the November armistice, triggered by boredom and frustration about the slow pace of discharge). Although Roosevelt had planned to return to the United States after his visit to Paris, he proposed to Pershing that he cancel his trip and stay in Europe to organize a conference on morale instead, a suggestion which the general gladly accepted. 56

Roosevelt spent the following weeks cabling his political allies, asking them to attend his March 15-17 conference. He succeeded in convincing several powerbrokers to make the trip to Paris, including Missouri Congressman Colonel Bennett "Champ" Clark (son of Speaker of the House James Beauchamp Clark); financier Captain Ogden Mills; industrialist Franklin D'Olier; and his cousin, New York philanthropist George Roosevelt. On the second night of the conference, Roosevelt invited the conferees to dinner at the General Headquarter's Allied Officers' Club and took advantage of the relaxed setting to pitch the concept of the Legion to his friends. Whereas the Comrades

⁵⁶ Ibid., 49-53; Richard Seelye Jones, *A History of the American Legion* (Indianapolis: Bobbs-Merrill Co, 1946), 23.

was fundamentally a social club, rooted in religious tradition, Roosevelt described the need for a new, secular organization of veterans that could play a role in veteran policymaking. By restricting membership to former soldiers, this new organization would be able to claim a unique authority in shaping military policy. The idea of using a new veterans' organization as a policymaking vehicle appealed to the conference attendees who voted to include support for its creation in its official conference recommendations for Pershing. As Roosevelt had anticipated, the AEF commander was compelled to endorse the committee's report—lest he appear biased—including its support for the creation of the Legion, effectively undermining Pershing's earlier support for the Comrades.⁵⁷

Having outmaneuvered Pershing at the morale conference, Roosevelt and his allies moved quickly to establish the Legion as the dominant World War I veterans' organization by hosting a second caucus in the United States (in St. Louis from May 8-10). Like the Paris meeting, the St. Louis caucus was intended to both drive member registration as well as to structure the new organization. Although the caucus sponsors encouraged all veterans to attend, from the start, Legionnaires were disproportionately whiter, wealthier, and more politically connected than the AEF and the U.S. population as a whole. Of the 450 men who attended the Paris caucus, only 47 bore a rank lower than lieutenant. Fifty-five percent of St. Louis caucus attendees were officers.

Although the caucuses voted to allow African American veterans to participate in the organization, they did not mandate post integration. Instead, the organizers ceded membership control to local leaders, permitting them to decide who could participate in area meetings. In the north, African Americans joined both integrated and all-black

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⁵⁷ Ibid., 24-26.

posts, depending on local attitudes. In the south, posts were almost entirely segregated by race, a division that was reinforced by state officials who were empowered to accept or deny applications for the creation of new posts. Conditions were particularly hostile in Louisiana where the organization's state leaders rejected all applications to found "colored posts" outright, keeping the state's membership entirely white.⁵⁸

As historians Jennifer Keene and Christopher Nehls have shown, the young organization grew quickly during the postwar period due in large part to "official support from the American state." First, in spite of Pershing's early preference for the Legion's rival, the Comrades, General Headquarters lent communications equipment to Roosevelt in organizing the Paris caucus. Second, military intelligence worked to discredit another of the Legion's competitors: the World War Veterans. Most importantly, in the summer of 1919, Legion co-founder Congressman Bennett "Champ" Clark shepherded a bill through Congress chartering the organization, conferring an official state endorsement to the Legion's efforts. This rare designation (only the American Red Cross and the Boy Scouts of America had previously been honored in this way) helped to legitimate the organization in the minds of potential members and the public. By 1920, Legion membership had skyrocketed to 843,013 dues paying members.

From the start, the Legionnaires identified the reformation of the rehabilitation program as a chief goal. After Paris—in advance of the St. Louis caucus—Major Louis

⁵⁸ Keene, "The Long Journey Home," 151. Only 1,862 out of 380,000 eligible African American service members belonged to the Legion by 1925. Nehls, "A Grand and Glorious Feeling," 87.

⁵⁹ Quote: Ibid., 77; Jennifer D. Keene, *Doughboys, The Great War, and the Remaking of America* (Baltimore: The John Hopkins University Press, 2001), 155-56, 166-67, 170.

⁶⁰ Nehls, "A Grand and Glorious Feeling," 78.

⁶¹ Jones, A History of the American Legion, 344.

A. Frothingham organized a small group of interested delegates in developing a legislative agenda to present to the entire group for approval in May. Frothingham was a natural choice to lead this Committee on Resolutions. He had been a successful attorney and politician before the war—serving as Speaker of the Massachusetts House of Representatives and then Lieutenant Governor of the state, as well as a delegate to the Republican National Convention. Under his supervision, the newly organized Committee on Resolutions wrote ten proposals which were all subsequently endorsed by the St. Louis caucus, including one calling for improved services to disabled veterans on the grounds that it was the moral obligation of a veterans' organization to ensure that all soldiers—wounded or not—were properly cared for by their government upon homecoming. "Under the provisions of the existing law an *obvious injustice* is done to the civilian who entered military service, and as incident to that service is disabled," the Resolutions Committee argued. In order to right this wrong, the Legion pledged itself to "see to it that every disabled soldier, sailor and marine be brought into contact with the Rehabilitation Department of the Federal Board" to help educate disabled veterans about their current benefits, and to fight for expanded coverage, especially for those whose War Risk Insurance policies had lapsed while awaiting responses from the FBVE.⁶² Notably, Frothingham campaigned to include disabled veterans in this process as members of the Legion, rather than simply as beneficiaries of its efforts. In the face of calls to establish a separate division for disabled veterans, Frothingham fought back, successfully arguing that "we [the Committee on Resolutions] would prefer to have these men as full-fledged members in every post... I am more than happy to and in my own post a man who has

⁶² Summary of Proceedings and Committees, Caucus of the American Legion, St. Louis, 8-10 May 1919, American Legion Library (hereafter ALL.

suffered partial disability in this war [sic], and I can see no reason, because of his disability, why he should not be a full member of that post."⁶³ This refusal to allow the organization to be divided along lines of ability would be one of the Legion's greatest strengths in its campaign to reform disabled veterans' care.

Having won its members' support for legislative action at St. Louis, the Legion's leaders set about realizing their goals during the spring and summer of 1919 by first setting up a committee structure and then launching its first lobbying efforts. Under the constitution that had been approved by the caucuses, the Legion adopted a representative system of governance, based on the American model. Members served in local posts, where local veterans assembled to socialize and make community-level decisions. The posts were responsible for electing state-level officials, including the state department commander who was charged with overseeing the administration of all regional policy. These state leaders elected delegates to attend the Legion's most important policymaking event: the National Convention, which was held annually in different locations throughout the country. Between national conventions, the democratically elected national commander was charged with executing the organization's legislative program in concert with his National Executive Committee (NEC), a group of appointed leaders who came to be known as "the kingmakers"—a reference to the immense political, economic, and social power shared by the small cohort. While the national commander only served a one-year term, the Legion's bureaucracy experienced little turnover, and came to hold great power in setting organizational priorities.⁶⁴

⁶³ Ibid.

⁶⁴ For an excellent overview of the Legion bureaucracy, see, Pencak, For God and Country, 101-05.

The NEC met for the first time in June 1919 with the chief goal of setting up a committee system to manage the organization's diverse objectives, including its policy and membership initiatives. From the outset, the NEC recognized the importance of creating a strong lobbying apparatus—the National Legislative Committee—to advance its policy aims. The practice of lobbying had developed rapidly during the early twentieth century as interest groups increasingly embraced new communications technologies to shape public attitudes and influence policymakers. Whereas nineteenth century lobbyists had relied on personal conversations with legislators and congressional testimony to communicate their constituents' policy preferences, modern activists increasingly "took their causes directly to the citizenry."

Comprised of politicians and businessmen, the members of the NEC understood these developments and recognized the political value of renting office space for the Legislative Committee in Washington, DC. With a headquarters in the capital, Legion lobbyists would have easy access to Congress and the White House. The Legislative Committee was not alone in setting up shop in the capital; by the early 1920s, more than 500 organizations had year-round representation there. The NEC tapped two of its members to head the Washington-based subcommittee: former Democratic Senator Colonel Luke Lea of Tennessee and former Republican Congressman, Lieutenant Colonel Thomas W. Miller of Delaware, taking advantage of their relationships in both the House and the Senate and on the right and left to forward the Legion's agenda. Like other emerging interest groups, the Legion worked outside the party system, mobilizing

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⁶⁵ Christopher M. Loomis, "The Politics of Uncertainty: Lobbyists and Propaganda in Early Twentieth-Century America," *Journal of Policy History*, Vol. 21, No. 2 (2009): 188-89.

⁶⁷ Pencak, For God & Country, 54-55; Jones, A History of the American Legion, 28.

its members around veterans' causes, not partisan affiliation. With Lea and Miller at the head of the organization's lobbying division, the National Legislative Committee reached out to lawmakers on both sides of the aisle, forging "extrapartisan" relationships grounded in support for disabled veteran care.⁶⁸

While Lea and Miller began working with their former colleagues on Capitol Hill to write a bill reforming the rehabilitation program, Legion National Publicity Director (Pulitzer Prize winner) Captain Marquis James launched a full-scale assault on the FBVE in the press. James helped to found the American Legion Weekly in July 1919 in order to disseminate updates from the NEC to the organization's members. By the winter of 1920, the paper had a circulation of nearly one million, giving James an important platform for critiquing the government's approach to disabled veteran care. On September 19, James published a thorough study of the FBVE's work to date. Similar to the Association for Disabled Soldiers, Sailors, and Marines August report, James alleged that the FBVE had only succeeded in placing 3,923 of 230,000 eligible veterans in training programs and had only found permanent employment for 11 of those graduates. Based on these stunning figures, James called for "an official house-cleaning" at the FBVE. "The findings presented," he wrote, "are a black indictment on the Government's shameless neglect of our disabled veterans.... There must be a rectification of past wrongs. Men who put their trust in the early and extravagant pursuits of the Federal

⁶⁸ Clemens, *The People's Lobby*, 2. On the Farm Lobby during this period, see, John Mark Hansen, *Gaining Access: Congress and the Farm Lobby, 1919-1981* (Chicago: University of Chicago Press, 1991). There are many good accounts of temperance organizing. See, for example, K. Austin Kerr, *Organized for Prohibition: A New History of the Anti-Saloon League* (New Haven, CT: Yale University Press, 1985); Peter H. Odegard, *Pressure Politics: The Story of the Anti-Saloon League* (New York: Columbia University Press, 1928).

Board for Vocational Education must have that trust restored." James argued that that trust had been eroded by callousness on the part of FBVE.

In many instances, [the FBVE] has placed so narrow a construction on the law as to indicate a conscious effort to diminish the number of disabled men to whom it shall be obliged to give training and subsequent employment. Wages of crippled men are confiscated. Only the 'major handicaps,' embracing the totally disabled, the blind and the seriously maimed are considered at present. The others are told to find work with the oily promise that their cases will receive attention in "due course."

In another series of articles, James suggested that even those who did not suffer the indignity of being dismissed upfront faced significant hurdles in claiming their benefits. First, James explained, the disabled veteran was required to present himself to an interviewer at one of the FBVE's district offices where he received assistance filling out an application for aid from a bureaucrat earning \$3,600 annually to do a task "not so difficult for the average mind to grasp," a humiliation for the indigent veteran who sacrificed his civilian career to serve in the military. Based on the veteran's application, James described how the interviewer then assumed control of the former soldier's future by determining an appropriate occupation for him and assigning any necessary training. James added that before the training could begin, the veteran's application was sent on to a district level medical officer for verification that the ex-serviceman was not perpetrating a fraud against the nation, a further degradation. The medical officer then reviewed the veteran's file to confirm that his disability was real and service-connected before a Placement Officer (earning a yearly salary of \$3,500) also reviewed the file in order to forward it on to the Case Board. The Case Board again evaluated the veteran's application before sending it upward along the chain to the FBVE's Central Office in

⁶⁹ Marquis James, "A Debt of Honor Paid with a Worthless Check," *American Legion Weekly*, Vol. 1, No. 12 (19 September 1919): 7-9, 22.

Washington where James sarcastically described how this "august body" made a final determination about whether or not the veteran qualified for the training that he applied for so long ago. If he did, his case file would be forwarded to a Supervisor of Training (earning, to James's dismay, \$4,000 annually) who then became responsible for managing the veteran's training program. One month before the veteran's training ended, another official—a placement officer—would assume responsibility for the veteran's case, in order to assist him in securing permanent employment. It is "this *elaborate and duplicatory system* [that] has tended to produce the delays which have so disheartened the maimed ex-serviceman and bereft him of faith in the Board," James concluded.⁷⁰

With pressure for change building, the Legion's first National Convention reaffirmed the organization's commitment to improving care for disabled veterans by adopting four related resolutions calling for the expansion of war risk insurance and vocational education programs. Most importantly, Lea and Miller succeeded in convincing the 684 delegates to support a bill that was introduced (with their tacit approval) in the House of Representatives at the end of August by Iowa Republican Burton Sweet, increasing funding for rehabilitation. With the national convention's support, Lea and Miller began to increase the pressure on their former colleagues in Washington to pass the bill by not only setting up private meetings, but also calling on Legion members to write to their representatives demanding support for disabled veteran care. Legion pressure helped the bill to clear the House, but it stalled in the Senate

⁷⁰ Marquis James, "A Pledge that Must be Redeemed," ibid., 10-11, 27-28. Emphasis added.

⁷¹ Summary of Proceedings, First Annual National Convention of the American Legion, 10-12 November 1919, ALL.

where, by December, it looked like the proposal might die without making it out of the Appropriations Committee.

Lea and Miller took advantage of an invitation to a three-day conference on the future of veterans' legislation from WRIB Director R.G. Cholmeley-Jones to push the floundering bill along. On the second night of the conference, members of Congress (including Senate Appropriations Chairman Senator James Eli Watson) hosted the Legionnaires at a dinner in the Capitol basement. Miller brought a group of convalescing ex-servicemen from Walter Reed Army Medical Center with him and introduced the wounded veterans to the legislators, saying, "These men are only twenty minutes away from your Capitol, Mr. Chairman [Watson], and twenty minutes away from your offices, Mr. Cholmeley-Jones. Every man has suffered—actually suffered—not only from his wounds, but in his spirit, which is a condition this great Nation's Government ought to change." For the next three hours, the men from Walter Reed described the challenges that they faced in claiming their benefits. The Sweet Bill passed the Senate two days later and was signed into law by President Wilson on Christmas Eve 1919.⁷²

The Legion's role in promoting the Sweet Bill catapulted the organization to national political prominence. The *Wall Street Journal* profiled the Legion shortly after the bill signing, suggesting the potential power of the young organization. "The surprising manner in which the Sweet bill, increasing the allowances for disabled soldiers was hustled through the Senate when the American Legion got behind it, is only an example of what may be expected when the organization increases in size and power."⁷³

⁷² Kinder, *Paying with their Bodies*, 151-52.

^{73 &}quot;American Legion Makes Strides in Influence," Wall Street Journal, 31 December 1919, 12.

As the organization's reputation grew, the Legion doubled down on its support for disabled veteran care reform, a cause that seemed to resonate with the public, driving support for the Legion in turn. "The first duty of the American Legion," NEC member A.A. Sprague wrote, "is to see that those men who came back from their service, blinded, maimed, broken in health and spirit, who must live through the war forever in their homes through the country, get a square deal from the Government they fought for." National Commander Frederic W. Galbraith stressed this point in a 1920 speech, highlighting his organization's role in delivering services to the war wounded. "The American Legion indorses [sic] the demand that governmental agencies take adequate care of sick and wounded veterans and plans to press its demand for payment of that debt by action of congress. Practical and sympathetic work for the hospitalization and care of sick and disabled ex-service men and women will be the foundation of the Legion's work this year. The Legion is cooperating with and assisting the government agencies charged with paying this debt."

Rehabilitation reform emerged as the Legion's key cause during the summer of 1919. The organization dedicated more time and resources to promoting this issue than any of its other initiatives not only because disabled care reform resonated with its mission, but because it served the Legion's larger purposes: to expand its political legitimacy and ability to influence policymaking. Legionnaires of all political and social backgrounds found reason to support rehabilitation reform, driving membership. In turn, as the Legion found success in lobbying for the issue—pushing through the Sweet Bill, for example—it began to earn the confidence of its members and establish a reputation in

⁷⁴ American Legion National Rehabilitation Committee, *The American Legion at Work for the Sick and Disabled: Report of the National Rehabilitation Committee* (Chicago: P. Pagett, 1922), 30.

^{75 &}quot;Legion to Fight for U.S. Care of Disabled 'Vets,'" *Chicago Daily Tribune*, 26 October 1920, 14.

Washington as an important and powerful interest group that should not be underestimated.

IV.

In spite of the Legion's success in lobbying Congress to increase payments to disabled veterans via Sweet, the underlying problems plaguing the rehabilitation program persisted. A series of *New York Evening Post* articles helped to remind the public of the persistent need for systemic improvement. In January 1919, The *Post* hired journalist Harold Littledale as a special reporter to investigate complaints about the FBVE's performance. Born in India, Littledale served in a British tank unit during the war before resettling in the United States where he accepted a series of contracts with major newspapers. Beginning on February 16, 1920, Littledale published daily articles on his findings, alleging malfeasance on the part of the FBVE. The incremental and inflammatory nature of the reporting drew major national attention to Littledale's stories. In the articles, Littledale accused the FBVE of failing to carry out its responsibility to disabled veterans despite what he described as "ample" funding (Congress had gradually increased financial support for rehabilitation through legislation like the Sweet Bill), placing the failure squarely on the FBVE's shoulders. Littledale traced the greatest breakdown to the FBVE's initial eligibility screening process. Out of 209,000 program applicants, Littledale found that the FBVE had only deemed 110,000 qualified for training, suggesting that, from the start, the agency had disqualified more than half of the disabled soldiers seeking training despite Congress's promise to provide rehabilitation services to all those wounded in service.

Ultimately, Littledale found that it was not organizational failures or underfunding that stymied the FBVE's performance, but an unwillingness to "grasp the human problem involved in this work." The FBVE, Littledale argued, had "adopted an attitude of hostility [toward its constituents] rather than one of helpfulness." This outlook seemed to be reflected in an internal FBVE memo that Littledale had uncovered, instructing agents to harden themselves to veteran applicants. "The organs used in approving cases are the eyes and the brain. The ears and the heart do not function. Be hard-boiled [in evaluating applications]. . Put cotton in your ears and lock the door. If you are naturally sympathetic, work nights when nobody is there." 76

Americans were horrified by the so-called "hard-boiled order" as it seemed to confirm that the FBVE was purposefully denying disabled veterans their benefits.

Although FBVE Chief of Vocational Education Uel W. Lampkin disavowed the memo, claiming that it was an informal document that had been created by state agents in the New York office, not by administrators in Washington, the agency suffered irreparable damage to its reputation. Even after the FBVE fired the author of the hard-boiled order, Republican Congressman, James Husted of New York, called for an investigation into malfeasance at the agency. Conducted by the House Committee on Education, the high profile hearings lasted from March through May and deeply embarrassed and discredited the FBVE. The hearings focused not only on the origins of the hard-boiled order, but also on the bureaucratic culture that had produced it. As Husted explained on the first day of the investigation, the committee was not only interested in the author of the hard-boiled order but in conducting a general review of the agency. "I think we are all more or

⁷⁶ Harold Littledale, "Disabled Soldiers Untrained after 19 Months of Red Tape," *New York Evening Post*, 16 February 1920, 1; Congress, House, Committee on Education, Charges Against the Federal Board for Vocational Education: Hearings before the Committee on Education, 66th Cong., 2nd sess., May 1920.

less disappointed with the results that have been obtained by the board," Husted explained at the start of the hearings. "I think we feel that they [the FBVE] have had time enough, that they have had money enough to accomplish more than they have accomplished."⁷⁷ Facing daily attacks on their administrative performances, FBVE bureaucrats were ineffectual in their defense, suggesting that any problems at the FBVE were simply "small defeats." ⁷⁸

Outside the hearing room, pressure mounted for Congress to publicly condemn the FBVE. On April 21, the *Philadelphia Public Ledger* profiled 10,000 "former soldiers, sailors, and marines [who were] suffering from tuberculosis and from nervous and mental diseases, including insanity, and not receiving proper medical care" because of insufficient facilities.⁷⁹ A few weeks later, 3,000 disabled veterans marched in protest to demand better treatment from the New York FBVE branch. Alan Bruce Conlin, President of the Associated Federal Board of Students held a press conference in which he summarized the plight of the disabled veteran. "Many of the veterans have discontinued their War Risk Insurance in order to meet other expenses." As a result, they unwittingly sacrificed their right to participate in programs like vocational rehabilitation, condemning them to a bleak economic future. 80 The editorial board of the Pittsburgh Dispatch summed up the feelings of many when it concluded, "if one-half of what is being told about the failure to provide for [disabled veterans] is true, it is case for national abasement."81

The House Education Committee agreed, and in a formal report, charged the

⁷⁸ "See Inexcusable Delay by Vocational Board," New York Times, 5 June 1920, 27.

 ^{79 &}quot;Disabled Soldiers," *Chicago Daily Tribune*, 21 April 1920, 8.
 80 "Disabled Students Seek Further Aid," *New York Times*, 2 May 1920, E6.

⁸¹ Kinder, Paying with their Bodies, 104.

FBVE with "inexcusable delays" in rehabilitating soldiers. In order to improve conditions, the Committee called for increased staff to speed up application processing as well as the FBVE's transfer to the Treasury Department.

The Legion also supported administrative reorganization as the best means of improving care for disabled veterans, although, unlike the Education Committee, the NEC backed a more ambitious plan that called for the consolidation of all three agencies responsible for veteran care (FBVE, WRIB, PHS) under one director in order streamline the delivery of services. After receiving the membership's support for consolidation at the 1920 National Convention, the NEC hosted a meeting with the heads of the three bureaus at the end of November to apprise them of its intent to lobby for reorganization legislation. NEC member John Sherbourne explained the Legion's policy to department heads, noting, "I have read every one of your appropriation bills and I find that the money you have to spend for the soldiers, sailors, and marines is much greater than for all other purposes. Now we don't want to be rough and we do not want to impair or handicap any governmental agency unnecessarily, but we are faced with the problem of government agencies not functioning and we do not propose to permit any single agency to stand in the way."82 The directors acknowledged the Legion's frustrations but insisted that their missions were too unique to be combined.

Nevertheless, the Legion continued with its campaign to join the departments and issued what it called "the memorial"—a document calling for consolidation based on the agencies' histories of "suffering, shameful neglect and injustice"—to President Wilson on January 10, 1921. In the document, the Legion argued that the agencies "must be co-

⁸² A.P. Night Wire, "Seeks to Cut Red Tape," Los Angeles Times, 28 November 1920, 11.

ordinated [sic], their machinery decentralized, and all three placed under common control" in order to carry out the promise that Congress made to its veterans in 1918. "The US has been more liberal than other nation in its provision for the disabled soldiers," the document began,

but it has failed in large measure to make these provisions available [due to] an astonishing state of divided responsibility and wasted effort among the Government agencies with the which the problem rests. In the rehabilitation of a disabled man there are three needs—medical treatment, vocational training, and financial support. The Government has recognized three needs, but overlooks the fact that they are the simultaneous needs of one man, not of three different men or of one man at three different times.

Under the current system of administrative decentralization, the Legion charged the government with "mak[ing] three problems out of what really is one three-part problem." By failing to recognize the mutuality of the disabled veteran's needs, government has created "an amazing spectacle of administrative chaos, duplication, wasted energy and conflict..."

The NEC not only applied political pressure on the White House, the Legislative Committee—now led by John Thomas Taylor—also coordinated a public relations campaign to inform Congress and the wider public about the need to reorganize veterans' benefits administration. Taylor's committee forwarded copies of the memorial to every member of Congress, noting the importance of this issue to their veteran constituents. To underscore this point, the Legislative Committee called on posts across the country to take out ads in local papers featuring the memorial in order to make civilians aware of the alleged malfeasance in disabled veteran care. The campaign was highly successful. The memorial was printed in hundreds of newspapers across the United States. Many Americans were moved by the Legion's patriotic appeals and horrified to learn that

83 "War Relief System Termed a Failure," New York Times, 10 January 1921, 9.

disabled veterans were struggling to claim their rights. In asking the president and Congress to reform the rehabilitation program through administrative reorganization, rather than simply calling for increased funding, the Legion offered a solution amenable to Americans across the political spectrum.

During the spring of 1921, hundreds of citizens groups—ranging from the Republican Neighborhood Association to the City Gardens Club of New York City to the Federal Council of the Churches of Christ—forwarded copies of the memorial onto their representatives, including addendums testifying to their support for the Legion's cause. 4 Celebrities also organized in support of the veterans. In February, boxer Jack Dempsey, actor Douglas Fairbanks (fresh off the set of *Zorro*), and First World War pilot Eddie Rickenbacker sponsored a parade and dinner event in New York City to raise money for disabled veterans where General Pershing gave a powerful speech before the National Press Club demanding "justice for the wounded." The popular general explained that while "governments and peoples are prone to forget the services to soldiers, sailors and marines when the war is over," the media must exert its influence to "see that the needed relief legislation is passed without delay." Backing the Legion's proposal, Pershing insisted that "no longer [should] there be divided authority and legal technicalities to prevent the necessary coordination in meeting this problem."

Warren G. Harding inherited the FBVE's problems when he assumed the presidency on March 4, 1921. Elected on a promise to "return [the country] to normalcy"

⁸⁴ Resolutions for the Republican Neighborhood Association, 6 April 1921, Warren G. Harding Papers (hereafter WGHP), File 95, Box 544, Folder 2; Resolution from the Gardens Club of New York City, 12 April 1921, ibid.; Letter from the Federal Council of the Churches of Christ to Warren G. Harding, 26 April 1921, ibid.

⁸⁵ "Celebrities to Aid Disabled Veterans," *Los Angeles Times*, 25 January 1921, 115.

^{86 &}quot;Pershing Heroes' Aid," Washington Post, 9 February 1921, 1.

after the chaos of the war years, the new president seemed poised to bring order to the administration of veterans' affairs. Surprisingly, given the extent of public backlash against alleged FBVE abuses, the rehabilitation program was not an issue in the 1920 presidential campaign. This was largely due to the fact that disabled care reform was largely seen as a bipartisan issue, a perception shaped by the Legion itself, which played a key role in shaping public opinion in this area. Legionnaires were themselves divided along partisan lines, a division that the organization confronted for the first time in 1920, the first national election since its establishment nearly two years prior. From its inception in Paris in the winter of 1919, the organization's founders had insisted that the Legion stay out of partisan politics. Pointing to Civil War era veterans' groups' ties to the Republican Party (and the damage that those associations had ultimately wrought on the reputations of organizations like the Grand Army of the Republic), Legionnaires believed that, in opening their organization to veterans from both parties, they would increase their own political power as an interest group. However, in spite of the organization's commitment to "be absolutely non-political," the realities of campaign season made it impossible for group members to live up to the pledge.⁸⁷ During the fall of 1920, Legionnaires across the country endorsed candidates from both parties for local, state, and national offices despite the organization's supposed commitment to nonpartisanship. After the election, the NEC was forced to reevaluate how it would apply its slogan "Policies—Not Politics" in the future. 88 At the organization's third annual National Convention, the group voted to allow its members to participate fully in partisan

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⁸⁷ Theodore Roosevelt, Jr. "Why I Back the Legion," *American Legion Weekly*, Vol. 1, No. 6 (8 August 1919): 14.

^{88 &}quot;Policies and Politics," American Legion Weekly, Vol. 1, No. 11 (12 September 1919): 12.

politics while the organization continued to refrain from officially endorsing either party.⁸⁹

Three weeks into his tenure, Harding created a committee to study the Legion's consolidation proposal. The new president appointed financier Charles G. Dawes to head the commission. Dawes had served as comptroller of the currency to President William McKinley before organizing the Central Trust Company of Illinois in 1901. During the World War, he returned to government, serving as the head of supply procurement for the AEF. 90 The rest of the group was made up of agency heads and Legion representatives (including National Commander Franklin D'Olier, former Congressman Thomas Miller, former Senator Luke Lea, Theodore Roosevelt, Jr., and former National Commander John Galbraith), reflecting the organization's growing political legitimacy. Harding tasked the commission with reviewing the entire rehabilitation program, explaining in an introductory letter to the group that the "the matter of inquiring into the administration of the laws providing for the care of disabled soldiers and their vocational training is so urgent and vital that I have thought it advisable to have a report which I may lay before the Congress and the country, so that we may start exactly right on this vast and important work."91

To ensure a thorough review, the president insisted that the agency heads provide the Dawes Commission with all requested documentation. Nevertheless, despite the group's mission to review the state of disabled veteran care—and the Littledale

⁸⁹ Pencak, For God & Country, 108-12.

⁹⁰ University of Illinois at Chicago Library, "Biography of Charles Dawes," http://findingaids.library.uic.edu/sc/MSDawe92.xml#ref3.

⁹¹ Press Release, 28 March 1921, WGHP, File 95, Box 545, Folder 6.

accusations, Harding directed the commission to focus its attention on administrative process and not the agents' intentions, the subject of the Education Committee's recent investigation. "There need be no inquiry into the intent of the Government," Harding wrote in a letter to the commission, "because I think it is well understood that every agency desires to deal justly and generously with those of its defenders who were impaired in the nation's defense."92 This did not seem like a forgone conclusion given Littledale's reporting, the Education Committee's findings, and the tenor of the winter protests against the "hard-boiled" character of the FBVE. Why, then, did Harding issue this directive, effectively limiting the commission's investigation into the bureaucratic culture at the FBVE, War Risk Insurance Bureau, and Public Health Service? The president likely understood that, in order to make useful organizational recommendations, the commission needed the agencies' support in providing up-to-date information, assistance that the commission would be unlikely to receive if it was investigating the moral character of the bureau directors and their deputies. While this political calculation made sense, it also ultimately prevented a full evaluation of the problems undermining effective disabled veteran policy, an issue that would continue to resurface throughout the decade.

After months of study, the Dawes Commission concluded that bureaucratic dysfunction was the root cause of limited services to constituents. "It cannot be strongly emphasized," the committee explained in its May report,

that the present deplorable failure on the part of the Government to properly care for the disabled veterans is due in large part to an imperfect organization of governmental effort. There is no one in control of the whole situation. Independent agencies by mutual agreement now endeavor to coordinate their action, but in such efforts the joint action is too often modified by minor

⁹² Letter from Warren G. Harding to Henry J. Berry, 28 March 1921, ibid.

considerations, and there is always lacking that complete cooperation which is incident to a powerful superimposed authority.

As a result, "the ex-service person finds it extremely difficult to obtain the prompt, generous and sympathetic treatment which the Congress and the country intended he should receive." In stressing Congress's intention to disburse a generous rehabilitation package to disabled veterans, the Dawes Commission framed its investigation, not as a referendum on the future of disabled veteran care, but on the involved agencies' track records in delivering services that had already been purchased by the American people. There was no question in the report as to whether or not the war wounded should be generously rehabilitated with medical care and vocational programs; instead, Dawes—in concert with the Legionnaires on the board—looked for ways to more effectively deliver services to the veterans. Ultimately, the commission advised that the FBVE, WRIB, and PHS be consolidated into one agency, and all made responsible to a single director, who would in turn report directly to the president. By streamlining the process, the committee argued that the veteran would receive services far more efficiently than he did under the current process. ⁹³

Shortly after the report's release, the House Committee on Interstate and Foreign Commerce opened hearings into the Dawes Commission's findings. Legionnaires John Thomas Taylor, John Galbraith, and Dr. Thomas W. Salmon (Director of the Legion Hospitalization Committee) all testified in support of the commission's recommendations. At the end of May, a few weeks into start of the new legislative session, Legion ally Congressman Burton Sweet introduced a bill in the House calling for the consolidation of the three agencies. (The bill was similar to the proposal outlined in the Dawes report,

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⁹³ Report to President Warren G. Harding by the Dawes Commission, ibid.

except that, whereas the commission called for the three bureaus to be consolidated as an independent agency, Sweet suggested that they be absorbed by the Treasury Department. Senator Reed Smoot of Utah introduced a similar bill in the Senate two days later).

The Legion mobilized quickly to support congressional efforts to restructure the administration of veterans' affairs. Whereas, the "situation surrounding the broken veteran of the World War" had seemed to "drift during the last two years from bad to worse to intolerable" (as one Legionnaire described it), with little attempt to stymy to collapse, the NEC was energized by new, bipartisan interest in the Legion's reorganization proposal.⁹⁴ Modeling its successful December 1920 letter-writing campaign on behalf of the Sweet Bill, the Legislative Committee again called on posts across the country to mobilize in support of administrative reorganization. National Commander Galbraith instructed post commanders to adopt pro-consolidation resolutions in local meetings. He then called on local leaders to mail four copies of their respective resolutions to Washington: "one to the member of the House of Representatives from your district, one to each of the senators, and one to the chairman of the National Legislative Committee of The American Legion at Washington" (to confirm action). The NEC also urged individual Legionnaires to supplement their posts' resolutions with personal letters to Congress, further underscoring veterans' support for the Legion's proposal. Galbraith privately anticipated that the organization could produce at least ten thousand post resolutions and more than a million individual letters over the course of a

^{94 &}quot;Urgent—Rush," American Legion Weekly, Vol. 3, No. 14 (8 April 1921): 12.

month, "bring[ing] to a victorious conclusion the Legion's fight in as noble and worthy a cause as we shall ever be called upon to espouse..."

Although Legionnaires failed to meet Galbraith's total projections (veterans sent an estimated 63,500 resolutions, petitions, letter, and telegrams throughout the month of May 1921—which translated into 100 contacts per representative and 200 per senator), the organization's ability to quickly mobilize a mass letter writing campaign underscored the Legion's rapidly growing political power. Comprised of top business leaders and former politicians, the NEC—and particularly, the Legislative Committee—understood how to effectively leverage constituent opinion in order to lobby Congress. "The majority of these appeals for relief for the disabled have specifically indorsed [sic] the Legion program and have been obviously inspired by exhortations in *The American Legion Weekly*, by speeches of the National Commander, by mass-meetings held throughout the country and by bulletins from National Headquarters," the *Legion Weekly* reported at the end of the month. 96

Congress passed an "Act to Establish the Veterans Bureau"—consolidating the FBVE, WRIB, and PHS—at the end of the summer. In a statement to his members, National Commander Galbraith celebrated the organization's accomplishments, suggesting that "the American Legion has taken the cause of the disabled man from the obscurity of legislative pigeon-holes and bureau files and made it one of the great, living, national issues of the day. The Legion succeeded in this because it put its very soul to the

⁹⁵ F.W. Galbraith, Jr., "Tell Congress you are Behind the Legion's Programme," *American Legion Weekly*, Vol. 3, No. 16 (22 April 1921): 8.

⁹⁶ "63,000 Petitions Supporting Disabled Legislation have Reached Congress—Where's Yours?," *American Legion Weekly*, Vol. 3, No. 20 (20 May 1921): 12.

task." Galbraith was right. In making disabled care reform the organization's chief legislative priority, the NEC had tied the Legion's political fortunes to the reformation of the rehabilitation program. By successfully championing agency consolidation as a means of achieving that goal, the Legion had earned credibility as an important player in veteran politics.

V.

President Harding signed the consolidation bill into law on August 9, 1921 and tapped Charles R. Forbes—a retired army lieutenant and the former director of the WRIB—to head the newly created VB. As with many Harding administration appointees, Forbes was a long-time ally of the president; the two met in 1915 while Harding was on vacation in Hawaii and they had become close friends. After Harding's election, Forbes received one of many patronage appointments (the president was famous for creating an "Ohio Gang" in Washington, made up of his political allies from Marion). Shortly after taking office, Forbes issued a new pledge to disabled veterans, promising that all would "get a square deal" at the VB. Whereas bureaucrats had once been "hard-boiled," the director guaranteed that "employees will [now] give you a cordial welcome and full information concerning your cases." He also committed his agency to providing veterans with legal advice about the laws and statutes relevant to their cases. "You will not be given short and unsatisfactory answers to your questions, but will be properly and sympathetically advised." Finally, Forbes insisted that, in delivering on

⁹⁷ F.W. Galbraith, Jr., "Tell Congress you are Behind the Legion's Programme," *American Legion Weekly*, Vol. 3, No. 16 (22 April 1921): 8.

⁹⁸ Eugene P. Trani and David L. Wilson, *The Presidency of Warren G. Harding* (Lawrence, KS: The Regents Press of Kansas, 1977), 46, 181.

these promises, the VB was simply providing the ex-soldiers with "every benefit which your grateful Government has provided," services that had often been withheld in the past. 99

When he took office at the end of the summer of 1921, Forbes understood that, from its inception, the VB's reputation was badly damaged by its association with its constituent bureaus. Two years of bad press and congressional hearings on the decaying state of veterans' affairs had severely undermined the public's confidence in the state's ability to administer benefits. By contrast, during this period, the Legion had emerged as an authority on disabled veteran care, fashioning itself as an expert on the subject by highlighting the government's failures. In order to win back the public's trust, Forbes's first act as VB Director was to reach out to the Legion's NEC (as well as the Red Cross) to ask for their help with informing disabled veterans about their benefits and the processes for claiming those entitlements. By working with the Legion, Forbes hoped that the organization would confer legitimacy on the VB. For its part, the NEC embraced the opportunity to work with the agency as a means of not only assisting veterans, but also of further expanding its own political influence. Within months, the Legion had placed a representative in each of the VB's state "clean up squads"—groups of VB workers tasked with informing local veterans about their rights under the War Risk Insurance and National Rehabilitation Acts. In addition, the Legion also stationed a "full time liaison" in each of the VB's fourteen regional offices, further aligning the missions of the two groups. Albert E. Hahn, Director of the Legion's National Service Division

⁹⁹ Charles Phelps Cushing, "Chain Store Service for Ex-Service Men," *American Legion Weekly*. Vol. 4, No. 1 (6 January 1922): 5.

touted the closeness of the relationship, explaining that "the Legion is being called upon to play a big part... and to play that part in a big way." ¹⁰⁰

Despite Forbes's pledge to "clean up" veterans' affairs by streamlining the benefits application process and increasing transparency, by the winter of 1922 (a few months into the new director's tenure), veterans' organizations began to complain that circumstances had not improved at the consolidated VB, alleging that disabled veterans continued to wait for the medical care and vocational training they had been promised. At the beginning of January, the Disabled American Veterans (DAV), an organization representing veterans of the First World War who had been injured while serving, sent Harding a petition accusing the new agency of "gross neglect, callous indifference, deliberate profiteering and inadequate treatment." Having initially taken a wait-and-see approach with the new agency, the leaders of the DAV explained to the president that they could no longer refrain from criticizing the agency because of the declining quality of care. Pointing specifically to the 6,298 "mentally afflicted veterans" who remained on waiting lists for assistance, the DAV questioned the slow pace of benefits disbursement. The organization also criticized the VB's reliance on private medical facilities, noting that in the president's own home state of Ohio, private asylums earned a profit of \$300 a year for each service man treated. "What is true in Ohio," DAV National Commander Robert S. Marx explained to Harding, "is true in practically every state in the Union, because of the failure of the United States to provide adequate facilities for [the] medical care... We charge that not only are these cases totally neglected, but that in thousands of

¹⁰⁰ Albert Hahn, "Legionnaire, This Nation-Wide Clean-Up Campaign is Your Opportunity," *American Legion Weekly*, Vol. 3, No. 33 (19 August 1921): 6; "Legion to Give Active Help to Ex-Service Men," *Chicago Daily Tribune*, 14 January 1922, 14.

cases the United States Government has farmed out its responsibility to care for its own fighters..."¹⁰¹

The Legion also questioned the VB's work. In a letter to Forbes, National Commander Hanford MacNider expressed to the director that while he hoped for the "immediate accomplishment" of the clean up drive (in which the Legion was participating), he had concerns about the agency's (lack of) progress in treating disabled ex-soldiers. A survey of Legionnaires had revealed that thousands of disabled veterans seeking treatment remained on waiting lists for assistance because there were simply not enough medical facilities to meet the ex-soldiers' needs. MacNider stressed the consequences of deferring treatment, telling Forbes that "a man should feel that once he turns himself over to the government for rehabilitation the government is going to take care of him and his dependents... It will mean the saving of thousands of lives to correct the physical condition of these men while there is still a chance to benefit them."

Forbes categorically denied the allegations, telling the press that he had "no patience with the statement that is made that the Government has done nothing for the care of the disabled ex-service men and that the Government has been entirely and completely derelict in the performance of its duty." Instead, he argued that the VB had done its best with inadequate funding, foisting the blame for the bureau's failures onto Congress. Responding to Forbes's criticism, the legislature made additional appropriations for hospital construction in April, allocating 12 million dollars for fiscal

¹⁰¹ "Disabled Veterans Charge Abuse," *New York Times*, 17 January 1922, 4; "Disabled 'Grossly Neglect,' Charge," *Washington Post*, 17 January 1922, 5.

¹⁰² "Legion Urges Speed on Veteran Claims," ibid., 2.

¹⁰³ "Denies any Neglect of Ex-Service Men," New York Times, 2 February 1922, 8.

year 1923 and an additional 5 million for fiscal year 1924 (on top of the 18.6 million it had already set aside for fiscal year 1922).¹⁰⁴

Despite his efforts to deflect blame onto other sources, Forbes's agency was widely faulted for the purported deficiencies in care. In the spring of 1922—less than a year after the VB was created—Arizona senator, Democrat Henry F. Ashurst leveled a new round of accusations against the bureau, charging the VB with failing to provide sufficient treatment to veterans suffering from tuberculosis. Thousands of desperate veterans had moved to Arizona in recent years, Ashurst testified, hoping that the dry desert climate would help to abate their symptoms. "The Veterans' Bureau," the senator argued, "is permitting veterans to die in the streets of Arizona cities. These soldiers are dying for want of proper hospitalization. It is a shame and a disgrace to the country." Throughout the summer of 1922, Ashurst campaigned to open a congressional investigation into VB procedures.

While the VB was damaged by these accusations of poor administration and insufficient care, it was nearly undone by growing rumors of fraud and negligence at both the district and national offices. Beginning in March 1922, after working cooperatively with the VB on its clean up project for more than six months, several mid-level Legionnaires publicly questioned the integrity of the agency officials with whom they had been partnering. At a press conference, William M. Deegan—New York State Commander—suggested that the "deplorable condition of ex-service men in New York,"

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 ¹⁰⁴ U.S. House, Committee on Investigation of United States Veterans' Bureau, Report of Counsel to Select Committee on Investigation of United States Veterans' Bureau of United States Veterans' Bureau Second Preliminary Report (H.Rpt.103-2). (Washington, DC: Government Printing Office, 1924).
 105 "Veterans 'Die in the Streets," New York Times, 4 April 1922, 11.

New Jersey, and Connecticut was the result of strife among politicians in those States over the juicy plums in the local offices under the United States Veterans Bureau." ¹⁰⁶

The Sargent Jasper Post in Washington, DC charged its local VB with "gross ineffiency" and the Stuart Walcott Post called for an inquiry into the leaders of the midatlantic office. ¹⁰⁷ In April, Texas lawmaker Republican Representative Sam Rayburn called for an investigation into potential fraud at the Dallas branch as well. ¹⁰⁸ The rumors continued to build throughout the fall and winter of 1922, implicating the central office itself. By the end of year, reporter Marquis James noted that "if one half of what reaches the ears of this writer during an expeditious examination of the situation in Washington assumes even the unsubstantial form of 'charges' or 'testimony' before the bar of that inquiry there will be stir enough. There will be headlines that exude official scandal in its most engaging forms—of politics and partisanship, of pork-barreled and pie-counter methods…" ¹⁰⁹

James's sources were correct. At Forbes's direction, VB agents had engaged in a massive conspiracy to defraud the U.S. government by awarding private contracts in exchange for kickbacks. Although veteran leaders and their allies had made these charges privately for nearly a year, it was the president's personal physician, Charles Sawyer—a homeopathic doctor from Harding's hometown of Marion, Ohio—who turned a spotlight on the allegations. In December 1922, Surgeon General H.S. Cummings told Sawyer that he had heard rumors about the misuse of government property at a VB medical facility in Perryville, Maryland. According to Cummings, VB agents were

^{106 &}quot;Veterans' Plight Laid to Politicians," New York Times, 29 March 1922, 12.

^{107 &}quot;Attack Veterans' Bureau," Washington Post, 29 March 1922, 2.

¹⁰⁸ "Two Veteran Offices to be Investigated," New York Times, 2 April 1922, 14.

¹⁰⁹ Marquis James, "What's Wrong in Washington," *American Legion Weekly*, Vol. 5, No. 11 (16 March 1923): 11.

negotiating deals with an outside firm to sell government supplies (like linens and towels) at twenty percent of their face value. Cummings questioned the sale given the VB's need for the materials. After speaking with Cummings, Sawyer reached out to Attorney General Harry Daugherty (another member of the Ohio Gang) asking him to look into the situation at Perryville. Although Daugherty could not find any conclusive evidence of corruption, he heard the same rumors as Cummings—that VB agents were unloading needed supplies at a fraction of their value. Concerned, Daugherty brought the matter directly to the president. In a January meeting, the Attorney General raised the possibility with Harding that Forbes and his subordinates might be taking kickbacks in exchange for reducing the prices on the goods. When Harding questioned Forbes about the Perryville deals, the director lied and said that the VB was selling the property in order to cut storage costs. Although he produced (phony) documents fabricating storage fees, Harding remained skeptical and instructed Forbes to stop the sale of goods until Sawyer and Daugherty could review the matter further. A week later, the president's physician learned that Forbes had ignored Harding's directive and had continued selling the property at a cut rate. Sawyer promptly informed the president, who then summoned Forbes to the White House to demand the director's resignation. 110

On January 23—when Forbes submitted his letter of resignation—only the president and his inner circle knew the extent of the scandal. In fact, the day before, Forbes had convened a conference with high level VB officials and representatives from veterans' organizations (including the Legion) to condemn what he described as "politics, gumshoeing, and intrigue" at the district level offices, redirecting attention away from the Washington headquarters. Forbes even went so far as to present himself as the moral

¹¹⁰ John W. Dean, Warren G. Harding (New York: Henry Holt and Company, 2004), 140-41.

authority who would clean up the lower level corruption, pledging that, despite the bad press, he would "stay, and with God's help direct its [the VB's] policies and build it up, so that when the big job is done those of us who have contributed our share will feel satisfied in our own hearts that we did render a service honestly and faithfully."

In an effort to protect the administration, Harding kept the unrepentant Forbes's resignation a secret and shuttled the director off to Europe, telling the press that Forbes was suffering from sudden health problems. Journalists questioned the oddly timed trip (made against a backdrop of growing corruption rumors) and continued to raise questions about fraud at the bureau. On February 12—after Forbes's closest aide (VB General Counsel Charles R. Cramer) resigned, the Senate voted unanimously to open a special investigation into reports of "waste, extravagance, irregularities, and mismanagement in the operation of the United States Veterans' Bureau." ¹¹² Upon learning of the investigation the following day, Cramer committed suicide by shooting himself in the head in his bathroom. A few hours later, the White House leaked Forbes's undated letter of resignation in which the director briefly stated that "after nearly two years of strenuous service I find my own health so endangered that retrenchment is necessary to safeguard it, and I realize that only partial service is impossible." On February 26, the Senate's special committee called for a full investigation of the VB based on the "serious nature" of the charges that it had uncovered in the previous two weeks. 114 The chamber voted to take up the issue in the next Congress, beginning the following month.

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¹¹¹ Marquis James, "What's Wrong in Washington," *American Legion Weekly* 5, no. 10 (9 March 1923):

¹¹² S.Res. 439, 67th Cong. (1923).

¹¹³ "President Accepts Forbes Resignation," Washington Post, 17 February 1923, 4.

¹¹⁴ U.S. House, Committee on Investigation of United States Veterans' Bureau, *Report of Counsel to Select Committee on Investigation of United States Veterans' Bureau of United States Veterans' Bureau* (H.Rpt.1239). (Washington, DC: Government Printing Office, 1924).

At the beginning of February—before Forbes's resignation became public—Harding had met quietly with the Legion's newly elected national commander, Alvin M. Owsley, to solicit his recommendation for a replacement VB director. Although Owsley refused to endorse a particular candidate (on the grounds that to do so would undermine the Legion's ability to criticize the VB as a third party), the NEC ultimately called for "a civilian who saw service in the World War and thus can be counted on to have a sympathetic insight into the readjustment problems the service men are facing." On February 27 (the day after the Senate voted to open a full investigation into VB practices), Harding nominated Frank T. Hines to serve as the bureau's second director, effective March 1.

A charter member of the Legion's first post (the George Washington Post No. 1 of Washington, D.C.)—as well as a dues-paying member of the Edward M. MacKee Post of Whitestone, New York—Hines's appointment was warmly received by the NEC. 116 "There is something about the manner in which Hines speaks," the *Legion Weekly* reported shortly after the new director took office, "that inspires confidence, and there is something about his quiet way of doing things that has the same effect. The morale of the bureau—of the central office in Washington—has increased about one hundred percent since he came in, and this in the face of a state of untoward conditions." Born in Salt Lake City, Utah, Hines enlisted in the army in 1898 in order to serve in the Spanish-American War. He was commissioned in 1901 and promoted to captain in 1917.

¹¹⁵ "Expect Forbes to Quit the Veterans' Bureau," *New York Times*, 3 February 1923, 2; "Want Civilian Head for Veterans' Bureau," *New York Times*, 26 February 1923, 6.

¹¹⁶ "That Man Hines and His Job," *American Legion Weekly*, Vol. 5, No. 16 (20 April 1923): 7-8. ¹¹⁷ Ibid.

(Harding gave him the commission of brigadier general when he became VB director). After the First World War, Hines retired from the army and became the general manager of the Baltic Steamship Company, based on Long Island. Hines's reputation as an effective and apolitical administrator (as well as his Legion affiliation) inspired the confidence of Legionnaires across the country. "He returns to government service through a sense of duty" despite the "heavy financial sacrifice," one veteran wrote. "He enters on his new and difficult duties with the support and best hopes of the Legion and the disabled veteran." 118

When Hines took over the VB on March 1, the agency was disarray. The new director set about restoring public confidence in veterans' affairs administration by emphasizing that any previous failures in benefits disbursement had been human, not organizational. "There has been no failure of the Veterans' Bureau as an institution... What failure there has been, then, is personal failure," Hines insisted after being sworn into office. Because there was not a fundamental, structural problem with the system of benefits disbursement, Hines reasoned, streamlining the application process and addressing personnel issues would improve the quality of veteran care. To achieve these goals, Hines spent his first months in office conducting a wide review of agency policy, targeting duplicate procedures for elimination. By October, the director had significantly reduced the number of approvals required for a veteran to receive his benefits, increasing the rate of disbursement by months. Most importantly, Hines pledged to cooperate fully with the Senate's investigation, promising the committee "every facility within my [his]

¹¹⁸ "A Rainbow," American Legion Weekly, Vol. 5, No. 11 (16 March 1923): 12.

power"—strengthening the director's reputation as a transparent and committed public servant.¹¹⁹

Republican Senator David Reed of Pennsylvania chaired the Select Committee on the Investigation of the Veterans' Bureau, which began its inquiry into corruption at the VB on the first day of the Sixty-Eighth Congress. The committee hired Major General John F. O'Ryan to serve as its general counsel and tasked the lawyer with heading up the investigation into veterans' "complain[ts] of delays in [receiving] relief, of the insufficiency of hospital facilities, of the ineffective organization of the bureau itself, and of the methods in vogue [at the VB] of conducting affairs." The senators also asked O'Ryan to look into the rumors surrounding Forbes's dismissal and Cramer's suicide, specifically that the bureau's "business was not always conducted honestly and solely in the interest of the disabled and the Government." O'Ryan began this enormous task by soliciting feedback from members of Congress, veterans' organizations, and chambers of commerce—requesting information about any cases in which disabled veterans' did not receive their rehabilitation aid as intended. The attorney then built a vast network of volunteer lawyers and medical professionals to whom he assigned small pieces of the larger investigatory project. Between March and October 1923, more than 600 lawyers, 550 doctors, and 200 special experts reviewed cases, reporting their findings back to O'Ryan who compiled the data for presentation at the committee's autumn hearings. 120

¹¹⁹ "The Man Hines and His Job," *American Legion Weekly*, Vol. 5, No. 16 (16 April 1923): 7-8; "Hines Would Welcome Bureau Investigation," *Washington Post*, 2 March 1923, 8.

¹²⁰ U.S. House, Committee on Investigation of United States Veterans' Bureau, Report of Counsel to Select Committee on Investigation of United States Veterans' Bureau of United States Veterans' Bureau Second Preliminary Report (H.Rpt.103-2). (Washington, DC: Government Printing Office, 1924).

Senator Reed gaveled the hearings into session on Monday, October 22. For the next month and a half, O'Ryan mounted a case against Forbes and his agents, arguing that they had failed to deliver legally mandated services and had orchestrated one of the greatest frauds in American history from the VB's Washington office. Unlike most congressional hearings, the senators rarely questioned the witnesses themselves and instead permitted O'Ryan to perform a courthouse-style interrogation of nearly two hundred witnesses. Based on the testimony, the committee concluded that delays in care and correspondence largely stemmed from a bottleneck at the district level, a problem that Hines had already taken steps to mitigate. In its final report to the chamber, the panel also recommended that Congress revise several statutes in order to standardize the relationship between disability and service connection in order to expand and expedite medical treatment for the war wounded (which the legislature did at the end of the second session).¹²¹

More importantly than these systemic problems, the committee concluded that benefits administration at the VB had ultimately been undermined by widespread corruption and fraud throughout the agency. "The records of that [Forbes's] administration might be more easily forgiven," the committee summarized in its final report to Congress,

if the disabled veterans, for whom the country intended so much, had actually received the benefits that they were meant to receive. But the disheartening truth is that many of the men who had charge of the bureau during that period flouted the sacred trust that had been reposed in them and their treatment of disabled soldiers and sailors was harsh, unfair, and often brutal.... The testimony of

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¹²¹ Ibid.; U.S. House, Committee on Investigation of United States Veterans' Bureau, *Report of Counsel to Select Committee on Investigation of United States Veterans' Bureau of United States Veterans' Bureau First Preliminary Report* (H.Rpt.103-1). (Washington, DC: Government Printing Office, 1924).

witnesses, the exhibits, the records of the bureau, all tell a story of almost unparalleled waste, recklessness, and misconduct. 122

Indeed, the hearings suggested that it was corruption—not institutional failure—that had been the greatest obstacle to benefits disbursement under Forbes. On Wednesday October 24—the third day of hearings—O'Ryan called Elias Mortimer, a former employee of the Thompson-Kelly Company (a St. Louis-based construction firm), to testify to the director's involvement in a massive conspiracy to defraud the government by taking kickbacks in exchange for awarding building contracts to Mortimer's employers. Although Mortimer was deeply involved in the scandal himself, he agreed to testify in order to settle a personal antagonism with Forbes, who was having an affair with his wife. According to Mortimer, his employers (John W. Thompson and James W. Black) had instructed him to become an associate of Forbes's by inviting him to lavish parties in Washington. After making the director's acquaintance, Mortimer invited Forbes on "scouting trips" to potential hospital construction sites across the country (paid for by Thompson-Kelly) in order to influence Forbes's building decisions and gain an advantage in contract bidding. Eventually, the two came to a deal: after selecting construction sites, Forbes would delay opening bidding to other contractors—giving Thompson-Kelly a clear advantage. This effectively allowed Mortimer's employers to win hospital contracts at higher-than-usual rates (particularly in California). Thompson-Kelly then paid Forbes by way of Mortimer (who occasionally communicated with the director about payments in secret code). The arrangement had not been limited to

¹²² U.S. House, Committee on Investigation of United States Veterans' Bureau, *Report of Counsel to Select Committee on Investigation of United States Veterans' Bureau of United States Veterans' Bureau Second Preliminary Report* (H.Rpt.103-2). (Washington, DC: Government Printing Office, 1924).

construction, Mortimer added, explaining that he had helped to arrange the Perryville sales that had ultimately led to Forbes's resignation. 123

The depth of the scandal surprised even the skeptical veteran community which had so greatly criticized Forbes's tenure at the VB. Although the former director denied all involvement with Mortimer and the Thompson-Kelly Company, (with Mortimer's assistance) O'Ryan produced enormous documentary evidence to back up the allegations. Given the extent of the accusations, the Senate Committee voted unanimously to turn the hearing transcripts over to the Department of Justice after concluding its work. On January 30—just three months after Mortimer testified before the Senate Committee—a Chicago jury found Forbes and one of his partners, John W. Thompson, guilty of conspiracy to defraud the government, and sentenced the pair to two years in federal prison. 124 Forbes served a reduced sentence at Leavenworth Federal Penitentiary from March 1926 until November 1927, at which point he moved back to Washington to take a job selling glass coffee pots to hotels and restaurants. 125

VI.

Although Director Hines cooperated with the investigation by providing O'Ryan with all requested documentation, his agency's reputation was badly marred by the hearings and Forbes's subsequent trial. Even as the speed of benefits disbursement increased throughout the mid-1920s under Hines, veterans—having lost faith in the VB routinely bypassed the agency altogether when making claims and appealed directly to

123 Ibid.

¹²⁴ "Forbes Sentenced with Thompson," *Washington Post*, 5 February 1925, 5.

^{125 &}quot;Forbes Enters Prison," Washington Post, 21 March 1926, 5; "Former Veteran Bureau Head, C.R. Forbes, Salesman Here," Washington Post, 2 August 1933, 1.

the Legion for assistance in accessing their benefits. Former National Commander (and current Assistant Secretary of War) Hanford MacNider received thousands of letters from Legionnaires across the country during this period soliciting his help in claiming medical care, vocational education, and other entitlements.

Jane Quigley's efforts to claim her brother Thomas C. Quigley's death benefits are illustrative of this phenomenon. Thomas was killed in France on October 11, 1918. Before his death, he appointed his mother, Mary Quigley, as the beneficiary of his war risk insurance policy. Mary filed a claim with the WRIB in early 1919 to no avail. After making several attempts to inquire about the status of her case, Mary died on November 16, 1924 awaiting payment, more than five years after she filed the initial claim. At that point, Jane Quigley, Thomas's sister and next of kin, became the policy's beneficiary. Frustrated by the overwhelming delay, Jane hired a lawyer to intervene on her behalf and request payment from the VB (which had incorporated the WRIB by this time). The attorney was shocked to receive a response from the agency weeks later accusing his client of submitting a fraudulent claim. Angry and desperate for relief, Jane Quigley's lawyer appealed to the New York State Department of the Legion for assistance. He also wrote to MacNider directly asking him to reach out to the VB. "If you could have somebody in your office job the elbow of Mr. Mulhearn [the VB agent managing the Quigley case] in such a way as to procure for her the payment from the Government, to which she is entitled, a considerable expense will be saved her... When you realize that since November 16th, 1924, the Bureau has been requiring Miss Quigley to procure and pay for legal services in order to get the compensation which is due her and her family

from the Government, the outrageousness of their conduct is apparent."¹²⁶ The Legionnaires were successful in moving the stalemated case forward. The day after receiving the lawyer's request, MacNider wrote to Hines asking for his intervention on Jane Quigley's behalf. Once Hines became involved, the fraud accusations disappeared and the war risk insurance payments were disbursed a week later, confirming for the attorney the Legion's power over VB agents. ¹²⁷

Veterans' efforts to circumvent the VB by appealing directly to MacNider became such a problem that, in November 1925, the assistant secretary was compelled to apologize to Hines for subverting his agency's authority. "Many of the Legion men around the country feel that they have a personal call upon me in matters of this sorts and will continue to write me from time to time," MacNider explained. "I have no choice but to forward them [the inquiries] along." 128

By the late 1920s, it had become plain to government officials both within and outside the VB that the NEC played a key role in setting the agency's policy with regard to disabled veteran care. In a 1929 internal review of veterans' affairs, the Herbert Hoover administration concluded that "the Veterans' Bureau is very largely under the influence of the American Legion, and other veterans organizations. This office [the Legion] takes up claims that have been rejected by the Veterans' Bureau and succeeds in getting about 2/3 of the unfavorable decisions reversed." After less than a decade, the Legion exerted significant influence over the agency intended to regulate its benefits by

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¹²⁶ Letter from Jas Madison Blackwell to Charles E. Mulhearn, 19 April 1926, HHPL, HMP, Box 42, Assistant Secretary of War Veterans Bureau Pennington – Ross; Letter from Jas Madison Blackwell to Hanford MacNider, 7 May 1926, ibid.

¹²⁷ Letter from Hanford MacNider to Frank Hines, 10 May 1926, ibid.;Letter from Jas Madison Blackwell to Hanford MacNider, 18 May 1926, ibid.

¹²⁸ Letter from Hanford MacNider to Frank T. Hines, 2 November 1925, HHPL, HMP, Box 41, Assistant Secretary of War Veterans Bureau Hamm-Hymer.

placing its members in key bureau positions and exerting heavy external pressure (through the press) on agents to ensure their cooperation with Legion priorities. Based on a survey of VB employees, the Hoover panel concluded that "it behooves an employee of the Veterans' Bureau not to get the Legion people down on him if he wants to feel secure in his job." More significantly, "the Director of the Veterans' Bureau has to play the game, more or less, with the veterans organizations. If he should adopt the policy of fighting against them for the Government when further extension or liberalization of the laws are being sought, he would probably lose his job. No very effective opposition to the demands of the veterans can be expected from him." For its part, the Legion was frank about its close ties with the VB. One NEC official described the relationship as a "somewhat extensive organization of cooperative effort between the distressed veteran and the Federal Government."

The NEC not only wielded great influence at the VB, it also had the ear of the White House. Throughout the 1920s, Presidents Woodrow Wilson, Warren Harding, Calvin Coolidge, and Herbert Hoover all met with the Legion's National Commander at the start of each year to discuss the organization's legislative agenda. Hoover went so far as to require Hines to respond to each of the NEC's proposals in extensive point-by-point memos that served as the basis for the administration's own veteran policy. When the Legion pushed for the consolidation of the VB with the National Home for Disabled Veterans and the Pension Bureau in 1929, the organization's request became one of the

¹²⁹ Internal Veterans' Bureau Report, October 1929, HHPL, HHP, PP, SJ, Box 196, Government Departments—Coordination of Veterans Affairs.

¹³⁰Letter from Watson B. Miller to Walter H. Newton, 29 March 1929, HHPL, HHP, PP, SJ, Box 75, American Legion 1929 March-May.

administration's own priorities.¹³¹ On July 21, 1930—with Congressional support—Hoover signed Executive Order 5398, establishing the Veterans' Administration (VA) to oversee all national veterans' affairs. With Hines at the helm, the VA became an even more powerful ally to the Legion, endorsing the organization's rehabilitation agenda from a prominent position within the executive branch.

The NEC also fought to formalize support for veterans' affairs in Congress by calling on the House and Senate to create particularized committees on veterans' issues. On January 18, 1924, the House voted to establish the Committee on World War Veterans' Legislation and gave it wide jurisdiction over "war-risk insurance of soldiers, sailors, and marines, and other persons in the military and naval service of the United States during or growing out of the World War, the United States Veterans' Bureau, the compensations and allowances of such persons and their beneficiaries, and all legislation affecting them other than civil service, public lands, adjusted compensations, pensions, and private claims." Of the 21 original members assigned to the committee, 14 were veterans of the First World War, predisposing the committee to support benefits liberalization—which it did almost uniformly throughout the 1920s. The House Committee on World War Veterans' Legislation was extremely influential in guiding benefits legislation through the chamber throughout the interwar period.

Recognizing the power of the House Committee on World War Veterans'
Legislation to support its work, the Legion's Legislative Committee campaigned

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¹³¹ Letter from Frank Hines to Herbert Hoover, 14 January 1930, HHPL, HHP, SJ, Box 390, Veterans' Bureau Correspondence 1929 Nov-Dec; Congress, House, Committee on Expenditures in the Executive Departments, Hearing on H.R. 6141: A Bill to Authorize the President to Consolidate and Coordinate Governmental Activities Affecting War Veterans, 71st Cong., 2nd Sess., January 8, 1930; Frank Hines, Veterans' Relief Address, Station W.M.A.L. Washington-part of the National Radio Forum, 13 March 1930, HHPL, HHP, PP, SJ, Box 390, Veterans' Bureau Correspondence 1932 Jan-March.

¹³² U.S. House, *Constitution Jefferson's Manual and Rules of the House of Representatives* (H.Doc.812). (Washington, DC: Government Printing Office, 1943).

aggressively for the creation of a sister committee in the Senate. In the decades following the First World War, the Finance Committee retained jurisdiction over most veterans' legislation. When the American stock market crashed in November 1929, the Finance Committee was flooded with bills to review, drawing attention away from veterans' issues. The Legion seized on this moment of administrative chaos to renew its push for the creation of a special Senate committee on veterans' affairs. In a letter to President Hoover, National Commander O.L. Bodenhamer described how "the House Veterans' Committee has labored long and earnestly each year, and its deliberations have been of incalculable aid in solving the veterans' problems." By contrast, "The Senate Finance sub-committee has found its situation a difficult one... With the Finance Committee continually pressed for time during the past five sessions, in committee and on the Senate floor, in the consideration of the vast financial problems of the nation, there has been scant opportunity for these busy Senators to devote adequate time to involved veterans relief problem. Those familiar with the situation in the Senate agree that the only just solution, for the Senate and disabled alike," the National Commander concluded, "lies in the creation of a Senate Veterans' Committee." 133

Although the White House supported the creation of a unique Senate committee on veterans' affairs, the Senate Finance Committee fought to retain jurisdiction over veterans' issues—overseen by its Subcommittee on World War Veterans' Legislation—which it did until 1947 when the Senate Committee on Labor assumed some of the

¹³³ Letter from O.L. Bodenhamer to Herbert Hoover, 20 December 1929, HHPL, HHP, PP, SJ, Box 390, Veterans-Bureau Correspondence 1929 Nov-Dec; Letter from Henry L. Stevens Jr. to Herbert Hoover, 8 December 1931, HHPL, HHP, PP, SJ, Box 407, World War Veterans – Correspondence 1931.

oversight responsibilities.¹³⁴ (The chamber did not approve the creation of an independent Committee on Veterans' Affairs until 1970). Although the Legion's campaign for an independent committee failed, the organization found a solid ally in the Subcommittee on World War Veterans' Legislation, chaired by (Legion founding member) Senator Bennett "Champ" Clark.

In building institutions—new agencies and congressional committees—to support the generous disbursement of rehabilitation aid, Legionnaires embedded themselves within policymaking networks across government, revealing the effectiveness of associative state building. By forging extrapartisan voting blocs in Congress and lending capacity to bureaucrats at the VB (and its successor agency), Legionnaires made themselves an integral partner to the state in veterans' affairs. Having established themselves as experts on the issue of disabled veteran care, organizers would leverage their reputations as reasonable knowledge brokers to advocate for a second—more controversial—cause: adjusted compensation.

¹³⁴ Letter from Frank T. Hines to Herbert Hoover, 14 January 1930, HHPL, HHP, PP, SJ, Box 390, Veterans-Bureau Correspondence 1929 Nov-Dec.

Chapter Two

"Equalizing their Disadvantage": The Fight for Adjusted Compensation, 1919-1924

I.

On April 2, 1920, the *American Legion Weekly* published an editorial on the wage gap between military and civilian pay during the First World War. Describing the opportunities that had existed on the home front between 1917 and 1918, reporter James E. Darst wrote that "common labor was getting \$6 and \$7 a day. In the shipyards, workers were making as high as \$30 a day. In the munitions plants unskilled workers were getting an average of \$10 a day. Carpenters at cantonments averaged \$70 a week. The same high figures prevailed in civilian pursuits—work that had little or no connection with war." Due to increased demand from both the United States and foreign governments, "workers named their own price and got it." By contrast, Darst reminded his veteran audience how the federal government had fixed their pay at \$1 per day before legally mandated deductions for war risk insurance and family allowance. Against this backdrop, the writer concluded, "the soldier, sailor and marine were greatly underpaid." ¹

The *Legion Weekly* reporter was not alone in this opinion. As service members demobilized during the winter of 1918-1919, the disparity in economic opportunities that had existed between soldiers and their civilian neighbors during the war became increasingly apparent to many veterans, an inequity seemingly compounded by the government's recent decision to eliminate non-service-connected pensions for First World War returnees. Through enlistment or as a result of conscription, the Doughboys

¹ James E. Darst, "That the Country May Know," *American Legion Weekly*, Vol. 2, No. 12 (9 April 1920): 6.

had left the domestic economy during a period of particularly high civilian wages, a partial consequence of their absence. As a result, while the federal government had set soldiers' pay at a relatively low rate in order to stabilize war costs, civilians' "wages were at a peak," as Darst put it.²

Working and middle class veterans—who were hardest hit by the loss—were particularly frustrated by this pay gap. They questioned the fairness of what they perceived to be a government inflicted "economic disadvantage" and began suggesting that the state had an obligation, forged through military service, to disburse aid to veterans in order to compensate them for the inequality.³ As one soldier explained in a letter to American Legion founder Theodore Roosevelt, Jr., servicemen had been "in the country's employ *at the request of the country*." Having made the "requested" sacrifices, another veteran argued, "all we seek is justice and justice likewise demands that some of these [war] profits be now conscripted to pay this debt to the returned soldier."⁵

After the war, the demand for adjusted compensation (as remunerative benefits came to be known) became a pillar of the veteran movement—second only to rehabilitation in its importance to organizers. However, despite early support for this financial aid program among the American Legion's rank-and-file members, the leaders

² Ibid., 3.

³ Congress, House, Committee on Ways and Means, Soldiers' Adjusted Compensation: Hearings Before the Committee on Ways and Means, United States House of Representatives, 66th Cong., 2nd Sess., January-February 1920.

⁴ Letter from Theodore Roosevelt, Jr. to R.J. Caldwell, 11 May 1920, Library of Congress, Theodore Roosevelt, Jr. Papers, Box 12, quoted in Jennifer D. Keene, *Doughboys, the Great War, and the Remaking of America* (Baltimore: The Johns Hopkins University Press, 2001), 162. Emphasis added.

⁵ Heber G. Poland to Representative Wallace H. White, 26 August 1919, Library of Congress, Wallace H. White Papers, Box 31, War Legislation, quoted in Keene, *Doughboys*, 163.

of the nation's most powerful veterans' organization were initially reticent to embrace the cause, fearing that support for adjusted compensation might jeopardize its ongoing campaign to improve disabled veterans' access to quality reintegrative care. As a result, throughout 1919 and into the spring of 1920, the Legion's National Executive Committee (NEC) refused to endorse calls for adjusted compensation.

Nevertheless, in spite of the NEC's unwillingness to come out in favor of a financial restoration program, support for adjusted compensation continued to grow among non-elite Legionnaires after the war as they increasingly perceived themselves to be falling behind their civilian neighbors. Voting with their feet, thousands of veterans joined the Legion's rival organization (the Veterans of Foreign Wars [VFW], which touted its support for adjusted compensation), and wrote letters of frustration to the Legion's Indianapolis headquarters, demanding that the NEC change its position. By February 1920, the Legion's embattled leadership board was forced to admit defeat and publicly endorse adjusted compensation, lest it lose the confidence of its members and, thus, its national influence.

In demonstrating the power of rank-and-file Legionnaires to set organizational priorities over the NEC's objections, this chapter challenges scholarly assumptions about how the Legion made decisions. Academic historians of the organization have largely ascribed a top-down power structure to the group, suggesting that "it was difficult for members to change the [board's] direction." A close analysis of Legion adjusted

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⁶ Christopher Nehls's assessment that "The Legion's ideology flowed from the top-down... it was difficult for members to change the direction of the organization," typifies how historians have evaluated Legion decision-making. Christopher Courtney Nehls, "A Grand and Glorious Feeling': The American Legion and American Nationalism Between the Wars," (PhD diss., University of Virginia, 2007), 11. The following offer similar analyses of the Legion's power structure: Richard Seelye Jones, *A History of the American Legion* (Indianapolis: Bobbs-Merrill Co, 1946); Thomas A. Rumer, *The American Legion: An Official History, 1919-1989* (New York: M. Evans, 1990); Raymond Moley, Jr., *The American Legion*

compensation policymaking suggests the opposite. While the group's state and national officers had significant power to shape organization policy (both directly by administering Legion initiatives and indirectly by guiding debate at National Conventions), elite members could not exert this influence unilaterally without engendering political costs. As political sociologist Theda Skocpol has demonstrated, by bringing ex-service members of all ranks together for local post meetings, "membership federations" like the Legion "helped to create a democratic civil society in which large numbers of ordinary people could participate, forge recurrent ties to one another, and engage in two-way relationships with powerful leaders," a process that politicized members across classes. During the 1920s, emboldened non-elite Legionnaires leveraged their power to shape adjusted compensation policy. After first bowing to grassroots pressure and endorsing a modest financial restoration package in February 1920, the NEC took increasingly bolder positions over the next four years, championing more generous readjustment aid programs until Congress finally passed the World War Adjusted Compensation Act in May 1924, backpaying veterans in government bonds set to mature in 1945.

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Story (New York: Duell, Sloan, and Pearce, 1996). William Pencak is more circumspect in his assessment of the NEC's power. While he suggests that the organization was "no tool of its leaders," he does not elaborate on this point. William Pencak, *For God & Country* (Boston: Northeastern University Press, 1989), 205.

According Skocpol, "America's classic three-tiered associations were special for the two-way links they established between members and leaders." Theda Skocpol, "How Americans Became Civic," in *Civic Engagement in American Democracy*, ed. Theda Skocpol and Morris P. Fiorina (Washington, DC: Brookings Institution Press and Russell Sage Foundation, 1999), 27-80. As Edwin Amenta argues in his excellent study of Townsend Clubs, "political interests do not simply emerge from social commonalities and categories," they are constructed through participation in political and social organizations. See, Edwin Amenta, *When Movements Matter: The Townsend Plan and the Rise of Social Security* (Princeton, NJ: Princeton University Press, 2006), 56. On the creation of identity through participation in social groups, see also, Elisabeth S. Clemens, *The People's Lobby: Organizational Innovation and the Rise of Interest Group Politics in the United States, 1890-1925* (Chicago, IL: University of Chicago, 1997).

In examining veteran identity formation through a study of the Legion's five-year campaign for adjusted compensation, this chapter adds to a growing literature on the rise of interest group politics in the early twentieth century. After generations of intense partisanship, the realignment election of 1896 undermined two-party competition in many parts of United States, making it impossible for members of the minority to "advance their interests within the party system." Stymied, voluntary associations helped to reorganize politics in the early twentieth century by mobilizing Americans "around specific issues or policy demands." Instead of organizing around partisan affiliation, these groups helped to align their members around alternate identities. The Legion was part of this trend. Instead of advancing veterans' aims *through* one of the parties, Legionnaires approached elected officials on both sides of the aisle in an effort to build what sociologist Elisabeth Clemens has described as "extrapartisan voting blocs" of support for the organization's initiatives. Led by some of the country's most innovative lobbyists, the National Legislative Committee consistently put policy ahead of party in its

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⁸ Quote: Martin Shefter, *Political Parties and the State: The American Historical Experience* (Princeton, NJ: Princeton University Press, 1994), 76. On the role of partisan identity in eighteenth and nineteenth century U.S. politics, see also, Michael E. McGerr, *The Decline of Popular Politics: The American North, 1865-1928* (New York: Oxford University Press, 1986; Theda Skocpol, *Protecting Soldiers and Mothers*, 67-102; Clemens, *People's Lobby*.

According to Elisabeth Clemens this period "saw the multiplication of voluntary associations, many with formal committees dedicated to drafting legislation, lobbying, or cultivating public opinion. These organizations provided arenas in which individuals reconstituted themselves as political actors, learned to articulate demands for specific policies, and then to monitor the responses of elected officials." Ibid., 2-3. For more on the rise of interest group politics, see also, John Mark Hansen, *Gaining Access: Congress and the Farm Lobby, 1919-1981* (Chicago: University of Chicago Press, 1991); Hansen, *Gaining Access*; Skopol, *Protecting Soldiers and Mothers*; K. Austin Kerr, *Organized for Prohibition: A New History of the Anti-Saloon League* (New Haven, CT: Yale University Press, 1985); Peter H. Odegard, *Pressure Politics: The Story of the Anti-Saloon League* (New York: Columbia University Press, 1928); Brian Balogh, ""Mirrors of Desires': Interest Groups, Elections, and the Targeted Style in Twentieth-Century America," in *The Democratic Experiment New Directions in American Political History*, eds. Meg Jacobs, William J. Novak, and Julian E. Zelizer (Princeton, NJ: Princeton University Press, 2003): 222-49; Christopher M. Loomis, "The Politics of Uncertainty: Lobbyists and Propaganda in Early Twentieth-Century America," *Journal of Policy History*, Vol. 21, No. 2 (2009): 187-213.

pursuit of adjusted compensation, driving the organization's success in this new political ecosystem.

II.

Four weeks after Allied and Central forces signed the armistice of November 11, 1918 ending U.S. involvement in the First World War, the federal government cancelled nearly half (\$2.5 billion of \$6 billion) of its war contracts with domestic manufacturers. 11 During the war years, 25% of American workers had found stable employment in war industries at plants holding government contracts. 12 These workers had benefitted from unprecedented wartime economic regulations designed to boost the production of war materiel. The end of the war threatened to bring this new prosperity to a halt. To compensate for the state's contract cancellations, manufacturers resorted to massive layoffs during the winter of 1918-1919 setting off a wave of unemployment, a problem compounded by rapid postwar deregulation. Whereas planners had carefully erected new agencies to manage issues like inflation, labor conflict, and prices during the war, they had almost completely failed to prepare for demobilization, including the economic reintegration of able-bodied veterans. While Congress had passed the National Rehabilitation Act providing medical care and vocational training for the war wounded, it had eliminated pensions for non-service-connected disabilities with the creation of the War Risk Insurance program. As a result of this reform, able-bodied veterans did not

¹¹ James Grant, *The Forgotten Depression, 1921: The Crash that Cured Itself* (New York: Simon & Schuster, 2014). 4.

¹² Phillip G. Payne, *Crash! How the Economic Boom and Bust of the 1920s Worked* (Baltimore: John Hopkins University, 2015), 21.

qualify for any government support beyond \$60 in muster-out pay. (The demobilizing soldier was also permitted to keep his gas mask as a "souvenir").

The Doughboys returned to this fragile economy—one seemingly on the verge of a depression—throughout 1919. As they prepared for discharge, many servicemen became preoccupied with the challenge of finding work amid rising unemployment, a concern reflected in the winning entry of a popular essay contest for soldiers. Shortly after the war, a group of American newspaper magnates came together to sponsor a writing contest for the nearly 600,000 U.S. troops awaiting demobilization in France.¹³ The newsmen asked the soldiers to respond to a simple prompt: "Home—Then What?" Hundreds of men put pen to paper in reply, outlining their postwar ambitions. Concern about employment emerged as a theme across the essays. As contest winner Private First Class Marcelle H. Wallenstein answered plainly, "the question of the soldier's job is a pressing one." Although men like Wallenstein "mostly want[ed] [their] old one[s] [jobs] back," veterans had no legal right to return to their prewar positions. ¹⁴ If a returning soldier's former employer did not have a job available—or if he simply did not want to rehire the veteran for personal reasons—the manager was under no obligation to do so, leaving the demobilizing soldier in a precarious financial situation. Because a soldier's muster-out pay was only intended to last him a month, the "American answer [was], quite naturally, work," but only if a man was lucky enough to find it, as one contestant put it. 15

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¹³ U.S. Department of the Army, Office of Military History, *History of Personnel Demobilization in the United States Army*, by John C. Sparrow, (Washington, DC: Government Printing Office, 1952), 11. ¹⁴ Marcelle H. Wallenstein in *Home, Then What?*, ed. James Louis Small (New York: George H. Doran Company, 1920), 28. (Emphasis added).

¹⁵ Newton S. Bement in ibid., 53-54.

The September and October issues of the Legion Weekly highlighted veterans' struggles to find employment upon homecoming. One former serviceman, Harvey H. Smith described how,

In the army I never gave a thought to getting a job after I got out. In the first place there seemed to be no hope of getting out, and in the second place there was never any trouble getting one in the army.... In the course of human events, however, the war terminated and it became necessary that I step forth and rustle.... I had friends I discovered who would be glad to give me a job, but 'unfortunately there was not vacancy at present.' How many times have I heard that significant phrase! I dream of it. I am positive when I fall in line for my pass to Heaven, St. Peter will step forth and say: 'I am sorry, young man, but unfortunately there is not vacancy at present.'16

Another veteran went so far as to compare his job search to fighting in Europe's trenches, telling a reporter, "having been in the service is much like having gone to college. It was fine while it lasted and it was a cinch compared to going over the top for a job."¹⁷

Veteran joblessness was part of a national pattern of rising, postwar unemployment. Although gross domestic product grew during the first half of 1919, workers faced massive layoffs and declining real wages. This economic contraction was only interrupted by a brief burst in postwar consumer spending as Americans and Europeans rushed to make purchases that they had deferred during the previous years.¹⁸ This demand drove manufacturers to raise prices so that by the time consumption slowed during the summer of 1919, the cost of living had grown by 15.2% nationally. 19 However, in spite of the rapid inflation, real wages remained stagnant, undermining workers' buying power and pushing the country into recession. Facing the twin problems

September 1919): 11.

¹⁶ Harvey H. Smith, "The Army of No Occupation," American Legion Weekly, Vol. 1, No. 11 (22)

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¹⁸ Grant, The Forgotten Depression, 14.

¹⁹ Ibid., 62.

of rising costs and falling wages, workers across the United States organized to demand better pay; during 1919 alone, more than 20% of the American workforce went on strike ²⁰

Despite the pervasiveness of economic distress, veterans were increasingly coming to feel that they had been uniquely disadvantaged by their military service. Pointing to the difference between soldiers' and civilians' wartime wages, ex-servicemen argued that the federal government had caused them enduring economic harm. While workers had averaged \$6 a day on the home front, the War Department had fixed soldiers' daily pay at \$1 before mandatory deductions. The consequences of this economic disparity were greatest for working class veterans like E.J. Quinn—a soldier from Allentown, Pennsylvania—who lacked the savings necessary to overcome the disadvantage. Driven by financial need, working and middle class veterans led the push for adjusted compensation in early 1919. Quinn outlined the stakes of the debate for men like himself in a letter to Legion Iowa Department Commander Hanford MacNider. Describing the economic opportunities that had been available to civilians in his hometown while he was deployed, Quinn wrote, "During the war thousands and thousands of men and women were employed there [nearby, at Bethlehem Steel] making twenty-five to thirty dollars a day. Stores were doing a thriving business, hotels filled, bar-rooms and clubs alive with men, pushing, shoving, and quarreling with each other, to pay for the next treat." Meanwhile, Quinn described how he only made "thirty dollars a month" during this period because he had "done something" and served his country in the military. While the people of Allentown celebrated their good fortune, Quinn had "march[ed] through the woods in the rain during the [Battle of the] Argonne [Forest]...

²⁰ Ibid., 16.

with a shortage of proper sizes of shoes..." In demanding that government now adjust his wartime wages to compensate for the disparity between military and civilian pay, Quinn explained to MacNider that "it is not sympathy the man who got thirty dollars a month is asking for, *it is justice*." ²¹

In the minds of non-elite veterans like Quinn, justice demanded that the federal government disburse aid to ex-servicemen in order to correct an injustice that it had created. In the words of one veteran, aid was necessary to "... equaliz[e] the economic disadvantage that resulted from the operations of the selective service law, which occasioned from the fact that we said to one young man in the country, 'You go into the service and stay at \$1 a day': and to another man, 'You are permitted to stay here and make \$5 or \$6 or \$7 a day during the war period. It is to correct that economic situation—that economic disadvantage—that this law is proposed." In arguing that veterans' "economic disadvantage" stemmed from government policy, ex-servicemen claimed that the state was now obligated to redress the inequality with retroactive pay. A group of Legionnaires underscored this point in a letter to the organization's NEC in October 1919. "We believe that injustice was done to those men of our country who were called to the colors and thereby lost not only their opportunity to continue in peaceful industry but also ran the risk of losing health, limbs or lives when serving with

²¹ "Letter from E. J. Quinn to Hanford MacNider," 31 August 1920, Herbert Hoover Presidential Library, Hanford MacNider Papers (hereafter HHPL, HMP), Box 3, American Legion Congratulations on election as National Commander, N-Q 1921. Emphasis added.

²² Congress, House, Committee on Ways and Means, Soldiers' Adjusted Compensation: Hearings Before the Committee on Ways and Means, United States House of Representatives, 66th Cong., 2nd Sess., January-February 1920.

the colors..." Adjusted compensation was necessary, the Legionnaires argued, to place veterans back on a "common footing" with civilians.²³

Veterans looked to the federal government to compensate their economic disadvantage not only because they perceived the state to have inflicted it, but also because the war seemed to prove that government was capable of administering social programs. During the war, the federal government had expanded dramatically, intervening more visibly in its citizens' lives by controlling prices, enforcing new labor regulations on striking, and conscripting men into the military. Although postwar antistatism had undergirded the rapid dismantling of wartime agencies in 1919, the organizational developments of 1914-1918 suggested the state's power to administer entitlements to veterans.

In an effort to win support from these non-elite veterans', thirty-six members of Congress introduced adjusted compensation bills during the fall of 1919, prompting the

²³ Letter from Theodore H. Shannon to Woodrow Wilson, 10 October 1919, Warren G. Harding Papers (hereafter WGHP), File 95, Box 546, Folder 10.

²⁴ On the expansion of federal power during World War I, see for example, Christopher Capozzola, *Uncle Sam Wants You: World War I and the Making of the Modern American Citizen* (Oxford: Oxford University Press, 2008); Daniel T. Rodgers, *Atlantic Crossings: Social Politics in a Progressive Age* (Cambridge: Harvard University Press, 2008); David Kennedy, *Over Here: The First World War and American Society* (Oxford: Oxford University Press, 1980); Marc Allen Eisner, *From Warfare to Welfare State: World War I, Compensatory State-Building, and the Limits of the Modern Order* (State College, PA: Pennsylvania State University, 2000); Ronald Schaffer, *America in the Great War: The Rise of the War Welfare State* (Oxford: Oxford University Press, 1991); Ellis Hawley, *The Great War and the Search for a Modern Order: A History of the American People, 1917-1933* (New York: St. Martin's Press, 1979).

²⁵ While progressive ideology laid the foundation for the dramatic expansion of the U.S. government during the war years (1914-1918), historian Ellis Hawley argues that it was the war experience itself (specifically the demand for materiel and the creation and maintenance of the AEF) that "catalyzed the process of organizational change" in the United States. In order to support the military build up, President Woodrow Wilson established several agencies (including the War Industries Board, the National War Labor Board, and the Committee on Public Information) to manage the war effort, extending their leaders unprecedented regulatory authority. Hawley demonstrates how anti-statist backlash ultimately forced the government to dismantle most of its official organs after the war, but how many of the organizational structures that had been created during the war were preserved (in altered form) through partnerships with private entities. This public-private arrangement perpetuated the mechanisms of governance that had been developed publically during the war. See, ibid.

editorial board of the *Legion Weekly* to sarcastically describe the act of proposing veteran aid programs as "the most popular indoor sport in Washington." Why did the *Legion Weekly* scoff at this flurry of legislative activity? It was widely understood both by elected officials and veteran organizers that these proposals were more half-hearted attempts to appeal to veteran voters than genuine efforts to address their concerns about wage disparity. Few of the sponsors had actually engaged the veterans' organizations when crafting their bills, nor had they offered any means of paying for the proposed programs, belying the proposals' insincerity.

Republican Congressman Royal Cleaves Johnson was an exception to this rule. Johnson had voted against the war in April 1917 as a young congressman, but had enlisted in the army months later because he could not bear to send "other women's sons into [a] war" he was himself unwilling to fight. Johnson rose through the ranks, working his way up from private to first lieutenant before he was severely injured and discharged. After the war, Johnson returned to Congress as the representative for South Dakota's second district.²⁷ From the moment that he resumed his seat, Johnson became an important ally for veteran organizers in the House. A Legionnaire, Johnson sponsored legislation in the summer of 1919 to secure a federal charter for his organization.²⁸ He was also a strong supporter of rehabilitation and was appointed to serve as the first

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²⁸ To Incorporate the American Legion, Pub. L. No. 66-47, 41 Stat. 284 (1919).

²⁶ "Bonus Bills," *American Legion Weekly*, Vol. 1, No. 16 (17 October 1919): 26; "Counting up the Bonus Bills," *American Legion Weekly*, Vol. 2, No. 1 (2 January 1920): 15-16; Stephen Ortiz, *Beyond the Bonus March and GI Bill: How Veteran Politics Shaped the New Deal Era* (New York: New York University Press, 2010), 25; Niall A. Palmer, "The Veterans' Bonus and the Evolving Presidency of Warren G. Harding," *Presidential Studies Quarterly*, Vol. 38, No. 1 (March 2008): 45.

²⁷ "Royal Cleaves Johnson," Biographical Directory of the United States Congress, http://bioguide.congress.gov/scripts/biodisplay.pl?index=J000173; "Rep Royal C. Johnson," The American Legion, https://www.legion.org/distinguishedservicemedal/1953/rep-royal-c-johnson.

chairman of the House World War Veterans' Legislation Committee (a position he held for a decade) when that working group was first established in 1924.

Unlike many other elite Legionnaires, Johnson also believed that the state owed veterans adjusted compensation and he used his office to advocate for a financial restoration program. On July 28, 1919, Johnson introduced his own adjusted compensation proposal which called on the federal government to backpay all First World War veterans \$30 for every month of service plus a \$100 premium to those who had come under German fire. To pay for the wage adjustment, Johnson's bill authorized the U.S. Treasury Department to issue \$2 billion in government bonds.²⁹ Of all the adjusted compensation plans introduced during the summer and fall of 1919, Johnson's was the most clearly thought out and it quickly garnered strong support from hundreds of thousands of Legionnaires who agreed with the congressman's argument that government should backpay its ex-soldiers to compensate them for the wage disparity that it had created between civilian and military pay during the war.

However, despite growing support for adjusted compensation among lower and middle class veterans during the immediate postwar period, the NEC refused to endorse any adjusted compensation program at the Legion's first National Convention in Minneapolis in November 1919. Instead of coming out in support of the pending Johnson Bill—as many of the assembled delegates hoped—Legislative Committee members Luke Lea and Thomas Miller proposed that the organization defer adjusted compensation policymaking to elected officials. Speaking for the NEC, Lea and Miller

²⁹ A Bill Granting Additional Pay According to Length of Service to Officers and Enlisted Personnel of the Army, Navy, and Marine Corps, H.R. 7923, 66th Cong. (1919).

explained that because "...the American Legion feels that it cannot ask for legislation in its selfish interest, [it should] leave with confidence to Congress the discharge of this obligation."³⁰

This non-proposal belied class tensions within the organization. Although less than a quarter of Legionnaires self-identified as "professionals," the group's leadership was dominated by members of the upper class who, unlike the rank-and-file, could afford to eschew adjusted compensation claims. Members of the NEC had little incentive to jump into a fight over what they perceived as a superfluous government aid package, especially if that legislative contest threatened the organization's greatest priority: rehabilitation reform. That fall, the Legion had become deeply invested in promoting the passage of Senator Burton Sweet's rehabilitation reform bill—a campaign which helped to launch the organization to national political prominence. The Legion's success on this front had the inadvertent effect of making the NEC more cautious in other areas of veteran policymaking, including on adjusted compensation. Having staked its national political reputation to disabled veteran care reform, the NEC was hesitant to champion any other causes that might detract resources from rehabilitation. As one of Legion leader explained,

I hold no brief for those who show the slightest hesitation in giving, and giving until it hurts, to the soldiers who have returned from the ordeal minus an arm or a leg, or who were in any way incapacitated in the performance of their country's service.... But when it comes to those who were fortunate enough to return, often on account of the benefits of military training, more able-bodied than when they answered so nobly the call of their country, the case, at least seems not so urgent. At the outset, compensation to all, of necessity, reduces the amount which can be

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³¹ Ortiz, Beyond the Bonus March, 19.

³⁰ Summary of the Proceedings (hereafter SoP), First Annual National Convention of the American Legion, 10-12 November 1919, American Legion Library (hereafter ALL).

given the incapacitated, and the families of those who made the supreme sacrifice ³²

Another Legionnaire, William Deford Beal—a lawyer and Yale graduate—expressed similar concerns. Although he did not oppose adjusted compensation on its face, he reasoned that "When the government is trying to economize... any money which they should spend for ex-service men, should be applied to those who were disabled and crippled in the war." In other words, in Beal's opinion, adjusted compensation should be sacrificed to maintain generous support for rehabilitation.

Despite the Legislative Committee's motion to defer adjusted compensation policymaking to Congress, National Convention delegates like Christopher J. Halligan of Massachusetts rejected this black-or-white thinking as a false dilemma. Speaking for hundreds of thousands of rank-and-file Legionnaires, Halligan argued that veterans did not have to choose between rehabilitation and adjusted compensation and could successfully promote both initiatives as related, moral objectives. On the second day of the convention, Halligan introduced a controversial amendment to the Legislative Committee's report, reversing the NEC's position and endorsing the popular Johnson Bill. An Ohio veteran seconded Halligan's motion, emphasizing what he perceived as government's debt to its veterans. "The workmen who went to war and served his country for a dollar a day while the workman who stayed at home increased his earnings to double what he received before the war. It is no more than just that the Government should not only recognize its obligations to fighting men, but should meet that obligation," the Ohioan explained. An hour of contentious debate ensued, exposing intra-

³² Letter from Otis J. Russell to Hanford MacNider, 3 September 1920, HHPL, HMP, Box 4, American Legion Congratulations on Election as National Commander: R-Z-1921.

³³ Letter from William DeFord Beal to Hanford MacNider, 14 November 1921, HHPL, HMP, Box 3, American Legion Congratulations on Election as National Commander: A-B 1921.

organizational fissures over adjusted compensation. Ultimately, the NEC and its powerful allies won when the assembly voted by a slim margin to defeat the Halligan measure, ratifying the Legislative Committee's proposal, and leaving adjusted compensation policymaking to Congress.³⁴

However, in spite of their Minneapolis defeat, the Legion's adjusted compensation advocates did not abandon the cause after the National Convention. In fact, during the winter of 1919-1920, as the rank-and-file became aware of that fact that its leaders did not intend to throw their weight behind the Johnson Bill, members increased the pressure on the NEC to reverse course. In the weeks following the convention, NEC Chairman Henry Lindsley received hundreds of letters and telegrams from exasperated Legionnaires questioning the organization's stance. What did it mean for the Legion, to "leave with confidence to Congress the discharge of [its] obligation" as the Legislative Committee had put it in Minneapolis? Did the NEC recognize a government debt to ex-service members but choose not to address it for ideological reasons? Or, did the Legion's leadership board feel that Congress had the right to determine whether or not an "obligation" even existed? Under enormous pressure from angry Legionnaires, Lindsley attempted to stymie the blowback by writing an open letter to his members in the Legion Weekly in which he softened the rhetoric of the National Convention resolution, suggesting that the NEC was increasingly aware of the unpopularity of its position. Although "the time was not then ripe for the American Legion to go on record as favoring any of the various bonus [adjusted compensation]

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³⁴ SoP, First Annual National Convention of the American Legion, 10-12 November 1919, ALL.

plans proposed," Lindsley admitted that the subject deserved the "fullest possible" consideration and pledged that the NEC would continue to investigate the matter.³⁵

While the Legion struggled to articulate a coherent position on adjusted compensation, other veterans' organizations like the Veterans of Foreign Wars (VFW) actively supported financial restoration. The modern VFW was founded in 1914 with the merger of two Spanish-American War veterans' organizations (the National Association of the Army of the Philippines and the American Veterans of Foreign Service). Whereas the Legion solely represented the interests of the Doughboys, the VFW was a crossgenerational organization. It was also much smaller than the Legion. In 1920, the VFW only had 50,000 members, compared to the Legion's nearly one million. The heads of the VFW were far less politically connected than their Legion counterparts. The former's most prominent leader—National Commander Robert G. Woodside—was an Alleghany County Sheriff, a far cry from the prestige of a president's son. However, as historian Stephen Ortiz has argued, "the absence of 'kingmakers' in the VFW did have one benefit. VFW leaders proved slightly more responsive to their membership than their Legion counterparts."36 Whereas the NEC struggled to understand rank-and-file support for adjusted compensation, the leaders of the VFW were more open to taking action on this issue. In August, the organization's leadership board voted unanimously to endorse the Johnson Bill. Throughout 1919—as the Legion fought an intra-organizational battle over its approach to financial restoration, the VFW lobbied for Johnson's program. Through its efforts, the leaders of the VFW hoped that they would inspire disaffected Legionnaires to abandon the Legion in order to join their organization in pushing for adjusted

³⁵ Henry D. Lindsley, "As to Bonuses," *American Legion Weekly*, Vol. 1, No. 7 (15 August 1919): 14. ³⁶ Ortiz, *Beyond the Bonus March*, 19.

compensation. This attempt to lure members away from the Legion was only mildly successful. Although VFW membership increased to an estimated 500,000 participants during late 1919 and early 1920, many of these newcomers were Legionnaires who retained dual affiliation.

Despite the efforts of small veterans' organizations like the VFW to promote the Johnson Bill, there would not be any progress on adjusted compensation without the Legion's explicit endorsement. Through its work on rehabilitation reform during the winter of 1919, the Legion established itself as the nation's foremost expert on adjusted compensation policy. As a result, elected officials looked to the NEC for guidance on veteran policymaking. In refusing to take a stand on the issue, the nation's most powerful veterans' organization seemed to signal to policymakers that financial restoration was not a central concern for veterans. Without the Legion's support, congressional sponsors would make little progress in convincing their peers to allocate funds for a new entitlement program in the midst of a recession.

Internal pressure for the NEC to reverse its position on readjustment aid grew during the first weeks of 1920 as the rank-and-file became increasingly insistent that the organization should act on this front. A May survey suggested that Legionnaires favored adjusted compensation by as great a margin as ten to one.³⁷ Fearing a grassroots revolt, the NEC convened an emergency meeting at its Indianapolis headquarters on February 9 to review the organization's stance. In a press conference that evening, Lindsley announced that, after further study, the board had changed its position on financial

³⁷ James E. Darst, "That the Country May Know," *American Legion Weekly*, Vol. 2, No. 16 (14 May 1920): 11.

restoration and would now actively pursue adjusted compensation on behalf of its members to equalize the salary disparity that had existed between them and civilians during the war. Instead of endorsing the Johnson Bill, the NEC chairman called for an even more generous form of adjusted compensation, offering his own proposal by which veterans would receive \$50 in government bonds for each month of service (\$20 more a month than Johnson had initially suggested). In offering this more expansive plan—which was very well received by the rank-and-file—the NEC seemed to signal to its members that it had heard their complaints and was ready to embrace its role as a national leader in veteran policymaking.

The NEC's dramatic reversal breathed new life into congressional efforts to pass a veteran aid program. On March 2—less than a month after the leadership board's emergency meeting, the House Ways and Means Committee began a month of hearings on "Beneficial Legislation for Soldiers and Sailors in the World War" to evaluate the necessity and feasibility of disbursing compensatory benefits to veterans. Members of the NEC testified prominently in favor of adjusted compensation, signaling the Legion's newfound intention to not only support, but lead, the fight for veterans' financial restoration.

By this point, in the early spring of 1920, the NEC's fear of compromising its rehabilitation program was beginning to abate. A month earlier *New York Evening Post* reporter Harold Littledale had published an explosive Federal Bureau of Vocational Education memo suggesting the government's intention to "be hard-boiled" in its opposition to disabled veteran constituents. The memo's release had triggered an outpouring of public support for the Legion—which was widely viewed as the country's

most prominent defender of disabled veterans' rights—as well as a congressional investigation into inadequacies in rehabilitative care. These developments helped to secure the future of disabled care reform in the minds of NEC members and created new space for the Legion to expand its legislative agenda.

Throughout the March hearings, the House Ways and Means Committee looked to Legionnaires—over representatives of other organizations like the VFW which had longer histories of adjusted compensation support—to represent veteran opinion and guide the committee in making its recommendation to the House. Committee chairman Republican Joseph Fordney called the organization's director—National Commander Franklin D'Olier (a prominent businessman from Philadelphia)—as the first of nearly one hundred witnesses. In his testimony, the Legionnaire was careful to frame the organization's case as a restorative claim, not as a demand for new rights—a construction that would become a hallmark of the Legion's adjusted compensation campaign. 38 "The overwhelming majority of ex-service men feels strongly that this Government owes an obligation to all persons who are handicapped either bodily or financially because of military or naval service during the recent war," D'Olier explained to the committee.³⁹ In using the language of disability to describe veterans' adjusted compensation claims, D'Olier sought to link the fight for financial restoration to the organization's popular rehabilitation campaign. By the spring of 1920, Americans in and out of government widely accepted the idea that the state had an obligation to provide disabled veterans with

³⁸ Social movement theorists Daniel M. Cress ad David A. Snow emphasize the role of framing in determining social movement outcomes. See, Daniel M. Cress and David A. Snow, "The Outcomes of Homeless Mobilization: The Influence of Organization, Disruption, Political Mediation, and Framing," *American Journal of Sociology*, Vol. 105, No. 4 (January 2000): 1063-104.

³⁹ Congress, House, Committee on Ways and Means, Soldiers' Adjusted Compensation: Hearings Before the Committee on Ways and Means, United States House of Representatives, 66th Cong., 2nd Sess., January-February 1920.

the medical and vocational aid necessary to return them to the status quo ante. There was far less support, however, for the idea that able-bodied veterans deserved the same kind of reintegrative care. By highlighting the similarities between the two cases, the Legion hoped to frame adjusted compensation as it presented rehabilitation: as an effort to equalize government inflicted disadvantages. Legion Legislative Committee Co-Chairman Thomas Miller underscored this point in his hearing testimony as well. "In the consideration of this subject [adjusted compensation] there has been a notable failure to differentiate between the bonus and a service adjustment which would be based on justice and which in no sense would be a gratuity. A correct consideration involves the entire elimination of the bonus plan, and the *substitution therefor [sic] of the same principle of justice which is involved in legislation providing for the disabled man*."

By framing adjusted compensation as an economic restoration program,
Legionnaires like Miller also hoped to stymie anticipated charges that veterans were
"putting a price on patriotism," an accusation that had haunted beneficiaries of the
grossly unpopular Civil War pension system. Instead, according to D'Olier, "The
American Legion asks for no bonus, wants no bonus—that sounds too much like a gift or
present from Government. [The organization] merely asks [that] the Government...
assist the serviceman in overcoming some of the financial disadvantage incidental to his
military or naval service." Put another way, National Legislative Committee member

⁴⁰ Ibid. Emphasis added.

⁴¹ Ibid. During the immediate postwar period, Legionnaires were particularly sensitive to the use of the term "bonus" to describe financial restoration because they (rightly) believed that the word connoted a surcharge or overpayment above what was already due. However, despite the Legion's insistence on using the phrase "adjusted compensation" to refer to their legislative goal, by the mid-1920s, Americans—including veterans sympathetic to the cause—came to use the terms interchangeably.

Gilbert Bettman explained, adjusted compensation "is an equalization of the economic disadvantage that resulted from [military service]... it is not a bounty."⁴²

The Legionnaire witnesses also used their testimony to outline and promote the organization's newest adjusted compensation proposal: the "Four-Fold Plan." In the interregnum between the NEC's February 9 press conference—when the board first announced its support veterans' financial restoration—and the beginning of the Ways and Means Committee hearings nearly a month later, the Legion's Legislative Committee had revised the organization's position on adjusted compensation. Whereas the NEC had initially proposed that veterans receive \$50 bonds for each month of military service, the organization's new "Four-Fold Plan" called for greater choice in the disbursement of government aid. As the Legionnaires explained to the Ways and Means Committee members, under the organization's new proposal, veterans would have the option to select the most useful of four aid programs: "land settlement covering farms in all States," "home aid to encourage [the] purchase of homes in either [the] county or city," vocational training, or a cash backpayment based on the veteran's length of service.⁴³ National Commander D'Olier argued that, by offering veterans choice in how they wanted to receive their adjustment, the state would better address ex-soldiers' reintegrative needs while also economizing. In offering veterans land settlement, home loan, and vocational training options, the Legionnaires argued that government could more widely disburse costs, a concern for legislators who feared the \$2 billion price tag on Congressman Royal Johnson's more straightforward backpayment bill.

⁴² Ibid.

⁴³ Ibid.

After a month of hearings, the Ways and Means Committee drafted a bill nearly identical to the Legion's Four-Fold Plan, reflecting the organization's growing influence in veteran policymaking. Like the Legion proposal, the Ways and Means Committee reported out an adjusted compensation plan (dubbed the "Fordney Bill" after the committee's chairman) which permitted veterans to choose between different benefit options. However, unlike the Four-Fold Plan, the Ways and Means proposal also called for a fifth choice whereby ex-service members could elect to receive backpay in the form of "adjusted service certificates"—government bonds set to mature in 20 years. Under this option, veterans would receive 40% on top of the lump sum value of the cash payment option (\$1.25 per day for each day of service overseas or \$1 per day for domestic service) plus 4.5% interest. "By accepting this option," the Ways and Means Committee explained in its May report, "a veteran is enabled to make an investment that can not be equaled, even in these days of high interest returns, when it is seen that the guarantee of the Government accompanies the certificate." 44 Most importantly, in creating the bond option, the committee built upon the Legion Four-Fold Plan's logic of cost disbursement. As Ways and Means Committee Chairman Fordney explained, by encouraging veterans to "invest" in their futures and select the adjusted service certificate option, government could distribute its financial obligation to ex-soldiers over a period of twenty years, further alleviating pressure on the Treasury to economize amidst the recession.45

 ⁴⁴ U.S. House, Committee on Ways and Means, *Report on World War Adjusted Compensation*, United States House of Representatives (H.Rep.1020). (Washington, DC: Government Printing Office, 1920).
 ⁴⁵ An Act to Provide Adjusted Compensation for Veterans of the World War, H.R. 14157, 66th Cong (1920).

Although the Ways and Means Committee believed that some portion of the program's costs could be deferred for twenty years (depending of the number of veterans choosing option five), the representatives estimated that Congress would need to raise at least \$1.25 billion over the next several years to support the rest of the entitlement. To fund the program, the Ways and Means Committee called for tax increases for the wealthiest Americans (on incomes over \$5,000) and on luxuries (including tobacco) as well as on stock dividends and stock and real estate sales. Fiscal conservatives like Treasury Secretary David F. Houston balked at these proposals, arguing that tax hikes would devastate an already fragile national economy. ⁴⁶ Testifying before the House, Houston argued that,

In my judgment, floating 2,000,000,000 of bonds [to support the veterans' loan option] at the present time would cause further credit expansion and increase the cost of living. It might cause a grave credit situation. I do not assert that it will. I am not prophet enough for that; but it would certainly very greatly increase the present strain. In a measure, the same result would follow from further addition to taxes. I am not prepared to say that the people of the Nation could not pay additional taxes to the extent of 2,000,000,000; but I do say that it would very greatly add to their burdens and would increase the cost of living. 47

Critics of adjusted compensation—namely wealthy Americans who faced tax increases under the Fordney Bill and business groups like the U.S. Chamber of Commerce—amplified this line of attack after the Ways and Means Committee released its report. One man (who identified himself only as "a *genuine* American") urged government officials to "be just, and quash, for all time, this 'Bonus' movement which will add three billion dollars more to our already enormous public debt, and still further

 ⁴⁶ U.S. House, Committee on Ways and Means, *Report on World War Adjusted Compensation*, United States House of Representatives (H.Rep.1020). (Washington, DC: Government Printing Office, 1920).
 ⁴⁷ Congress, House, Committee on Ways and Means, Soldiers' Adjusted Compensation: Hearings Before the Committee on Ways and Means, United States House of Representatives, 66th Cong., 2nd Sess., January-February 1920.

add to our income tax and other taxes, which are already a veritable night mare..."⁴⁸ Similarly, *Weber's Weekly* (a Chicago business newsletter) published an article, attacking the "promoters of the soldiers' bonus proposition" as "the kind and sort in American public affairs that would wreck the American nation forever, if need be, that they might attain transitory ascendance."⁴⁹

III.

By the spring of 1920, the passage of adjusted compensation had emerged as one of the Legion's chief priorities, second only to vocational rehabilitation in its legislative importance. In the days following the release of the Ways and Means Committee's report, the NEC released a statement "affirm[ing] its recommendation to Congress to pass the proposed beneficial legislation program" on the grounds that it was "a square deal to service men, as well as consistent with the public welfare." ⁵⁰

To support the passage of the Fordney Bill, the NEC tasked John Thomas Taylor, Vice Chairman of the Legion's National Legislative Committee, with spearheading the organization's lobbying strategy on adjusted compensation. The fight for rehabilitation reform had revealed the power of new communications technologies to shape the opinions of Legionnaires, preferences that the Legislative Committee had collected and relayed to elected officials to influence policy creation. Through mass mailings (including the *Legion Weekly*), the NEC had been in constant contact with its local posts since early 1919, providing updates to its members about the organization's initiatives.

⁴⁸ "Essay from a Genuine American," 1920, WGHP, File 95, Box 545, Folder 7.

⁴⁹ "Soldiers' Bonus Propositions," *Weber's Weekly*, Vol. 19, No. 19 (31 July 1921), WGHP, File 95, Box 545, Folder 7.

⁵⁰ "The Legion Re-affirms its Stand," American Legion Weekly, Vol. 2, No. 19 (4 June 1920): 7.

Lobbyists on the Legislative Committee, skilled in aggregating these preferences, had successfully mobilized their voters around the issue of disabled veteran care reform, helping to catapult the organization to national political prominence in the immediate postwar period. The organization's success on this front had convinced the NEC to invest even more heavily in its lobbying apparatus during the spring of 1920 as the Legion prepared to launch its fight for the Fordney Bill.⁵¹

Taylor was a natural choice to lead the Legion's new adjusted compensation campaign. Born in Philadelphia to a police chief, he trained as a lawyer before moving to Washington, DC where he worked for Pennsylvania Senator Bois Penrose. Taylor enlisted in the military in 1917 and served with distinction, earning a Silver Star and the Bronze Medal of Verdun, rising to the level of major. 52 After the war, Taylor returned to his Washington practice and began working for the Legion's Legislative Committee under Luke Lea and Thomas Miller. The lawyer quickly distinguished himself as an effective campaigner, representing the Legislative Committee at hearings when his bosses were unavailable. Taylor also proved himself uniquely capable of mobilizing post support.⁵³ In December 1919, he first demonstrated the potential of what he called the "barrage technique" when he called on the rank-and-file to flood congressional offices with telegrams and letters in support of the Sweet Bill. Describing his success in mobilizing support for veterans' causes, Taylor once told a friend, if "the American Legion favors it... it is inevitable legislation."54

⁵¹ On the development of modern lobbying practices, see, Clemens, *The People's Lobby*; Balogh, "'Mirrors of Desires"; Loomis, "The Politics of Uncertainty"; Hansen, *Gaining Access*. ⁵² *Time*, Vol. 25, No. 3 (21 January 1935): 20.

^{53 &}quot;The New Legislative Chairman," *American Legion Weekly*, Vol. 2 No. 27 (30 July 1920): 20.

⁵⁴ Jones, A History of the American Legion, 47.

By the time Taylor assumed responsibility for the Legion's adjusted compensation campaign in the spring of 1920, his power to mobilize Legionnaires was quickly becoming the stuff of Washington legend. A *Time* magazine profiler went so far as to describe Taylor as "the cult's high priest in the legislative temple." According to the reporter, "He [Taylor] knows the right Representative to advance his bills at the right time. He knows how to persuade the Senate clerk to favor his bills in order to get them engrossed ahead of others when time is short. He knows the right Senator to let him into closed conferences where bills are really made." 55

Working with Ivy Lee—the country's foremost expert on public relations—
Taylor coordinated a twofold lobbying strategy to build cross-party support for the
Fordney Bill in Congress and amongst the American public. ⁵⁶ During the spring of 1920,
the Legislative Committee Vice Chairman met regularly with members of Congress on
both sides of the aisle, emphasizing the importance of adjusted compensation to voters in
their districts. According to press reports, Taylor became known around Washington
during this period for telling legislators that "three quarters" of the organization's one
million members came from small towns where they exerted significant influence over
local affairs. A reporter seemed to corroborate the lobbyist's claim when he estimated
that "each Legion[naire] has four or five voting relatives and friends who will use their

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⁵⁵ Time, Vol. 25, No. 3 (21 January 1935): 20.

⁵⁶ As Elisabeth Clemens has demonstrated in her study of American interest group politics, early twentieth century lobbies were "sustained... by extrapartisan voting blocs." The success of groups like the Legion depended on their ability to transcend the party divide by mobilizing around alternate identities like gender, worker, or veteran. See, Clemens, *People's Lobby*, 2. For more on the extrapartisan nature of interest group politics, see also, Shefter, *Political Parties and the State*, 61-98; Michael E. McGerr, *The Decline of Popular Politics: The American North, 1865-1928* (New York: Oxford University Press, 1986), 205; Hansen, *Gaining Access*; Balogh, "'Mirrors of Desires," 222-24.

ballots as he suggests."⁵⁷ By highlighting the Legion's electoral power, Taylor argued that officials ought to vote for the Fordney Bill to shore up their own political futures.

To underline this point, Taylor called on Legion members to write to their representatives in support of adjusted compensation, explaining that in his experience, he had found that "many members of Congress do not oppose and do not aid legislation, but merely stand neutral because they do not know the attitude of their constituents and feel they have no mandate from them." By "barraging" the Hill with endorsements, Taylor hoped to convert "neutral" legislators to supporters. Within weeks, Legionnaires had dispatched nearly 20,000 letters, telegrams, and petitions in support of the Fordney Bill, underscoring the importance of financial restoration to veteran voters. ⁵⁹

In addition to seeking extrapartisan support for adjusted compensation in Congress, Taylor also worked to educate the civilian public on the Legion's position. Iowa Department Commander Hanford MacNider emerged as an important ally for Taylor as he launched the organization's public relations campaign. After the war, MacNider had become convinced that the federal government had a legal and moral obligation to mitigate any disadvantages to soldiers stemming from their military service. He did not believe that the cost of restoring veterans to the status quo ante should have any impact on the state's decision to do so. Veterans were "entitled to adjusted compensation," the Iowa Legionnaire argued, "not as a bonus for military service rendered, not as a gratuity for heroic work well done, but as an approximate adjustment

⁵⁷ Time, Vol. 25, No. 3 (21 January 1935): 20.

⁵⁸ "Report of the National Legislative Committee," 1927, HHPL, HMP, Box 5, American Legion Correspondence 1927 L-R.

⁵⁹ "The Legion Re-affirms its Stand," *American Legion Weekly*, Vol. 2, No. 19 (4 June 1920): 7.

of the economic disadvantage which the men suffered by reason of their days in service."60

At Taylor's behest, MacNider and National Commander Franklin D'Olier travelled the country during the spring of 1920 making speeches in defense of adjusted compensation. Addressing their critics—mostly wealthy Americans who would face tax increases under the Fordney Bill and business groups, including the U.S. Chamber of Commerce—the men insisted that veterans did not seek a "bonus"—despite the fact that the term had largely eclipsed "adjusted compensation" in public discourse—but instead called on the state to fulfill the commitment that it had made to veterans in 1917 when they had entered into military service. Stumping for the law, D'Olier assured fiscal conservatives that "the ex-service man believes in national economy" as well, despite accusations to the contrary. However, as the national commander put it, "he does not believe that all of the economizing should be done at his expense." Soldiers had already saved the country billions of dollars by "stop[ping] the war a year earlier than was expected." Now, MacNider argued, the veteran only sought the funds owed him to equalize his wartime losses.⁶¹

As Legion Weekly journalist J.W. Rixley noted, by May, under Taylor's leadership, Legionnaires had largely succeeded in convincing the majority of Congress and the public that the state owed veterans adjusted compensation to restore their financial losses. However, while most Americans had come to accept veterans' deservedness, many still questioned whether the time was right for the state to meet that obligation. As Rixley reported, "the fight on beneficial legislation at Washington ha[d]

⁶⁰ SoP, Fourth Annual National Convention of the American Legion, 16-20 October 1922, ALL.

⁶¹ "Summing Up for Compensation," American Legion Weekly 2 No. 15 (7 May 1920): 7.

shifted from the question of the legislation itself—which a majority of Congress favors on principle—to that of how to raise the money for its enforcement." By late spring, the Fordney Bill's tax provisions had emerged as a major sticking point for fiscally conservative members of both parties. In an effort to overcome this objection before the summer recess, Taylor focused his persuasive efforts in meetings with legislators sympathetic to the Legion's cause as well as those in danger of being unseated in upcoming elections, insisting that Congress had an obligation to pass the bill despite its price tag.

Taylor's efforts paid off. On May 29—one week before Congress was scheduled to adjourn for the summer—the House passed the Fordney Bill by a margin of 289 to 92, with 46 abstentions (the clerk failed to record 8 votes). The bill had strong support on both sides of the aisle (183 Republicans and 104 Democrats voted "yes"), suggesting that adjusted compensation was not a partisan issue but a barometer of the legislators' ideas about service, their relationships to the Legion, and their perceived electoral vulnerabilities. Predictably, the Fordney Bill found its strongest support in the West and Midwest where the Legion was most deeply rooted. Despite Taylor's success in the House, however, the Fordney Bill did not come up for a vote in the Senate before Congress adjourned for its summer recess, dooming adjusted compensation for the session.

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⁶² J.W. Rixley Smith, "A Snare in the Legion's Path," *American Legion Weekly*, Vol. 2, No. 17 (21 May 1920): 7.

⁶³ An Act to Provide Adjusted Compensation for Veterans of the World War, H.R. 14157, 66th Cong (1920). Christopher Nehls demonstrates that the Legion was particularly successful in small Midwestern towns because "these kinds of communities reflected the overlapping conceptions of obligation veterans held and that Americans had demonstrated in their locally-focused volunteerism and vigilance activities during the war." Nehls, "A Grand and Glorious *Feeling*," 82.

During the recess, external events conspired to keep adjusted compensation off of the congressional docket for the fall term. In December 1919, the young Federal Reserve Board had started to raise interest rates in an attempt to curb postwar inflation. The action ultimately produced the opposite effect, triggering a deflationary depression. Between 1920 and 1922, gross national product fell by 6% while the stock market dropped 25%, devastating large firms and setting off further rounds of layoffs, compounding the country's persistent unemployment problem. By September 1921, economists estimated that more than 12% of the country's non-agricultural workforce was jobless.⁶⁴

As the economic crisis deepened in the fall of 1920, elected officials increasingly emphasized the importance of "economy" over the creation of new entitlements like adjusted compensation. In fact, during the presidential campaign of 1920—as the economy worsened, both candidates (Republican Senator Warren G. Harding of Ohio and the Democratic Governor of Ohio James Cox) refrained from taking a position vis-à-vis financial restoration, choosing to avoid it rather than comment and risk alienating voters on either side on the issue. Instead, Harding called vaguely for the "equitable treatment of the soldiers of the Great War" (though he was refused to explain "what form this proper recognition [would] take"), while Cox appealed to veterans by promising to formalize peace with Germany—one of the Legion's tertiary concerns.⁶⁵

Despite his pre-November equivocations, however, Harding clarified his position on adjusted compensation shortly after he was elected with the nomination of Andrew Mellon (a banker and the third wealthiest man in America) to head the Treasury

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⁶⁴ Payne, Crash!, 21; Grant, The Forgotten Depression, 21.

⁶⁵ James Cox, "The Issues as the Candidates See Them," *American Legion Weekly*, Vol. 2, No. 36 (1 October 1920): 3, 5; Warren G. Harding, "The Issues as the Candidates See Them," ibid., 3-4.

Department. The head of the Union Trust Company and Mellon National Bank, Andrew Mellon was widely known as a champion of free markets and a fierce opponent of labor. A lifelong Republican, Mellon had been deeply troubled by his party's turn of the century progressivism. He credited low, prewar tax rates with facilitating the expansion of his Pittsburgh-based businesses and longed for a candidate who shared his commitment to balanced budgets and low national debt. Although he had not backed Harding before the Republican nominating convention, Mellon became one of the candidate's chief fundraisers after Harding released a strong pro-business platform and he loaned the Ohioan \$150,000 to sustain his campaign. The new Republican president rewarded Mellon's loyalty by asking him to join his cabinet.⁶⁶

Mellon brought a strong aversion to adjusted compensation with him to Washington. Facing \$7.5 billion in short-term debts, falling government revenues, and strong public demand for tax reduction, Mellon found the Fordney Bill's \$1.25 billion price tag unconscionable.⁶⁷ "It would be the greatest relief to the Treasury and the country as a whole if the bonus question could be disposed of, once and for all," Mellon confided to his friend Charles Hamlin of the Federal Reserve Board.⁶⁸ As Treasury Secretary, Mellon used his newfound political influence to push Harding to come out publically against adjusted compensation, which the president did in an April 12 special congressional address. In his speech, Harding emphasized the importance of economy in legislation. "I know of no more pressing problem at home than to restrict our national expenditures within the limits of our national income, and at the same time measurably

⁶⁶ David Cannadine, Mellon: An American Life (New York: Alfred A. Knopf, 2006), 266-68.

⁶⁷ Ibid 286-87

⁶⁸ Letter from Andrew Mellon to Charles Hamlin, 14 July 1921, Burton J. Hendrick Papers, Andrew Mellon Letterbooks, Private Collection; cited in ibid., 288.

lift the burdens of war taxation from the shoulders of the American people," the president instructed his former colleagues. "There are two agencies to be employed in correction [of current economic problems]: One is rigid resistance in appropriation and the other is the utmost economy in administration." Taking aim at the nation's largest pending entitlement program, Harding encouraged Congress to reject adjusted compensation unless its members could develop a scheme to sustainably fund the program. ⁶⁹

Mellon reiterated Harding's April call to limit spending in a letter to adjusted compensation's chief sponsor, Joseph Fordney. "This is no time for extravagance or for entering upon new fields of expenditure," the Treasury Secretary lectured the House Ways and Means Committee Chairman. "The Nation's finances are sound and its credit is the best in the world, but it can not [sic] afford reckless or wasteful expenditure. New or enlarged expenditures can not [sic] be financed without increased taxes or new loans."

Despite taking a hardline approach to adjusted compensation, the administration privately struggled to control uncooperative congressional Republicans who were sympathetic to the veterans' cause. Although the party won strong majorities in both chambers, there was little cohesion among the Republicans of the Sixty-Seventh Congress. The party's pro-business wing (hailing largely from the Northeast) generally supported the president's economic agenda. Meanwhile, the White House had less influence over progressive Republicans and the emerging Farm Bloc (a bipartisan group of legislators sympathetic to the interests of agriculture), which were more responsive to

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⁶⁹ Warren G. Harding, *Address of the President of the United States Delivered at a Joint Session of the Two Houses of Congress* (H.Doc.1). (Washington, DC: Government Printing Office, 1921).

⁷⁰ Letter from Andrew Mellon to Joseph Fordney (H.Doc.60). (Government Printing Office, 1921).

interest group pressure from the Legion.⁷¹ This factionalism was further exacerbated by strong congressional anti-executive sentiment, which stemmed from a growing perception that the power of the presidency had expanded too far during the war.⁷² As a result, the Sixty-Seventh Congress was wary of Harding from the moment that he took the oath of office, challenging his ability to set the legislative agenda and influence members of his own party.

Defying the administration's request, Senator Porter James McCumber, a North Dakota Republican from the Farm Bloc, introduced a version of the Fordney Bill at the start of the new Congress in the spring of 1921. Like the House measure, McCumber's "Veterans' Adjusted Compensation Bill" included five options from which veterans could choose: farm aid, land settlement, vocational education, cash payments (at a rate of \$1.25 for each day of overseas service and \$1 for domestic service), and an "adjusted compensation insurance" plan by which veterans would receive their back pay in bonds, payable in full after twenty years with 140% interest. The Senate majority leader referred McCumber's proposal to the Finance Committee which positively reported the bill a month later. The Committee began its report with a strong statement in support of adjusted compensation, explaining that,

Any discussion of this bill, its provisions and purposes, would be lacking in fairness and justice if it failed at the outset to correct a general misnomer of the bill itself. This proposed legislation is generally referred to as the 'Soldiers' bonus bill.' No name could be applied that is more irrelevant. It is worse than erroneous. It stamps upon a just and unquestioned national moral obligation the designation "gratuity"... In simple, plain English, the purpose of this bill is to

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⁷¹ Hansen, *Gaining Access*.

⁷² On the power struggle between the Harding White House and Congress, see, Niall A. Palmer, "The Veterans' Bonus and the Evolving Presidency of Warren G. Harding," *Presidential Studies Quarterly*, Vol. 38, No. 1 (March 2008): 39-60; Mark Sullivan, "A Year of the Government," *The North American Review*, 215, 796 (March 1922): 308-21; Robert K. Murray, *The Harding Era: Warren G. Harding and his Administration* (Minneapolis: University of Minnesota Press, 1969).

⁷³ A Bill to Amend the Federal Reserve Act, S. 509, 67th Cong. (1921).

give to the soldier who offered his life with his services a compensation that will more nearly approach that of the laborer who remained at home, secure from danger...⁷⁴

The Senate Finance Committee's report—supported by a majority of Republicans—infuriated the White House, which perceived support for adjusted compensation as an attack on executive authority. Mellon was particularly incensed by the Senate's defiance because, at an upwardly revised cost of between \$1.56 and \$5.27 billion (depending on the number of veterans electing the insurance plan option), the program threatened the Treasury Secretary's economic program. The "Mellon Plan" was a package of corporate and personal income tax cuts, tariff increases, and foreign loan revisions intended to reduce the national debt while lowering Americans' tax burden. In a letter to Republican Senate ally Joseph Sherman Frelinghuysen of New Jersey, Mellon argued that the Treasury Department's efforts would be undermined by the passage of adjusted compensation. "It [adjusted compensation] would greatly swell the cost of Government and virtually defeat the administration's program of economy and retrenchment," Mellon argued. "It could be financed only by adding to the burden of debt and taxes under which the country is now staggering. However financed, no such sum could be taken out of the public Treasury without throwing a corresponding load upon the whole people in the form of increased interest charges, increased taxes, and increased cost of living."⁷⁵ In light of these consequences, Mellon told Frelinhuysen that Congress ought to revisit the question of adjusted compensation at a future date, after the economy had improved.

⁷⁴ U.S. Senate, Committee on Finance, *A Veterans' Adjusted Compensation Bill*. (S.Rpt.133). (Washington, DC: Government Printing Office, 1921).

⁷⁵ Letter from Andrew Mellon to Joseph Sherman Frelinghuysen, Sr., 2 July 1921, *Congressional Record* 48 (1921).

As Congress debated the Veterans' Adjusted Compensation Bill during the summer of 1921, Legionnaires threatened political action against legislators opposing the program. In an interview with the *Chicago Daily Tribune*, Mississippi Legion

Department Commander William R. McCauley promised, "We [the Legion] are going to battle to the last ditch to see that these bills get over. We want men in Washington to realize we mean business.... The senators and representatives who are with us won't be forgotten." John Thomas Taylor called on all of the organization's posts to make this point clear in letters to their elected representatives. Thousands of men like Legionnaire John Burns sent emphatic telegrams to Washington insisting, "We [veterans] need the money NOW and the Bill should be brought to a VOTE NOW."

By the beginning of July, it seemed like the veterans had secured a majority of votes in the House, as well as a potential victory in the Senate. Concerned, Harding's supporters wrote to the president, warning of him of the potential consequences to the Republican Party in the midterm elections if the White House did not accede to the veterans' demands. "As a republican from a tall corn district who has voted nothing but the republican ticket for the last thirty years and who during all that time has been more or less closely identified with the republican party in this county and state," one Harding backer wrote, "I am taking the liberty of presenting to you what, in my judgment is the opinion of nine-tenths of the republican[s] in this vicinity in regard to the soldiers

⁷⁶ "Legion Chiefs to Launch Fight for Bonus Bill," *Chicago Daily Tribune*, 12 July 1921, 7.

⁷⁷ Letter from John Burns to George B. Christian, 28 June 1921, WGHP, Series 95, Box 545, Folder 7

bonus.... They are much more in favor of giving the soldiers all and more than they are entitled to."⁷⁸

Despite these warnings, Mellon succeeded in convincing the president that his political interests would be better served by taking a strong stand against the veterans, shoring up his economic agenda, and flexing his executive power before an unruly Congress. On July 12, Harding gave a special congressional address on adjusted compensation. The move was unprecedented; no president had ever made an unscheduled speech to Congress unless requesting a declaration of war. Harding's entry into the chamber was met with "generous handclapping." After the room quieted, the president began, explaining that "the enactment of the compensation bill in the midst of the struggle for readjustment and restoration would hinder every effort and greatly imperil the financial stability of our country. More, this menacing effort to expend billions in gratuities will imperil our capacity to discharge our first obligations to those we must not fail." The country's top priorities must be tax reduction and reduced national debt, the president argued. "I know the feelings of my own breast, and that of yours and the grateful people of this Republic," he continued. "But no thoughtful person, possessed with all the facts, is ready for added compensation for the healthful, self-reliant masses of our great armies at the cost of a treasury breakdown which will bring its hardships of all citizens of our Republic." Harding concluded his remarks by urging the Senate to recommit the Veterans' Adjusted Compensation Bill for further review. 80

⁷⁸ Letter from Frank Pierce to Warren Harding, WGHP, Series 95, Box 545, Folder 8.

⁷⁹ Staff Correspondent, "No Bonus Now; Load Too Big, Harding Says," *Chicago Daily Tribune*, 13 July 1921. 1

⁸⁰ Warren G. Harding, *Address of the President of the United States Delivered at a Joint Session of the Two Houses of Congress* (H.Doc.1). (Washington, DC: Government Printing Office, 1921).

The president's address was initially met with silence as the stunned legislators considered Harding's arguments. As soon as the president left the chamber, Senator Boies Penrose—a Harding ally—took advantage of the assembly's surprise to motion for the bill's return to committee. Unprepared to meet the new challenge of amassing a two-thirds majority to override a likely presidential veto, adjusted compensation advocates remained silent and watched as their opponents tabled the measure.⁸¹

The press largely applauded Harding's address. The *Washington Post* called the president "the voice of prudence," while the *New York Times* reported that "it required courage of a still higher order for a President, who had lately left the association and intimacies of the Senate, to face a majority committed to the support of a Soldiers' Bonus bill and tell Senators why it should be set aside." The *Chicago Daily Tribune* was more measured, suggesting that Harding "would be received with better grace by the veterans if they [the president's objections] had been accompanied by a clearer exposition of the difference between the government's moral obligations, which cannot be denied and its economic obligations, which cannot be ignored."83

Veterans were enraged by the president's actions, accusing him of overstepping his executive authority to quash popularly supported legislation. Shortly after the Senate voted to recommit the Adjusted Compensation Bill, Legion National Commander John Emery released a statement condemning Harding's remarks and pledging his organization to defeating the president's congressional allies in the upcoming midterm elections.

Angry veterans flooded the White House with disparaging letters and telegrams. "Am I

⁸¹ Staff Correspondent, "No Bonus Now," *Chicago Daily Tribune*, 13 July 1921, 1.

^{82 &}quot;Guard the Treasury!" Washington Post, 13 July 1921, 6; "Mr. Harding Calls a Halt," New York Times, 14 July 1921, 11.

^{83 &}quot;What Defeat of the Bonus Must Mean," Chicago Daily Tribune, 14 July 1921, 6.

right in presuming that under your administration the Government will have MONEY FOR EVERYTHING except for JUSTICE to former service men?" one Legionnaire wrote. "Do we have to ellect [sic] a Congress OPPOSED to you in the coming ellections [sic] and another president in 1924 who would have more conscience?" he threatened.⁸⁴ Another questioned if Harding "[thought] he would now be President of the U.S. if you [he] had exposed your [his] views on the bonus previous to [his] election? I doubt it," the veteran added angrily.⁸⁵

Irl R. Felter—a former soldier and iron moulder from Cincinnatti—was particularly incensed by Harding's suggestion that veterans should be patient with government and withdraw their adjusted compensation claims until economic conditions had improved. Having calculated the disparity in pay between his military wages and the average hourly rate for iron moulding during the war to be \$3,068 over his 22 month enlistment, Felter argued that he had already waited long enough to be restored. "Now the President and some of his tax-shy friends are saying that 'this is not time to add to the country's financial burden' by paying compensation to veterans," Felter explained in the *Legion Weekly*. "Yet, we forfeited our time when it was most valuable and offered our lives to boot." Selflessly, veterans "never said: 'This is no time to forfeit our valuable time—let's wait until later when there is no war and the demand for labor is not so high, so that we can better be able to put the uniform." Instead, Felter noted, they sacrificed and served at enormous personal expense. It was ludicrous of Harding to expect veterans to continue waiting for the compensation due them.⁸⁶

⁸⁴ Letter from John C. Burt to Warren Harding, 6 July 1921, WGHP, Series 95, Box 545, Folder 7.

⁸⁵ Letter from Arthur E. Colon to Warren Harding, 11 July 1921, ibid.

⁸⁶ Irl R. Felter, "To the Editor," American Legion Weekly, Vol. 3, No. 33 (19 August 1921): 13.

A Cleveland Legionnaire also rejected Harding's claim that the country could not afford to pay its veterans, warning the president to "reform the present taxation system which enables concentrated wealth to evade a large share of its burden" before publicly "attacking" veterans in Congress again. "You asserted in your speech to the Senate that further financial obligations threaten to break the Treasury," the veteran who identified only as R.S. wrote. "But what are you doing to bolster the Treasury? Will you deny that [if tax loopholes were closed] the money to meet the rightful debt of the nation to its soldiers will still be unavailable?" Voicing a common frustration, R.S. encouraged the president to investigate Mellon's tax record. "As a banker, he [Mellon] is undoubtedly familiar with all the legal loopholes by which Government revenues are being cut down."

J.R. McQuigg—an Ohio Legionnaire—also blamed Mellon for hypocritically fueling the case against adjusted compensation, telling his state department commander,

The men who fought the war to a successful termination look upon Secretary Mellon, bitter as another stab in the back from the big business and financial elite of the country—the men who got their's [sic] while the getting was good and who now fight every suggestion to pay any real money to the men who composed the armies of the nation in the great battle for civilization... If Secretary Mellon can find no means of keeping the government off the financial rocks, except by opposing every suggestion of real financial justice to service me, the sooner we have a new Secretary of the Treasury the better. ⁸⁷

Perhaps the country could afford to adequately compensate its veterans if wealthy men like Mellon actually paid their fair share of the country's tax burden, R.S. suggested. "The American Legion will discount every argument against adjusted compensation unless you show the country that you have the same zeal to prevent taxation dodging that you have demonstrated in killing the adjusted compensation bill," he wrote. 88

⁸⁷ Letter from J.R. McQuigg to Frank Willis, 7 July 1921, Warren G. Harding Papers, Series 4, Roll No. 175, Series 95, Box 546, Folder 7.

⁸⁸ R.S., "To the Editor," American Legion Weekly, Vol. 3, No. 31 (5 August 1921): 13.

Legionnaires also pointed to the massive loans that the Treasury Department had made to the Allies during the war (by April 1917, Americans had leant the Allies \$2.7 billion), complaining that "the ex-service man [was] still waiting for [his own] loan of a few dollars to get a fresh start." As one disgruntled veteran put it, "It is high time that the country cement the friendship with the men who put her on top and enabled her to have money," rather than shoring up friendships with foreign governments. Pointing to the fact that many of the country's European debtors were using American loans to pay their own veterans adjusted compensation, Legionnaires balked at the suggestion that the Treasury Department could not afford to adequately restore its own citizens. As William F. Beck explained in a letter to the editor of the *Legion Weekly*,

As to the ability of any nation to make such a payment [to veterans], let us make a few comparisons. It is a matter of history, which even the compensation slackers cannot refute or deny that during the war, this Government, by means of huge loans, added billions to the financial resources of our ally, France, and that France has utilized part of these resources paying compensation to her soldiers—paid it willingly, cheerfully, gladly, and is today playing without murmur and without stint not only a compensation for their person service in war, but for soldiers' homes destroyed or damaged in the war. ⁹¹

If war-torn France "willingly, cheerfully, gladly" paid its veterans a postwar salary adjustment, it seemed impossible to believe that the U.S. government could not afford to do so as well.

Nevertheless, in spite of this disappointing conclusion, advocates of adjusted compensation picked up a lot of ground during the summer-long debates by establishing

⁹¹ William F. Beck, "To the Editor," American Legion Weekly, Vol. 3, No. 29 (22 July 1921): 12.

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⁸⁹ Paul A.C. Koistinen, *Mobilizing for Modern War: The Political Economy of American Warfare, 1865-1919* (Lawrence, KS: University of Kansas Press, 1997), 134.

⁹⁰ E.B. Sprowl, "To the Editor," *American Legion Weekly*, Vol. 3, No. 25 (23 June 1922): 13.

important relationships with sympathetic and vulnerable legislators. Pressing this advantage, the leaders of the Legion continued to lobby for a new bill throughout the winter recess. When the term began, the House Republican Caucus called on the Committee of Ways and Means to draft a new bill that would be more amenable to the White House. To reduce the Treasury's immediate obligations, the committee amended the Veterans' Adjusted Compensation Bill, removing the cash payment option and leaving only the insurance scheme. Although this proposal was ultimately more expensive in the long run (because the bonds would be repaid at 140% interest), Chairman Fordney argued that by deferring payments until 1945, the nation could slowly absorb the debt over twenty years, reducing the entitlement's immediate financial impact. 92

As Congress debated the new measure, the White House leaked the president's intention to veto the bill if passed. Despite Harding's threat, the House voted 333 to 70 in favor of adjusted compensation on September 14. The Senate followed suit the next day, passing the bill 43 to 26. Harding vetoed the legislation four days later, as promised. The House was silent as the clerk read the president's accompanying message in which Harding reiterated his belief that the country could not afford the program. When the bill was under consideration in the House I expressed the conviction that any grant of bonus ought to provide the means of paying it... and the bill has been enacted without

⁹² Palmer, "The Veterans' Bonus," 46.

^{93 &}quot;Bad Finance; Not Patriotic; Bonus Vetoed," Chicago Daily Tribune, 20 September 1922, 1.

even a suggested means of meeting the cost. Indeed, the cost is not definitely known, either for the immediate future or in the ultimate settlement," the president wrote. 94

Although the House overrode Harding's veto 258 to 54, the Senate voted to sustain by a margin of 28 to 44, killing the bill. The Midwestern Farm Bloc voted overwhelmingly against the White House, but an alliance between Northeastern Republicans and Southern Democrats proved insurmountable. "Virtually all the Republican leaders"—including Senate Majority Leader Henry Cabot Lodge of Massachusetts, House Majority Leader Frank Mondell of Wyoming, Senate Finance Committee Chairman James McCumber, House Ways and Means Committee Chairman Joseph Fordney, and Chairman of the Republican Senatorial Campaign Committee Chairman Joseph McCormick of Illinois—opposed the administration, revealing the depth of intra-party strife over the issue as well as the Legion's efficacy in building extrapartisan support for the bill. 95

The press heralded Harding's stand, calling the veto "courageous" and the last in a series of steps which he has taken to prevent the piling of that intolerable burden on the back of the country." For its part, the Wall Street Journal credited Mellon for the veto, suggesting that the Treasury Secretary "must have supplied the data and the irrefutable arguments against such an act."97

⁹⁴ Message of the President of the United States Returning without Approval the Bill H.R. 10874—To Provide Adjusted Compensation for Veterans of the World War, and for Other Purposes (H.Doc.396). (Washington, DC: Government Printing Office, 1922).

⁹⁵ Staff Correspondent, "Senate Vote Kills Bonus," *Chicago Daily Tribune*, 20 September 1922, 1.
96 Robert B. Armstrong, "Harding Shows Courage," *Los Angeles Times*, 21 September 1922, 11; "What We Owe the President," New York Times, 20 September 1922, 16.

⁹⁷ "A Defender of Public Honor," Wall Street Journal, 21 September 1922, 2.

Veterans promised to get revenge for the bill's defeat at the polls a month later. "The service men of Ohio are in an ugly frame of mind," one Legion state commander wrote to outgoing National Commander Hanford MacNider. "If Harding were running for President at the coming election, I do not believe he would get enough service men's votes in Ohio to be worth counting. I am getting letters from them from all over the state, asking me how they should vote and what they should do. These are rather difficult questions to answer but I have been telling them to stand by the men who have stood by us in the House and Senate and wait for 1924 [when the bill will be brought up again]."98 Newly elected National Commander Alvin M. Owsley reiterated this call to the organization's members in a pre-election *Legion Weekly* article, pledging that "the fight for adjusted compensation goes on. The Legion will continue its efforts on behalf of all unemployed veterans. It is our sacred duty." Owsley urged his followers to make their voices known at the polls by electing adjusted compensation advocates to local, state, and national office.⁹⁹ Legionnaires across the country followed through. Of the 17 senators up for reelection, only the 13 favoring the Veterans' Adjusted Compensation Bill were sent back to Washington. The day after the election, the New York Daily News credited veterans for driving the shake up. "The war veterans and their friends evidently did not agree with the position of [New York Republican] Senator [William] Calder on the bonus or approve of President Harding's veto of the bill," it commented on the senator's loss. The NEC made a similar claim, trumpeting that "adjusted compensation was a governing factor in virtually every senatorial and Congressional contest; in several it was a

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⁹⁸ Letter from J.R. McQuigg to Hanford MacNider, 30 October 1922, HHPL, HMP, Box 3, American Legion Congratulations on Election as National Commander.

⁹⁹ Alvin M. Owsley, "From the National Commander," *American Legion Weekly*, Vol. 4, No. 45 (10 November 1922): 8.

determining factor." The board pointed specifically to Senate Majority Leader Lodge's narrow victory in his Massachusetts' reelection campaign arguing that his "victory by less than nine thousand votes would assuredly not have been possible if he had not aggressively championed the cause of adjusted compensation" despite intense White House pressure to toe the party line. 100

The success of pro-veteran candidates in the 1922 election underscored the growing power of the Legion in American politics. Legislators particularly noted service members' electoral influence and reintroduced adjusted compensation at the start of the new session. At this point, the Legion's lobbying focus shifted from the House—where it was assured victory—to the Senate where they believed that four critical votes (Democrat William Bruce of Maryland, Republican James Couzens of Michigan, Democrat Thomas Bayard, Jr. of Delaware, and Republican Frank Greene of Vermont) would decide the fate of adjusted compensation. The Legislative Committee concentrated its lobbying efforts on these four men during the spring and summer of 1923. ¹⁰¹

President Harding suffered a fatal heart attack on August 2, sending Vice

President Calvin Coolidge to the White House. Coolidge was a notoriously aloof figure.

After taking office, the similarly forbidding Mellon became the one of the president's closest advisers. Although contemporaries noted that the two shared little affection for each other, Coolidge followed the Treasury Secretary's advice closely, particularly with regard to adjusted compensation. "He [Coolidge] made no effort to disprove what is contended by those as expert in finance and Mr. Mellon that it is possible both to reduce taxes and to meet the adjusted compensation obligation," the *Legion Weekly* reported. As

¹⁰⁰ "The Election and the Veteran," American Legion Weekly, Vol. 4, No. 47 (24 November 1922): 12.

¹⁰¹ Marquis James, "Just Over the Hill," American Legion Weekly, Vol. 5, No. 33 (17 August 1923): 9, 22.

it became increasingly likely that Congress would, once again, pass the bill, the new president addressed the legislature twice in special sessions on adjusted compensation during the month of December in an effort to dissuade activity on this front. "I do not favor the granting of a bonus," Coolidge said bluntly in his first speech, adding later that "the Government has no money to distribute to any class of citizens that it does not take from the pockets of the people, and the payment of a bonus to millions of our former soldiers could only be accomplished at a cost to the whole community, including the veterans themselves." ¹⁰²

Despite the administration's objections, Congress opened discussion on adjusted compensation when it reconvened in the spring. Once again, the Legion mobilized in support of congressional action. National Commander John Quinn called on all of the organization's posts to "hold mass meetings throughout the nation... to bring out the sentiment of the country in favor of adjusted compensation for the ex-service men of the World War.... Let the voice of your community be unmistakable. Then tell Congress by letter and telegram. Let your Senators and Congressmen know how your community stands." Meanwhile, the NEC coordinated attacks on the Treasury Secretary as a means of discrediting budget-based objections to the bill. They accused Mellon of being a stooge of "the rich" who opposed adjusted compensation for selfish reasons. "The man who thinks Mr. Mellon is not in politics and is not misrepresenting facts concerning adjusted compensation to serve the financial ends of the rich and to serve the political ends of his party has a mistaken impression of the situation," NEC Chairman Aaron Shapiro said in a public statement. *Legion Weekly* reporters printed stories about the

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¹⁰² "Mr. Coolidge, Mr. Mellon, and the People," *American Legion Weekly*, Vol. 5, No. 52 (28 December 1923): 8.

¹⁰³ J.R. Quinn, "Mr. Mellon's Figures," American Legion Weekly, Vol. 6, No. 5 (1 February 1924): 1.

Treasury Secretary's business dealings, suggesting that he was funneling money through his corporations to fund anti-adjusted compensation organizing. (Mellon denied these charges). 104

John Thomas Taylor coordinated the Legislative Committee's efforts with congressional allies, responding to requests to mobilize Legionnaires on behalf of uncertain or vulnerable legislators like South Dakota Republican Senator Thomas Sterling. "Senator Sterling has definitely committed himself [to adjusted compensation] and I know there will be a storm of protest from some of his [anti-adjusted compensation] friends and associate," South Dakota Legion Commander L.J. Stephens wrote to the NEC. "I want telegrams sent him and put in the Press for the effect they would have on the Senator and the general public," he added. 105 Taylor mobilized thousands of Legionnaires to embolden legislators like Sterling to remain committed to the veterans' cause.

The Legionnaires' hard work paid off when the House voted 355 to 54 in favor of the Veterans' Adjusted Compensation Bill on March 18. The Senate ratified the measure a month later, voting for the entitlement program by a margin of 67 to 17. Coolidge vetoed the bill weeks later, explaining in a message to Congress that "the one compelling desire and demand of the people to-day [sic], irrespective of party or class, is for tax relief.... If this bill becomes law, we wipe out at once almost all the progress five years have accomplished in reducing the national debt." The NEC responded to Coolidge's

¹⁰⁴ Aaron Shapiro, "The Truth about the Fight Against Adjusted Compensation," ibid., 5-7, 18; "Again the Mellon Touch," American Legion Weekly, Vol. 6, No. 8 (22 February 1924): 7, 20; "Mellon Vigorously Denies he Assisted Anti-Bonus League," *Chicago Daily Tribune*, 6 March 1924, 11.

105 Letter from L.J. Stephens to Hanford MacNider, 16 February 1924, HHPL, HMP, Box 2, American

Legion Commanders, Department 1924-25.

¹⁰⁶ 68th Cong., 2nd sess., Congressional Record 8660-661.

statement with one of its own, reiterating its belief that the Treasury could afford the bill since the cash payment option had been omitted in favor of the insurance plan, deferring the state's financial obligation for twenty years.

This time, adjusted compensation advocates were prepared for the veto. House supporters voted to override 313 to 78 two days later. Meanwhile, observers noted that the Senate vote would be tight. Coolidge invited seven undecided senators to the White House for breakfast on the morning of the Senate vote, hoping to persuade the men to sustain his veto over eggs. Ultimately, the president failed to secure enough of the swing votes; only three of the seven voted to sustain. The bill passed the mandated two-thirds threshold with a vote of 59 to 26 in favor of adjusted compensation. The impact of the 1922 election was apparent in the vote: of the 34 senators up for reelection, 16 voted to override and 5 absentees expressed support for the bill, while only 11 voted to sustain (the opinions of the 2 other absentees were unknown). 107

V.

With the Senate vote, the Veterans' Adjusted Compensation Bill became law on May 20, 1924 after five years of organizing. The World War Adjusted Compensation Act authorized back payments to First World War veterans at \$1 a day for stateside service and \$1.25 a day for overseas service to be paid (with 125% interest) in full in 1945, unless the total value of the certificate was less than \$50 in which case it was to be paid immediately. Veterans were permitted to take out loans against their adjusted compensation certificates at varying interest rates.

¹⁰⁷ "Bonus Bill Becomes Law," New York Times, 20 May 1924, 1; "Position of 34 Senator," New York Times, 20 May 1924, 1.

Legionnaires were elated by the victory. After the vote, the NEC released a statement describing the new law as "beneficial to the moral welfare of the country" and called on its members to "take advantage of the aid that had been made available to them" by applying immediately for the benefit. In building a cross-party coalition of congressional support for financial restoration, John Thomas Taylor and the Legislative Committee had demonstrated the power of the Legion's lobbying apparatus to pass legislation over a presidential veto. The organization's success in shepherding adjusted compensation and rehabilitation reform through the legislature during the early 1920s sent an important message about veterans' emerging role in American politics. Between 1919 and 1924, Legionnaires across the country successfully mobilized in support of both initiatives, helping to pass major entitlement programs for veterans.

Despite their remarkable successes, the Legionnaires did not secure their original goal of a cash backpayment program. In the growing economy of the mid-1920s, most veterans were willing to accept this compromise, knowing that they would eventually receive their money—plus 125% interest—in twenty years. Veterans' attitudes would change dramatically, however, when the U.S. economy collapsed at the end of 1929, creating unprecedented financial need among lower and middle-class ex-soldiers for the immediate payment of their adjusted compensation insurance.

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¹⁰⁸ SoP, Sixth Annual National Convention of the American Legion, 15 September 1924, ALL.
¹⁰⁹ Between fiscal year 1924 and fiscal year 1934 (the fiscal year before the adjusted compensation certificate program was funded and ten years into the program's existence), the percentage of federal spending on veterans rose from 12% to 28.1% (representing the largest budgetary outlay of any government program). United States Bureau of the Budget, Office of Management and Budget, Budget of the United States Government: Fiscal Year Ending June 30, 1924, 4 December 1922; United States Bureau of the Budget, Office of Management and Budget, Budget of the United States Government: Fiscal Year Ending June 30, 1934, 5 December 1932.

Chapter Three

"Now is the Time to Pay It!": Veteran Politics in the Great Depression, 1929-1936

I.

On March 21, 1935, Mrs. Joseph Astrouskus sat down to her kitchen table in New Haven, Connecticut to write a letter to President Franklin Roosevelt. Six years into the depression, circumstances were dire for the Astrouskus family. "My husband is an exservice man and has not had a steady job for six years, during all that time we have never had enough to eat," she began. "At the present time we are half starved, getting only enough to keep us alive, we have one child, a girl ten years old. We never get any fruit or vegetables, and hardly ever any meat, sometimes we don't even have butter.... We live near a dump and have to pick bottles, rags, and junk to get a few cents to eat with." The desperate Mrs. Astrouskus concluded by explaining, "I am writing this because we are hoping you will pass the Bonus."

When Congress passed the World War Veterans Adjusted Compensation Act in 1924 authorizing the payment of adjusted compensation certificates by 1945, most exservicemen had welcomed the legislation as a great accomplishment for advocates of a new veteran-state social contract. However, by the early 1930s, as the country fell further into economic depression and the financial need of ex-servicemen grew, the stipulation that adjusted compensation certificates would not mature for another decade and a half increasingly tainted perceptions of the legislation among recipients who

¹ Letter from Mrs. Joseph Astrouskus to Franklin Roosevelt, 21 March 1935, Franklin D. Roosevelt Presidential Library, Franklin D. Roosevelt Papers, Papers as President (hereafter FDRPL, FDRP, PP), Official File 95 World War I Veterans, OF95c Soldier's Bonus—Approval of-A. During the 1920s, the Legion's opponents used the term "Bonus" pejoratively to frame adjusted compensation as an unmerited reward instead of a wage readjustment as veterans claimed. Although veterans won this debate, securing a promise of future payments with the passage of the 1924 World War Adjusted Compensation Act, the term "Bonus" stuck. By the 1930s, the word "Bonus" had become a part of the veterans' own political lexicon.

Astrouskus was not alone in feeling that a promise of future payment meant very little to starving veterans' families. Writing to Roosevelt from Rochester, New York on April 11, 1935, Mrs. George A. Borgmann was more pointed in demanding that "Now is the time to pay it [the Bonus], not in 1945. Just now we haven't one cent in the house.... My husband would receive about \$800 from the bonus. We would be able to pay up all that interest to the Home Loan [Corporation], besides our grocery and milk bills which are exorbitant, also several other bills and have us a few dollars over to get some long wanted clothes or other things which we have had to do without."²

Mrs. Joseph Astrouskus and Mrs. George A. Borgmann were among thousands of people who wrote to Presidents Hoover and Roosevelt between 1929 and 1936 urging that the 1924 World War Adjusted Compensation Act be amended to provide for the immediate payment of all Bonus certificates. During the 1930s, proponents of the measure marshaled the same arguments that adjusted compensation champions had used a decade earlier in support of the 1924 act, insisting that veterans were entitled to these monies as just payment for services rendered to the state in wartime. However, during the Depression, as need deepened and competition between groups for state resources increased, veterans and their supporters became more assertive and vocal. They looked back at the original law as a betrayal, arguing that, in delaying payments to beneficiaries, the program had never actually fulfilled government's restorative obligation to its ex-

² Letter from Mrs. George A. Borgmann to Franklin Roosevelt, 11 April 1935, FDRPL, FDRP, PP, Official File 95 World War I Veterans, OF95c Soldier's Bonus—In Favor of B-C.

service members. Only by liquidating the certificates immediately, they argued, could the state finally make good on its debt.

Hooverites and New Dealers both rejected this claim, challenging the assertion that government had reneged on its responsibility to veterans. As VA Director Frank Hines argued in a 1932 editorial, "The government has more than kept the original [social] contract. The indebtedness that we are talking about is not due until 1945 and 1946." In demanding that the state now speed up the remittance timetable, opponents like Hines accused veterans of insisting on superlative, rather than restorative treatment. With so many Americans suffering, they questioned the fairness in extending any advantage to ex-service members. As the VA Director summed up the situation, "Should the Government now provide special relief for its needy veteran population and not provide for its other citizens also in need? And should the Government, if it feels that these veterans' needs should be met, impose additional taxes upon those who have incomes, but who already are sorely stressed in meeting their public obligations?"

Veterans struggled to overcome the perception that they demanded more than they deserved in their seven-year battle for the Bonus, a fight that ex-service members won on January 27, 1936 when Congress passed the Adjusted Compensation Payment Act over President Roosevelt's veto. Although current scholarship characterizes interwar era veterans as victims of a miserly government, with this hard-fought victory, organizers proved themselves to be remarkably effective at actualizing their restorative vision of the

³ Frank T. Hines, *New York Times*, 11 September 1932, Herbert Hoover Presidential Library, Herbert Hoover Papers, Presidential Papers, Subject File (hereafter HHPL, HHP, PP, SF), Box 392, Veterans' Bureau Correspondence 1932 September 1-15.

⁴ Address of Frank Hines delivered by O.W. Clark, "The Major Problems of Veterans' Relief, 26 October 1932, National Radio Forum, HHPL, HHP, PP, SF, Box 392, Veterans' Bureau-Correspondence 1932 Oct-Nov.

veteran-state social contract.⁵ Between 1919 and 1936, Legionnaires achieved their top two legislative priorities: rehabilitation reform designed to make the disabled "whole" once more and adjusted compensation to equalize the wartime wage disparity between soldiers and civilians.

II.

The passage of the World War Adjusted Compensation Act in May 1924 ushered in a new age of relative collegiality in veteran politics. After five years of bitter fighting between veterans' organizations and the Warren Harding and Calvin Coolidge administrations over the state of disabled veteran care and the disbursement of readjustment aid to First World War returnees, Legionnaires spent the latter half of the 1920s working collaboratively alongside Veterans' Bureau (VB) officials to implement the new programs. Although the NEC continued to push lawmakers to make these benefits more generous—by reducing the service-connection requirements on disability payments and raising the loan caps on adjusted compensation certificates—the organization's leaders reached the end of the decade largely content with their gains, having achieved the majority of their postwar legislative goals. National Commander Paul V. McNutt captured the board's sense of accomplishment when, on September 30,

s Scholars have pointed to the infamous rout of the Bonus Expeditionary Force (Bonus March) in July 1932 as well as veterans' decades-long struggle to pass adjusted compensation during the 1920s and 1930s as evidence for ex-service members' political weakness during the interwar period. In this narrative of twentieth century veteran politics, the 1944 passage of the GI Bill represents a "basic shift in veterans' policymaking" from the limited disbursement of aid that preceded it. See, for example, Davis R.B. Ross, *Preparing for Ulysses: Politics and Veterans During World War II* (New York: Columbia University Press, 1969), 290; Glenn C. Altschuler and Stuart M. Blumin, *The GI Bill: A New Deal for Veterans* (Oxford: Oxford University Press, 2009), 7; Kathleen J. Frydl, *The GI Bill* (Cambridge: Cambridge University Press, 2009); Edward Humes, *Over Here: How the G.I. Bill Transformed the American Dream* (Orlando, FL: Hartcourt Books, 2006); Jennifer D. Keene, *Doughboys, The Great War, and the Remaking of America* (Baltimore: The John Hopkins University Press, 2001).

1929, he promised the National Convention that the Legion was primed to "enter its second decade of service with increased strength and renewed vigor." The future of veteran policymaking was bright, the national commander assured his audience, and portended continued and increased payouts to ex-service members.⁶

A month after McNutt delivered this optimistic prognosis of veteran-state relations, the U.S. stock market experienced one of the worst trading days in its history. On Tuesday, October 29, 1929—following two months of volatility—Wall Street investors sold off more than 16 million combined shares as a speculative panic that began days earlier gained momentum. By the close of business that evening, the market had lost more than \$30 billion. By the end of the month, total losses topped \$50 billion.⁷ Initially, most Americans were insulated from the immediate impacts of the crash as fewer than 15% of U.S. households were invested in the stock market. However, as historian T.H. Watkins has argued, the market collapse unleashed greater pent up economic forces (including protectionism, domestic overproduction, overspeculation in land and commodities, irregularities in the banking system, and corporate consolidation), producing a cascading series of financial failures, triggering the worst depression of the twentieth century.⁸ By March 1930, U.S. unemployment figures jumped from 1.5 million (at the time of the crash) to 3.2 million. Seven months later (one year after the stock market bottomed out), the number of out of work Americans had grown to 7.5 million.

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⁶ Summary of Proceedings (hereafter SoP), Eleventh Annual National Convention of the American Legion, 30 September 1929, American Legion Library (hereafter ALL).

⁷ T.H. Watkins, *The Great Depression: America in the 1930s* (Boston: Little, Brown and Company, 1993), 40.

⁸ Ibid., 41-47.

At the nadir of the Depression, government officials estimated that the country's jobless figures had once again doubled, leaving at least 15 million people unemployed.⁹

Veterans were one of the demographic groups that were the most severely impacted by the economic crisis. Because of their time away from the domestic labor market a decade prior, as well as their relatively high rates of disease and disability, exservice members often lacked the stability and seniority in their postwar civilian roles that other, similarly aged men enjoyed. For these reasons, veterans were frequently included in the first rounds of layoffs that employers made in response to the deepening Depression. Veteran terminations became so common during the initial months of the Depression that, by the summer of 1930, a man was 1.5 times more likely to be out of work if he had served in the military between 1917 and 1918 than if he had not. 10 An August 1931 Veterans' Administration (VA) survey of department beneficiaries underscored this explosion in veteran joblessness and poverty. Summer reports from 54 agency field stations suggested that as many as 40% of the veterans who visited a department office in the previous four months seeking loans against their adjusted compensation certificates were "unemployed" and that 80% of those claimants were in "distressing [economic] circumstances." 11

This pressing financial need drove renewed interest among poor veterans in amending the Adjusted Compensation Act to give beneficiaries immediate access to their readjustment funds, bonds that were not due to mature until 1945. The twenty year certificate maturation period originally been written into the 1924 law as a compromise

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⁹ Ibid., 53-54.

¹⁰ Keene, Doughboys, 3

¹¹ Memorandum from Frank T. Hines to Herbert Hoover, 28 August 1931, HHPL, HHP, PP, SF, Box 393, Veterans' Bureau-Economy Program 1932 and Undated.

measure, struck between veteran organizers and fiscal conservatives to secure the bill's passage. The leaders of both the Legion and the VFW had preferred that the program feature a cash backpayment provision—an option that would have allowed needy veterans to collect their readjustment assistance payments as early as the winter of 1925; however, President Harding vetoed this plan in July 1921, arguing that such a bill would undermine White House efforts to balance the budget. In an attempt to salvage the program, the Legion's Legislative Committee had (with reluctant support from the VFW) negotiated with the House Ways and Means Committee to write a new bill that disbursed costs over a greater period. Rather than paying claimants in one lump sum (as a cash feature would have required), veteran organizers agreed to support a new insurance-only proposal by which beneficiaries would receive certificates (worth a face value of \$1 for each day of domestic service and \$1.25 per day for overseas service) set to accrue 125% interest over 20 years, reaching full value in 1945.

While an imperfect solution, Legion decision makers believed that they had no choice but to agree to the removal of the cash backpayment option as one Legislative Committee member made clear in an interview, explaining that "the presence of a cash feature in any adjusted compensation bill would have greatly lessened the chances of the passage of that bill. In the recent contest, the presence of such an option would have defeated the bill absolutely." The VFW also lent its begrudging support to the compromise measure, admitting that it was better to receive the readjustment payments in twenty years than to go forever without compensation. Although the incoming Coolidge administration still vetoed this more conservative approach to readjustment

¹² "Inevitable Legislation," American Legion Weekly, Vol. 6, No. 23 (6 June 1924): 14.

¹³ Stephen Ortiz, "'Soldier-Citizens': The Veterans of Foreign Wars and Veteran Political Activism from the Bonus March to the GI Bill," (PhD diss., University of Florida, 2004), 24.

policymaking, the compromise helped veteran organizers to build the bipartisan congressional support necessary to secure a veto override, and—on May 20, 1924—the Adjusted Compensation Act codified the certificates' twenty year deferment period in law.

Having secured the promise of future payouts, rank-and-file Legionnaires largely accepted that they would not receive the full value of their readjustment aid until 1945 and the NEC spent the second half of the 1920s fighting to liberalize the program's loan provisions, working to increase the borrowing capacity on veterans' certificates. The 1924 law allowed beneficiaries to start borrowing up to 22.5% of the face value of their certificates two years after the initial bond issue date. However, when the borrowing period opened in January 1927, large numbers of veterans discovered that banks would not lend to them based on their credit histories, making it impossible for many ex-service members to access even a fraction of their funds. During the late 1920s, the Legion worked successfully to get the VB designated as an accredited lender (making cash advances accessible to all applicants regardless of their past financial dealings) and to lower interest rates on the loans to 4.5% per annum. ¹⁴

While the NEC tinkered around the program's edges, Legionnaires did not seek to renegotiate the bill's essential framework, preferring instead to keep the insurance scheme in place. Former National Commander (and Assistant Secretary of War) Hanford MacNider spoke for many of the organization's members in explaining this seemingly contradictory stance when he argued that pushing for the certificates' immediate payment "would constitute a repudiation of promises, at least implied, when we secured the

¹⁴ The American Legion National Legislative Committee Weekly Bulletin, 5 March 1927, HHPL, Hanford MacNider Papers (hereafter HMP), Box 6, American Legion Weekly Bulletin, 1926-1928.

passage of that legislation."¹⁵ Having agreed to the extended payment timetable, MacNider insisted that veterans had to now honor their commitment by waiting on the funds. Of course, it was much easier for a man like MacNider—and other similarly statused members of the NEC—to advance this view from a position of social and financial security and privilege. Nevertheless, the NEC enjoyed widespread rank-and-file support during this period, a reflection of the board's decade of remarkable success in advancing veterans' legislation. As long as members continued to see benefit increases—in the form of rehabilitation program expansion and loan liberalization—few Legionnaires questioned the NEC's position vis-à-vis the remittance timetable.

By contrast, "the VFW leadership began to renege on the adjusted service certificates compromise" shortly after the law's passage. ¹⁶ As historian Stephen Ortiz has shown in his analysis of the Depression era VFW, the group's support for the original deferment policy was tepid from the start and it frayed quickly as members increasingly found themselves unable to secure stable loans on their certificates. In 1926, organization representatives endorsed a resolution calling on Congress to liquidate the bonds of disabled beneficiaries. Three years later—in September 1929, the VFW's leadership went a step further, drafting a proposal providing for the immediate payment of all veterans adjusted compensation certificates. However, as was the case in the original adjusted compensation campaign of the early 1920s (when the VFW had staked out a position in support of financial readjustment assistance months before any other veterans' organization), the VFW occupied a relatively fringe position in the larger veteran community before the October stock market crash. The Legion not only dwarfed

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¹⁵ Hanford MacNider, Untitled Speech, HHPL, HMP, Box 2, American Legion Articles: Talks Undated. ¹⁶ Stephen Ortiz, "'Soldier-Citizens," 24.

the VFW in terms of enrollment figures (outnumbering the smaller organization at a rate of 10:1), its leaders were also far more politically connected than those of any other veterans' organization, making it the most powerful private institution in veteran politics.¹⁷

The rapid growth in veteran unemployment during the winter of 1929-1930 breathed new life into the VFW-backed campaign to make adjusted compensation certificates immediately payable. As ex-service members across the country faced layoffs and an oversaturated job market, they began to demand that government liquidate their bonds in order to help them to house, feed, and clothe their desperate families. As one veteran from Bloomington, Illinois explained in a letter to President Hoover, the recent falloff in farm prices had "forced" him and his neighbors to adopt a "hand to mouth buying policy." The veteran's "credits ha[d] piled up" but he had little prospect of paying off the debt without government assistance. "Your writer was one who volunteered his services in 1917, but at a considerable sacrifice financially," the man explained, qualifying that despite his proud military record, "in this country the struggle for existence is fought with dollars not ideals... I don't believe this nation wishes to refer to its idealistic but 'pauper heroes'... There is not reason idealistic or economic why the veteran should [not] be treated" like the railroads were after the war and compensated immediately, he argued. 18

Like the Bloomington man, "the uncompensated disabled veterans of Fitzsimons Hospital" of Aurora, Colorado wrote a joint letter to Hoover, explaining that their

¹⁷ Ibid., 24-26

¹⁸ Letter from Loren B. Lewis to Herbert Hoover, 26 March 1931, HHPL, HHP, PP, SF, Box 414, World War Veterans-Bonus Veto of Bonus Bill-Disapproval of Veto 1931: March-Dec.

children would starve if they did not receive early access to their adjusted compensation funds. "Many thousands of little children—the Nations [sic] men and women of the future—are dependent upon this relief for sufficient food to make them strong and fit to carry on the work of this great Nation a few years hence." "Passage of some relief measure," one patient wrote, "is for many of us a last hope. We trust the nation will not turn from us in our hour of need, and hope that you will continue to aid the men who gladly gave [of] themselves to aid the nation in need." 20

The Sheldon family of Ferndale, Michigan faced a similarly difficult decision in allocating its meager resources. Although L.J. Sheldon—the head of the household—had "held a very good foreman's job in Detroit when he enlisted" in 1917, he "didn't get [it] back for foreigners had [his] good job and [he was] offered only a meager wage to start all over again." According to his wife, even a decade later, her husband "ha[dn't] attained a [comparable] position [to the one] he held before the war because [his] health is gone for one thing." Now, with L.J. recently laid off from his latest substandard job, Mrs. Sheldon lamented that she could no longer feed her four children. "We need the Bonus," she insisted, adding that, "the boys sure earned it facing death at the front…. We have been counting so much…on the little help it would give us now."²¹

The demand for the Bonus—as the immediate payment movement came to be known—extended beyond the Midwest where veteran organizing had traditionally been the most deeply rooted. Mrs. Wallace Hotchkiss of Norwalk, Connecticut described the great need that veterans in her community had for government assistance, writing: "We

¹⁹ Letter from Herman F. Wilson to Herbert Hoover, 20 June 1930, HHPL, HHP, PP, SF, Box 408, World War Veterans-World War Legislation 1930 June 20-25.

²⁰ Letter from William Tuinsma to Herbert Hoover, 20 June 1930, ibid.

²¹ Letter from Mrs. L.J. Sheldon to Herbert Hoover, 19 February 1931, HHPL, HHP, PP, SF, Box 414, World War Veterans-Bonus Veto of Bonus Bill-Disapproval of Veto 1931: Feb 16-20.

see it [suffering] right here in our home town, no work, families sick and [the] Commander of our [Legion] Post is one out-standing feature. Buried his father a couple of weeks ago, an aged mother and he has no work since his father died. Just think what a help that passing [a] bonus bill would do for him, and he is only one in a million. He did his bit in France and looks for his home country to do for him in time of trouble."²² Conditions were comparable in Orange, New Jersey and Westchester County, New York where John Edward Butler and Katherine Cumber profiled starving veterans clambering for state intervention.²³ Meanwhile, another veteran described how, in Charlotte, North Carolina "it [was] no difficult task to find homes... with their lights, and telephone service, or utilities suspended; and if you will go inside to make an investigation you will find that the entire family is without food."²⁴ In light of this need, ex-service members like J.A. Lazar of the District of Columbia questioned why—"if it is admitted that the veterans will be paid... in 1945"—Congress did not simply "borrow the required sums [necessary to pay the Doughboys' benefits] now and pay the lender in '45" rather than leave the impoverished veterans to starve while they waited for their insurance certificates to mature.²⁵

Fiscal conservatives in and outside of government responded to growing veteran pressure to liquidate the certificates by arguing that any amendment to the 1924 act

²² Letter from Mrs. Wallace Hotchkiss to Herbert Hoover, 20 February 1931, ibid.

²³ Letter from John Edward Butler to Herbert Hoover, 21 February 1931, HHPL, HHP, PP, SF, Box 414, World War Veterans-Bonus Veto of Bonus Bill-Disapproval of Veto 1931: Feb 21-28; Letter from Katherine Cumber to Herbert Hoover, 2 February 1931, HHPL, HHP, PP, SF, Box 414, World War Veterans-Bonus Veto of Bonus Bill-Disapproval of Veto 1931: Feb 1-15

²⁴ Letter from Marvin L. Ritch to Herbert Hoover, 24 February 1931, HHPL, HHP, PP, SF, Box 414, World War Veterans-Bonus Veto of Bonus Bill-Disapproval of Veto 1931: Feb 21-28.

²⁵ Letter from J.A. Lazar to Herbert Hoover, 12 July 1932, HHPL, HHP, PP, SF, Box 414, World War Veterans-Bonus Veto of Bonus Bill-Disapproval of Veto 1932.

would be "discouraging to the already overburdened taxpayers." As one articulate New York business owner argued, there was nothing to be gained from paying the benefit early because: "it cannot hasten but will retard a normal return to prosperity; it will necessitate a substantial increase in our national indebtedness and taxes; it is based upon the false assumption that our country owes the soldier of the late World War a bonus because of services rendered, which is largely sentimentality and emotionalism; [and] it is class legislation to loan money from the Treasury of the National Government to benefit the few at the expense of all of the people."

The Hoover White House shared this view, eschewing calls for government assistance in combatting the unprecedented rise in unemployment and poverty from needy Americans across the country for fear of exacerbating the crisis. The president and his treasury secretary believed that the economy had simply hit the bottom of a natural cycle from which the market would soon rebound if left untouched. This faith in the economy's ability to self-regulate—as well as a fear of fostering state-based dependence through benefits disbursement—drove the president to oppose demands like the Bonus which he perceived as harmful market interventions that would likely prolong the downturn. As Hoover warned Congress in a December 1930 address, "Prosperity cannot be restored by raids upon the Public Treasury... No matter how devised, an increase in taxes [to fund programs like early payment] in the end falls upon the workers and

²⁶ Telegram from Cass Gilbert to Herbert Hoover, 21 February 1931, HHPL, HHP, PP, SF, Box 412, World War Veterans-Bonus Veto of Bonus Bill-Approval of Veto: 1931 Feb 21.

²⁷ Letter from S. Leonard Hoffman to Herbert Hoover, 20 February 1931, HHPL, HHP, PP, SF, Box 414, World War Veterans-Bonus Veto of Bonus Bill-Approval of Veto 1931 Feb 20.

farmers, or alternatively deprives industry of that much ability to give employment and defeats the very purpose of these schemes."²⁸

Business groups echoed these economic and ideological arguments. In August 1930, the U.S. Chamber of Commerce released a statement announcing that it would oppose any legal effort to hasten the remittance timetable on adjusted compensation payouts, citing both the anticipated cost of such a move to taxpayers as well as the undeservedness of the recipients.²⁹ R.W. McGrath, a commercial lawyer from Fredonia, Kansas defended the group's position, arguing that the Chamber of Commerce had taken an "important step to keep down taxes while aiding labor and industry [and helping them] to function normally," a move that the country's "true" veterans—those who had "seen actual service"—should understand and value.³⁰

This effort to disaggregate "good" veterans, who were willing to sacrifice for the national interest, from "bad" ex-service members, whose greed threatened the country's

²⁸ Herbert Hoover, "Statement on Proposed Increases in Federal Expenditures for Employment and Relief," 9 December 1930, The American Presidency Project, http://www.presidency.ucsb.edu/ws/?pid=22473. Although the president exerted strong pressure on congressional members of his party to oppose the Bonus (which many did), immediate payment was never a clear Democratic issue. Just as the Legion forged extrapartisan voting blocs to pass adjusted compensation in the 1920s, pro-Bonus veterans worked with members on both sides of the aisle in this latest fight. (More on the extrapartisan nature of Bonus politics below). For more on how interest groups mobilized voters and forged relationships with legislators based on issues instead of parties, see, Elisabeth S. Clemens, *The People's Lobby: Organizational Innovation and the Rise of Interest Group Politics in the United States, 1890-1925*, (Chicago: University of Chicago Press, 1997); John Mark Hansen, *Gaining Access: Congress and the Farm Lobby, 1919-1981* (Chicago: University of Chicago Press, 1991); Brian Balogh, ""Mirrors of Desires': Interest Groups, Elections, and the Targeted Style in Twentieth-Century America," in *The Democratic Experiment New Directions in American Political History*, eds. Meg Jacobs, William J. Novak, and Julian E. Zelizer (Princeton, NJ: Princeton University Press, 2003): 222-49; Christopher M. Loomis, "The Politics of Uncertainty: Lobbyists and Propaganda in Early Twentieth-Century America," *Journal of Policy History*, Vol. 21, No. 2 (2009): 187-213.

²⁹ "Service Men's Bonus," Chamber of Commerce of the United States, 3 January 1935, FDRPL, FDRP, PP, Official File 95 World War I Veterans, OF95c Soldier's Bonus—1935 (Jan-Apr). During the early 1930s, hundreds of industry organizations and local trade boards—ranging from the Washington Board of Trade to the American Fruit and Vegetable Shippers Association—also came out in opposition to the immediate payment movement. Letter from Robert J. Cottrell to Herbert Hoover, 8 August, HHPL, HHP, PP, SF, Box 409, World War Veterans-Bonus Public Comment on Pre. Action Business Men; Letters to Robert Cottrell from Trade Board Leaders, 16-18 August 1932, ibid.

³⁰ Letter from R.W. McGrath to George Akerson, 28 June 1930, HHPL, HHP, PP, SF, Box 408, World War Veterans-World War Legislation 1930 June 26-30.

economic future, became a hallmark of opposition to the Bonus during this period. In attempting to distinguish between so-called patriotic and unpatriotic veterans, the business community aimed to present the case for immediate payment as a narrow claim, one that was being advanced by an unrepresentative, but powerful, "class" of greedy Legionnaires. In the minds of outside observers like McGrath, it was the "Legionary" that was spearheading this "raid [on] the U.S. Treasury" and threatening "the common people as well as business interests" with economic ruin. Industry leaders like Henry S. Pritchett, President of the Carnegie Foundation for the Advancement of Teaching, regularly scapegoated the organization in their attacks on the Bonus, insisting that rational Americans should appeal directly to "the majority of ex-soldiers" who had been misled by their leaders to support the early payment campaign. "If their attention can be got to the facts," men like Pritchett argued, good veterans "would not allow this organization to be used by a few agitators for their own ends." "

III.

This was, of course, a gross misperception of the Legion's actual position on the Bonus which had not changed since the onset of the Depression to reflect growing post-crash support for immediate payment. Rather than channeling and amplifying the demands of their rank-and-file members, the NEC affirmed its opposition to the movement in a private meeting in January 1930. Unlike the middle-class leadership of the VFW which continued to insist that government "extend prompt and immediate relief... through the payment of these certificates," the wealthy members of the NEC

³¹ Letter from Henry S. Pritchett to Herbert Hoover, 1 July 1930, HHPL, HHP, PP, President's Personal File, Box 188, Pritchett-Henry S. 1929-32.

shared the concerns of business leaders, agreeing that any attempt to pay the Bonus would only extend the crisis.³²

In order to mitigate this possibility, the Legion's leadership coordinated secretly with the Hoover White House to align the groups' messaging. This effort was made easier by the fact that several of the organization's most influential executive board members (including the group's founder Theodore Roosevelt, Jr., former national commanders Hanford MacNider and Howard Savage, and South Dakota Congressman Royal C. Johnson) held prominent positions in the Hoover administration and the Republican Party, creating an important communications channel between the NEC and the White House. On the value of this information conduit, House Minority Leader Bertrand Snell of New York wrote: "the leaders of the Legion at the present time are Republican and not only friendly to Mr. Hoover but to his administration. I also know that they are trying to hold back the Legion from presenting unreasonable demands at this time," notably, by eliminating any mention of immediate payment from the organization's 1930 National Convention program where the board anticipated a challenge from the grassroots. The program of the program where the board anticipated a challenge from the grassroots.

However, despite the NEC's best efforts to prevent Bonus advocates from presenting their demands at the annual meeting in Boston that October, the Massachusetts delegation succeeded in introducing an immediate payment proposal during the Minority Resolutions Session on the final day of the conference. According to a *Legion Monthly*

 $^{^{32}}$ Letter from Robert E. Coontz to Herbert Hoover, 26 October 1932, HHPL, HHP, PP, SF, Veterans of Foreign Wars 1931-1933.

³³ Theodore Roosevelt, Jr. served as Governor to Puerto Rico under Hoover. Hanford MacNider served as Ambassador to Canada from 29 August 1930 to 15 August 1932. Howard Savage was a Republican Party operative. Royal C. Johnson was a Republican Congressman from South Dakota.

³⁴ Letter from Betrand Snell to Walter Newton, 14 August 1931, HHPL, HHP, PP, SF, Box 343, Trips—1931, September 21 Detroit American Legion Convention; Letter from Royal C. Johnson to Herbert Hoover, 13 August 1931, ibid.

reporter, at one point during the floor debate, it had actually seemed as if the Bonus resolution would be adopted before National Commander John R. Quinn used his influence to dissuade several wavering state delegations from backing the measure.³⁵ When a roll call vote was finally taken after nearly an hour of debate, the proposal failed by a margin of 967 to 244.³⁶

Although they failed to secure majority support, the Bonus faction's near-victory revealed the extent to which Legionnaires were rapidly being divided over the issue. As in 1919 and 1920, poor and middle-class members were once again pushing the organization's resistant leadership class to articulate a more generous concept of veterans' benefits. Whereas the wealthy and well-connected members of the NEC were largely satisfied to wait until 1945 to have their wartime financial losses restored, a quickly growing number of the destitute and jobless rank-and-file could no longer afford further compensatory delays, cleaving the organization along class lines.

Although the results of the convention vote demonstrated that the NEC still had controlling influence over the majority of its voting members, newly elected National Commander Ralph T. O'Neil understood that the board's power to resist the demands of its grassroots was fragile and fading. Newly reported enrollment figures suggested that the VFW had benefitted significantly from its Bonus activism that year; the organization experienced a 24.13% membership increase from 1929-1930 while the Legion enjoyed much more moderate 11.78% growth over the same period.³⁷ Moreover, in the months

³⁵ Philip Von Blon, "For God and Country," *American Legion Monthly*, Vol. 9, No. 6 (December 1930): 29-30.

³⁶ SoP, Twelfth Annual National Convention of the American Legion, 6-9 October 1930, ALL. ³⁷ Stephen Ortiz, "Soldier-Citizens," 60; Richard Seelye Jones, *A History of the American Legion* (Indianapolis: Bobbs-Merrill Co, 1946), 344; American Legion, "National Membership Record: 2015," https://archive.legion.org/bitstream/handle/123456789/2713/aa002170.pdf?sequence=4&isAllowed=y.

following the Boston convention, many Legionnaires were explicit about their frustration over the NEC's inaction, writing to the group's Indianapolis headquarters to demand an explanation for the board's refusal to support their demands. Overwhelmed by member reaction to the convention vote, O'Neil sent out a survey to the organization's 48 state department commanders at the beginning of December, asking the leaders to provide a summary of local attitudes toward the Bonus movement. The NEC was astounded by the responses that O'Neil received from his deputies. Fifteen state department commanders admitted that their members would vote to endorse full and immediate payment outright if given the opportunity. The situation was only slightly more favorable in several of other departments where local leaders reported that statewide referenda on the subject would be a toss up.³⁸

Historians have tended to overlook the two-way flow of power within the Legion, emphasizing instead, a top-down narrative by which policy decisions were made at the NEC-level and then carried out by a largely deferential second class of members.³⁹
While scholars have been right to emphasize the board's power (a product of its executives' extraordinary wealth and social and political status), the NEC was itself hyper-sensitive to political threats from its lower-status members, cognizant that rank-and-file dissatisfaction had forced the board to reverse its position on adjusted

³⁸ Thomas A. Rumer, *The American Legion: An Official History, 1919-1989* (New York: M. Evans & Company, Inc., 1990). 19.

³⁹ The following ascribe a hierarchical power structure to the Legion: Jones *A History of the American Legion*; Rumer, *The American Legion*; Christopher Courtney Nehls, "'A Grand and Glorious Feeling: An American Legion and American Nationalism Between the World Wars," (PhD diss., University of Virginia, 2007). Stephen Ortiz has offered the most sophisticated analysis of institutional development. In *Beyond the Bonus March*, he demonstrates how organizational rivalries within the veteran community during the late 1920s and early 1930s were a key factor driving the passage of Bonus legislation. However, while Ortiz convincingly suggests the role of *inter*-institutional competition in advancing immediate payment, his work is less concerned with the *intra*-institutional dynamics that also reinforced this development. Stephen Ortiz, *Beyond the Bonus March and GI Bill: How Veteran Politics Shaped the New Deal Era* (New York: New York University Press, 2010).

compensation a decade earlier. Concerned that the NEC was once again losing its grip over Legion decision-making, O'Neil called an emergency board meeting on January 25 to discuss a response to grassroots pressure.

Since the October convention, there had been a flurry of federal legislative activity around immediate payment. Between December 1930 and March 1931, lawmakers had introduced 47 adjusted compensation proposals in Congress, reflecting both true ideological commitment to the cause as well as more craven political efforts to secure veteran votes in upcoming elections. The bills could be divided into two categories: those that increased the lending caps on veterans' certificates and those that authorized full and immediate liquidation of the bonds. Legislators were divided on how this latter objective should be accomplished with some suggesting that veterans receive only the face value of their certificates while others favored an approach that would pay out partial interest on the bonds, calculated to the disbursement date. 40 Congressman Wright Patman, a Texas Democrat, went the farthest, offering the most generous of all 47 proposals. A member of both the Legion and the VFW, the Texas Democrat was unmoored by strict loyalty to either organization. A populist, Patman believed most pressingly that government should provide greater social services to its (white, male) citizens—especially its ex-service members, a point the congressman stressed in repeated defenses of his proposal to pay veterans not only the face value of their certificates but the full interest on the matured loans as well. "Seriously consider paying these veterans 100 per cent," Patman encouraged his colleagues, "and use the money we expected to pay

⁴⁰ Memo from Frank Hines to Lawrence Richey Including Proposed Senate Testimony, 4 February 1931, HHPL, HHP, PP, SF, Box 408, World War Veterans-Bonus Correpsondence-1931 Jan-Feb.

on the national debt to retire the other debt, another war debt which is just as much entitled to liquidation": "the adjusted service certificate." ⁴¹

Much to the NEC's chagrin, its pro-Bonus members largely coalesced around the Patman Bill so that, by the time the board gathered in Indianapolis for its emergency meeting on January 25, its rank-and-file were no longer simply insisting that their certificates be paid immediately at face value (as they were at the time of the Boston convention), but they were now claiming that the state owed them interest on the matured loans as well. Given that the scope of their members' demands were rapidly increasing and the fact that Congress seemed intent on taking action that term, National Commander O'Neil appealed to his fellow board members, arguing that it was in the Legion's best interests to accede to congressional momentum and refrain from obstructing further efforts to pass Bonus legislation. While the NEC did not need to take an active role in driving early payment, the national commander suggested that the organization might be badly damaged if it stood in the way of an increasingly popular relief measure. The Legion's political power stemmed from a shared perception held by both policymakers in Washington and veterans across the country, that the organization offered unparalleled expertise to the veteran policymaking process—knowledge and skills that VA bureaucrats and lawmakers on Capitol Hill did not otherwise possess, including superlative insight into veterans' political preferences. Legislators relied on the NEC to aggregate and interpret the views of Legionnaires who served as proxies for the larger, nationwide community of veterans. If, O'Neil argued, the board continued to oppose early payment despite its members' actual preferences, the Legion might lose political

⁴¹ Congress, Senate, Committee on Finance, "Payment of Veterans' Adjusted Service Certificates": Hearings before the Committee on Finance, Part One, 71st Cong., 3d sess., January 26 and February 3 1931.

credibility in Washington, and thus its power to shape not only adjusted compensation legislation but rehabilitation policy as well, an issue that largely united members across class lines ⁴²

After a day of debate, the NEC made the strategic decision to overturn its unpopular *public* stand against early payment, issuing a resolution endorsing the "principle of immediate cash retirement... without choosing, as between any of the specific bills now pending before Congress," a purposefully vague statement intended to bolster flagging support for the board without actually committing the Legion to the Bonus cause. Did the statement reveal new support for full and immediate payment or merely for another increase on lending caps? In fact, unlike in February 1920 when the NEC had genuinely reversed itself on adjusted compensation—becoming a leading advocate of financial restoration overnight and introducing several aid proposals in a matter of months—in this case, the board's actions were performative. The NEC did not actually intend to commit any Legion resources to lobbying for either type of Bonus initiative. Like the White House, the NEC still believed that it would be financially disastrous to liquidate veterans' certificates in the current economic climate because the the state would have to increase taxes on an already overburdened public to raise the funds necessary to support the payouts. By hand-waving at the importance of a relief program in its January 25 statement without disclosing a policy preference, the NEC hoped to satisfy its disgruntled members while also concealing its unchanged position, a deception that the Senate Finance Committee exposed in hearings two weeks later.⁴³

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⁴² Ralph T. O'Neil, "The Whole Country Benefits," *American Legion Monthly*, Vol. 11, No. 2 (August 1931): 10.

⁴³ Rumer, *The American Legion*, 87.

The Finance Committee began hearings on proposals to amend the Adjusted Compensation Act (by loan liberalization and/or certificate liquidation) in the middle of January 1931 as part of a joint effort with the House Ways and Means Committee to expand veteran relief efforts. After the NEC released its January 25 statement, ostensibly reversing the National Convention's position, the Senate invited the Legion's chief lobbyist, (Legislative Committee Vice Chairman) John Thomas Taylor, to testify before the Finance Committee in order to clarify the organization's views. As the most powerful veterans' group, the Legion wielded enormous political influence and the committee wanted to account for the NEC in making its policy recommendations. However, when pressed by Senator James Couzens of Michigan on whether or not the Legion supported immediate payment, Taylor refused to answer, saying only that the "executive committee would not take any stand on any specific measure before the Congress" and that the board "feels that it is a question that is solely in the hands of Congress." Frustrated, Couzens repeated the question, asking Taylor to clarify the Legion's priorities. The lobbyist demurred again, insisting that "the executive committee was not in a position, and refused to endorse a bill." Having been rebuffed once more, Senators James Watson of Indiana and Alben Barkley of Kentucky joined the exchange, reiterating their colleague's inquiry twelve times with increasing irritation as Taylor continued to evade them.⁴⁴

Clearly, the Legionnaire did not want to go on record supporting immediate payment nor did he want to encourage the committee to draft a Bonus bill. At the same time, Taylor also understood that he could not voice any public opposition to the

⁴⁴ Congress, Senate, Committee on Finance, "Payment of Veterans' Adjusted Service Certificates": Hearings before the Committee on Finance, Part One, 71st Cong., 3d sess., January 26 and February 3 1931.

certificates' early liquidation—a policy supported by a growing number of his organization's members, leaving him unable to offer a real point of view. The exchange only ended when the Legionnaire finally admitted that the NEC had no real intention of advancing the current debate, stating that "the Legion's primary interest... is in legislation for the disabled men" and not the Bonus. Ultimately, the January 25 statement and Taylor's testimony about it reveal the extent to which the NEC feared a grassroots revolt. Although the board had enormous influence in setting the Legion's priorities and legislative strategy, its leaders always understood that their power was contingent on whether or not they maintained credibility with their base. Because the Legion was structured as a membership federation, and not more hierarchically, Legionnaires voting at the post and state level were empowered to change policy by majority vote, giving the grassroots leverage over the board at the same time that power also flowed from the top down. 46

After a month of hearings, the Finance Committee drafted the Emergency Adjusted Compensation Act, a bill that raised the lending caps on veterans' certificates from 22.5% to 50%. The Hoover administration came out immediately against the proposal, arguing that it would ultimately have a deleterious impact on economic recovery, even if the program drove spending in the short-term. "It is clear that [the] retirement of outstanding certificates... would have the direct effect of stimulating buying and thus moving goods into consumption," Treasury Secretary Andrew Mellon

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⁴⁵ Ibid.

On intra-organizational power dynamics in membership federations, see, Theda Skocpol, "How Americans Became Civic," in *Civic Engagement in American Democracy*, ed. Theda Skocpol and Morris P. Fiorina (Washington, DC: Brookings Institution Press and Russell Sage Foundation, 1999), 27-80.
 Emergency Adjusted Compensation Act, H.R. 17054, 71st Cong. (1931).

acknowledged, "but it would be temporary stimulation of an artificial character and could hardly be expected to have such lasting qualities as would bring about a permanent recovery." However, in spite of Mellon's warnings, both the House and the Senate passed the loan liberalization law within weeks, reflecting the measure's widespread support and the growing perception in Washington that "no permanent recovery could come until the average man had money with which to buy" consumer goods. Despite Hoover's attempt to block the legislation by veto on February 26, the Emergency Adjusted Compensation Act became law on February 27 after both chambers easily overrode the executive.

Congress hoped that the Emergency Adjusted Compensation Act would serve as a stopgap measure, providing poor veterans with access to cash without committing the state to full certificate liquidation while also saving \$1.75 billion over the Patman plan.

The Senate Finance Committee estimated that 30% of certificate holders (or 400,000 veterans) would capitalize on the new provisions to borrow more money against their bonds, costing the VA approximately \$250 million, compared to the projected \$2 billion

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⁴⁸ Congress, Senate, Committee on Finance, "Payment of Veterans' Adjusted Service Certificates": Hearings before the Committee on Finance, Part One, 71st Cong., 3d sess., January 26 and February 3 1931.

⁴⁹ Ralph T. O'Neil, "The Whole Country Benefits," *American Legion Monthly*, Vol. 11, No. 2 (August 1931): 10.

Ferting Without Approval of House Bill 17054 An Act to Increase the Loan Basis of Adjusted Service Certificates (H.Doc.790). (Washington, DC: Government Printing Office, 1931). During the 1920s, Congress overrode seven presidential vetoes: zero during the Harding administration, four during the Coolidge years (including the World War Adjusted Compensation Act as well as a veterans' pension liberalization law), and three during the Hoover administration (including another pension increase for Spanish-American War veterans). "Warren G. Harding Legislation Vetoes Reference," United States Senate Fact Sheet, https://www.senate.gov/reference/Legislation/Vetoes/Presidents/HardingW.pdf; "Calvin Coolidge Legislation Vetoes Reference," United States Senate Fact Sheet,

https://www.senate.gov/reference/Legislation/Vetoes/Presidents/CoolidgeC.pdf; "Herbert Hoover Legislation Vetoes Reference," United States Senate Fact Sheet,

https://www.senate.gov/reference/Legislation/Vetoes/Presidents/HooverH.pdf.

that Patman had budgeted for his program.⁵¹ However, when the new lending period opened in March 1931, local VA offices began reporting much higher-than-predicted claim rates back to the agency's Washington headquarters, leading VA Administrator Frank Hines to commission a nation-wide study of all spring borrowing activity.⁵² By the end of April, Hines' deputies had amassed records for nearly 1.2 million new loans, suggesting that lawmakers had miscalculated veterans' need by more than three times. During the spring of 1931 the VA lent out nearly \$700 million, \$450 million more than its initial cost projection.⁵³

Worse still, Hines' analysis revealed that few veterans had used their loans to purchase consumer goods as Congress had hoped, and that instead, a "large portion of the funds... were used by the veterans to liquidate indebtedness previously incurred." Only 8% of claimants used their cash advances on discretionary spending, doing little to alleviate the country's money supply problem as Congress had intended and the Treasury Department had anticipated, leading Hines to admit that loan liberalization "did not stimulate business activities to the degree which... might have been reasonably expected." 54

Not only did lawmakers underestimate the total cost and economic impact of the so-called "50% Loan Bill," they also misjudged how veterans would react to their increased liquidity. The program's advocates—led by House Ways and Means

Committee Chairman Willis Hawley—had supported the bill partly because they believed

⁵¹ On July 21, 1930, the newly created Veterans' Administration (VA) absorbed the Veterans' Bureau (VB) and assumed its responsibilities, including its lending authority on adjusted compensation certificates.

⁵² Memorandum from Frank T. Hines to Herbert Hoover, 28 August 1931, HHPL, HHP, PP, SF, Box 393, Veterans' Bureau-Economy Program 1932 and Undated.

⁵³ Rumer, *The American Legion*, 191.

⁵⁴ Memorandum from Frank T. Hines to Herbert Hoover, 28 August 1931, HHPL, HHP, PP, SF, Box 393, Veterans' Bureau-Economy Program 1932 and Undated.

that it would have a temporizing effect on the Bonus movement. The bill's supporters believed that, by making cash immediately available to needy veterans, they could reduce the demand for full payment. Instead, the opposite proved to be true. As claimants got access to a portion of their funds during the early months of 1931, poor veterans became more assertive in insisting that the state pay the remainder of their Bonuses, arguing that the Emergency Adjusted Compensation Act was a halfhearted response to a crisis situation. "I have been speaking to some of the soldiers that I know," Katherine Cumber of White Plains, New York wrote to First Lady Lou Henry Hoover,

Some of them are republicans and some democrats. They both think now is the time when there is so much unemployment for them to have their bonus. That [sic] say some have young children that need the money. That in fourteen (14) years they will be old enough to take care of themselves and need nourishment now. One young man forty three (43) years old said he would put it with some more money he has and buy a home. Of course we know a great many would waste theirs but it would circulate money when there is so much hardship.⁵⁵

Like the soldiers that Cumber described in her letter, J.G. Echols of Chicago needed "this cash right now to take care of [his] wife and children" while he received medical care for "some of the disabilities [he] received overseas." "A lot of 'My Buddies' are in the same boat as myself," Echols explained in a letter to the president. Their adjusted service certificate loans did not meet their basic expenses and they needed the rest of the cash now to make ends meet. "But if Mr. Mellon has his way," Echols forecasted, "I will have to tug along with these ailments, which will put me under sod before the year 1945" when the benefit finally matures."

⁵⁵ Letter from Katherine Cumber to Lou Henry Hoover, 2 February 1931, HHPL, HHP, PP, SF, Box 414, World War Veterans-Bonus Veto of Bonus Bill-Disapproval of Veto 1931: February 1-15.

⁵⁶ Letter from J.G. Echols to Herbert Hoover, 26 January 1931, HHPL, HHP, PP, SF, Box 414, World War Veterans-Bonus Veto of Bonus Bill-Disapproval of Veto 1931: January.

As interest in full and immediate payment swelled during the summer of 1931, Legionnaires on both sides of the issue began to mobilize support for their positions in advance of the upcoming National Convention in Detroit that September where Bonus organizers hoped to force a vote to reverse the Legion's position on certificate liquidation. A real sense was developing among all members that the Detroit meeting would have enormous consequences for the future of the Bonus nationally. If the Legion could be kept out of the policymaking process, lawmakers' electoral incentive to pass a bill would be significantly reduced. Without organized interest group support for the measure, policymakers would lose many of the political benefits that the Legion traditionally extended to its allies, namely good press and institutionalized electoral support. The opposite was also true. Legion resources had the potential to drive and grow new support for immediate payment in Washington and across the country, making it easier for backers to pass the Bonus. In an editorial outlining on the stakes of the convention vote for veteran policymaking nationwide, one New York Times reporter concluded that "the Legion has grown so strong in this country that to wield its influence is a prize warmly contested... by public men." With so much at risk, the journalist predicted that the organization's "tacticians and parliamentarians" would be certain to seize every advantage to prevent "its rank and file [from] hav[ing] their say."⁵⁷

⁵⁷ "The Irrepressible Issue," *New York Times*, 24 September 1931, 21. While the *Times* reporter is primarily concerned with the implications of the convention's Prohibition deliberations in this article, many of the same dynamics existed in the early payment debate as well. In both cases, the parties wanted to the secure the Legion's institutional support in order to further their larger political agendas. This dynamic was actually more powerful in the Bonus debate than it was in Prohibition fight because the Legion had more national influence over veteran policymaking than it did in the area of alcohol restriction or legalization.

The *Times* reporter was right. As Bonus advocates lined up support for their view throughout the summer—by championing immediate payment at department conventions (14 of the Legion's 48 departments passed Bonus resolutions, binding more than a quarter of the convention's delegates to vote for the cause)—influential members and alumni of the NEC (including Congressman Royal C. Johnson and newly appointed Ambassador to Canada Hanford MacNider) looked to maximize their political advantages over the opposition using both legal and extra-legal means.⁵⁸ In a stunning effort to undermine his fellow Legionnaires, Congressman Johnson—Legion co-founder and Chairman of the House World War Veterans' Legislation Committee—filed a false criminal report with FBI Director J. Edgar Hoover a few weeks before the Detroit meeting, alleging that a group of immediate payment supporters were planning to hold a violent "Bonus Rally" outside the convention hall.⁵⁹ Several of the board's White House allies took the more conventional and legal—but no less extraordinary—step of asking the president to intercede on their behalf, claiming that they needed the full power of the bully pulpit to secure victory over the insurgent Bonus forces. While the White House had traditionally sent a message of congratulations to the Legion, to be read by a proxy at the convention's opening, no president had ever attended the organization's annual meeting. Nevertheless, at the beginning of August, National Commander Ralph T. O'Neil invited Hoover to speak in person as an honored guest, emphasizing the NEC's vulnerability and stressing the value of the president's attendance in achieving their shared political goal of stymying legislative attempts to pass new social programs funded by tax increases.

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⁵⁸ "Leaders of Legion Polled on Bonus," New York Times, 20 September 1931, 2.

⁵⁹ Letter from Royal C. Johnson to J. Edgard Hoover, 28 August 1931, HHPL, HHP, PP, SF, Box 343, TRIPS-1931: September 21 Detroit American Legion Convention.

Hoover initially declined the request, explaining that with "so many invitations coming in to him to speak... if he accepted one invitation, he would have to accept the others."60 However, over the following weeks, several of the president's government and business associates (including House Minority Leader Betrand Snell, Colonel Alton Roberts, and Detroit industrialist Earl J. Davis) contacted the White House, urging Hoover to reconsider, underscoring the importance of defeating the Legion's Bonus faction now, before its insurgent members could mobilize an effective nationwide campaign that would threaten the administration's larger recovery efforts.⁶¹ Michigan Senator Arthur Vandenburg (a strong Republican ally) was particularly insistent that Hoover attend the meeting, warning the president that "next winter we shall face again the demand for full payment." Like many of his associates on the NEC, Vandenburg believed that the convention's decision to endorse immediate payment—or not—would shape the forthcoming national political debate over certificate liquidation and that Hoover could be an enormous asset in the NEC's fight against grassroots advocates. Having "talked with many members of the legion [they] would like to see the Legion take a similar stand [to the White House] in this emergency," the Michigan lawmaker wrote, but they "doubt the possibility of stopping the movement except as the situation is emphatically personified at the Detroit convention. I feel that there is tremendous service to be rendered by a presentation of plain facts in a kindly way by some high authority at the Legion Convention. No one could effectually substitute for you in this role."62

⁶⁰ Letter from James E. Davidson to Frederick M. Alger, 17 September 1931, HHPL, HHP, PP, SF, Box 76, American Legion 1931 September-December.

Letter from Bertrand Snell to Herbert Hoover, 14 August 1931, HHPL, HHP, PP, SF, Box 343, TRIPS-1931: September 21 Detroit American Legion Convention; Letter from Royal C. Johnson to Herbert Hoover, 13 August 1931, ibid.; Letter from Earl J. Davis to Herbert Hoover, 29 August 1931, ibid.
 Letter from Arthur H. Vandenburg to Herbert Hoover, 10 August 1931, ibid.

After a month of cajoling, Hoover finally agreed to make his way to Detroit for what was coming to be known in the press as the "Bonus and Beers Convention"—a reference to growing rank-and-file pressure to change not only the organization's position on immediate payment but its stance on Prohibition as well. The night before the convention was scheduled to begin, National Commander Ralph T. O'Neil circulated a report to delegates and the media warning that the Legion's "tremendous influence" in veteran policymaking would be tested over the following days and could continue "only so long as we use it wisely." Aiming a poorly veiled threat at the organization's Bonus faction, O'Neil cautioned members that the Legion was at a crossroads and that delegates would be deciding the groups' future in American political life through their votes. The Legionnaires could "be fair and reasonable... to the American people" and reject the Bonus—keeping citizens' tax rate low—or, they could opt to selfishly "place an unfair burden on our fellow citizens." Either way, the national commander warned, the Legion's "prestige and influence in the years to come will be determined by our actions of today."63

By the time that O'Neil gaveled the convention into order at 9:30 the next morning—Monday, September 21—nearly 100,000 Legionnaires had arrived in Detroit, more than double the number of predicted attendees. Of the hundred thousand participants, only 1,409 were voting delegates; the rest had come simply to observe the proceedings and participate in the celebrations adjoining the convention. After several platitudinal speeches by local lawmakers and military leaders, Former AEF Commander General John Pershing introduced President Hoover for his much-anticipated address.

⁶³ "O'Neil Asks Legion to Be Wise in Pleas," Washington Post, 20 September 1931, 2.

From the start, Hoover's speech was quite different from the many that had preceded it. While the other speakers offered trite nationalistic appeals—congratulations on the veterans' success in 1917 and 1918 and admonitions to remain vigilant in the fight against enemies at home and abroad—Hoover jumped quickly into a discussion of the Depression, the issue that had brought so many Legionnaires to Detroit. The president was blunt in his assessment of the current crisis, explaining that "national expenditures ha[d] exceeded our income" and that, as a result, "to-day the National Government is faced with another large deficit in its budget." Tax increases on the wealthy could no longer make up the gap, Hoover claimed. Instead, "in these circumstances it is those who work the fields, at the bench, and the desk"—in other words, the assembled rank-and-file Legionnaires and their families—"who would be forced to carry an added burden for any added cent to our expenditures."

Having outlined the stakes of the crisis and suggested the consequences of a tax increase for lower and middle-class Americans, the president concluded by addressing the Bonus issue specifically, requesting that delegates not place "any additional demands upon the Nation until we have won this war against world depression." While Hoover refused to "plead with any citizen or any group of citizens for any course of action," he asked that the voting members allow him to "point out the path of service" in asking them to vote "no" on immediate payment over the following days. "With the guidance of the Almighty God, with the same faith, courage, and self-sacrifice with which you, backed

⁶⁴ Herbert Hoover, "Address to the American Legion at Detroit, Michigan," 21 September 1931, *The American Presidency Project*; "The President Speaks," *Washington Post*, 22 September 1931, 6.

by the Nation, won victory 14 years ago, so shall we win victory to-day," Hoover finished, exiting the convention stage to a standing ovation.⁶⁵

The Washington Post described delegates' reactions to the address as "approbation mingled with opposition." In interviews, "many state commanders expressed unqualified approval of the President's stand, while others indicated they had no choice but to follow the dictates of their States and vote for immediate payment of the bonus." Rhode Island Commander Archie Adams was so moved by Hoover's plea that he told a *Post* reporter that he planned to ignore the dictates of his state convention and vote against immediate payment despite his commitment to support the measure. Adams's reaction was an anomaly, however. More typical were the responses of delegates Edwin H. Jones and Smith Dunneck who explained that they had both "decided... before we left home." Jones, a Washingtonian, was obligated to vote for the Bonus while Dunneck of Maine had already committed to oppose any early payment resolution. "Our hands are tied," Jones told the press. "No matter how we may feel individually [we] will have to carry out orders."66 In the end, the bully pulpit proved to be less powerful than the NEC had hoped. When O'Neil moved to limit discussion on the board's Majority Report at the end of the day, a parliamentary maneuver designed to end debate on immediate payment and kill efforts to endorse a Bonus resolution, the proposal failed by a margin of nearly 2:1.67

Herbert Hoover, "Address to the American Legion at Detroit, Michigan," 21 September 1931, *The American Presidency Project*; "The President Speaks," *Washington Post*, 22 September 1931, 6.
 "Legion Executives Divided on Hoover's Economy Plea," *Washington Post*, 22 September 1931, 4.
 "Legion Promised Bonus Discussion," *Washington Post*, 22 September 1931, 1; "Unlimited Debate is Voted by Legion," *Washington Post*, 22 September 1931, 4.

Tensions erupted on the final day of the convention during the Minority

Resolutions Session when delegates were finally allowed to offer counterproposals to the NEC's Majority Report. Ray Field of the Oklahoma delegation introduced the muchanticipated Bonus resolution, calling for "the payment in cash of the adjusted service certificates." South Carolina Commander Monroe Johnson reacted to the demand for certificate liquidation by accusing Field and his supporters of seeking to place "an unnecessary burden on the backs, not only of veterans, but those who gave devoted service at home while we were in the trenches."

Although he was far more acerbic than Hoover had been, Johnson's comments echoed the president's line of attack: Americans could not afford the tax increases needed to support immediate payment. Since the onset of the Depression, Bonus advocates had struggled to respond to this argument. As a result, they largely ignored questions about the macro-economic consequences of liquidating veterans' certificates, emphasizing instead beneficiaries' dire need for state intervention. This was partly by design, because Bonus advocates had never developed a persuasive theory to support their case. A year earlier, before the passage of the Emergency Adjusted Compensation Act in February, it had seemed as if lawmakers who supported government intervention in not only veterans' affairs but across a range of social issues had begun to coalesce around the belief that the state should circulate money in order to alleviate the Depression. However, the loan liberalization program's failure to stimulate spending discredited this idea, at least in the area of veteran policymaking. Without an alternate theory of economic development, Bonus advocates had come to rely on personal narratives in making their case, emphasizing veterans' need as the primary reason for liquidating the certificates.

⁶⁸ SoP, Thirteenth Annual National Convention of the American Legion, 24 September 1931, ALL.

Detroit was an important turning point in the intellectual development of the Bonus movement. During the floor debate on the Field Resolution, in response to Monroe's attack, Congressman Wright Patman (who attended the convention as both a Texas delegate and the author of the country's most important Bonus bill) offered a new defense of immediate payment, one that would transform the Depression era Bonus movement. Rather than contesting certificate liquidation on economic grounds or offering a personal story, Patman challenged the premise of the entire debate, suggesting that the federal budget was irrelevant to the conversation. The decision to pay the Bonus, the congressman argued, had already been made: "It represents an honest debt that the Congress of the United States has publicly confessed." That obligation, Patman argued, should have been met in 1918 "at the time the services were rendered," not in 1924 when Congress passed the Adjusted Compensation Act or in 1945 when the certificates were set to mature. In leaving the debt unpaid, government had reneged on the veteran-state social contract. Despite the passage of the original adjusted compensation law, Congress never actually restored the financial losses incidental to veterans' service, he argued. "We are asking for no more rights or benefits to be extended. We are asking that the [original] payment be made... [and] we are asking that a reasonable interest be given to each veteran on what is due him."69

District of Columbia Commander Fred Frazier amplified this restorative claim in a subsequent defense of Patman, describing the Bonus similarly: as a debt and an entitlement. The Legionnaires of DC are "asking for that which is right," Frazer insisted, "that which Congress said in 1924 was a debt.... A man who is in want, needs that which

⁶⁹ Ibid.

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he is entitled to, and the American soldier, certainly he who is out of employment, needs that more now than in fifteen years to come."⁷⁰

After an hour, the delegates voted to end debate and proceed to a roll call vote. When National Commander O'Neil tallied the final results, the Field Resolution failed by a margin of 902-507, keeping the Legion out of national legislative efforts to pass the Bonus for another year. The NEC and the White House were both elated by the result. Hours after the Majority Report passed (without an immediate payment amendment), Hoover telephoned newly elected National Commander Harry L. Stevens to thank him and the NEC for the veterans' stand against economic imprudence. "The delegates," Stevens told reporters, "were the soberest minded people you ever saw," having sacrificed their own personal finances for the good of the country. Patman, by contrast, was enraged by the Legion's decision, vowing the following day, to reintroduce his bill in Congress when the legislature resumed its session.⁷¹

Although the Legion's position on the Bonus remained unchanged at the close of the Detroit convention, the 1931 annual meeting was an important inflection point in the political development of immediate payment. After struggling for years to frame an effective defense of certificate liquidation, Bonus advocates had stumbled on a powerful theory for their case. Instead of continuing to fight a losing battle over the measure's budgetary implications, Patman questioned the assumption that finances should be a determining factor in setting Bonus policy. Recalling the Legion's 1920-1924 adjusted compensation campaign, the congressman and his allies suggested that the NEC had

⁷⁰ Ibid.

^{71 &}quot;Bonus Issue Not Sidetracked by Legion's Action," 29 September 1931, Washington Post, 6.

never achieved its original goal of restoring veterans' financial losses. In deferring payment on the certificates until 1945, they accused lawmakers of reneging on their obligation to ex-service members, a debt the Bonus movement now looked to claim. While this argument failed to secure Patman a majority vote on the Field Resolution, it had an immediate and tangible impact on Bonus opponents in the administration who moved quickly to quash the allegation that government had defaulted on this debt.

After the convention ended, VA Director Frank T. Hines, who had remained largely in the background to this point, assumed a more high-profile role defending the White House, publishing newspaper editorials and delivering radio addresses on the subject. Although his agency was still badly marred by the VB scandals of the early 1920s, Hines had managed to build personal credibility as an honest professional among both veterans and Washington insiders since assuming control of the bureau in March 1923. Legionnaires particularly credited the director with cleaning up agency corruption after Charles Forbes's ignominious departure and for his earnest commitment to rehabilitation, which remained the organization's chief priority. On air and in print, Hines leveraged his reputation as a veteran policy expert to argue that Bonus advocates like Patman were actively misconstruing the state's obligation to its ex-service members in arguing that government's restorative debt had yet to be fulfilled. "Many of the veterans and most of the people have forgotten the original agreement at the time the Adjusted Compensation Act was passed. A strong feeling has grown up that Government has owed the face value of the adjusted service certificates since 1925 and that, of course, in fairness to the veterans it should be paid at once," Hines wrote in one September 1932 New York Times article, summarizing Patman's case. But the state never committed to

pay those funds up front, the VA Director pointed out. "The government has more than kept the original contract. The indebtedness that we are talking about is not due until 1945 and 1946."⁷² According to Hines, in claiming that the money was now owed, Patman and his allies were renegotiating a closed contract, one that had been finalized in 1924.

By early 1932, after more than two years of post-crash organizing, the Bonus debate had crystallized into a dispute over the purpose and means of restorative aid. Advocates of immediate payment argued that the 1924 act had itself been a betrayal of government's true obligation to its ex-service members: to return them to the status quo ante. That debt, they claimed, should have been met in 1918, not in 1924 or worse, in 1945. Because the monies were overdue, Bonus advocates insisted that the macroeconomics of payment should have no bearing on lawmakers' decisions to make the funds immediately available.

By contrast, the administration claimed that veterans had entered into a contract with the state in 1924, agreeing to defer payment on the certificates until 1945 in exchange for interest on the bonds. In other words, government had already met its restorative duty in passing the Adjusted Compensation Act. If it were to speed up the remittance timetable, the state would actually be forging a new *superlative* concept of veterans' benefits, Bonus opponents argued. "There are many million others in the same circumstances" as poor ex-service members, Hoover told Congress in an April 4, 1932 address. Americans are "out of work" and "on farms struggling with the adversities of the depression." If lawmakers reopened their 1924 contract with veterans and extended

⁷² Frank T. Hines, *New York Times*, 11 September 1932, HHPL, HHP, PP, SF, Box 392, Veterans' Bureau Correspondence 1932 September 1-15.

them the "special privilege" of early payment, it would be at the expense of ordinary workers. "The welfare of the nation as a whole must take precedence over the demands of any particular group," the president insisted.⁷³

The National Economy League—a New York-based organization founded in May 1932 by former President Calvin Coolidge, AEF General John J. Pershing, New York Governor and former Democratic Presidential candidate Alfred Smith, and former Secretary of War Elihu Root—helped to popularize this superlative challenge to the Bonus. Dedicated to "present[ing] to the voters of the country a definite program for the elimination of wasteful expenditures which have crept into the government through the pressure of special interests," the organization's immediate objectives were the eradication of pension abuse and the defeat of early payment. Throughout the summer of 1932, the organization published hundreds of editorials opposing veterans' claims not only as the best means of balancing the budget but in order "to revive and restore the American principle that our Government shall truly be a Government for the benefit of the whole people,—a Government of law and order economically administered for all the people and not for the benefit or at the dictation of any special or sectional interest."

This argument—that the Bonus would actually advantage ex-service members over civilians, not equalize them as organizers claimed—resonated most deeply with poor civilians who were afraid of losing ground to their veteran neighbors. Men like Homer Owens of Clio, Alabama bemoaned the rise of a "privileged class" of veterans in towns

⁷³ Presidential Statement, 4 April 1932, HHPL, Theodore G. Joslin Papers (hereafter TGJP), Box 5, Subject & Individual File. Hoover Administration. Public Statements: 1932, April – June.

⁷⁴ National Economy League Founding Document, 1932, HHPL, HHP, PP, SF, Box 244, National Economy League.

⁷⁵ "Declaration of Purposes and Plan of the National Economy League," National Economy Committee, 29 June 1932, HHPL, HHP, PP, President's Personal File, Box 178, National Economy League 1932. Emphasis added.

across the country. "We common folks... resent and look on as indefensible graft, when we see many among us that merely went to camp, enjoyed a huge vacation, drawing princely pensions.... It is these conditions that us 'half cropping, po-white trash' resent and cant [sic] understand."⁷⁶ New Yorker Leonard Hoffman underscored this point in a letter to the president describing the bonus as "class legislation" designed to "benefit the few at the expense of all the people."⁷⁷

Of course, proponents of immediate payment denied these charges, reiterating the argument that the Legion made a decade prior: that they sought a Bonus in name only. As Patman was fond of explaining, "The term 'bonus' was coined by enemies of the act. Those of us who are friendly to the payment of 100 per cent are required to call it a bonus because that is the name by which it is known." However, "it does not represent a bonus," immediate payment advocates insisted. "It represents an honest debt that the Congress of the United States has confessed" and left unfulfilled. In demanding that their wartime losses finally be restored, Bonus advocates argued that veterans sought equal, not exceptional, treatment.

V.

By January 1932, the United States was approaching the nadir of the Depression.

Although Hoover famously told reporters that "nobody [was] actually starving,"

journalists across the country offered a different account. In San Francisco and New

York alone, newspapers claimed that at least 110 people had already died as a result of

⁷⁶ "Letter from Homer Owens to Herbert Hoover," 25 April 1932, HHPL, HHP, PP, SF, Box 414, World War Veterans – Bonus Veto of Bonus Bill – Approval of Veto: 1932 Jan-March.

⁷⁷ "Letter from S. Leonard Hoffman to Herbert Hoover," 20 February 1931, HHPL, HHP, PP, SF, Box 412, World War Veterans – Bonus Veto of Bonus Bill – Approval of Veto: 1931 Feb 20.

⁷⁸ SoP, Thirteenth Annual National Convention of the American Legion, 24 September 1931, ALL.

poverty. Desperate, a growing number of unemployed and homeless Americans began stowing away on trains and making their way by foot to Washington to demand government intervention. The first organized protest occurred in December 1931 when 3,000 "hunger-marchers"—inspired by the U.S. Communist Party—traveled to the capital to demand food assistance. The marchers were met by the city's police chief, Pelham Glassford, who became famous during this period for feeding Washington protesters out of his own pocket before dispersing the crowds. In the end, the "Hunger-March" was peaceful but ineffective; the protesters left Washington empty-handed two days after they arrived. Another larger group of 6,000 unemployed workers attracted press attention when it showed up in the city a month later, demanding a meeting with Hoover to discuss his administration's response to the Depression. When the president declined, Glassford stepped in once more, feeding and then breaking up the march. This pattern continued for the next several months; throughout the spring of 1932, small groups of demonstrators continued to descend on the capital to protest the White House for failing to adequately manage the crisis.⁷⁹

While Americans fought starvation and unemployment, the Hoover administration spent the spring of 1932 refining its "Economy Program." Despite external indications, Hoover and Mellon maintained their early belief that the economy was moving through the bottom of a natural cycle from which it would soon rebound. In order to hasten this self-regulation—and avoid exacerbating the crisis—they argued that lawmakers must balance the budget by cutting appropriations and reducing administrative expenses. In February, the White House proposed \$263 million in program cuts

⁷⁹ Paul Dickson and Thomas B. Allen, *The Bonus Army: An American Epic* (New York: Walker & Co., 2004), 45-48.

(including \$60 million from the VA). Congress balked at the request, adopting less than an eighth of Hoover's recommendations when it finally voted on the Economy Bill at the beginning of May.⁸⁰

Despite White House opposition to all new expenditures, the Bonus remained a salient political issue throughout the winter and spring of 1932. After the Detroit convention vote, Patman joined forces with VFW post commander James Van Zandt—the organization's future national commander—for a cross-country speaking tour on immediate payment. *Foreign Service*, the VFW's monthly newsletter, reported that the two drew crowds of up to 2,500 at halls across the United States. The VFW supplemented the high-profile engagements by organizing at the community level, collecting signatures on Bonus petitions. One Texas post reported collecting more than 55,000 signatures in just 18 days. However, despite the VFW's efforts, on May 7, after a month of hearings, the House Ways and Means Committee voted against sending the Patman Bill to the floor. In opposing the measure, several lawmakers cited the Legion's position as a reason for their own opposition. Undeterred, Patman initiated a petition to discharge the bill the following day, pledging to bring the Bonus to the floor for a vote with the VFW's support.

The congressman's zeal inspired a group of destitute veterans from Portland,

Oregon to set off across the country for the nation's capital a few days later to demand
that their certificates be paid, launching a movement that would come to be known as the
Bonus March. Led by 34 year old out-of-work canner Walter W. Waters, the "Bonus

⁸⁰ E. Francis Brown, "The Politics of America's Recovery," *Current History*, Vol. 36, No. 3 (June 1932): 328-29.

⁸¹ Ortiz, Beyond the Bonus March, 43-44.

⁸² U.S. House, Committee on Ways and Means, *Report on the Payment of Adjusted Compensation Certificates* (H.Rep.1252). (Washington, DC: Government Printing Office, 1932).

Expeditionary Force" (BEF) began as a small pilgrimage, but blossomed into a mass movement when "Eastern newspapers" picked up "the first news of a possible mass demonstration on the part of World War veterans" from Baltimore & Ohio freight train dispatches. When the 400 Oregon veterans reached East St. Louis, Illinois after several days of hitchhiking the rail lines, the Illinois National Guard forced the men to evacuate. Local law enforcement officials stepped in to assist the veterans, shuttling them across the state in municipal vehicles. "The Governors of Indiana and Ohio supplied the bonus marchers with transportation; food was donated by patriotic organizations and kindhearted individuals, while the citizens of many towns and cities wished the veterans Godspeed on their mission." When the West Coast BEF reached the capital on May 29, widespread national reporting on their journey had already inspired thousands of additional veterans to make their way to Washington as well. At the movement's height, district officials estimated that as many as 20,000 ex-service members were in town on the behalf of the Bonus.

Initially, Washingtonians were unsure what to make of the marchers. One observer described the "character of the B.E.F." as "somewhat of an anomaly." While they were on the one hand "patriotic bourgeois Americans, exercising in an orderly fashion their constitutional right of petition," the writer also described the veterans as "potentially dangerous." Another city resident, H.C. Hopson, shared this view, warning that if the BEF found an effective leader, the movement could be "turned into an

⁸³ E. Francis Brown, "The Bonus Army Marches to Defeat," *Current History*, Vol. 36, No. 6 (September 1932): 684.

⁸⁴ "Veteran Bonus' Army Arrives in Washington," *Chicago Daily Tribune*, 30 May 1932, 6; "300 Cleveland Veterans Plan March on Capital," *Washington Post*, 30 May 1932, 3; "Tennessee Group Plans March," *New York Times*, 29 May 1932, 4.

⁸⁵ E. Francis Brown, "The Bonus Army Marches to Defeat," *Current History*, Vol. 36, No. 6 (September 1932): 686.

organized anarchistic mob which might seize the implements of government."⁸⁶ This was not a ridiculous suggestion. In recent years, veterans and soldiers had emerged as an important constituency for totalitarian leaders across the world, most notably in Italy and Germany where fascist dictators Benito Mussolini and Adolph Hitler both relied on military support to sustain their movements.

However, despite early trepidation about the BEF's potential for violence, most Washingtonians were quickly won over by the sight of the poor veterans in their old military uniforms, which created enormous public sympathy for "the boys" of 1917-1918. John Forell described his first emotional encounter with the BEF at the district's Memorial Day Parade in a moving *Virginia Quarterly Review* article, explaining how, in the midst of the revelry, "came something new."

Down the avenue crawled a little column. At its head blared a well-fed band of Veterans of Foreign Wars, aluminum *ersatz* trench helmets tilted at a jaunty angle. Behind them came an American flag; grouped around it were a dozen men on whose breasts crosses and medals glinted dully in the lamplight. And behind them in turn followed the less distinguished bonus marchers in close-formed company. They were gaunt and flat-bellied. Most of their clothing was threadbare. But every man was freshly shaven and every shirt was clean. Their elbows were back, their chins were in, and they walked with the thirty-inch parade step they had learned fifteen years before. The B.E.F. was making its public debut. The spectators watched them with a catch in their throats. They were 'the boys' for whom nothing had seemed too good in 1919. Now here they were, hungry, homeless, and ragged, spiritually naked except for wistful gallantry... The crowd cheered and clapped in a great surge of enthusiasm. The B.E.F. had stolen the show.⁸⁷

Like Forrell, Washington Police Chief Pelham Glassford was deeply sympathetic to the marchers' cause. A 1904 West Point graduate, Glassford had also served overseas during the First World War—as the AEF's youngest front line general. As thousands of veteran

⁸⁶ Telegram from H.C. Hopson to Herbert Hoover, 4 June 1932, HHPL, HHP, PP, SF, Box 408, World War Veterans-Bonus Correspondence 1932 January-June.

⁸⁷ John Forell, "The Bonus Crusade," *The Virginia Quarterly Review*, Vol. 9, No. 1 (January 1933): 39.

demonstrators poured into the capital at the end of May, the police chief welcomed them with characteristic grace, feeding the marchers out of his own pocket and soliciting donations from wealthy friends to support the veterans' stay. Glassford arranged housing for the homeless marchers, billeting them in tents on the flatlands adjacent to the Anacostia River and on a friend's nearby farm as well as in abandoned federal buildings on Pennsylvania Avenue.⁸⁸

Under the command of Portlander Walter Waters, the BEF conducted itself with military efficiency. Camps were divided into "units" responsible to local "commanders." In order to eat (the BEF dispersed the supplies provided by Glassford and his associates), Waters required that marchers and their families work, performing tasks around camp (cooking and cleaning clothing in the Anacostia River) and making trips downtown to speak with legislators about Congressman Patman's discharge petition. Each day, local commanders dispatched groups of well-dressed demonstrators (a tie was required) to Capitol Hill to meet with House leaders and electorally vulnerable members. In meetings with lawmakers, the BEF representatives presented their case for the Bonus, arguing that the debt to veterans had not been paid and that government must still make good on its obligation to restore ex-service members' wartime financial losses.

While the BEF made daily trips to the Hill, demanding that legislators bring the Patman Bill to the floor for a vote, the White House exerted heavy pressure on congressional Republicans to deny the discharge petition. In one particularly heated telephone call with House Rules Committee Chairman Bertrand Snell, Hoover harangued the congressman about the legislature's "utter ineptitude." According to the president's

⁸⁸ Fleta Campbell Springer, "Glassford and the Siege of Washington," *Harpers Magazine*, Vol. 165 (November 1932): 642.

secretary James McLafferty, Hoover was so eager to defeat the Patman Bill that he told

Snell to start a public "party fight" over the issue if necessary to beat back the measure. ⁸⁹

The Bonus, however, was not a clear partisan issue and support for immediate payment spanned party lines. While Republican lawmakers generally sided with the administration in its opposition to spending increases, a growing number of Midwestern Republicans broke with the party in embracing more generous veterans' relief. On June 15—two and a half weeks after the first BEF marchers arrived in Washington—the House discharged the Patman petition, putting immediate payment to a vote. Tragedy punctuated the raucous debate on the measure that followed that afternoon. In the middle of an "impassioned plea" for the Bonus, Tennessee Democrat Edward E. Eslick dropped dead on the House floor. According to press accounts, the galleries—packed with BEF marchers—fell silent as Mrs. Eslick, who was also in the Capitol building, raced to her "slumped husband... minister[ing] to him before he died." According to the *New York* Times, "Eslick's death sunned the ex-service men massed in the galleries no less than it did the stricken member's colleagues. They filed slowly out to tell their comrades, waiting in groups on the Capitol grounds."90 Later that afternoon, following a short recess to remove Eslick's body from the House floor, a more subdued legislature passed the Patman Bill by a vote of 211-176. The measure was supported by members from both parties with nearly a third of Republicans and more than three quarters of the Democratic caucus voting "yes." 91

⁸⁹ James H. McLafferty Diary Entry, 2 June 1932, HHPL, James H. McClafferty Papers, Box 1, Diary June 1932-July 1932.

⁹⁰ Eslick Dies in House Pleading for Bonus," *New York Times*, 15 June 1932, 1; "The Day in Congress," ibid 2

⁹¹ 72nd Cong., 1st sess., *Congressional Record* 13012-053; "Democrats Pass Bonus," *Washington Post*, 16 June 1932, 6.

Outside on the Capitol steps, the BEF heralded the vote as a major victory in the fight for immediate payment. Thousands of marchers gathered downtown that evening to sing patriotic songs and celebrate the result. But while the BEF cheered the House vote, political insiders viewed the result more skeptically. Although Bonus advocates won the roll call, they did not secure the veto-proof majority needed to preserve the legislation in the face of certain White House resistance. The evening newspapers described House supporters as "disappointed" and "plainly disturbed" by their failure to meet the important two-thirds threshold.⁹²

The following day—June 16—the BEF's attention turned to the Senate as the Patman Bill made its way across the Hill just two days before the summer recess was scheduled to begin. Scrambling to make time for a vote, Senate leaders added the Patman Bill to an already packed schedule, announcing that they would take up early payment on Friday afternoon as their final agenda item before leaving Washington for several months. The marchers spent the day lobbying hard for the passage of the Bonus, returning to the Capitol steps the next morning to wait for news from within.

As the Bonus Marchers anxiously awaited the Senate's decision in front of the rotunda, Hoover spent June 17 storming around the White House. The president instructed his staff to keep him up-to-date with the latest vote projections, which seemed to indicate a close victory for the administration. When his secretaries were unable to provide new numbers for the afternoon meeting, an exasperated Hoover exploded. According to witnesses, he began ranting, "I don't give a damn what the Senate does. They can pass the bill if they want to. I will throw it back at them with a veto as soon as

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⁹² "Bonus Doomed by House Vote," *Wall Street Journal*, 16 June 1932, 1; "Bonus Bill Passes the House," *New York Times*, 16 June 1932, 1; "House Passes Bonus Bill," *Washington Post*, 16 June 1932, 1.

they do... Don't worry about the veterans coming down here [to the White House]. I'll have that bill back before Congress with my veto in ten minutes. I'll write that veto in 100 words and it will be all there!"⁹³

The veto was unnecessary. Caving to White House pressure, the Senate rejected the bill in a bipartisan 62-18 vote, killing early payment hours before the summer recess and creating a dilemma for the BEF which was now encamped in the capital city without a Congress to lobby. 94 In the days following the Senate defeat, thousands of veterans left Washington using congressionally appropriated funds for their return-travel. Nearly ten thousand marchers remained behind, however, either because of their commitment to the cause or because they had nowhere else to go. The administration was deeply troubled by the presence of this large group of angry, former military men. Hoover spent the first few weeks of July working with his attorney general, William Mitchell, to find a legal means of removing the marchers from the city. Because the BEF was encamped on federal property, Mitchell argued that Hoover could evict the veterans as a means of protecting government assets. On July 21, Glassford hand-delivered an evacuation order to Waters, informing the BEF commander that his marchers had to clear the Anacostia flats and the Pennsylvania Avenue buildings by August 4. The White House—acting through the police chief—rescinded the order the next day, only to reissue it once more on July 24.

Four days later—on Thursday, July 28—Hoover instructed Glassford to begin the eviction immediately, afraid that the BEF would use any further delays to entrench itself more deeply, making an eventual removal more difficult. On the president's orders,

⁹³ Theodore G. Joslin Diary, 17 June 1932, HHPL, TGJP, Box 10, Diary 1932.

⁹⁴ Of the 62 legislators who voted "no" on the Patman Bill, 35 were Republicans and 27 were Democrats.

[&]quot;Detailed Vote of the Senate on the Soldiers' Bonus Bill," New York Times, 18 June 1932, 7.

Glassford and a group of his deputies went to the abandoned government buildings where a small contingent of about a thousand BEF marchers were living to begin the eviction. According to witnesses, the process began peacefully. Veterans filed out of the buildings as the police supervised the proceedings. However, an hour into the evacuation, an unknown person threw a brick, unleashing a short melee. For the next several minutes, marchers and police fought as bricks flew. Eventually, Glassford managed to regain control of the situation. He halted the evacuation and reported the incident to the Washington Police Commissioners at the District Building. According to Glassford, he never requested back up at the meeting and instead explained that he might require assistance in the future if further incidents followed. The Police Commissioners told a different story days later when they were interviewed about the exchange, claiming that Glassford did, in fact, ask for military support in clearing the buildings. The police chief left the District Building around noon and returned to the Pennsylvania Avenue site where he resumed the eviction. During the afternoon clearing, another scuffle broke out between veterans and police. Two officers discharged their revolvers, killing two marchers. Even after the killings, Glassford managed to regain control of the situation once more, preventing further violence. 95

Around 2:00 PM, members of the press at the Pennsylvania Avenue site got word that the military was on its way downtown to support the intervention. The news particularly stunned Glassford who thought that he had turned down outside assistance only hours before. However, despite the police chief's assurances, the Commissioners cabled the White House requesting back up after their morning meeting. Hoover had obliged, dispatching two army units under the command of General Douglas MacArthur

⁹⁵ Springer, "Glassford and the Siege of Washington," 653-54.

and his deputies Majors Dwight D. Eisenhower and George S. Patton. Tasked with ending the eviction quickly, the military leaders arrived on horseback with their weapons at the ready, threatening the veterans with violence if they did not evacuate immediately. According to Fleta Campbell Springer of *Harpers Magazine*, "When they came, they came—cavalry with drawn pistols, cavalry with sabers uprights, cavalry with pistols and sabers grimly sheathed, six tanks, with machine guns hooded, young infantry with bayonets and clusters of blue gas bombs at their belts." To prevent the marchers from returning, the rear guard set fire to the buildings, burning the marchers' possessions and driving the BEF out of the city.

VI.

Letters and telegrams condemning the rout began pouring into the White House the following morning. "The day of all days in the history of the United States finally arrived yesterday when the President of the United States ordered our soldiers to attack the flag of our country, the symbol of our freedom—the freedom our forefathers gave up their lives to give us," one veteran wrote. "Now that the ex-servicemen who came to the seat of our government to peacefully lobby for their just dues and better conditions for the common people of the country have been turned upon by the men at the head of the government," he added, "I feel safe in predicting that the act of Mellon's President will

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⁹⁶ Ibid., 655.

⁹⁷ For a detailed account of the Bonus rout, see, Dickson and Allen, *The Bonus Army*, 153-83; Keene, *Doughboys*, 192-95; Roger Daniels, *The Bonus March: An Episode of the Great Depression* (Westwood, CT: Greenwood, 1971), 157-81.

surely prove to be a boomerang." Are we to understand from the events of the last few days that the policy of the United Sates Government is to be: Flags and flowers for dead veterans; Bullets and bayonets for live ones?" another angry citizen cabled the White House. "A wounded war veteran's wife" threatened that the rout would be the president's political undoing. "Conciliation in the ways of jobs [and] justice in the way of compensation for the war wounded" would have appeased the marchers, she wrote. Had Hoover "become so plutocratic in office that [he had] lost the common touch?" Congressman William Brunner of New York summarized the situation more gently in a letter to Hoover, explaining that his office had received "very many telephone calls... complaining about the manner in which the B.E.F. are being ejected from Washington. None of the complainants found fault with your attitude in asking the Bonus Army to evacuate, but they all seem to think the method in which it is trying to be accomplished, is all wrong."

In the wake of the rout, the VFW mobilized against the White House, denouncing the president's "sadistic" use of "the cavalry to trample and slash; the infantry to stab with bayonets; tanks to crush and demolish; gas bombs to suffocate; [and] firearms to ruthlessly murder; starving, unarmed, defenseless, men, women, and children," as one veteran described Hoover's actions. ¹⁰² By the end of August, the organization had gone

⁹⁸ Letter from Philo D. Burke to Herbert Hoover, 29 July 1932, HHPL, HHP, PP, SF, Box 409, World War Veterans Bonus Correspondence 1932 July-August.

⁹⁹ Letter from Lenore and H.C. Barker to Herbert Hoover, 29 July 1932, ibid.

¹⁰⁰ Letter from A Wounded War Veteran's Wife to Herbert Hoover, 26 July 1932, ibid.

¹⁰¹ Letter from William Brunner to Herbert Hoover, 29 July 1932, ibid.

¹⁰² Letter from William B. Rice to Herbert Hoover, 29 July 1932, ibid.; "Vincent B. Costello Post No. 15 Resolution," 3 August 1932, ibid.

so far as to officially censure the president by assembly-wide vote at its Sacramento National Encampment. 103

The BEF rout was the central issue at the Legion's 1932 National Convention in Portland, Oregon that September, where angry members clambered to condemn the president and endorse immediate payment. They were not alone. *Chicago Tribune* writer Floyd Gibbons, one of the convention's first speakers, used his address to challenge the administration and applaud the marchers, describing the BEF as "the most hopeful Americans [he had] ever met." While the speech "caused evident concern to the Legion officials"—according to *New York Times* special reporter Harold N. Denny, it animated the rank-and-file who interrupted the *Tribune* writer several times with cheers. By contrast, when Secretary of War Patrick J. Hurley, a Legionnaire, took the stage, the crowd booed "merely because they thought he was going to talk against the bonus." 104

The Legislative Committee convened privately on the evening of September 12 (the first night of the convention) to formalize its Majority Report. "A long battle on the bonus question" ensued. In the end, pragmatists succeeded in convincing a majority of board members that the Legion would lose all credibility with veterans if it did not join the Bonus fight after the disastrous BEF rout. By a margin of 21 to 9, the Legislative Committee voted to include an endorsement of "full and immediate payment" in its

¹⁰³ Letter from Mark L. Requa to Lawrence Richey, 12 August 1932, ibid.; SoP, Fourteenth Annual National Convention of the American Legion, 12-15 September 1932, ALL. Nonveterans were also irate over the president's handling of the Bonus March. In *The Bonus Army: An American Epic*, Paul Dickson and Thomas B. Allen describe how "in movie theaters all across the America [where newsreels of the eviction were shown] the unthinkable happened: the United States Army was booed and McArthur was jeered." Dickson and Allen, *The Bonus Army*, 197. Historians Jennifer Keene, Stephen Ortiz, and Roger Daniels have amplified this analysis in their work on the Bonus rout, demonstrating that newspapers were also highly critical of the president's action. See, Keene, *Doughboys*, 195-97; Ortiz, *Beyond the Bonus March*, 55-57; Daniel, *The Bonus March*, 201-10

¹⁰⁴ Harold N. Denny, "Legion Committee Demands the Bonus," *New York Times*, 15 September 1932, 1. ¹⁰⁵ Ibid.

convention recommendations.¹⁰⁶ While this was a dramatic reversal of Legion executive policy, most observers had anticipated the move. In the weeks leading up to the Portland meeting, 43 of the organization's state departments passed Bonus resolutions, all but guaranteeing that the National Convention would follow suit, with or without NEC support.¹⁰⁷ There was actually much greater speculation about whether or not the Legion would censure the president for mismanaging the BEF evacuation—a demand that had been gaining momentum at the grassroots since the July rout. George Brown of Pennsylvania introduced a resolution condemning White House action in the Rules Committee on the first night of the convention, but Hooverites on the board drew a line in the sand. While they acceded to rank-and-file demands for early payment, administration allies were absolutely unwilling to censure the president. The Brown resolution failed 29-1 and Hoover escaped a potentially disastrous Legion reprimand two months before the presidential election.¹⁰⁸

While White House backers successfully staved off a presidential censure, they were helpless to stem the outpouring of member support for immediate payment. When the Bonus resolution finally reached the convention floor on the meeting's final day, opponents struggled to even voice their opinions over the jeering crowd. At several points during the hour-long debate, National Commander Harry L. Stevens, Jr. was forced to interrupt the proceedings "to plead for fair play," threatening to "clear the

 ¹⁰⁶ SoP, Fourteenth Annual National Convention of the American Legion, 14 September 1932, ALL.
 107 Nine department conventions rejected immediate payment: Arizona, Connecticut, Delaware, Missouri, Nebraska, South Carolina, Vermont, Wyoming, and the Hawaiian Islands. "Legion Body is Against Censure," Washington Post, 15 September 1932, 1.

¹⁰⁸ Ibid.; Harold N. Denny, "Legion Committee Demands the Bonus," *New York Times*, 15 September 1932, 1; "Legion Asks Repeal, Bonus," *Chicago Daily Tribune*, 16 September 1932, 1.

galleries" if non-voting attendees continued "whistling and booing." When Stevens finally called for a vote on the resolution, it passed overwhelming: 1167-109.

The rank-and-file heralded the convention vote as an important turning point in the Bonus fight, lauding the national assembly in its decision to join the immediate payment movement. Meanwhile, a few NEC members quit in protest, decrying the result as "wrong in principle" and "economically unsound." Convention Treasurer Phelps Newberry was particularly outspoken in his criticism, telling reporters that he could "no longer justify... membership in an organization whose view on a matter of such supreme national importance, if adopted by the Congress, will plunge the country into financial chaos."

National reporting on the convention bolstered this view with the *New York Times* and *Wall Street Journal* both describing the Bonus as "unsound" economic policy.

Nevertheless, the newspapers warned opponents to take the new Legion challenge seriously. "The domination and power of the lobby over Congress is well illustrated," one reporter cautioned. In a profile on the Legion's Washington-based Legislative Committee, Harold Denny of the *Times* described how the Legion had become "one of the most efficient and powerful lobbies in Washington, if not indeed the most efficient and powerful" in the decade since it was first established. John Thomas Taylor, Legislative Committee Vice-Chairman, was the "strategist and organizing brain of the whole business." According to Denny, Taylor knew all 435 members of the House and 96 senators personally and frequently appeared on Capitol Hill to testify about the

¹⁰⁹ Ibid.; "Legion Demands Bonus and Prohibition Repeal," *Los Angeles Times*, 16 September 1932, 1; Harold N. Denny, "Tumult in Bonus Debate," *New York Times*, 16 September 1932, 1.

¹¹⁰ "A 'Peace-Time Fight," New York Times, 17 September 1932, 14; "Phelps Newberry Resigns Over Bonus," ibid., 2.

¹¹¹ "A Dangerous Legion," Wall Street Journal, 17 September 1932, 6.

Legion's agenda. The Vice-Chairman also worked closely with the Legion's Indianapolis-based Publicity Division, which published a monthly magazine (the Legion Monthly) as well as short weekly newsletters with legislative updates. "When projected Legion legislation encounters strong opposition," Denny explained, Taylor and the Publicity Division will "exert [their] full power," calling the Legion's nearly one million members to contact their representatives demanding support for the organization's agenda. The Legion's political power was "incalculable," Denny concluded, and a significant threat to anti-Bonus forces now that the convention had embraced immediate payment. 112

Back in Washington, Hoover tried to ignore his critics, dismissing them as leftwing propagandists. Reviewing a batch of telegrams on the morning of July 29, Hoover instructed Press Secretary Theodore Joslin to brush off the backlash as nothing more than the work of "Communist organizations all over the country threatening me and the Government." However, as criticism continued to mount in the weeks following the rout, Republican strategists began calling on the president to respond more directly to his detractors in order to limit potential fallout in advance of the November election. "Only a change in sentiment between now and [the] election will prevent you from taking the worst licking any Republican Presidential candidate ever got," one campaign worker warned the White House. "You will either be smothered with a Democratic landslide or

¹¹² Harold N. Denny, "The American Legion Machine," *New York Times*, 18 September 1932, 23. ¹¹³ Theodore G. Joslin Diary, 29 July 1932, HHPL, TGJP, Box 10, Diary 1932.

get back again by the skin of your teeth and your getting back depends on reversing your stand on Prohibition Enforcement and on the Bonus Payment."¹¹⁴

Unwilling to change his position on early payment, the president opted instead to counterattack the veteran lobby. In the weeks following the rout, the White House Press Office worked hard to promote the idea that Communist organizers had dominated the BEF and that the president had taken action against the radical organization to protect the citizens of Washington. Hoover had laid the groundwork for this counter-narrative the day after the evacuation by calling for a Justice Department investigation into the leadership of the BEF. Appealing to law-abiding Americans' sense of honor and propriety, Hoover described the protesters not as a group of needy veterans but as "mobs which were defying the municipal government" and men who "were undoubtedly led to believe that the civil authorities could be intimidated with impunity." ¹¹⁵ Joslin reiterated this message before a committee of sympathetic journalists a few days later, encouraging them to help the administration "tell the truth" by printing reports of Communist infiltration in their newspapers. 116 Attorney General Mitchell's September report on the BEF seemed to lend credence to the White House's claims. Based on a survey of the marchers' criminal records, political affiliations, and credit histories, the Justice Department argued that convicts, Communists, and debtors had dominated the organization, going so far as to suggest that many of the protesters had not even been

¹¹⁴ Letter from R.B. Cooke to Herbert Hoover, 14 September 1932, HHPL, HHP, PP, SF, Box 409, World War Veterans Bonus Correspondence 1932 September.

¹¹⁵ Theodore G. Joslin Diary, 29 July 1932, HHPL, TGJP, Box 5, Subject & Individual File – Hoover Administration – Public Statements – 1932: July.

¹¹⁶ Statement by Theodore G. Joslin to Committee of Writers, 10 August 1932, HHPL, HHP, PP, Press Relations, White House Press Releases, Box 1186, 641-60.

veterans.¹¹⁷ Ultimately, the administration's efforts to discredit the marchers backfired. Few veteran sympathizers believed the White House's argument that there had been little to no veteran involvement in the march, particularly as members of the BEF wound their way back across the country throughout the month of August. Meanwhile, veterans continued to stoke public outrage, effectively presenting themselves as victims of a violent and unfeeling White House.

Hoover lost the 1932 presidential election by a landslide. In his *Memoirs*, Hoover blamed his defeat on the "distortion of the story of the Bonus March" by the press and his political opponents. According to the president, "the Democratic organization seized upon the [Bonus rout] incident with great avidity. Many Democratic speakers in the campaign of 1932 implied that I had murdered veterans on the streets of Washington," an insinuation that stuck, helping to swing the election. While it is impossible—based on the rudimentary state of 1930s polling—to verify Hoover's claim and determine exactly how great an impact the Bonus rout had on the 1932 election, historians largely agree that "the expulsion of the Bonus Army haunted Hoover" during the campaign and that the episode "left a bad taste in the nation's mouth... cost[ing] [the president] a great many votes." On Tuesday, November 8, Hoover's opponent, former New York Governor Franklin Roosevelt won the race, earning an enormous 57.4% of the popular vote and carrying all but six states.

¹¹⁷ Report on Bonus Rout, William D. Mitchell, 9 September 1932, HHPL, TGJP, Box 5, Subject & Individual File – Hoover Administration – Public Statements – 1932: September.

Herbert Hoover, *The Memoirs of Herbert Hoover: The Great Depression, 1929-1941* (New York: The MacMillan Company, 1953), 225.

¹¹⁹ Quotes: Dickson and Allen, *The Bonus Army*, 201; Daniels, *The Bonus March*, 207. Jennifer Keene shares this view, arguing that "nonveteran voters viewed the Bonus March as a test of the president's humanitarian impulses, and they intended to punish him for failing." Keene, *Doughboys*, 197.

VII.

Veteran activists welcomed Roosevelt's election. The change in executive leadership seemed to signal, not only to ex-servicemen, but to the nation as a whole, the dawn of a new political era, a feeling that the president-elect encouraged by distancing himself from the outgoing administration during the winter of 1932. In the wake of the previous year's failed Bonus campaign, and in light of Hoover's seeming antipathy for the cause—demonstrated most clearly by his treatment of the BEF—advocates of early payment embraced Roosevelt as the face of change. In reality, there was very little difference between the outgoing and incoming administrations' attitudes toward the Bonus. Hoover and Roosevelt both agreed that the certificates should not be paid until 1945 as stipulated in the original 1924 act. Why, then, did veterans perceive the former New York governor to be a strong ally in their fight?¹²⁰

First, and most importantly, Roosevelt was not Hoover—the great foe of the veteran lobby. Secondly, the Democratic candidate deftly evaded the Bonus issue throughout his campaign despite the fact that one reporter called early payment "the greatest area of public interest" in the 1932 election. While Hoover was unequivocal in his opposition to certificate liquidation, Roosevelt was purposefully ambiguous about his position. He refrained from answering any questions about the topic for the first four months of his candidacy, promising reporters that he would make an official statement on the subject closer to Election Day. When Roosevelt finally spoke out a mere two

¹²⁰ Letter from L. Parks to Franklin Roosevelt, 31 March 1933, FDRPL, FDRP, PP, Official File 95 World War I Veterans, OF95c Soldier's Bonus—1933.

¹²¹ "Roosevelt and the Bonus," Los Angeles Times, 27 October 1932, 1.

¹²² Letter from Roger G. Simmons to Walter Newton, 2 July 1932, HHPL, HHP, PP, SF, Box 409, World War Veterans – Bonus Correspondence 1932 July-August.

weeks before the vote, his comments were vague, infuriating the Hoover camp which suffered greatly for its outspoken anti-Bonus position.¹²³

The perception that the Roosevelt administration would take a more sympathetic approach to veteran activists seemed to be confirmed in the spring of 1933 when another group of disgruntled veterans threatened to march on Washington demanding early payment of the Bonus. From the start, Roosevelt handled the situation much differently than his predecessor, instructing his secretary, Colonel Louis M. Howe, to meet with movement representatives from the self-styled Veterans' National Liaison Committee in advance of the group's arrival in the capital. The administration agreed to house and feed the marchers at nearby Fort Hunt in exchange for the committee's guarantee that it would run an "orderly" protest. The press hailed the agreement as a hallmark of Roosevelt's "new deal" approach to governance, casting a sense of triumph over the march before it had even begun. 124 In the end, only 4,000 veterans made the trek to Washington, about a fifth of the number of demonstrators that descended on the capital a year before. The widely popular first lady, Eleanor Roosevelt, greeted the protesters shortly after their arrival, leading them in patriotic songs. Even the most militant activists privately admitted that they were "amazed by the humane treatment" they received at Fort Hunt. 125

Ultimately, the marchers failed to convince their representatives to take up the Bonus in the spring of 1933. During this period, Congress was busy passing myriad legislation addressing the country's most pressing issues; elected officials did not perceive the Bonus to be among these priorities. Also, by gingerly managing the 1933

¹²³ Franklin D. Roosevelt, "Campaign Address on the Federal Budget at Pittsburgh, Pennsylvania," October 19, 1932, online by Gerhard Peters and John T. Woolley, *The American Presidency Project*. http://www.presidency.ucsb.edu/ws/?pid=88399.

¹²⁴ Edmund G. Monk, "Roosevelt O.K. Given Capital Bonus March," Washington Post, 6 May 1933, 1.

^{125 &}quot;Bonus March Ends as Remnant Goes," New York Times, 23 May 1933, 15.

Bonus March, the White House reduced pressure to act quickly on this front. In consultation with VA Director Frank Hines, Roosevelt signed executive orders reducing the age and marital status requirements for veteran service in the newly created Civilian Conservation Corps (CCC) relief agency, creating jobs for more than 25,000 out-of-work ex-service members. Although the compromise measure failed to pacify the most committed marchers, nearly half accepted positions in the new agency while the others agreed to take state-financed transportation home, diffusing the protest just two weeks after it began. The dispersal of the 1933 Bonus march was an important win for the Roosevelt administration because it seemed to herald a new era in executive-dissident relations. For its part, the Veterans' National Liaison Committee admitted that it had been "whipped" again, but this time they conceded victory not to the unfeeling Hoover but to "that smart fellow at the White House."

However, despite veteran praise for Roosevelt's deft and sympathetic handling of the 1933 Bonus march, the president did not make any substantive changes to Hoover's veteran policy, a fact that veterans were eager to overlook. Many immediate payment advocates mistook Roosevelt's actions (his willingness to directly address marchers and to acknowledge their struggles) as sympathy for their restorative rights claims. This was a fundamental misunderstanding of the president's true position. Like the Hooverites, Roosevelt and his Brain Trust (advisers like Raymond Moley and Rexford Tugwell) rejected the Bonus movement's argument that immediate payment was still needed to adjust veterans' wartime losses. To pay the certificates now, Roosevelt explained in a defense of his anti-Bonus policy, would be akin to privileging veterans above the rest of

¹²⁶ Edmund G. Monk, "Roosevelt O.K. Given Capital Bonus March," Washington Post, 6 May 1933, 1.

¹²⁷ Ortiz, Beyond the Bonus March, 100.

¹²⁸ "Bonus March Ends as Remnant Goes," New York Times, 23 May 1933, 15.

the country. Speaking to the Legion National Convention in October 1933, the president urged "national unity" over programs that would perpetuate "class distinction." "No person because he wore a uniform must thereafter be placed in a special class of beneficiaries over and above all other citizens. *The fact of wearing a uniform does not mean that he can demand and receive from his Government a benefit which no other citizen receives*," Roosevelt told the Legionnaires.¹²⁹

While the outgoing and incoming administrations both viewed the Bonus through a superlative lens, the two White Houses approached veteran policymaking quite differently. Hoover primarily fought immediate payment for economic reasons, arguing that the country could not afford to liquidate the certificates under depression conditions. When speaking on the subject, the former president often intimated that he might be open to immediate payment if the market improved and he had a budget surplus. By contrast, Roosevelt's opposition to the Bonus was economic *and ideological*. Learning from the Hoover White House's mistakes, the New Dealers took a more interventionist approach to economic recovery, creating several new federal programs—like the Federal Emergency Relief Administration (FERA), the Civilian Conservation Corps (CCC), the Agricultural Adjustment Administration (AAA), and the Tennessee Valley Authority (TVA)—during their first hundred days in office in order to provide emergency aid and unemployment assistance to the neediest (mostly white) Americans.¹³⁰ Roosevelt

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¹²⁹ SoP, Fifteenth Annual National Convention of the American Legion, 2 October 1933, ALL.

¹³⁰ Although the Franklin Roosevelt administration ultimately moved away from Herbert Hoover's associational approach which relied on private interests to uphold "publicly endorsed agreements" in favor of more statist solutions, 1920s approaches did help to shape the New Deal in several ways. First, the associational model vested great resources in building up bureaucracies that could provide private interests with access to information; FDR expanded on this approach by creating new agencies responsible for reaching out to the public. Furthermore, the New Deal also benefitted from some of the private capitalist advances of the 1920s, particularly the development of group insurance policies which helped to lay the foundations for the Social Security program, the cornerstone of Depression Era welfare policy. Lastly—and

planned to meet ex-service members' needs in the context of this larger, national recovery strategy. By inducting unemployed Bonus marchers into the CCC, for example, the president treated ex-service members as one of many groups of poor citizens, entitled to equal treatment under the law and no more. While this approach satisfied some veterans in the short-term (homeless, out-of-work ex-service members were now employed), it did not resolve their larger demand for financial restoration, setting up a decades-long contest between New Dealers and ex-service members over the future of U.S. veteran policy.

Given this ideological conflict, it did not take long for veterans and the Roosevelt administration to clash over the ex-serviceman's place in the New Deal. During the interregnum, the incoming president and his budget director, Lewis Douglas, drafted the "Bill to Maintain the Credit of the United States"—or the Economy Act—giving the president control over executive agency budgets (including the VA). John Thomas Taylor (Legion Legislative Committee Vice Chairman) appealed to the Senate Finance Committee days after the bill was introduced, requesting its assistance in blocking the legislation and warning lawmakers that "the Federal Government [could] not carry on its

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most importantly—the Hoover years were not without political innovation. As David Kennedy describes in Freedom from Fear, the last year of the Hoover administration was characterized by "a period of experimentation" that continued into the New Deal. Ultimately, it not until the "Second New Deal" of 1935-1936 that Roosevelt broke decisively from past Republican approaches to embrace more redistributive solutions. However, even during this "most-liberal" phase of New Deal policymaking, Roosevelt refrained from calling for a full social safety net, choosing to rely instead on his limited gains as well private charity and welfare capitalism. See, David Kennedy, Freedom from Fear: The American People in Depression and War 1929-1945 (New York: Oxford University Press, 1999); Jennifer Klein, For All these Rights: Business, Labor, and the Shaping of America's Public-Private Welfare State (Princeton, NJ: Princeton University Press, 2003); Jason Scott Smith, Building New Deal Liberalism: The Political Economy of Public Works, 1933-1956 (New York: Cambridge University Press, 2006); Ellis Hawley, The Great War and the Search for a Modern Order: A History of the American People, 1917-1918 (New York: St. Martin's Press, 1979).

rightful obligation to the disabled and reduce their benefits." ¹³¹ Any VA budget cuts would be certain to force deserving ex-service members off of the pension rolls, Taylor cautioned. But the Vice Chairman's last minute plea failed. Congress passed the Economy Act on March 20 with strong Democratic support, effectively handing the president a blank check to slash veteran spending. Although equivocal about the move, White House loyalists were convinced to support the Economy Act as a show of good faith in the new administration. Lawmakers also believed that any political repercussions from the legislation would fall on Roosevelt and not on Congress. After Roosevelt signed the Economy Act, but before he revealed any details about the forthcoming reductions, Legion National Commander Louis Johnson (a longtime friend of the president) released a statement pledging the organization's "loyalty" to the White House in accepting the administration's budget. "Many disagree with the new law," Johnson wrote, "but now in this crisis, we must take his [Roosevelt's] orders." The National Commander should have remained silent. On March 30, Budget Director Douglas released the administration's new VA budget which cut expenditures by a stunning 76% over the previous year, removing 501,577 disabled ex-servicemen and their dependents from the pension rolls and reducing payments to hundreds of thousands of others. 133

Reaction from veterans was swift. In the months following the law's passage, letters from irate ex-servicemen and their supporters poured into the White House and Congress (lawmakers on the Hill were not exempted from the backlash) as veterans demanded that the cuts be repealed. As James Dickson of Tampa, Florida explained in a letter to the president, because of this "most cruel, brutal, murderess act" he lost his

¹³¹ SoP, Sixteenth Annual National Convention of the American Legion, 2 October 1934, ALL.

¹³³ Economy Act of 1933, Pub. L. No. 73-2, 48 Stat. 8 (1933); Ortiz, Beyond the Bonus March, 74-75.

pension in July.¹³⁴ Dickson was not alone. An Indiana relief worker explained in a letter to the administration, that he feared "thousands" of disabled veterans in his area would also lose their benefits. "Day after day," he wrote,

I am beseeged [sic] by these unfortunate veterans, and the same old question is asked, what will I do after July 1st [when the reductions take effect]?... I know hundreds of cases that are pitiful, pitiful beyond words, these statements are facts, and they can be proven, right here in our own little village, the passage of the economy bill will mean a loss in buying power of approximately \$800 monthly, and we now have on the relief rolls approximately eight hundred families, so you see the charity here in Sebring is over taxed now, and what is tipical [sic] in Sebring is tipical [sic] every where through out the United States. 135

D. H. Chamberlain of Brookhaven, Mississippi argued that the Economy Act would destroy not only veterans but their communities as well. "Those [pension] payments to the veterans is the only thing that has saved this country from absolute ans [sic] complete collapse, because it has been the only means of putting money into circulation," the Mississippian wrote. Cutting off payments now would surely reduce the already-limited amount of consumer spending in small communities, he insisted. Others questioned whether the cuts would even produce a substantial savings, given that many of the beneficiaries would almost certainly require relief through another program to compensate for lost coverage. 137

The cuts were so extreme that even former Hoover administration officials—longtime advocates of economic conservatism—were shocked by Roosevelt's budget. In a letter to Hoover, Walter Newton, the president's former secretary and closet aide, observed rather gleefully that "the Administration is paying the penalty for having cut

¹³⁴ Letter from James Dickson to Franklin Roosevelt, 23 April 1933, FDRPL, FDRP, PP, Official File 185 Economy, OF185A Economy Acts—1933 April-Dec.

¹³⁵ Letter from Relief Worker to Virginia Jenckes, 16 May 1933, FDRPL, FDRP, PP, Official File 95 World War I Veterans, OF95c Soldier's Bonus—1933.

¹³⁶ Letter from D. H. Chamberlain to Franklin Roosevelt, 7 May 1933, ibid.

¹³⁷ Letter from Daniel David Eckstein to Franklin Roosevelt, 12 May 1933, FDRPL, FDRP, PP, Official File 185 Economy, OF185A Economy Acts—1933 April-Dec.

veterans' compensation beyond what it should have done. That is, they included the combat cases, made some arbitrary changes in allowances to widows, etc., raising some and lowering others, and out of it all come some very legitimate complaints."¹³⁸

The VFW vigorously opposed the passage of the Economy Act from the start, condemning the legislation for its concentrated attack on veterans. In the April edition of the organization's monthly *Foreign Service* newsletter, the editors argued that the White House had targeted ex-servicemen while it coddled "Big Business." "The obvious fact is that the Economy Bill reflects the very language that featured [sic] the propaganda of the National Economy League indicating that this new legislation achieves the objectives of those who found it profitable to sponsor and finance that organization—those who control the wealth of the nation." To VFW leaders, the passage of the Economy Act threatened not only veterans' pensions, but the larger place of ex-servicemen in Roosevelt's America. The New Deal was a sham, organizers argued, accusing Roosevelt of bludgeoning the poor to protect elites.

As historian Stephen Ortiz has demonstrated, in emphasizing the "tragic consequences of the 'new deal'" for veterans, the VFW helped to make the exserviceman a cause célèbre among an emerging group of populist White House critics. ¹⁴⁰ During the summer of 1933, Louisiana Senator Huey P. Long, a one-time Roosevelt ally,

¹³⁸ Letter from Walter H. Newton to Herbert Hoover, 6 June 1933, HHPL, HHP, Post-Presidential Papers, Individual Correspondence File, Box 161, Newton-Walter H. Correspondence 1933-Aug. 1934. ¹³⁹ *Foreign Service*, April 1933: 4; cited in Ortiz, *Beyond the Bonus March*, 78.

¹⁴⁰ According to Ortiz, "from 1933 to 1936, veteran protests against the Economy Act's draconian cuts . . . and the bitter struggle for early payment of the Bonus pitted veterans against the Roosevelt administration . . . situat[ing] veterans in the vanguard of the 'New Deal Dissidents,'" a amalgam of populist critics of the administration's early policies. In *Beyond the Bonus March*, Ortiz demonstrates the Bonus became a focal point for an emerging third party challenge to Roosevelt's liberal credentials before the 1936 presidential election, forcing the president to embrace more redistributive policies during his second term. Ortiz, *Beyond the Bonus March*, 66-98.

broke with the White House for a range of personal and political reasons, including the president's veteran policy. A fierce opponent of the Economy Act, Long criticized the White House for advancing a program which he saw as antithetical to the interests of lower-class Americans. In a 90 minute rant at the 1933 VFW National Encampment, the Louisianan railed against the Economy Act, arguing that the law exacerbated the wealth gap, a problem that Roosevelt had promised to address. 141 The president was building an economy for the rich while "inflicting misery on those who have borne the burden of national defense," Long argued. 142 In February 1934, the Louisianan founded the Share Our Wealth Society (SOWS), a political organization dedicated to advancing Long's larger populist agenda as well as his political career. (The senator planned to challenge Roosevelt for the Democratic presidential nomination in 1936). The administration's mistreatment of veterans was a touchstone of Long's platform and the Share Our Wealth Society's agenda. Through SOWS, Long promoted the veteran as a symbolic victim of New Deal brutality, a claim the popular "Radio Priest," Father Charles Coughlin (an acerbic Roman Catholic priest employed by Detroit radio station WJR), also advanced on his nationally syndicated program. 143

¹⁴¹ On Long's speech to the VFW National Encampment, see, ibid., 86-88; Alan Brinkley, *Voices of Protest: Huey Long, Father Coughlin, & the Great Depression* (New York: Alfred A. Knopf, 1982), 65-67. ¹⁴² Huey P. Long, "Share Our Wealth," 12 March 1935.

¹⁴³ For more on Depression era populism, see, Brinkley, *Voices of Protest*; Sally Denton, *The Plots Against the President: FDR, a Nation in Crisis, and the Rise of the American Right* (New York: Bloomsbury Press, 2012); Huey P. Long, *Every Man a King: The Autobiography of Huey P. Long* (New York: Da Capo Press, 1933); Richard D. White, Jr., *Kingfish: The Reign of Huey P. Long* (New York: Random House, 2006); William Ivy Hair, *The Kingfish and His Realm: The Life and Times of Huey P. Long* (Baton Rouge: Louisiana State University, 1996); Donald Warren, *Radio Priest: Charles Coughlin, the Father of Hate Radio* (New York: Free Press, 1996).

This sense of white victimhood had long been a part of American veteran identity. Here was no greater display of national loyalty than a man's willingness to sacrifice his own life for the country. Military service was the "ideal test of Americanism;" it "established whose voice ought to be heeded on questions of political importance." Having made extraordinary sacrifices for the nation, interwar era veterans presented themselves as the ultimate arbiters of American interest.

This kind of nationalist thinking had existed in the military community for decades. Before the outbreak of World War I, martial figures like President Theodore Roosevelt spoke regularly about the need to mobilize early in order to preserve an "America for Americans." After the war, veterans' groups like the Legion and the VFW embraced this nativist heritage. At its St. Louis caucus in May 1919, Legionnaires adapted Roosevelt's prewar slogans, crafting their own version: "100% Americanism"—a phrase that became a sort of guiding principle for interwar era veterans.

Although veterans' organizations were part of a rising nativist tide in post-World War I politics and society, the groups' federated membership structure encouraged participants to see themselves as part of a *democratic* project. As historians William Pencak and Christopher Nehls have demonstrated, the Legion's inter-class organizing created space for members to construct their own false narratives about the

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¹⁴⁷ Ibid., 205.

¹⁴⁴ For excellent, detailed studies of the Legion's Americanism policy during this period, see, William Pencak, *For God & Country* (Boston: Northeastern University, 1989); Nehls, "'A Grand and Glorious Feeling."

¹⁴⁵ Pencak, For God & Country, 6.

¹⁴⁶ John Higham, *Strangers in the Land: Patterns of American Nativism, 1860-1925* (New Brunswick, NJ: Rutgers University Press: 1988), 198.

organization.¹⁴⁸ Through participation in organizations like the Legion and the VFW, members constructed a collective veteran identity rooted in white martial masculinity, an archetype that totally obscured nonwhite and women veterans. This effort was so effective that one *Legion Weekly* reporter concluded happily: "the Legion's voice truly reflects every part of America. The views of every section and every class will be heard on every subject..."¹⁴⁹

This belief, that veterans represented the values of real "100% Americans," animated Huey Long's 1933 attacks on the Roosevelt budget cuts. It was a very effective framing device. Before Congress passed the Economy Act in March, anti-Bonus politicians and reporters frequently attacked ex-service members for levying unfair demands on the state. The nonveteran public largely shared this view, construing immediate payment claims as a demand for superlative rather than restorative rights as veterans argued. With the passage of the Economy Act, the White House anticipated that civilians would see the pension reductions through a similar lens: as a necessary leveling measure. In reality, the opposite was true. Newspaper coverage of the cuts was highly sympathetic to veterans. During the spring and summer of 1933, the *New York Times*, *Washington Post*, and *Los Angeles Times* all documented a tragic rise in veteran suicides among ex-servicemen who chose death over the new Economy Act requirement that they demonstrate their disabilities' service origins, a near-impossible feat given the state of medical recording. ¹⁵⁰ Editors also printed hundreds of letters from starving disabled

¹⁴⁸ Pencak, For God & Country, 79-105; Nehls, "A Grand and Glorious Feeling," 91-181.

[&]quot;For 'America First," American Legion Weekly, Vol. 1, No. 18 (31 October 1919): 12.

¹⁵⁰ "Says Economy Drives Veterans to Suicide," *New York Times*, 27 January 1934, 30; "Gas-Filled Car Bares Suicide of U.S. Worker," *Washington Post*, 16 April 1934, 15.

soldiers and their widows who lost benefits and now pleaded for their pensions to be restored, material that evoked widespread sympathy from the reading audience.¹⁵¹

While the VFW led a more public campaign against the Roosevelt administration, the NEC worked quietly with lawmakers to reverse the Economy Act's most egregious tenets. From April 1933 until February 1934, John Thomas Taylor met regularly with legislators on Pennsylvania Avenue and Capitol Hill, lobbying for the restoration of disabled veterans' benefits and pensions and the reinstatement of eliminated hospitalization services. The Legislative Committee Vice Chairman was extremely effective in this role. On June 6—after a meeting with Taylor in which the Legionnaire claimed to have shown the president several charts demonstrating the law's adverse impacts—Roosevelt signed Executive Orders 6156-6159, bringing hospitalization services back up to their original levels. Next, in order to reinstate veterans' pensions and rehabilitation services. Taylor helped to craft the Independent Offices Appropriation Bill for 1933 which included \$100 million in funding for the VA. Congress passed the new appropriations measure on June 16, which the president reluctantly signed in the hopes of forestalling further increases. 152 While Taylor continued to push for greater benefits restoration (Congress passed the Independent Offices Appropriation Bill of 1934 on March 29 effectively overturning the remaining Economy Act cuts), Legion National Commander Ed Hayes "crisscrossed the nation, taking the message" of Taylor's success "to the public in [an] exhaustive itinerary." ¹⁵³ The Legion received enormous credit from veterans for its work in overturning the

¹⁵¹ "The Forgotten Woman," *Washington Post*, 7 June 1933, 6; Harry R. Culley, "Economy Act Injustices," *New York Times*, 29 May 1933, 12.

¹⁵² SoP, Sixteenth Annual National Convention of the American Legion, 2 October 1934, ALL.

¹⁵³ William Gellermann, *The American Legion as Educator* (New York: Columbia University Teachers College Bureau of Publications, 1938).

Economy Act cuts. Between 1933 and 1934, the organization's membership grew by nearly 10% after two years of declining registration. 154

VII.

The Economy Act battle distracted ex-service members from the Bonus campaign, which had dominated veteran politics since 1930. Roosevelt's allies on Capitol Hill kept immediate payment off of the legislative agenda throughout the president's first year in office, insisting that it was a not a priority and that there were other, more pressing issues requiring the body's attention. As a result, the Patman Bill languished in the House Ways and Means Committee until December 1933 when Minnesota Congressman Ernest Lundeen—a Spanish War veteran from the Farmer-Labor Party—drafted a petition to force the legislation out of committee and to the floor for a vote. ¹⁵⁵ Initially, there was little institutional support for the measure. Even the bill's author, Congressman Wright Patman, refrained from joining Lundeen in his demand out of deference to the new Democratic leadership. The Legion also stayed out of the fight, choosing instead to concentrate all of its lobbying energy on its pension restoration campaign. In fact, the 1933 National Convention did not even address immediate payment. ¹⁵⁶

During the winter of 1933-1934, the Minnesota congressman received a boost from the VFW. Working alongside Lundeen, VFW National Commander James Van Zandt organized a letter writing campaign calling for the Patman Bill's discharge and

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¹⁵⁴ Jones, *A History of the American Legion*, 344; American Legion, "National Membership Record: 2015," https://archive.legion.org/bitstream/handle/123456789/2713/aa002170.pdf?sequence=4&isAllowed=y. ¹⁵⁵ Ortiz, *Beyond the Bonus March*, 101-03.

¹⁵⁶ SoP, Sixteenth Annual National Convention of the American Legion, 2 October 1934, ALL.

pledging his organization's support to the cause. By February, the Minnesotan had acquired enough signatures to force the bill out of committee and to the House floor for a vote. 157 The chamber took up the Patman Bill on March 12 to packed galleries. In what New York Times reporter Robert C. Albright described as one of the body's most "wildly disordered sessions," 231 Democrats broke with the White House, voting "yes" on the bill after three hours of debate. According to press accounts, "at times during the argument the chamber was in a wild uproar. Members sat on desks on the well of the House and snapped at one another." At one point, a member went so far as to make what the *Times* described as a "derisive gesture" to the heckling crowd. ¹⁵⁸ Fifty-nine Republicans joined the Democratic dissidents in approving the bill, helping to pass the measure 295 to 125. Speaking with reporters after the House had adjourned, Representative Frederik A. Britten of Illinois, a Republican, offered an astute (if partisan) analysis of the surprise vote: "You Democrats are throwing sand in the eyes of veterans. You are fooling them, for you know this will be vetoed and you have an understanding among yourselves that you will sustain the veto." While Britten was wrong in his suggestion that an arrangement existed between House Democrats and the administration (Roosevelt was furious by the result), he was right that members cast easy election year votes for a bill that they knew would never become law. Opposition to the Bonus was more established and deeply rooted in the Senate which defeated the bill just two years prior in a 62-18 vote. As expected, on June 11, the Senate rejected the measure once

¹⁵⁷ Stephen Ortiz, Beyond the Bonus March, 101-03.

¹⁵⁸ Letter from Samuel B. Pettengill to Franklin Roosevelt, 13 March 1934, FDRPL, FDRP, PP, Official File 95 World War I Veterans, OF 95c Soldier's Bonus 1934 (1 of 2). "House Votes Bonus, 295-125, After Disorderly Debate; Defeat in Senate Expected," *New York Times*, 13 March 1934, 1.

¹⁵⁹ "House Votes Bonus, 295-125, After Disorderly Debate; Defeat in Senate Expected," *New York Times*, 13 March 1934, 1.

again, this time by a narrower 51-31 margin. (Seventeen Republicans lined up with 34 Democrats in voting "no"). 160

On October 25, at its National Convention in Miami, the Legion voted overwhelmingly (987-183) to make the Bonus its chief legislative priority for 1935.

According to witnesses, delegates "nearly shook the rafters of their meeting hall with the monstrous 'aye' vote in favor of immediate payment." After the results were read, the convention unanimously elected Frank Belgrano, Jr. of San Francisco—a longtime Bonus advocate—to serve as its new national commander. With the Legion now fully committed to the immediate payment campaign—pouring all of its resources (money, men, and political capital) into the battle—public support for the Bonus began to build. In fact, by November, the VA estimated that "if editorial comment be a true gauge of public opinion, there exists a steadily growing interest in the so-called bonus issue as precipitated by the positive vote at the National Convention of the American Legion. More and more editors are printing their observations and there appears a trend away from earlier expressions of view hostile to payment at this time." ¹⁶²

Poor veterans drove this enthusiasm for the Bonus, coming out overwhelmingly in support of the measure. In letters to the president, the first lady, Congress, and local politicians, veterans described their desperate financial need. For men like J. W. Duncan and Albert H. Francis, immediate payment meant "the difference in whether [they] own

¹⁶⁰ "Cash Bonus Bill Beaten in Senate by 51-31 Vote," 12 June 1934, Los Angeles Times, 1.

¹⁶¹ SoP, Seventeenth Annual National Convention of the American Legion, 26 September 1935, ALL; "Pay Bonus Now, Legion Demand," *Chicago Daily Tribune*, 26 October 1934, 3.

¹⁶² J. Stewart Richardson, "Veterans' Administration: Special News and Editorial Digest," 17 November 1934, FDRPL, FDRP, PP, Official File 95 World War I Veterans, OF95c Soldier's Bonus 1934 (2 of 2).

[their] homes, or whether [they] lose [them]."¹⁶³ Charles Daniels, Jr. found himself in a similar predicament. "If this bill is passed," he explained in a letter to Roosevelt, "it will enable me to keep my home as I am liable to lose it to back taxes. I have my life savings in it which is \$3,000."¹⁶⁴ For her part, Mrs. Lillian Snee described how she needed the Bonus to send her disabled veteran husband to a rehabilitation facility, noting that she "got [sic] doctor bills but cannot pay them" and instead lives "hand to mouth" with her children.¹⁶⁵

On March 22, the House passed the Patman Bill for the third time in four years in a 318-90 vote. The Senate followed suit a month later by a margin of 55-33. But while the House easily achieved a veto-proof majority, the Senate fell short of the two-thirds hurdle by 4 votes. Leaving the chamber after the roll call, Senator Huey Long told reporters that "the cause was over," adding that "the power that was thrown into the scales against this payment was too great to overcome." ¹⁶⁶

Roosevelt made his intention to veto the bill clear to Congress before it voted on the measure, standing firm in his belief that the Bonus represented an unjust reward rather than an earned entitlement, a view shared by the business community which had only become more strident in its opposition to the bill since Patman first introduced it four and a half years earlier. As attorney Edgar A. Blanchard explained, it is simply "contrary to good business sense to pay \$2,000,000,000 not yet due to less than three percent of the people of the United States at the expense of all, when there are nearly

¹⁶³ Letter from J.W. Duncan to Franklin Roosevelt, 14 March 1935, FDRPL, FDRP, PP, Official File 95 World War I Veterans, OF95c Soldier's Bonus In Favor of D-G; Letter from Albert H. Francis to Franklin Roosevelt, 15 April 1935, ibid.

¹⁶⁴ Letter from Charles Daniels, Jr. to Franklin Roosevelt, 25 March 1935, FDRPL, FDRP, PP, Official File 95 World War I Veterans, OF95c Soldier's Bonus In Favor Of L-P.

¹⁶⁵ Letter from Lillian Snee to Franklin Roosevelt, 21 May 1935, FDRPL, FDRP, PP, Official File 95 World War I Veterans, OF95c Soldier's Bonus.

¹⁶⁶ "Senate Sustains Roosevelt Bonus Veto," Chicago Daily Tribute, 24 May 1935, 1.

20,000,000 people on some sort of government relief and with the Federal Budget not balanced."¹⁶⁷ Frederick von Bemuth of Cheney Brothers Manufacturing went so far as to call early payment "unpatriotic," explaining in a letter to the president, that "as I am already staggering under the load of greater and greater taxes, I must write and tell you that I want you to veto the Bonus Bill. Recovery from the depression will be delayed for years if this unfair Bonus Bill is passed. With the Federal Budget in its present terribly unbalanced condition, I am angered that payment of the Bonus is even being considered!" Alfred W. Fischer of Manhattan fashion house Amos Parrish & Company simply felt that "the American Legion has had all its entitled to at this time... We cannot afford, as a nation, to aid any interest toward inflation, and the time has come when something definite or permanent must be done against any thought of prepayment of the bonus." ¹⁶⁹ In January 1935, 71 opinion leaders across industry, politics, media, and higher education (including former Secretary of State Henry L. Stimson, progressive reformer Ida Tarbell, Carnegie Institute President Charles Watkins, and the entire National Industrial Conference Board) made this point in a widely publicized editorial. The petitioners argued that early payment must be eschewed "as the means of protecting itself [the nation] from continued burdensome and excessive taxation." To these Americans, the Bonus represented yet another financial burden, one that the country could not afford to pay in the current financial crisis.

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¹⁶⁷ Letter from Edgar A. Blanchard to Franklin Roosevelt, 8 March 1935, FDRPL, FDRP, PP, Official File 95 World War I Veterans, OF95c Soldier's Bonus—Against-B.

¹⁶⁸ Letter from Frederick von Bemuth to Franklin Roosevelt, 18 March 1935, FDRPL, FDRP, PP, Official File 95 World War I Veterans, OF95c Soldier's Bonus—Against-T-V.

¹⁶⁹ Letter from Alfred W. Fischer to Franklin Roosevelt, 13 March 1935, FDRPL, FDRP, PP, Official File 95 World War I Veterans, OF95c Soldier's Bonus Against – F-G.

¹⁷⁰ "Denial is Urged of Bonus Payment" New York Times, 21 January 1935, 2.

Roosevelt agreed and fulfilled his promise to veto any bonus legislation that reached his office on May 8, the morning after the Senate passed the bill. ¹⁷¹ In an effort to convey the magnitude of his opposition to early payment, the president took the unusual step of issuing a lengthy veto message in person before a joint session of Congress. "If a man is suffering from economic need because of the depression, even though he is a veteran, he must be placed on par with all of the other victims of the depression, the president told the assembled lawmakers. The veteran who suffers from this depression can best be aided" not by immediate payment of the bonus, but "by the rehabilitation of the country as a whole," Roosevelt argued in one of the clearest articulations of his approach to veteran policymaking. ¹⁷² The New Dealer believed that aid to veterans should flow through larger national agencies like FERA and the CCC which provided assistance to all Americans regardless of their military status, making veteran-exclusive programs duplicative in the president's mind. Hours after Roosevelt delivered his impassioned attack on the Bonus, the House defiantly overrode the veto, sending the bill back to the Senate where it was ultimately killed by White House allies in a 54-40 vote to sustain.

¹⁷¹ The president originally sent word to Congress via ally and Speaker of the House Henry Thomas Rainey (D-IL) that he would veto early payment in February 1934. See, Letter from Franklin Roosevelt to Henry Thomas Rainey, 26 February 1934, FDRPL, FDRP, PP, Official File 95 World War I Veterans, OF95c Soldier's Bonus 1934 (1 of 2).

¹⁷² Franklin Roosevelt, *Veto Message on the Adjusted-Service Certificates Act* (H.Doc.197). (Washington, DC: Government Printing Office, 1935).

¹⁷³ While Roosevelt hoped to address veterans' concerns through larger, federal initiatives, New Deal programs were purposefully crafted to prevent non-white people and women from receiving benefits. See, Ira Katznelson, *When Affirmative Action Was White: An Untold Story of Racial Inequality in Twentieth-Century America* (New York: W.W. Norton, 2005); Jill Quadagno, *The Transformation of Old Age Security: Class and Politics in the American Welfare State* (Chicago: University of Chicago Press, 1988); Suzanne Mettler, *Dividing Citizens: Gender and Federalism in New Deal Public Policy* (Ithaca, NY: Cornell University Press, 2000); Michael K. Brown, *Race, Money, and the American Welfare State* (Ithaca, NY: Cornell University Press, 1999).

After the veterans' May defeat, John Thomas Taylor directed all of his lobbying resources toward the twelve anti-Bonus senators up for reelection in 1936, cognizant that the Bonus would only become law if ex-service members could secure a veto-proof majority in the Senate. ¹⁷⁴ In the *Legion Monthly* and the *National Legionnaire* (a new monthly fact sheet created by Taylor's Legislative Committee in 1935 to disseminate member updates on the immediate payment campaign), the organization's chief lobbyist implored members to write to the vulnerable lawmakers, demanding their support. "The immediate need is that for a strong and united membership to back up your representatives when they present our legislative programs to the Congress," National Commander Ray Murphy urged his comrades. 175 It was a successful strategy. When Congress took up the Bonus up again in January at the start of the new term, the House and Senate both passed the measure with more than two-thirds support, virtually ensuring that the bill would become law. Eight of the 12 targeted senators voted for the measure, underscoring the Legion's efficacy. 176 Three days later, after Roosevelt vetoed the bill, the House and Senate both voted to override the president, authorizing the payment of veterans' certificates beginning on June 15.

Observers hailed the adoption of the Bonus as a Legion victory, applauding John
Thomas Taylor and National Commander Ray Murphy for their leadership in the final

 ¹⁷⁴ The twelve senators were: Warren R. Austin, Marcus A. Coolidge, Bennett Champ Clark, James J.
 Davis, William H. Dieterich, Thomas P. Gore, Charles L. McNary, Louis Murphy, Key Pittman, James P.
 Pope, John G. Townsend Jr., Wallace H. White, Jr. See, Donald A. Hobart, "American Veterans
 Association Inc. Press Release," 21 May 1935, FDRPL, FDRP, PP, Official File 95 World War I Veterans,
 OF95c Soldier's Bonus 1935 (May – Dec).

¹⁷⁵ Gellermann, The American Legion as Educator, 4.

¹⁷⁶ The twelve senators were: Warren R. Austin, Marcus A. Coolidge, Bennett Champ Clark, James J. Davis, William H. Dieterich, Thomas P. Gore, Charles L. McNary, Louis Murphy, Key Pittman, James P. Pope, John G. Townsend Jr., Wallace H. White, Jr. See, Donald A. Hobart, "American Veterans Association Inc. Press Release," 21 May 1935, FDRPL, FDRP, PP, Official File 95 World War I Veterans, OF95c Soldier's Bonus 1935 (May – Dec).

stages of the Bonus fight. A week after the Senate override vote, Washington lawyer John Lewis Smith threw Murphy a grand 400-person reception at the Mayflower Hotel to celebrate his achievement. These accolades obscured years of NEC resistance to rank-and-file Bonus demands, as well as the important role of the VFW in promoting immediate payment. But deserved or not, the Legion emerged from the campaign the strongest that it had ever been. The organization's membership rolls continued to grow over the rest of the decade, topping one million in 1939. Two years later, the NEC would draw on this support to battle the New Dealers once again in a new fight over the place of veterans in post-World War II America.

With the January 1936 passage of the Adjusted Compensation Payment Act, Legionnaires finally secured a *restorative veteran-state social contract*. While the Legion-backed rehabilitation reforms of the 1920s and 1930s promised to make the disabled "whole" once more, the new Bonus readjusted veterans' lost wartime wages, reversing the economic penalties associated with military service. Taken together, the programs were designed to return veterans to the status quo ante.

¹⁷⁷ "Smiths Hosts to 400 Guests," Washington Post, 28 January 1936, 9.

Chapter Four

Creating Privilege: Reemploying the GI, 1940-1950

I.

Veterans Employment Service (VES) Chief Perry Faulkner opened the October 1945 issue of his monthly VES Newsletter with an ode to the GI. In a page-long poem entitled "A Promise Made is a Debt Unpaid," Faulkner—one of the men charged with putting the nation's returning soldiers back to work—outlined the veteran's moral claim to reemployment, a privilege won by national sacrifice. "We promised him some things—and we owe him many," the VES chief wrote. We can partially discharge our obligations by giving him the best possible chance to live a full life according to his capacities for achievement."

To many veterans of the Second World War, the debt that Faulkner described could only be paid in economic and social *advantages*—a new frontier in veterans' benefits disbursement. Whereas the Doughboys had pleaded with the state to *restore* their place in society as compensation for their service, by the 1940s, veterans came to insist that demobilizing soldiers should receive *preferential* treatment upon homecoming. Critically, the American Legion demanded that veteran job seekers receive hiring privileges not only when applying for government positions (as they had informally since the nineteenth century) but in private industry as well. Reporting that they felt entitled to job preference "by virtue of their service," veterans of the Second World War insisted

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¹ Veterans Employment News, Veterans Employment Service (VES), United States Employment Service (USES), United States Department of Labor (USDL), October 1945, Harry S. Truman Presidential Library, Charles W. Jackson Files (hereafter HSTPL, CWJF), Box 6, Veterans Employment Service [1 of 3].

that wartime sacrifice had imbued them with a new moral authority to claim previously unrecognized rights.²

This chapter examines the creation and implementation of three hiring programs for World War II ex-service members: (1) the Veterans' Assistance Program (an agency managed by the Selective Service System which aided demobilizing soldiers in reclaiming their prewar jobs in private industry and government); (2) the Veterans' Preference Act of 1944 (which advantaged veteran applicants in federal hiring); and (3) the Veterans' Employment Service (a job counseling bureau created by Title IV of the GI Bill to assist veterans seeking new opportunities in the private sector). All three programs conferred hiring advantages to veteran applicants, helping to mark ex-service members as a separate and uniquely privileged class for the first time in American veteran history. By purposefully excluding other groups like war workers and from these jobs programs, Legionnaires helped to establish the veteran community as a new American elite at mid-century.

Although reemployment was at the center of reintegration policymaking in the minds of both government planners and veterans, job counseling and placement programs have received relatively little scholarly attention. The Veterans' Assistance Program (VAP) is almost entirely absent from histories of World War II veteran politics despite the fact that the program assisted more than 2.1 million veterans in reclaiming their

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² In a June 1944 poll by the steel trade publication *Iron Age*, 73% of surveyed veterans reported that they felt entitled to job preference based on their history of military service. This sentiment was further confirmed by War Department surveys in which veterans reported an expectation of deference from fellow job applicants upon homecoming. See, "An Enlightening Poll," *Norfolk Journal and Guide*, 17 June 1944, B8; "Veterans' Readjustment to Civilian Life," 23 March 1945, HSTPL, Harry S. Truman Papers, Presidential Papers, White House Central Files (hereafter HSTP, PP, WHCF), Confidential File, Box 35, Fldr 6.

prewar positions between February 1, 1945 and March 31, 1947.³ While the Veterans' Preference Act has received more scholarly treatment than the VAP, it is almost uniformly discussed in the context of U.S. affirmative action policymaking and is rarely evaluated as a postwar job placement program—the law's primary objective.⁴ While historians have written more about the VES than either of the other two World War II era veteran reemployment initiatives—reflecting the outsized role that the GI Bill and its constituent programs occupy in the literature on World War II era veteran policymaking—historians Glenn Altschuler and Stuart Blumin have admitted that the Title IV job placement program is the "largely forgotten component of the GI Bill." In

³ The only history of the VAP that I have located was produced by the Selective Service System. See, Selective Service System, *Evaluation of the Selective Service System: Special Monograph No. 18 Vol. I* (Washington, DC: Government Printing Office, 1967).

⁴ Excellent examples include, David Skretny, *The Ironies of Affirmative Action: Politics, Culture, and Justice in America* (Chicago: University of Chicago, 1996), 42-50; Joseph F. Kett, *Merit: The History of a Founding Ideal from the American Revolution to the 21st Century* (Ithaca, NY: Cornell University Press, 2013), 192-221; David H. Rosenbloom, *Federal Service and the Constitution: The Development of the Public Employment Relationship, Second Edition* (Washington, DC: Georgetown University Press, 2014), 102-04

⁵ Glenn C. Altschuler and Stuart M. Blumin, *The GI Bill: A New Deal for Veterans* (Oxford: Oxford University Press, 2009), 175. For a discussion of the VES in the context of the GI Bill, see for example, David H. Onkst, "First a Negro . . . Incidentally a Veteran': Black World War Two Veterans and the GI Bill of Rights in the Deep South, 1944-1948," Journal of Social History, Vol. 31, No. 3 (Spring 1998): 517-43; Altschuler and Blumin. The GI Bill, 174-76; Kathleen J. Frydl, The GI Bill (Cambridge: Cambridge University Press, 2009), 142. Legislative histories of the GI Bill's construction (particularly those that emphasize its education and training provisions) and studies of the law's impact on beneficiaries' economic and social outcomes dominate the historiography of World War II veteran politics. This scholarship can be divided into two general categories: a literature that traces the program's creation and a body of work that examines its impact. Valuable scholarly accounts of the GI Bill's construction include, Davis R.B. Ross, Preparing for Ulysses: Politics and Veterans During World War II (New York: Columbia University Press, 1969); Frydl, The GI Bill; Altschuler and Blumin, The GI Bill; Theda Skocpol, "The G.I. Bill and U.S. Social Policy, Past and Future," Social Policy and Philosophy, Vol. 14, No. 2 (Summer 1997): 95-115; Stephen R. Ortiz, Beyond the Bonus March: How Veteran Politics Shaped the New Deal Era (New York: New York University Press, 2010), 187-206; Jennifer D. Keene, Doughboys, the Great War, and the Remaking of America (Baltimore: The Johns Hopkins University Press, 2001), 205-14. For popular histories of the GI Bill, see, Edward Humes, Over Here: How the G.I. Bill Transformed the American Dream (Orlando, FL: Hartcourt Books, 2006); Michael J. Bennett, When Dreams Came True: The GI Bill and the Making of Modern America (Washington, DC: Brassey's, 2000); Tom Brokaw, The Greatest Generation (New York: Random House, 1998). For detailed studies of the bill's Title II (education and training) provisions, see, Keith W. Olson, The GI Bill, the Veterans, and the Colleges (Lexington, KY: University of Kentucky Press, 1974); Christopher P. Loss, Between Citizens and the State: The Politics of American Higher Education in the 20th Century (Princeton, NJ: Princeton University Press, 2012), 91-120; Hilary Herbold, "Never a Level playing Field: Blacks and the GI Bill," Journal of Blacks in

treating the VAP, the Veterans' Preference Act, and the VES as three pieces of one cohesive reemployment strategy, which, when taken together, conferred unprecedented economic power to veterans, this chapter offers a corrective to the GI Bill-centric historiography that currently dominates the field.

Reemployment was the battlefield on which the status of the veteran in American society was debated during the 1940s. Like it had during the Depression, the Franklin Roosevelt administration hoped to leverage the latest (wartime) emergency to extend new social services to all Americans. To achieve this New Deal vision, postwar planning agencies like the National Resources Planning Board and the Postwar Manpower Commission developed a reconversion program that called for the extension of new economic and social benefits—including better access to job training, education, and health care—to both service members *and* war workers. However, building on the work of veteran politics scholars Davis R.B. Ross and Kathleen Frydl, this chapter shows how the Legion successfully contested this Rooseveltian effort to treat veterans and those on the home front equally. Engaging in what historian Mark H. Leff has called the "politics

Higher Education, Vol. 6 (Winter 1994-1995): 104-08. Most scholars of World War II era veterans' benefits legislation are interested in a second category of questions concerning the GI Bill's impact on the social, economic, and political lives of its recipients, the excluded, and the nation at large. There is a rich historiographical debate within this "impact" literature between scholars who see the GI Bill as a vehicle that provided minority groups and women with a path to greater economic and social equality and a second camp which sees the law as a driver of greater postwar racial and gender disparity. Examples of the path to equality thesis (my term), include, Suzanne Mettler, Soldiers to Citizens: The GI Bill and the Making of the Greatest Generation (Oxford: Oxford University Press, 2005); Altschuler and Blumin. The GI Bill. The following works offer an equal access critique (my term) of the GI Bill: Ira Katznelson, When Affirmative Action was White: An Untold History of Racial Inequality in America (New York: W.W. Norton & Company, 2005), 113-41; Margot Canaday, The Straight State: Sexuality and Citizenship in Twentieth Century America (Princeton, NJ: Princeton University Press, 2009), 137-73; Margot Canaday, "Building a Straight State: Sexuality and Social Citizenship under the 1944 G.I. Bill," *Journal of American History*, Vol. 90, No. 3 (December 2003): 935-57; David H. Onkst, "First a Negro . . . Incidentally a Veteran': Black World War Two Veterans and the GI Bill of Rights in the Deep South, 1944-1948," Journal of Social History, Vol. 31 (Spring 1998): 517-43; Lizabeth Cohen, A Consumer's Republic: The Politics of Mass Consumption in Postwar America (New York: Knopf, 2003), 112-65.

⁶ Altschuler and Blumin emphasize this point in Altschuler and Blumin, *The GI Bill*.

of sacrifice," veterans argued that they had earned the right to be reintegrated separately and superlatively having made extraordinary contributions to the war effort. With strong support from congressional allies, the Legion passed its own series of programs during the 1940s that exclusively benefitted former service members. In particular, with the creation of the VAP and the VES and the passage of the Veterans' Preference Act, veterans effectively secured unparalleled employment rights in the postwar economy.

ultimately, however, this new *veterans' preference infrastructure*—or the legal and social framework that advantaged veterans over civilians—provoked a public backlash. In privileging veteran job applicants over their civilian competitors, the new reemployment programs challenged American faith in merit-based hiring as the best means of preserving labor market health and citizens' equal protection rights. This chapter concludes with an analysis of civilian efforts to chip away at veterans' new gains after the war, a conflict that has been largely overlooked by scholars of mid-century veterans' affairs. During this period, unions and citizens' committees fought against the implementation of veterans' reemployment programs, challenging their fairness in court and in public. Although these efforts to repeal the preference infrastructure failed, civilian challenges helped to constrain—and in some cases rollback—the most generous veterans' benefits during a period of political innovation. As a result, Legionnaires failed

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⁷ Mark H. Leff, "The Politics of Sacrifice on the American Home Front in World War II," *The Journal of American History*, Vol. 77, No. 4 (March 1991): 1298.

⁸ Veterans' preference infrastructure is my term.

⁹ Kett, Merit.

¹⁰ Davis Ross's assessment that the 1944 passage of the GI Bill was "a crucial turning point" after which "government [began to] anticipate the needs of all its veterans" is representative of how scholars have tended to treat the adoption of reintegration programs for World War II veterans as an endpoint rather than one development in a much longer negotiation over the ex-service members' place in American society. Ross, *Preparing for Ulysses*, 290. Michael D. Gambone offers a more nuanced portrait of World War II veterans' homecoming, highlighting inadequacies in the hospitalization system. Michael D. Gambone, *The Greatest Generation Comes Home: The Veteran in American Society* (College Station, TX: Texas A&M University Press, 2005), 38-62.

to secure a stable veteran-state social contract during the late 1940s, despite their political successes in Washington.

II.

The U.S. economy was completely transformed by the nation's preparations for and participation in the Second World War. As manufacturers scrambled to fulfill new military contracts during the war years—converting their facilities from consumer to munitions production—hiring spiked, propelling the country from the depths of the decade-long Great Depression into a new era of prosperity. According to the U.S. Department of Labor, munitions industries, the armed forces, and "essential nonagricultural industries" created more than 18 million new jobs between 1940 and 1943 alone. As job creation skyrocketed to meet wartime demand, unemployment fell precipitously from Depression era highs. By December 1943, the Bureau of Labor Statistics estimated that the jobless rate had fallen below one million for the first time in more than a decade.

Although the wartime production boom effectively ended the depression by drastically reducing unemployment and lifting wages, Americans continued to fear a

Harcourt Brace Jovanovich, 1976), 90-92.

¹¹ Munitions industries added 5.5 million new jobs, the military added more than 10 million positions, and "essential nonagricultural industries" created 2.2 million new roles. National Resources Planning Board Conference on Postwar Readjustment of Civilian and Military Personnel, "Demobilization and Readjustment: Report of Conference on Postwar Readjustment of Civilian and Military Personnel," June 1943, 11, FDRPL, Harry Hopkins Paper (hereafter HHop), Group 24, Box 203, National Resources Planning Board. John Morton Blum offers an excellent summary of this wartime economic boom in John Morton Blum, *V Was for Victory: Politics and American Culture During World War II* (New York:

¹² The Bureau of Labor Statistics reported that 8.7 million Americans were unemployed in December 1939. National Resources Planning Board Conference on Postwar Readjustment of Civilian and Military Personnel, "Demobilization and Readjustment: Report of Conference on Postwar Readjustment of Civilian and Military Personnel," June 1943, FDRPL, HHop, Group 24, Box 203, National Resources Planning Board.

¹³ Ibid.

return to the wanton conditions of the 1930s even at the height of wartime prosperity, a phenomenon that economist John Kenneth Galbraith famously described as "depression psychosis." A May 1944 Fortune survey in which a majority of respondents told interviewers that they believed the Depression would resume after the war typified Americans' economic pessimism. Workers' concerns were reasonable. In 1943, Massachusetts Institute of Technology economist Paul Samuelson spoke for many of his colleagues when he famously predicted that demobilization and reconversion would bring about "the greatest period of unemployment and industrial dislocation which any economy has ever faced," a forecast that was widely reported in newspapers across the country. If

Americans working in wartime growth industries like the military and munitions production were particularly sensitive to economists' warnings, fearing that their jobs would be the first to disappear in peacetime. As one soldier told a War Department reconversion planner, being "discharge[d] from the Army is equivalent to the loss of a job. Not only is [the returning soldier] cut off from the tasks which have occupied his time, but he loses his income... and is faced with the problem of getting a job and supporting himself." A March 1945 War Department study of discharged soldiers revealed this *preoccupation with postwar civilian reemployment to be the average service*

¹⁴ John Kenneth Galbraith, *American Capitalism: The Concept of Countervailing Power* (Boston: Houghton Mifflin, 1952).

¹⁵ Fortune. (June 1944). *Roper/Fortune Survey* [USROPER.44-040.RO2]. Storrs, CT: Roper Center for Public Opinion Research, iPoll [distributor]. These results were consistent with similar polls conducted in both November 1944 and May 1945 by Fortune in which the majority of respondents predicted a return to Depression era conditions after the war. See, Fortune. (November 1944). *Roper/Fortune Survey* [USROPER.44-045.RO1]. Storrs, CT: Roper Center for Public Opinion Research, iPoll [distributor]. Fortune. (May 1945). *Roper/Fortune Survey* [USROPER.45-048.RO1]. Storrs, CT: Roper Center for Public Opinion Research, iPoll [distributor].

¹⁶ This quotation from Keynesian economist Paul A. Samuelson was widely cited during the early 1940s. Paul A. Samuelson, "Full Employment after the War," in *Postwar Economic Problems*, ed. Seymour Edwin Harris (New York: McGraw-Hill, 1943), 51.

member's greatest reintegration concern, prompting the planners to conclude that "success in finding a suitable job [will be] of *paramount importance* in [helping the veteran] readjust to civilian life."

Domestic workers also expressed similar worries about their postwar prospects. According to a July 1942 Office of War Information (OWI) Bureau of Intelligence report, "a substantial group (29%) expect a serious depression after the war. To these must be added another group of equal size who predict either a mild depression or an alternation between good and bad time after the war." A longshoreman from Seattle summed up the fears of many workers when he told a reporter, "I think the working class of people ought to be able to earn a decent living. But I don't think there's much chance for that. I never saw a war yet that did the working man any good."

However, despite their shared pessimism about the postwar economy, the rapid wartime growth of the federal government helped to convince both workers like the Seattle man and deployed soldiers that the federal government could—and more importantly, that it must—provide its citizens with new social security provisions (including reemployment assistance) as just compensation for their wartime sacrifices. The state had inadvertently promoted this new rights consciousness during the war as a means of legitimating its own expansion. In order to justify its increased power to draft millions of men into the armed services in peacetime, forestall labor's right to strike, and ration consumer goods, for example, government officials regularly lauded the public's sacrifices. The National Resources Planning Board (NRPB)—a government agency

¹⁷ "Veterans' Readjustment to Civilian Life," 23 March 1945, HSTPL, HSTP, PP, WHCF, Confidential File, Box 35, Fldr 6. Emphasis added.

¹⁸ Office of War Information Bureau of Intelligence Division of Surveys, Report Number 21: The War Worker's Point of View, 28 July 1942, FDRPL, Oscar Cox Papers (hereafter OCP), Justice Department File, Box 60, Domestic—Post War.

created by the Executive Reorganization Act of 1939 to manage economic development programs and led by the president's uncle Frederic Delano—acknowledged this impact in a 1941 report, warning that New Deal and wartime federal programs had helped to normalize the idea of "utilizing the powers of government to increase the security" of needy citizens. As historian James Sparrow has demonstrated, American workers now hoped to leverage their wartime service in order to claim a "diffuse but powerful right to full national citizenship," one increasingly defined not only by political but economic rights.

III.

Reemployment programming was embedded in World War II force planning from the first mobilization of American forces in the summer of 1940, reflecting the growing salience of job placement provisioning in military personnel policymaking. When the House and Senate Committees on Military Affairs met in July to debate the Selective Training and Service Act—authorizing the nation's first peacetime draft—Republicans and Democrats agreed that the conscription law should only be adopted if it ensured the inductees' postwar reemployment. Citing government's refusal to assist its service members with job placement a generation earlier—a decision that had left World War I veterans' disproportionately unemployed or underemployed for the duration of their working lives—Massachusetts Republican Representative Charles R. Clason spoke for many of his colleagues when he argued that "this time... Congress... ought to look very

¹⁹ National Resources Panning Board, "Security, Work, and Relief Policies," 1942, Official Social Security Website. http://www.ssa.gov/history/reports/NRPB/NRPBreport.html

²⁰ James T. Sparrow, *Warfare State: World War II Americans and the Age of Big Government* (New York: Oxford University Press, 2011), 14.

seriously into a [reemployment] provision, in order that no hardships may be imposed upon these people who are selected."²¹ Even the Roosevelt administration (which had consistently opposed the extension of special benefits to veterans during the 1930s) supported this effort on the grounds that a job placement program would reduce overall unemployment, helping to buoy wages after the war. In fact, it was one of the president's closest allies, Utah Senator Elbert Thomas, who crafted the bill's job placement amendment during the Senate committee process, arguing,

If the Congress has power to raise an army that power can be effectively exercised only if the Congress can take such measures as are necessary to make it an efficient army and to prevent undue hardships upon the persons who constitute the army. If there is any one factor in military science which is of all-embracing importance, it is the morale of the men who make up the fighting forces; and no one can deny that *if we guarantee their jobs when their military service is completed we have taken a long step in providing the Army and Navy with patriotic men who are willing and anxious to serve their country.*²²

In order to ensure veterans' smooth transition back into the civilian workforce at the end of their service, Thomas introduced a set of reemployment provisions into the Selective Training and Service Act which came to be known as the law's Section 8 requirements. Under Section 8, military personnel were "considered as having been on furlough or leave of absence during [their] period of training or service," a legal status that entitled veterans to job restoration "without loss of seniority" upon homecoming.²³

Section 8 (g) of the Selective Training and Service Act put the Selective Service System (SSS)—the agency responsible for implementing the draft—in charge of overseeing the reemployment process, mandating that the bureau establish "adequate

²¹ "Selective Compulsory Military Training and Service Hearings Before the Committee on Military Affairs," 24 July 1940, House of Representatives, 76th Congress, 3d Sess, 81.

²² Elbert Thomas, 123 Congressional Record. 10, 573 (1940).

²³ Selective Training and Service Act of 1940, Pub. L. No. 76-783, 54 Stat. 885 (1940). The Senate Committee on Military Affairs inserted Section 8 (introduced by Senator Thomas) into the draft law before positively reporting the legislation at the end of July. See, Congress, Senate, Committee on Military Affairs, *Hearings on Compulsory Military Training and Service*, 76th Cong., 3d Sess., July 24, 1940.

facilities to render aid [to veterans] in the replacement of the former positions."²⁴ This left SSS Director General Lewis Blaine Hershey responsible for the nation's entire reemployment effort during the early years of the war before Congress passed the GI Bill (creating the VES) or the Veterans' Preference Act in 1944. A career military man, Hershey had enlisted in the Indiana National Guard at nineteen years old and served on active duty along the Mexico border in 1916 before he was deployed with the American Expeditionary Force (AEF). Roosevelt appointed Hershey to his General Staff in 1936 and promoted him to head the SSS in October 1940.²⁵

To fulfill the Section 8 (g) mandate, Hershey established the Veterans' Assistance Program (VAP) within his agency during the spring of 1941. The new program relied heavily on the Selective Service boards that the SSS had already established to register and deploy recruits in communities across the country. Comprised of volunteers, these boards were responsible for deciding "who among the registrants in their community [should] receive deferments, postponements, or exemptions from military service" based on local registrants' "circumstances and beliefs." Like the mobilization program, the VAP was staffed by local Reemployment Committees who were empowered to evaluate the job placement needs of their community's returning service members. The program functioned in the following manner: When a service member was separated from the military, the War or Navy Department would inform the SSS of the discharge. Federal SSS agents would then notify the demobilizing soldier's local Selective Service Board—which would update the associated Reemployment Committee, in turn. If the veteran

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²⁶ "Selective Service System," United States Government, https://www.sss.gov/Volunteers.

²⁴ Selective Training and Service Act of 1940, Pub. L. No. 76-783, 54 Stat. 885 (1940).

²⁵ On Lewis Blaine Hershey, see, George Q. Flynn, *Lewis B. Hershey, Mr. Selective Service* (Chapel Hill, NC: University of North Carolina Press, 1985); Nicholas A. Krehbiel, *General Lewis B. Hershey and Conscientious Objection During World War II* (Columbia, MO: University of Missouri Press, 2011).

wanted to apply for reinstatement to his former position (in either government or private industry), he would confirm his intention for placement with his local Reemployment Committee. Reemployment Committee members were then responsible for approaching the veteran's prewar employer and securing his position in advance of the service member's homecoming.²⁷

Like the Selective Service Boards, the Reemployment Committees operated largely on the basis of what historian Christopher Capozzola has called "coercive volunteerism"—or the "power of obligation." Although Congress developed a legal process for veterans to challenge any reinstatement rejections, Hershey recognized that the VAP would be severely compromised in the minds of demobilizing soldiers if it did not offer a quick and easy vehicle for job placement. To bolster employer support for the program, the SSS sought to leverage the credibility of local community members who volunteered to represent veterans in reemployment negotiations, helping to legitimize the VAP. Selective Service Boards recruited "well-known and respected leaders in their communities" to serve on the Reemployment Committees. According to Hershey, the fact that members volunteered for their positions only "added [to their] advantage... in dealing with employers regarding either former or first-time jobs for veterans." In a 1967 analysis of the VAP, the SSS Director underscored this analysis, writing that while the

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²⁷ On the operation of the Reemployment Committees, see, Memorandum re: Veterans Assistance Program from Lewis B. Hershey to Samuel I. Rosenman, 22 February 1944, FDRL, Samuel I. Rosenman Papers, Subject File (hereafter SIRP, SF), Box 11, Jobs for Discharged Vets; Memorandum on "Selective Service Act Provisions re Demobilization" from Oscar Cox to Ernest W. Jennes, 20 January 1943, FDRL, OCP, Justice Department File, Box 64, Selective Service Act; Selective Service System, *Evaluation of the Selective Service System*, 213-15.

²⁸ Christopher Capozzola, *Uncle Sam Wants You: World War I and the Making of the Modern American Citizen* (New York: Oxford University Press, 2008), 209. Richard R. Lingeman demonstrates how housewives also used the tactics of coercive volunteerism to enforce hoarding regulations within their communities. Richard R. Lingeman, *Don't You Know There's a War On?: The American Home Front, 1941-1945* (New York: G.P. Putnam's Sons, 1970), 243-52.

veteran's "right to reinstatement was backed by law and strong public opinion... the fact that one of the community's leading citizens thought enough of the veterans' assistance activity to devote his time to it without pay, was a strong favor in the success of this program."29

Ultimately, the community-based Reemployment Committee system proved highly effective. Between February 1, 1945 and March 31, 1947, the VAP helped to place more than 2.1 million veterans in civilian jobs. In nearly one million cases, the Reemployment Committees were able to secure veteran applicants' exact prewar positions or a nearly identical role within the same company; in the other cases, the Reemployment Committees went beyond their mandate and assisted returning soldiers in finding new positions within the local community. Of its more than two million placements, the SSS only reported 8,300 "failures or refusals to reinstate."³⁰

IV.

While Section 8 established the World War II veteran's right to be rehired into his prewar position upon demobilization (and created a mechanism—the VAP—to assist him with the transition), postwar planners in both the White House and at the Legion's headquarters recognized that the vast majority of returning service members would not qualify for SSS reemployment aid because they would seek new opportunities after the war, rather than return to their old jobs. Leonard Outhwaite—a National Resources Planning Board (NRPB) staffer—was instrumental in pushing the Roosevelt administration to begin formulating its vision for the reintegration of these new veteran

²⁹ Selective Service System, Evaluation of the Selective Service System, 215.

³⁰ Ibid., 217.

job-seekers. After spending the first half of 1942 negotiating a rehabilitation program for disabled World War II veterans (Public Law 16) with representatives of the Legion's Legislative Committee, Outhwaite proposed that the NRPB create an interagency planning team to study the problem of veterans' postwar economic readjustment. Bureau head Frederic Delano embraced Outhwaite's suggestion and he reached out to Roosevelt at the beginning of July to secure the president's approval, explaining that the "announcement of such a [reemployment] program will give assurance to young men interrupting their normal occupations or training that at the end of war service they will have substantial assistance in adjusting to, and engaging upon, their civil pursuits." Although the president was initially reluctant to approve the request—fearing that any "discussion of post-war problems... include[d] the danger of diverting people's attention from the winning of the war"—Roosevelt relented on July 6, 1942 and approved a "wholly unpublicized, 'off the record' preliminary examination [of the reemployment problem]... without any form of official set up." 32

With the president's support, Delano established the "Conference on Postwar Readjustment of Civilian and Military Personnel"—or the Postwar Manpower Conference (PMC). Although the PMC existed under the auspices of the NRPB, it functioned as an independent body, free to make its own studied recommendations. Roosevelt appointed Floyd Reeves (also of NRPB) to chair the committee and Leonard

³¹ For an excellent legislative history of the passage of Public Law 16, see, Frydl, *The GI Bill*, 79-98.

³² Ross, *Preparing for Ulysses*, 50-54. Four months later, Roosevelt commissioned a second postwar planning study: the Armed Forces Committee on Post-War Educational Opportunities for Service Personnel, or the Osborn Committee—named for its chairman Brigadier General Frederick H. Osborn. The Osborn Committee looked specifically at the impact of education and training provisions on the postwar economy. "Chronological Statement Memo," FDRL, SIRP, SF, Box 8, G.I. Bill; "Preliminary Report to the President from the Armed Forces Committee on Post War Educational Opportunities for Service Personnel," FDRL, William H. McReynolds Papers, Government Agencies File, Box 8, Selective Service System – II 1940.

Outhwaite to serve as secretary. The rest of the committee was comprised of men with a "wide range" of relevant experiences, including Veterans Administration (VA) Director Frank Hines, War Department Education Adviser Dr. Francis J. Brown, SSS Director Major General Lewis B. Hershey, Acting Commissioner of Labor Statistics Dr. A.F. Hinrichs, and Colonel Francis Spaulding—Chief of the War Department's Education Branch. The conference met twenty-seven times for half-day sessions from July 1942 through June 1943 when it issued its final report to the White House outlining recommendations for postwar planning.³³

The PMC's 107-page report received relatively little press attention at the time of its release because the study's publication coincided with the dismantling of the NRPB itself.³⁴ However, while the NRPB did not survive the summer of 1943, the PMC report outlived its parent agency, becoming the administration's blueprint for postwar planning. The study offered the White House a much-needed framework for demobilization planning, including a set of priorities and a roadmap for accomplishing them. Critically, the report helped to convince the president that postwar planning should be a chief government priority. Although the war was still being fought, the PMC planners pointed out that "Americans are already deeply concerned about the period after the war—the period of demobilization and readjustment." Citing public opinion surveys, the committee argued that "Their [The American people's] feelings are mixed, ranging from

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³³ "Demobilization and Readjustment": Report of Conference on Postwar Readjustment of Civilian and Military Personnel, June 1943, FDRPL, HHop, Group 24, Box 203, National Resources Planning Board. ³⁴ Republicans and anti-New Deal Democrats had long attacked the NRPB as an emblem of the kind of Rooseveltian planning they despised. By February 1943, the president's congressional opponents were actively seeking to destroy the agency by voting to defund its initiatives, an effort that was bolstered by the winter 1943 publication of a controversial NRPB report calling for a dramatic expansion of social security programs. On June 18, 1943, Congress voted to shutter the embattled agency, effective August 31. See, "National Resources Panning Board, "Security, Work, and Relief Policies," 1942, Official Social Security Website. http://www.ssa.gov/history/reports/NRPB/NRPBreport.html; "Abolition of NRPB Voted by Congress," *New York Times*, 19 June 1943.

the hope of a better world for the ordinary citizen to fears of price inflation, incomplete employment, enforced idleness, and stagnation. Certainly the doubts are being discussed in many quarters. They affect the soldiers in distant camps, the sailor in the bases and at sea, as well as the workers in our plants and factories." The state could build public confidence by planning for demobilization now, otherwise, "unpreparedness for peace can bring calamity as great as unpreparedness for war," the PMC warned.³⁵

In order to facilitate a smooth transition from war to peacetime, the study emphasized the importance of promoting full employment, an idea that would guide the administration's entire approach to postwar planning. As the PMC staff put it, "Demobilization should not be considered by and of itself, but in connection with the national policy of economic stabilization at a high level of employment and productivity. Expanding peacetime industry is the only answer to demobilization of wartime industry. If there are jobs for all, our problem of demobilization will not be too difficult" because displaced workers will be able to find new positions in alternate industries. Viewed from this perspective, the PMC argued that "The problems of military and civilian readjustment are in fact simply different aspects of one task—namely, that of providing measures whereby returning soldiers and civilian war workers may find their place in a reconstructive civilian economy in which all have an opportunity and an incentive for constructive work."³⁶ This belief—that the needs of returning soldiers and civilians could best be achieved through a single postwar strategy promoting full employment came to define the administration's approach to demobilization.

³⁵ "Demobilization and Readjustment": Report of Conference on Postwar Readjustment of Civilian and Military Personnel, June 1943, FDRPL, HHop, Group 24, Box 203, National Resources Planning Board. ³⁶ Ibid. Emphasis added.

Of course, the PMC did recognize differences in the needs of demobilizing service members and war workers. "Military demobilization is a special and important phase of the general readjustment from conditions of war to conditions of peace," the committee acknowledged. "The ideal objective of plans for military demobilization should be to effect a rapid and orderly return of men in the armed services to civilian status and to restore them to their homes and families and peaceful occupations." Most importantly, the key to successful military demobilization, the PMC report emphasized, was veteran reemployment. Private sector job creation would ensure a place for returning soldiers in the civilian workforce, facilitating veterans' financial and emotional transition home. The report outlined a critical role for the federal government in this process. Until a returning soldier could find a job, he would need state services, the PMC argued. Notably, the conference suggested that the federal government should offer all soldiers a furlough period—before military separation—when the soldier would look for work in the civilian economy. If he was unable to find a job, the PMC suggested that the state should provide him with unemployment insurance and educational or vocational training to assist with job placement.

The conference also suggested that the state adopt a similar readjustment model to support war worker reemployment: "The Federal Government should assist in providing an extension of education services for workers displaced from employment because of demobilization and the termination of war contracts, to equip them for employment in peacetime industry. Training should be confined to occupations in which there is an unsupplied demand for specially trained workers and to new trades and occupations

developing in civilian industry."³⁷ With these recommendations the PMC report reflected New Deal attitudes about government's role in American life. The PMC saw readjustment as an opportunity to build upon prewar social security programs in order to cast a wider and deeper safety net for all insecure citizens regardless of their military status.³⁸

The PMC report was well received by the Roosevelt White House which had come to embrace postwar planning as a critical element of "winning the peace" over the course of 1942. The president recognized the public relations value in publicizing his readjustment plans and, throughout the summer of 1943, he sought an opportunity to present his vision for homecoming to the American people. The July 1943 overthrow of Italian fascist dictator Benito Mussolini offered the president with his desired opening. On July 28, Roosevelt delivered one of his famous "fireside" radio chats to the nation about Allied progress in the war. Declaring the invasion of Italy "the first crack in the Axis," Roosevelt lauded the military's efforts abroad as well as the sacrifices that civilians had made on the home front. The president than transitioned to a discussion "of things to come," promising his listeners that "among many other things we are, today, laying plans for the return to civilian life of our gallant men and women in the armed services." Unlike the previous war generation, Roosevelt stressed that the World War II fighters should "not be demobilized into an environment of inflation and unemployment, to a place on a bread line, or on a corner selling apples. We must, this time, have plans ready—instead of waiting to do a hasty, inefficient and ill-considered job at the last

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³⁷ Ibid.

³⁸ Ibid.

moment." To ensure veterans' smooth readjustment to civilian life, the president proposed six entitlements for soldiers, borrowed directly from the PMC report:

First, mustering-out pay to every member of the armed forces and merchant marine when he or she in honorably discharged; mustering-out pay large enough in each case to cover a reasonable period of time between his discharge and the finding of a new job. Second, in case no job is found after diligent search, then unemployment insurance if the individual registers with the United States Employment Service. Third, an opportunity for members of the armed services to get further education or trade training at the cost of their Government. Fourth, allowance of credit to all members of the armed forces, under unemployment compensation and Federal old-age and survivors' insurance, for their period of service. For these purposes they ought to be treated as if they had continued in private industry. Fifth, improved and liberalized provisions for hospitalized, rehabilitation, for medical care of disabled members of the armed forces and the merchant marine. And finally, sufficient pensions for disabled members of the armed forces.

Like the PMC, Roosevelt insisted that "the returning soldier and sailor and marine are a part of the problem of demobilizing the rest of the millions of Americans who have been working and living in a war economy," not an independent class whose demobilization could or should be addressed separately from the reconversion of the rest of the country. Drawing on the PMC report, the president emphasized that all Americans—including returning service members—would best be served by one postwar plan promoting full employment. Military and civilian demobilization were interdependent, the president explained; although programs like job training, educational support, and unemployment insurance would help returning service members during their transition back to the domestic economy, Roosevelt argued that they were fundamentally interim measures. The demobilizing soldier's long-term success would be contingent on the healthy transition of the American workforce from a war economy to a peacetime economy. Roosevelt concluded the fireside chat by calling on Congress to develop a

³⁹ Franklin D. Roosevelt, "Fireside Chat 25: On the Fall of Mussolini," 28 July 1943, *The Miller Center*, http://millercenter.org/president/speeches/speech-3331.

comprehensive readjustment plan for the nation, albeit one that took account of the relatively "greater economic sacrifice and every other kind of sacrifice[s]" that members of the armed forces had made.⁴⁰

The president's address was generally well received by a nation eager for good news. The Los Angeles Times described Roosevelt's speech as "a fine address that will go far in inspiring and strengthening the forces of freedom, now assured of their eventual and complete victory over the forces of dictatorship and oppression," while the Washington Post reported positive public reactions to "President Roosevelt's minimum 6-point program for veterans of World War II." Congressional leaders were particularly eager to capitalize on the popularity of the president's postwar plan; as the Post reported, the morning after the address "brought a rush of congressional endorsements amid every indication that Congress will raise the President's ante before it gets through with soldier legislation."42

V.

Like the Roosevelt administration, the Legion's National Executive Committee (NEC) also believed that postwar reemployment planning was necessary to "prevent a repetition of the tragic mistakes which made such a mess of our own [World War I] homecoming" a generation before. 43 At its 1942 National Convention in Kansas City, Missouri, the assembled delegates voted unanimously to make the latest generation of

⁴¹ "Three Vital Questions Answered by President," Los Angeles Times, 29 July 1943, 2; Robert C. Albright, "President's Veteran Plan Applauded," Washington Post, 30 July 1943, 1.

⁴³ Warren Atherton, Digest of Minutes of the National Executive Committee Meeting of the American Legion, 18-20 November 1944, 151.

veterans' return to work the organization's top priority. As Legion National Employment Committee Chairman Lawrence Fenlon explained, "Veterans *must* be assured that they will not be penalized by their war service and that not only The American Legion but the *nation* as a whole will [provide] aid in helping them attain that position in civil life upon their honorable discharge which they normally should expect to have achieved if war service had not interrupted their careers."

By the summer of 1943, lawmakers across the political spectrum had largely come to embrace Fenlon's claim that government had an obligation to protect its veterans against all economic and social penalties incidental to their military service. However, as historian Davis R.B. Ross has argued in his seminal text *Preparing for Ulysses*, "two conflicting viewpoints" concerning the best approach to veterans' reintegration emerged during the war, dividing policymakers over issues of scope. 45 While the New Dealers argued that the state should repay its debt to ex-service members by extending increased social security provisions to all Americans regardless of their military status (a view encapsulated in the PMC report), the Legion insisted that veterans must be reintegrated separately from other groups. In the minds of Legionnaires, "former servicemen had earned a paramount claim upon society" as a result of their extraordinary sacrifice in training camps and overseas. 46 As a result, the NEC promoted the view that veterans should not only be restored independently from their civilian neighbors, but superlatively as well. Their greater contributions to the nation, the argument ran, could only be repaid in relatively better benefits. The Legion articulated this view most clearly at its 1943

⁴⁴ National Employment Committee Report, Presented by Lawrence J. Fenlon, Digest of Minutes of the National Executive Committee Meeting of the American Legion, 18-19 November 1943, 38.

⁴⁵ Ross, *Preparing for* Ulysses, 7.

⁴⁶ Ibid.

National Convention with the adoption of Resolution 247, which proclaimed that "honorably discharged veterans, when qualified must receive preferential placement in both private and Government employment." This concept—that "the time [had] arrived [for the] men and women who served their country in time of war" to "be accorded [a] privilege" or "an actual preference" after the war—guided Legion policymaking throughout the 1940s. 48

The organization began planning for homecoming in earnest in September 1943. At its National Convention that year in Omaha, Nebraska, the assembly adopted a tenpoint reemployment program that would become the basis of the Legion-backed 1944 Servicemen's Readjustment Act (better known as the GI Bill). In addition to defining a more prominent role for veterans' organizations in postwar planning, the Omaha Proposal called on the federal government to expand its "rehabilitation, vocational training, and placement agencies" to assist returning service members with reemployment, provide "unemployment compensation, coverage and benefits" to soldiers who were unable to find jobs, and to develop a "means for a continuation of schooling" for veterans whose education was "interrupted by war service."

⁴⁷ Summary of Proceedings (hereafter SoP), Twenty-Fifth Annual National Convention of the American Legion, 21-23 September 1943, American Legion Library (hereafter ALL).

⁴⁸ Ibid.

⁴⁹ The Omaha National Convention Ten-Point Reemployment Program outlined the following priorities for the Legion: 1) "Cooperate in securing, by voluntary methods, the manpower necessary for the winning of the war;" 2) "Continued cooperation in post-war planning studies to avoid mass unemployment and provide full employment in the postwar period and support of the free enterprise system with Government control limited;" 3) "Extend to all veterans of the armed forces The American Legion's complete aid in securing proper employment upon their honorable separation;" 4) "Press for the enactment of a National Service Law to assure that manpower for war production and essential civilian activities will be available when and as needed to win the war;" 5) "Urge the Federal Government to provide means for a continuation of schooling, where interrupted by war service, and for vocational training for all unskilled or physically handicapped veterans;" 6) Press for "complete preference, when qualified by passing a competitive examination, in actual appointment and retention in Federal Civil Service for all honorably discharged

In the weeks following the annual meeting, newly elected National Commander Warren Atherton met with Acting National Legislative Director Francis Sullivan to formulate a plan for enacting the Convention's postwar program. Born in San Francisco in December 1891, Atherton committed his entire life to public service. Four years after passing the California bar (without attending law school) and opening a law practice in Stockton, the attorney enlisted as a private in the AEF. After the war, Atherton worked his way up through the ranks of Legion politics, serving first as a local post commander, then as a district commander, and eventually as California Department Commander. In 1933, he was appointed to the National Americanism Commission where he served until 1937 when he was finally awarded a position on the NEC. In 1939, Atherton was once again promoted, this time to National Defense Chairman, a role he held until November 1943 when he was elected to the organization's highest office. Now, as National Commander of the nation's largest veterans' organization in wartime,

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veterans, their widows and the wives of disabled veterans;" 7) "Urge the Federal Government to assume its proper financial obligation by adequately providing for all veterans until they are placed in permanent employment;" 8) "Urge the extension and improvement of unemployment compensation coverage and benefits; oppose its federalization; support experience ratings, continue to study methods of employment stabilization and insist that state funds be maintained to adequately protect the worker;" 9) "Utilize the help of the field secretaries and the columns of *The Legion Monthly* and *The National Legionnaire* in furtherance of the Employment Program, and the columns of the press in presenting to the public and to all now in the armed forces the Legion's aims in aiding in securing job opportunities for them when their services are completed;" 10) "Urge that the facilities and personnel of the Veterans Administration, Veterans' Employment Service, Re-employment Division of Selective Service, United States Employment Service and all rehabilitation, vocational training and placement agencies, be promptly and adequately expanded to assure that veterans will not be penalized by their war service and will be aided by the Government, in attaining that position in civil life, upon their honorable discharge, which they normally should expect to have achieved if war service had not interrupted their careers." Ibid.; David Camelon, "I Saw the GI Bill Written, Part One," American Legion Magazine, Vol. 47, No. 3 (September 1949): 47. ⁵⁰ Although Legion National Legislative Committee Vice Chairman John Thomas Taylor remained the organization's chief lobbyist, he was not involved in this process because he spent the 1940s in active duty service with the Army, R.B. Pitkin, "How the GI Bill Was Written, Part One," American Legion Magazine, Vol. 86, No. 1 (January 1969): 25.

⁵¹ Walter Naughton, "He Takes Objective," *American Legion Magazine*, Vol. 35, No. 6 (December 1943): 28-29, 37-38, 50; R.B. Pitkin, "How the GI Bill Was Written, Part One," *American Legion Magazine*, Vol. 86, No. 1 (January 1969): 25.

the California Legionnaire embraced the opportunity to fight for a dramatic expansion in veterans' benefits.

In their October 1943 meeting, Atherton and Sullivan agreed that the greatest challenge to the Legion's legislative agenda was disorganization. In the ten months since the Seventy-Eighth Congress had opened, congressional lawmakers had introduced thirty-two bills providing some type of benefit to veterans. These proposals ranged from Pennsylvania Republican James Van Zandt's plan to pay demobilizing service members an extra six months salary after discharge to New York Democrat Walter Lynch's New Deal-style approach of increasing postwar job opportunities for veterans in public works to calls from members of the Committees on Education, Agriculture, and Banking to extend education, farm, and debt-payment loans to returnees.⁵² While this surge in legislative activity surrounding veterans' reintegration signaled broad congressional interest in service members' postwar readjustment, historian Kathleen J. Frydl has pointed out that "the [long] list [of bills] revealed one of the key challenges facing the Legion: different bills would be heard by different committees," raising the potential for both incoherent policymaking as well as "success at the expense of VA control over veterans' readjustment," a key Legion priority.⁵³ To guard against these outcomes, Sullivan argued that the organization should push for all veterans' legislation—regardless of its relevance to other policy areas, like education or housing—to be reviewed exclusively by the House World War Veterans' Legislation Committee and the Senate

⁵² Kathleen J. Frydl, *The GI Bill*, 103.

⁵³ Ibid., 103-04.

Finance Subcommittee on World War Veterans' Legislation.⁵⁴ The NEC approved Sullivan's strategy when it met in Indianapolis a month later.⁵⁵

At the November board meeting, Atherton also took the important step of establishing a "special committee" to craft the organization's omnibus reintegration plan. ⁵⁶ He tapped John Stelle—a former Legion national commander and Democratic governor of Illinois—to lead the group.⁵⁷ In an interview with reporter David Camelon, Stelle later explained that he was moved to accept the committee chairmanship after receiving a letter from his son, who was deployed to Sicily with the Army, in which the boy wrote that "all they [his platoon] wanted was an opportunity from their Government to make good when they returned from war."58 The National Commander appointed Sam Rorex (a former Arkansas state legislator), Harry Colmery (another past national commander and Kansas attorney), Robert Sisson (chairman of the organization's Rehabilitation Committee), W. Bea Waldrip (a Michigan banker and expert in loan provisioning), Robert M. McCurdy (a disabled World War I veteran and Assistant City Manager of Pasadena, California), Maurice Devine (chairman of the Legion's Legislative Committee), and Larry Fenlon (chairman of the organization's Economic Committee) to serve under Stelle.⁵⁹

⁵⁴ R.B. Pitkin, "How the GI Bill Was Written, Part One," American Legion Magazine, Vol. 86, No. 1

⁽January 1969): 26.

55 Report of Warren H. Atherton to 1944 National Convention, SoP, Twenty-Sixth Annual National Convention of the American Legion, 18-20 September 1943, ALL; R.B. Pitkin, "How the GI Bill Was Written, Part One," American Legion Magazine, Vol. 86, No. 1 (January 1969): 26.

⁵⁶ Report of Warren H. Atherton to 1944 National Convention, SoP, Twenty-Sixth Annual National Convention of the American Legion, 18-20 September 1943, ALL; R.B. Pitkin, "How the GI Bill Was Written, Part One," American Legion Magazine, Vol. 86, No. 1 (January 1969): 26.

⁵⁷ "Governor John Henry Stelle," National Governors Association,

https://www.nga.org/cms/home/governors/past-governors-bios/page illinois/col2-content/main-contentlist/title stelle john.default.html

⁵⁸ David Camelon, "I Saw the GI Bill Written, Part One," American Legion Magazine, Vol. 47, No. 3 (September 1949): 47

⁵⁹ Ibid., 28, 51.

On December 15, the Stelle Committee (or, as it later came to be known, the GI Bill Committee) began three weeks of daily meetings with relevant stakeholders (including representatives from the Association of Land Grant Colleges, the National Education Association, the American Council on Education, real estate associations, the Federal Housing Administration, and bankers) at its temporary headquarters in the Embassy Room of the Statler Hotel in Washington, DC. Two weeks into the discussions, Harry Colmery began to write a first draft of the committee's program on the back of "Alfred Landon for President" stationery. A staunch partisan, Colmery had received the Landon stationery at the 1936 Republican National Convention where he had served as a delegate. Colmery's close cooperation with Stelle, a lifelong Democrat, was important to the committee's legislative success. In placing veterans' rights above partisan interests, the two demonstrated to both organization members and lawmakers that the group's primary interest was in advantaging veterans, not a particular political party.

Colmery's first outline enumerated ten demands, including a call for (1) educational benefits; (2) vocational training; (3) a readjustment allowance or unemployment compensation; (4) home, farm, and business loans; (5) veterans' right to contest their discharge status; (6) "adequate" hospitalization services; (7) quick settlement of disability claims; (8) mustering-out pay; and (9) job placement and counseling services for those seeking new employment opportunities. Lastly (10), the committee underscored that the VA must be empowered to coordinate all of the aforementioned programs. Rather than hiving off the administration of the omnibus bill's

⁶⁰ Meredith Hindley, "How the GI Bill Became Law in Spite of Some Veterans' Groups," *Humanities*, Vol. 35, No. 4 (July/August 2014).

component parts to more specialized agencies, the Stelle committee emphasized that the only way to ensure that veterans would receive their benefits efficiently was to task one agency with overseeing the entire program's implementation. Taken together, Colmery argued, that these ten provisions would ensure that "those who served actively in the armed services in the war [would] not be penalized as a result of their war service." While it was the Kansas Republican who drafted the omnibus reintegrative aid package, it was Jack Cejnar—the Legion's Acting Director of Public Relations—who gave the program its evocative name. After listening to Colmery describe the committee's proposal at a January meeting, Cejnar quipped that the multi-faceted effort boiled down to a "Bill of Rights for G.I. Joe and Jane." The phrase stuck, and the Legion plan became known as the shortened "GI Bill."

The chairman and the ranking member of the Committee on World War Veterans' Legislation (Mississippi Democrat John Rankin and Massachusetts Republican Edith Nourse Rogers) introduced the GI Bill together in the House on January 10, lending the program an aura of strong bipartisan support from the start. Chairman of the Senate Finance Subcommittee on World War Veterans' Legislation Bennett "Champ" Clark (a Missouri Democrat and the Legion's first national commander) followed suit on the other side of the Capitol the next day, placing the bill in the hopper with the support of eleven co-sponsors from both sides of the aisle. 63

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⁶¹ R.B. Pitkin, "How the GI Bill Was Written, Part One," *American Legion Magazine*, Vol. 86, No. 1 (January 1969): 51.

⁶² David Camelon, "I Saw the GI Bill Written, Part One," *American Legion Magazine*, Vol. 47, No. 3 (September 1949): 52; R.B. Pitkin, "How the GI Bill Was Written, Part One," *American Legion Magazine*, Vol. 86, No. 1 (January 1969): 51.

⁶³ In the Senate, the GI Bill was originally co-sponsored by Senators Tom Connally (Texas), David I. Walsh (Massachusetts), Walter F. George (Georgia), Owen Brewster (Maine), Chan Gurney (South

Although the Stelle Committee had originally anticipated that it would face its greatest challenge in the Senate—where the president's allies were deeply entrenched the legislative process there proved to be quite smooth. Clark deserves great credit for running a smart and meticulous process. The Missouri Democrat understood that in order to pass the bill, he needed the Senate's powerful New Dealers to abandon their own postwar program proposals and to throw their support behind the Legion effort. In particular, the GI Bill was threatened by Utah Senator Elbert Thomas's education bill (S.1509) which incorporated the recommendations of the PMC report and called for the extension of education entitlements to qualified Americans "in any of the fields or branches of knowledge [not just the military]... in which the number of trained personnel is or is likely to be inadequate."64 The Thomas Bill's failure to acknowledge veterans' superlative sacrifice with greater benefits was, of course, unacceptable to the Stelle Committee. Clark hoped to the bridge the gap between the two camps by bringing the Utah senator into the legislative process and asking for his expertise in fine-tuning education policy for veterans. The Missouri senator's gamble paid off. After expressing initial reluctance to exclude war workers from postwar education benefits programming, Thomas embraced the opportunity to shape one of the nation's first government-funded national education and training programs. While the Stelle Committee had only called for six months of training for service members whose education was interrupted by military service, the Utahan ultimately seized the opportunity to rewrite the GI Bill's education title, expanding the program's scope to make benefits accessible to all veterans

Dakota), Scott W. Lucas (Illinois), C. Wayland Brooks (Illinois), Arthur H. Vandenburg (Michigan), and Hattie M. Caraway (Arkansas).

⁶⁴ A Bill To provide for the Education and Training of Members of the Armed Forces and the Merchant Marine after their Discharge or Conclusion of Service, and for other Purposes, S. 1509, 78th Cong. (1944).

(regardless of whether or not they had been enrolled in school prior to mobilization) and by increasing the level of state-sponsored tuition assistance.

New York Democrat Robert Wagner also jumped at the opportunity to play a similar role in shaping the Legion's unemployment compensation program, while Wisconsin Republican Robert La Follette joined Thomas in hammering out the program's training provisions and Democrats Ernest McFarland of Texas and Burnet Maybank of South Carolina helped to rewrite the home loan title. In lending their expertise to the Stelle Committee, prominent senators became invested in the law's passage. Even though the program excluded domestic workers—something that the Roosevelt administration strongly supported—congressional Democrats were willing to compromise with the Legion in order to secure a half-victory. The White House was also convinced to support the bill, not only because the Legion had the legislative momentum, as White House advisor Milton Handler put it, but also because the administration believed that it could use the new social programs (in areas like education, unemployment insurance, and reemployment provisioning) as a wedge to later extend those services to all Americans.

Harry Colmery redrafted the Legion program at the end of February to reflect the senators' input, distilling the bill down to six "titles" from its original ten. Although lawmakers would continue to amend the program around the edges, this late-winter framework—which provided veterans' with 1) hospitalization services; 2) education and training funding; 3) home, farm, and property loans; 4) job counseling and placement assistance; and 5) unemployment insurance (the sixth title addressed administrative

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⁶⁵ For a detailed explanation of the GI Bill's evolution in the Senate, see, Frydl, *The GI Bill*, 123-33; Ross, *Preparing for Ulysses*, 94-107; Althschuler and Blumin, *The GI Bill*, 66-68.

⁶⁶ Letter from Milton Handler to Samuel I. Rosenman, 15 June 1944, FDRPL, SIRP, SF, Box 8, G.I. Bill.

questions)—did not change during subsequent debate.⁶⁷ The Senate Finance Subcommittee on World War Veterans' Legislation passed the revised bill unanimously on March 17. There was so much enthusiasm for the measure that, by the time it was brought to the floor a week later, the program had attracted 81 co-sponsors. On March 24, the full Senate passed the GI Bill without a single "no" vote.⁶⁸

The NEC was elated by the chamber's unprecedented support for the Legion bill. In a statement to the press, National Commander Atherton "expressed [his] sincere thanks and appreciation" to the Senate "on behalf of the 58 departments and 12,000 posts of The American Legion"—which he described as "not only the nation's greatest World War I veterans' organization," but now, with the Senate's action, "the greatest World War II organization as well." That evening, Stelle hosted a lavish victory party for both Legionnaires and members of Congress in the Embassy Room of the Statler Hotel (where his committee had drafted the bill) to celebrate the result.

Despite growing bipartisan support for the GI Bill, the program encountered significant resistance in the House where powerful Veterans' Legislation Committee Chairman John Rankin refused to bring the measure up for a vote. The source of Rankin's opposition was quite different from the New Dealer concerns about civilian access which emerged early on in the Senate process. In fact, the Mississippi congressman was a strong supporter of the principle of veteran separateness which the

⁶⁷ A Bill To provide Federal Government Aid for the Readjustment in Civilian Life of Returning World War II Veterans, S. 1767, 78th Cong. (1944).

⁶⁸ 195 Congressional Record 3075-081 (1944).

⁶⁹ "Atherton Lauds Senate for Its Prompt Action," *The National Legionnaire*, Vol. 10, No. 4 (April 1944):

 $^{^{70}}$ R.B. Pitkin, "How the GI Bill Was Written, Part Two," *American Legion Magazine*, Vol. 86, No. 2 (February 1969): 25.

Legion espoused. Rankin's problem was not that the bill was too exclusive, it was that it had the potential to be too inclusive of non-white veterans. Under the GI Bill, all veterans—regardless of race—who received an "other than dishonorable" discharge would be eligible for a panoply of new social benefits. Rankin, as political scientist Ira Katznelson has demonstrated, "keenly grasped that black veterans would attempt to use their new status, based on service and sacrifice, along with a new body of federal funds, to shift the balance against segregation," threatening white supremacy itself. The racial hierarchy would be undermined if an African American veteran could access social benefits that a white non-veteran was denied. Unwilling to pass any legislation that might jeopardize white supremacy, Rankin refused to bring the GI Bill to the House floor for a vote.

By March, after the bill had languished in Rankin's committee for more than two months, the Stelle Committee began gearing up for a fight to get the bill discharged and to the House floor. In a memo to the organization's department commanders, Acting Legislative Committee Chairman Frank Sullivan wrote, while "you have done magnificent work, [we] would appreciate numerous telephone calls, telegrams, or airmail letters to members of the House insisting the committee cease delay and report the bill without substantial change." Publicity Director Jack Cejnar also reached out to "key Legionnaires" in lower level leadership positions, asking them to contact their local newspapers in order to make the delay more widely known. Newspaper magnate William Randolph Hearst emerged as one of the Legion's most important allies in the

⁷¹ Katznelson, *When Affirmative Action Was White*, 126. Kathleen Frydl has also made this point, arguing, "what motivated Rankin" was "supporting the institutions and practices that enabled racism." Frydl, *The GI Bill*, 141.

⁷² R.B. Pitkin, "How the GI Bill Was Written, Part Two," *American Legion Magazine*, Vol. 86, No. 2 (February 1969): 25.

fight to bring the GI Bill to the House floor. Born in 1863, Hearst spent his life building a powerful communications empire, which he used, in his early years, to support progressive causes. Although he was twice elected to the House of Representatives as a Democrat (representing New York's Eleventh District), Hearst broke dramatically with the party in the spring of 1935 after Roosevelt vetoed the Bonus, an issue that the newsman had come to deeply support during the Depression and one that he championed in all of his newspapers from the winter of 1930 until Congress passed the early payment law over Roosevelt's veto in 1936. A strong advocate of veterans' rights, Hearst seized this latest opportunity to advocate for ex-service members' generous reintegration by assigning three of his top reporters (David Camelon, Frank Reilly, and Roy Topper) to cover the GI Bill story. 73 Atherton and Stelle welcomed the three journalists to the Legion's Washington headquarters where the newsmen became unofficial members of the GI Bill team, providing a litary of positive news coverage as well as important strategic guidance to Cejinar's publicity division. As Camelon later described the experience: "We functioned as aides in the Legion's Public Relations department. The Legionnaires accepted us completely; they made us a part of the team. We sat in on all conferences—we were in the fight every minute; and we shared all the heartaches and joys of the long campaign."⁷⁴

⁷³ Report of Warren H. Atherton to 1944 National Convention, SoP, Twenty-Sixth Annual National Convention of the American Legion, 18-20 September 1943, ALL. For more on William Randolph Hearst, see, David Nasaw, *The Chief: The Life of William Randolph Hearst* (Boston: Houghton Mifflin, 2000); Kenneth Whyte, *The Uncrowned King: The Sensational Rise of William Randolph Hearst* (Berkeley, CA: Counterpoint, 2009); W.A. Swanberg, *Citizen Hearst: A Biography of William Randolph Hearst* (New York: Scribner, 1961): Ben Procter, *William Randolph Hearst: The Early Years*, 1863-1910 (New York: Oxford University Press, 1998).

⁷⁴ R.B. Pitkin, "I Saw the GI Bill Written, Part Two," *American Legion Magazine* Vol. 86, No. 2 (February 1969): 55.

The Stelle Committee believed—correctly—that the public would embrace the bill if Americans could be convinced that it was their patriotic duty to support the veteran reintegration effort. In order to persuade the public of the importance of the GI Bill to not only veterans but the country at large, the Stelle Committee recorded a series of minute-long radio spots with appeals from wounded service members outlining the need for postwar government aid. More than one hundred film trailers were created as well, featuring images of overseas campaigns. "The press cooperation was tremendous," David Camelon, one of the Hearst reporters assigned to the Stelle Committee, wrote years later. "Hundreds of newspapers printed blanks, urging their readers to fill them out and send them to their Congressmen. Editorial support was almost universal."

As support for the GI Bill mounted in the press, the Stelle Committee concentrated its efforts on the House vote. The Legionnaires hung a chart with the name of every lawmaker on a wall in the Embassy Room of the Statler Hotel where they reported to work everyday. Frank Reilly—one of the Hearst newsman—conducted a telephone poll each morning to gauge member opinion on the bill. After every conversation, he would update the chart to reflect the representatives' position: "yes," "no," or "doubtful." In order to convert wavering members to the "yes" column, Stelle and Sullivan would spend their days on Capitol Hill, "going door to door, fighting, cajoling, pleading for votes." At the end of the day, the committee would send a telegram to the Legion leaders in the states and districts of any remaining "nos" or "doubtfuls," "urg[ing] the local Legion forces to direct a flood of public opinion against

⁷⁵ Ibid. On the production of film trailers by the Stelle Committee: "Quick Passage by Upper House is Forecast for Revised Measure," *The National Legionnaire*, Vol. 10, No. 3 (March 1944): 3.

the hesitant legislator."⁷⁶ The *National Legionnaire* underscored the importance of these contacts, claiming, "The BILL OF RIGHTS will stand or fall by those votes—and how they are cast depends to a very great extent on the support given by posts, departments and by individual Legionnaires. Where the legislative proposal stands or falls is squarely up to the Legion organization and its members... Write, wire, telephone your Congressmen and Senators. Tell them YOU expect their support for the Legion's veteran BILL OF RIGHTS."⁷⁷

While the Legion publicly pressured the House World War Veterans' Legislation Committee to advance the GI Bill to the floor for a vote, the NEC also made it clear to Rankin in private that the board would not allow the bill to "become an opening wedge for federalization." The Legion sanctioned the chairman's racism by amending the bill to devolve extraordinary control over all five of the program's components to state and local administrators, "leav[ing] flexible discretion in the hands of white district officers to manage the law as they thought appropriate under local conditions." "78

Finally, on May 10, under enormous pressure to act, the World War Veterans'
Legislation Committee reported the GI Bill. The program passed the chamber
unanimously (by a margin of 387-0) two weeks later with several amendments, including

⁷⁶ R.B. Pitkin, "I Saw the GI Bill Written, Part Two," *American Legion Magazine*, Vol. 86, No. 2 (February 1969): 55.

⁷⁷ "The Bill of Rights," *The National Legionnaire*, Vol. 10, No. 4 (March 1944): 4.

⁷⁸ Katznelson, *When Affirmative Action Was White*, 124, 126. Frydl also makes this point in *The GI Bill*. Frydl, *The GI Bill*, 137-43. For further studies of administrative decentralization in mid-twentieth century policymaking, see, Suzanne Mettler, *Dividing Citizens: Gender and Federalism in New Deal Public Policy* (Ithaca, NY: Cornel University Press, 1998); Jill Quadagno, *The Color of Welfare: How Racism Undermined the War on Poverty* (New York: Oxford University Press, 1994); Robert C. Lieberman, *Shifting the Color Line: Race and the American Welfare State* (Cambridge, MA: Harvard University Press, 1998).

education and training liberalization, higher loan caps, and reductions to the program's unemployment benefits.⁷⁹

When the conference committee process began on May 23, the Stelle committee assumed that it was days away from victory. By June 8, the bicameral group had agreed to everything but the program's Title V unemployment insurance provisions. While the Senate and Legion both wanted the United States Employment Service (USES) to manage the program under the VA Administrator's supervision, Rankin chafed at the notion that federal agents would have new authority to disburse funds to out-of-work African American Mississippians, even if they were operating at the state and community level. To mitigate against the possibility that black veterans would receive the readjustment allowances that they were due, the congressman proposed that the USES play no role in Title V benefits administration and that state agents allocate the funds instead. The conference committee deadlocked over the issue of unemployment insurance disbursement. While the seven Senate representatives were unanimous in their support for the USES model, the House members were evenly divided three to three with the seventh representative—Georgia Congressman John Gibson—out of town. (Congressional rules required that a majority of members from both houses agree to the conference committee report). When Gibson learned that his vote was needed to break the tie, he asked Rankin to cast a proxy vote in favor of the Senate version, but the Mississippi congressman refused, forcing a legislative impasse.⁸⁰

⁷⁹ 293 Congressional Record 4634-78 (1944).

^{80 &}quot;Bill of Rights is Made Law," The National Legionnaire, Vol. 10, No. 7 (June 1944): 6.

With the conference committee stalled, the group agreed to meet for one final vote on the morning of Saturday, June 10 before abandoning the GI Bill altogether. Afraid that the effort would, in fact, die the following day, New York Congressman Pat Kearney (a member of the bicameral group and a supporter of USES Title V administration—as well as a Legionnaire) telephoned the Stelle Committee on the evening of June 9 after the conference committee had adjourned for one last time before its final vote. Kearney warned the Legionnaires that the GI Bill was in jeopardy and urged the veterans to get Gibson to the morning meeting to cast his tie-breaking vote. The Stelle Committee spent the night frantically tracking down the Georgia congressman, telephoning his house, local newspapers and radio stations, and even the state police who ended up pulling the lawmaker over to relay the Legion's message. An Army Air Force transport escorted the surprised Gibson from his hometown in Douglas, Georgia to Jacksonville, Florida where he boarded a special transport at 2:20 AM. When the Georgian's plane landed in Washington at 6:37 AM, the entire Stelle Committee was there to greet him. Gibson made it to the 10:00 AM conference committee vote where he broke the tie, sending the bill back to each chamber for a final vote.⁸¹ The Senate passed the GI Bill unanimously on June 12 and the House followed suit the next day, adopting the program by acclamation.⁸²

Shortly before noon on June 22, Roosevelt signed the omnibus plan into law surrounded by a group of Legionnaires (John Stelle, Harry Colmery, Frank Sullivan, National Adjutant Donald C. Glascoff, and Aide to the National Commander Ralph W.

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⁸¹ "Congressman Gibson Breaks Conference Stalemate After Thrilling Night Ride," ibid., 9; David Camelon, "I Saw the GI Bill Written, Part Three," *American Legion Magazine*, Vol. 47, No. 5 (November 1949): 47-48.

⁸² 363 Congressional Record 5752-60 (1944); 363 Congressional Record 5841-53 (1944).

Mitchell) and lawmakers who had helped to shape the program (Senators Champ Clark, Walter F. George, Scott W. Lucas, Elbert D. Thomas, Robert F. Wagner, Alben W. Barkley, and Arthur H. Vandenburg and Representatives A. Leonard Allen, J. Hardin Peterson, Paul Cunningham, Edith Nourse Rogers, and John Rankin). 83 At the signing, Roosevelt credited his administration with conceiving the legislation, proudly telling the assembled policymakers that the "bill which I have signed today substantially carries out most of the recommendations made by me in a speech on July 28, 1943."84 While it was true that Roosevelt had first discussed the need for education and training benefits, unemployment insurance, and job placement programming a year before, the GI Bill that was crafted and passed by the Legion and its congressional allies was quite different from the program that the president had originally envisioned. Roosevelt—informed by the recommendations of the Postwar Manpower Conference (PMC)—had called for a universal readjustment program that would improve the lives of all Americans; he now added his signature to a bill that extended special privileges to a select group of citizens. In a striking acknowledgement of his defeat, Roosevelt admitted at the signing ceremony that "this bill... provide[s] the special benefits which are due to the members of our armed forces—for they 'have been compelled to make greater economic sacrifice and every other kind of sacrifice than the rest of us, and are entitled to definite action to help take care of their special problems." In the original draft of his remarks, the president qualified this statement by noting the importance of "continu[ing] to cope with the serious problems of economic reconversion and readjustment that will face [all of] us

Memorandum from E.M. Watson to James M. Barnes RE: "Signing of G.I. Bill," 15 June 1944, FDRPL, FDRP, PP, Official File, OF4675 WWII, Box 29, OF4675R World War II GI Bill of Rights 1944-45; "Legion-Backed GI Bill Made Law on June 22," *The National Legionnaire*, Vol. 10, No. 7 (June 1944): 1.
 Franklin D. Roosevelt, "Statement on Signing the G.I. Bill," 22 June 1944, The American Presidency Project, http://www.presidency.ucsb.edu/ws/?pid=16525.

after the war;" however, he struck this section during the revision process, suggesting that even Roosevelt recognized that the Legion had won the political fight over veterans' right to be reintegrated separately and superlatively. 85

VI.

The GI Bill's fourth title, which extended federal assistance to veteran job seekers, was essential in defining soldier reintegration not only as an economic priority for veterans but as the moral duty of American employers and civilian workers.

Addressing both the concerns of out-of-work demobilizing soldiers and economists wary about the impact of homecoming on unemployment rates, the Legion had crafted Title IV to facilitate ex-service members' smooth reentry into the civilian workforce by setting up "an effective job counseling and employment placement service for veterans."

Administered by the United States Employment Service (USES), the newly established Veterans Employment Service (VES) was charged with creating local registries of job-seeking veterans in order to help match qualified ex-servicemen with nearby hiring employers. Led by Perry Faulkner, the VES emerged as the primary reemployment conduit for veterans during the late 1940s, putting more veterans back to work than the VAP, preference hiring laws, and independent employer initiatives combined. In the decade following the end of World War II, the VES placed 77% of its nearly 18 million

⁸⁵ "Draft of Statement by the President on Signing S. 1767," FDRPL, FDRP, PP, Official File, OF4675 WWII, Box 29, OF4675R World War II GI Bill of Rights 1944-45.

⁸⁶ Servicemen's Readjustment Act of 1944, Pub. L. No. 78-346, 58 Stat. 284 (1944).

⁸⁷ Veterans Employment News, Veterans Employment Service (VES), United States Employment Service (USES), United States Department of Labor (USDL), Jan. 1947, HSTPL, CWJF, Box 6, Veterans Employment Service [1 of 3].

applicants in new jobs, an astonishing record of success for an agency that historians have described as the "largely forgotten component of the GI Bill."

Faulkner imbued his agency with a sense of moral purpose from his first days at the VES. For the department chief, veteran reemployment was about much more than helping an out-of-work man with his job search; instead, for Faulkner, the agency's true purpose was to provide the returning soldier with "an opportunity to re-build his life in decency and dignity so that he might forget the awfulness of war and walk through the paths of peace in his beloved America with certainty and rectitude," a right that he had earned by his sacrifice on the battlefield and in the training camp. To convince employers of their civic duty to hire returning soldiers, Faulkner and his lieutenant, Theodore "Ted" Marks, launched two massive public relations campaigns in the fall of 1945.

The first major initiative was premised on a series of interviews that the VES had conducted with industry leaders—including the United States Chamber of Commerce, the National Association of Manufacturers, the Committee for Economic Development, the National Research Council, the American Public Relations Associations, the Congress of Industrial Organizations, and the American Federation of Labor—about best practices for evaluating and hiring new employees after VJ Day. Based on these discussions, the VES developed an "Employers' Guide for [the] Development of a Veterans Employment Program" during the winter of 1945 which it mailed out to large employers in February

⁸⁸ Altschuler and Blumin, *The GI Bill*, 175.

⁸⁹ Veterans Employment News, VES, USES, USDL, Oct. 1946, HSTPL, CWJF, Box 6, Veterans Employment Service [1 of 3].

⁹⁰ Employers' Guide for Development of a Veterans Employment Program, March 1946, HSTPL, CWJF, Box 7, Veterans Employment Service [3 of 3].

1946.⁹¹ The thick folder of materials was topped with a document entitled "Why We are Doing this Job" in which Faulkner and Marks instructed corporations that it was not solely the state's obligation to aid the veteran in overcoming the handicaps inflicted by time removed from the civilian economy. Instead, "it is a personal, community, and national debt" that "must be paid by all three, working together in common cause for a common goal—a job for every returning serviceman able to hold one and willing to work. . . . The legal responsibility is, of course, to rehire the former employee who had left his job to go into military service. To hire as many more veterans as possible is a moral obligation..."92 And why wouldn't an employer want to assume this responsibility?—Faulkner and Marks asked. After all, they asserted, veterans had learned valuable trade and disciplinary skills in the military, which made them more valuable employees upon homecoming.

The VES reiterated these themes in its second major promotional effort, the Veteran's Assets Radio Campaign (co-sponsored by the Advertising Council) which appealed not only to employers but to the civilian public as well. Designed to publicly recognize the ex-service members' skills in order to "increase the veteran's confidence in himself," "speed his readjustment to civilian life," and remove any "misconceptions" that the general public and employers might harbor about the effect of "military training, combat experience, and years of removal from civilian life" on veterans' employability, the Veteran's Assets campaign emphasized the "ways veterans are better employees and better citizens than they were before entering service."93 Disc jockeys promoted veteran employability heavily at the beginning of 1946 on radio programs ranging from the

 ⁹¹ Letter from Perry Faulkner to Charles W. Jackson, 20 Feb. 1946, ibid.
 ⁹² Employers' Guide for Development of a Veterans Employment Program, March 1946, ibid.

⁹³ Fact Sheet No. 397: The Veteran's Assets, 10 December 1945, HSTPL, CWJF, Box 6, Veteran's Assets.

American Dairy Show to Twenty Questions. During the first quarter of the year alone, the Advertising Council estimated that the campaign achieved nearly 282,900,000 total listener impressions, helping to raise public awareness and support for the cause of veteran reemployment.

Although the VES was responsible for assisting *all* veteran job seekers, the agency participated in the systematic denial of benefits to women veterans, gay veterans, and particularly veterans of color that was endemic in the GI Bill's administration.⁹⁴ Race-based discrimination at the level of benefits disbursement had, of course, been the explicit intention of several of the GI Bill's authors—namely House World War Veterans' Legislation Chairman John Rankin—who insisted on building a model of administrative decentralization into the legislation in order to ensure that veterans' benefits would not be used to upset the South's fragile racial hierarchy.⁹⁵ Like other New

⁹⁴ For excellent studies of race-based discrimination in GI Bill disbursement, see for example, Katznelson, When Affirmative Action was White; Onkst, "First a Negro . . . Incidentally a Veteran," 517-43; Frydl, The GI Bill. For a detailed study of the denial of GI Bill entitlements to homosexual veterans, see, Canaday, The Straight State; Canaday, "Building a Straight State," 935-57. On the structures limiting servicewomen's access to the GI Bill, see, Melissa Murray, "Made with Men in Mind: The GI Bill and the Reinforcement of Gendered Work after World War II," in Feminist Legal History: Essays on Women and Law, ed. Tracey A. Thomas and Tracey Jean Boisseau (New York: New York University Press, 2011), 84-89; Cohen, A Consumer's Republic; Elaine Tyler May, Homeward Bound: American Families in the Cold War Era (New York: Basic Books, 1988); Amy Bentley, Eating for Victory: Food Rationing and the Politics of Domesticity (Champaign, IL: University of Illinois Press, 1998).

American veterans' access to their new rights long before the point of disbursement. As black men in military uniform, these soldiers physically embodied a dangerous threat to the highly guarded white supremacist order structuring mid-century American politics and society. To maintain this racial hierarchy, politicians, government administrators, third party agents, and ordinary white Americans collaborated in restricting black veterans' access to their benefits, beginning at the point of enlistment. By severely restricting the number of black soldiers inducted into the military—relative to the number of African Americans willing to serve—white draft board administrators ensured that white veterans would far outnumber their black counterparts, slamming a door to advancement in hundreds of thousands of black men's faces. The War Department further limited black men's access to veterans' benefits by unofficially adopting a policy of dishonorably discharging all soldiers accused of civil rights organizing, a strategy that disqualified thousands of African American veterans from claiming the GI Bill despite their military service.

Deal programs, the VES empowered local USES officials to administer benefits to claimants instead of requiring veterans to apply for funds from one, central disbursing agent. As historian David H. Onkst has demonstrated, white USES agents undermined the reemployment of African American veterans across the United States and particularly in the Deep South during the late 1940s. Because the USES employed few black job placement counselors, many African American veterans who sought to claim their Title IV benefits encountered hostile government agents who were reluctant to refer black clients for employment. When USES counselors did recommend African American clients for work, it was often for unskilled or semi-skilled labor, positions that did not match the former soldiers' skill levels as stipulated by the GI Bill. Because a veteran sacrificed his access to USES services and unemployment insurance if he rejected a position that a USES counselor deemed "suitable" for him, white administrators frequently forced African American applicants to choose between the low-paying work they recommended and unemployment without pay, undermining the efficacy of Title IV for many black veterans.⁹⁶

VII.

Congress passed its third and final ex-service member reemployment program—the Veterans' Preference Act of 1944—on June 27 (weeks after adopting the GI Bill), extending returning soldiers and their female next of kin between five and ten points on national civil service examinations, assisting veteran job hunters in securing new

⁹⁶ Onkst, "'First a Negro . . . Incidentally a Veteran,'" 517-43.

government roles.⁹⁷ The United States has a long history of extending federal hiring privileges to ex-service members. This type of benefit was first provided to disabled soldiers in 1865 after the Civil War. In 1923, President Calvin Coolidge signed a popular executive order streamlining and expanding veterans' preference laws to cover all veterans, regardless of ability. The new regulations rationalized federal hiring by adding points to veterans' civil service examination scores. Disabled veterans received ten additional points while able-bodied soldiers were allotted five.⁹⁸

Backed by Legion, the SSS sought to enshrine these executive orders in a single federal law recognizing veterans' unique entitlement to federal reemployment aid. President Roosevelt came out strongly in support of a new veterans' preference provision in early 1944, arguing that, "the Federal Government, functioning in its capacity as an employer, should take the lead in assuring those who are in the armed services that when they return *special consideration will be given to them in their efforts to obtain employment.* It is absolutely impossible to take millions of our young men out of their normal pursuits for the purpose of serving the Nation, and then expect them to resume their normal activities without having any special consideration shown them." In campaigning for the law, discharged soldiers emphasized that they needed a legal guarantee not only to assist them in finding new jobs in the civilian economy, but because it would help to mark them as a uniquely deserving class, a status to which many veterans

⁹⁷ Veterans' Preference Act of 1944, Pub. L. No. 78-359, 58 Stat. 387 (1944). The act was amended four years later to extend preferential hiring rights to widowed mothers as well, see, An Act to Extend Veterans' Preference Benefits to Widowed Mothers of Certain Ex-servicemen and Women, Pub. L. No. 80-396, 62 Stat. 3 (1948).

⁹⁸ On the history of veterans' preference legislation, see, Skretny, *The Ironies of Affirmative Action*, 42-50; Kett, *Merit*, 192-221.

⁹⁹ Letter from Franklin Roosevelt to the Heads of Executive Departments and Agencies re: Preference for Veterans in Federal Employment, 26 February 1944, The American Presidency Project, http://www.presidency.ucsb.edu/ws/index.php?pid=16495.

felt increasingly entitled. As one War Department official noted, "veterans generally expect a certain amount of deference from civilians. Especially in matters [like reemployment] where their way may be smoothed by special recognition, they are likely to want to be recognized as veterans; that is as a group that deserves and should have a privileged status." ¹⁰⁰

VIII.

While veteran organizers heralded the new law as an important reintegrative measure, the Veterans' Preference Act was actually rather limited in its ability to put soldiers back to work. The law only assisted veteran applicants seeking *federal* jobs, not those looking for work with private companies which were responsible for employing the vast majority of Americans. As the pace of demobilization began to tick upwards during the spring of 1944, SSS Director Hershey began to search for ways to use his administrative authority over the VAP to expand veterans' reemployment.

Section 8 of the Selective Training and Service Act of 1940 (the provision that had established the veteran's right to rehire and made the SSS responsible for supplying reemployment assistance) provided Hershey with a legal basis to intervene on the exserviceman's behalf. The authors of the 1940 draft law had hoped to reduce job competition between returning soldiers and civilians by providing employers with the strict Section 8 rules for veteran rehiring. While this was often the case, the Selective Training and Service Act's reemployment provisions ultimately created a new set of

¹⁰⁰ "Veterans' Readjustment to Civilian Life," 23 March 1945, HSTPL, HSTP, PP, WHCF, Confidential File, Box 35, Fldr. 6. Emphasis added.

All fifty states and many large municipal governments passed veterans' preference laws similar to the Veterans Preference Act of 1944, privileging veteran applicants for state and local government positions.

challenges for employers of unionized workers. In organized workplaces, collective bargaining agreements often established seniority systems that governed hiring and firing procedures, ensuring that the most junior employees would be the first let go during periods of layoff. The seniority system promoted workplace stability by rationalizing employment decisions, making it popular with union leaders and members. Recognizing the system's efficacy, Congress had aimed to adapt Section 8 to union priorities by specifying that volunteers and draftees would continue to accrue seniority while in the military so that when they sought reemployment, they would not disturb the delicate balance that the unions had created. Unfortunately, although Section 8 was designed to protect the seniority system in theory, it actually undermined the union structure in many cases.

During the early 1940s, as a slow but steady stream of soldiers demobilized and reclaimed jobs at home, employers struggled to interpret the draft law's reemployment mandate. Did Section 8 require employers to displace more senior workers in order to create jobs for returning veteran employees? Or, was management only required to rehire veterans if they had accrued the necessary seniority to merit positions within the company? Employers reached different conclusions to these questions based on divergent readings of Section 8, alternately displacing senior workers in order to rehire veteran employees and turning away returning soldiers in order to retain their senior workers. On May 20, 1944, in an effort to rationalize reemployment procedures and promote veteran hiring, General Hershey issued Local Board Memorandum 190-A clarifying that "a returning veteran is entitled to reinstatement in his former position or

one of like seniority, status, and pay even though such reinstatement necessitates the discharge of a nonveteran with a greater seniority."¹⁰²

The unions reacted swiftly to Hershey's memo, arguing that the SSS Director's interpretation of Section 8—which they often referred to angrily as the "superseniority principle"—offered "a spurious solution to our conversion and post-war employment problems." United Automobile Workers (UAW) President Walter Reuther warned that by brushing aside the seniority system in order to reemploy veterans, Section 8 "puts the responsibility for providing employment to returning servicemen directly and exclusively on the individuals least able to afford it—the individual workers who are asked to give up their jobs, usually their sole source of income, to the veterans." To the labor leader, this premise seemed "unjust" at best, "because the responsibility of providing employment to veterans is one that should be shared by all the public, including government and employers," not borne solely by workers. ¹⁰³

In addition to the UAW, representatives from the American Federation of Labor (AFL), the Congress of International Organizations (CIO), and the Railway Labor Executives Association also wrote to the Roosevelt administration expressing concern with Hershey's interpretation of Section 8. In a fifty-page memo produced by the organizations' lawyers, the unions argued that Hershey had misconstrued Congress's intent in Local Board Memorandum 190-A. "Basically there are two possible interpretations of the veteran's rights under Section 8 of the Selective Training and Service Act," the lawyers wrote: "(1) That the veteran shall have absolute priority, under

¹⁰² Lewis B. Hershey, "Local Board Memorandum No. 190-A," 20 May 1944, FDRPL, FDRP, PP, Official File 4675 WWII, OF4675J Preference for Members of Armed Forces and War Workers 1942-5. Emphasis added

¹⁰³ Letter from Walter P. Reuther to Eleanor Roosevelt, 13 October 1944, ibid.

which he will be reinstated regardless of who must be displaced; or (2) he will have accrued seniority under which he would be fitted back into his old job in accordance with well-established seniority practice, with seniority credit for time spent in the service." Based on the only court decision to date interpreting veterans' reemployment rights, brief comments that the president had made on workers' rights, and the text of the act itself, the lawyers argued that Congress had actually intended for veterans to receive accrued seniority, not absolute priority. 104

Moreover, the union representatives insisted that an absolute priority interpretation of veterans' reemployment rights not only undermined Congress's intent; it also threatened the nation's economic health in significant ways. First, they argued, absolute priority "might well result in the displacement of all employees other than military veterans" from some facilities, an outcome that would be particularly dangerous at sites responsible for war production. The resulting "increase in labor turnover," the lawyers warned, will "hinder the war production program" as new employees would certainly be less efficient than their skilled predecessors. ¹⁰⁵

These outcomes would not even be the most serious consequences of an absolute priority interpretation of veterans' reemployment rights, the union representatives predicted. By requiring employers to displace workers in order to rehire returning soldiers, the unions argued that government would foment deep seeded animosities between those receiving employment preferences and those sacrificing their jobs. "The *injustice inherent in the absolute priority principle* becomes apparent when it is considered who might have to be displaced to make room for the veteran. These will

 ¹⁰⁴ Reemployment Rights of Veterans Under Selective Service Act – Enclosure in Memo from David J.
 Saposs to Samuel I. Rosenman, 10 October 1944, SIRP, SF, Box 16, Seniority Rights for Veterans.
 105 Ibid.

include veterans of World War I; parents or wives of veterans of this war—probably even of soldiers or sailors killed in action; and workers deferred from military service against their own desire for physical reasons or because of their greater value to the war effort on the job."¹⁰⁶ How could government deny the deservedness of these persons or evaluate their relative entitlements to hiring advantages?

Union leaders reiterated their concerns about the consequences of absolute priority in speeches and letters to their members, calling on them to oppose the Hershey memo. Speaking to representatives of labor and industry at the New York Forum in October 1944, AFL leader Robert J. Watt explained that while the nation's largest union "share[s] the eagerness and insistence of those concentrating their concern upon jobs for service men," the organization "disagree[s] with those who believe that the problem can be solved by merely putting all returning soldiers and sailors back into their old jobs. If peace should come tomorrow," Watt explained, "and if every service man not needed in the peacetime forces were brought home and placed in jobs, and present jobholders discharged... every citizen would still face the problem of finding jobs for the 8 or 10 million displaced workers, plus a huge number of unemployed war industry workers." Clearly, veterans' preference laws did not offer the kinds of economic solutions that the country demanded, Watt argued. Moreover, veterans themselves would be harmed by an absolute priority system which simply displaced one worker for another because once the rehired veteran's one-year term of employment protection expired, he too would be

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106 Ibid.

vulnerable to dismissal in order to create employment opportunities for other returning soldiers. 107

For its part, the powerful UAW-CIO established the National UAW-CIO War Veterans Committee in April 1944 to coordinate the organization's response to the Hershey memo. The nascent board did not mince words in an August letter to its local affiliates, insisting that, "it cannot be emphasized too much that the universal and literal application of General Hershey's interpretation of the Selective Service Act WILL destroy the seniority system... which actually offers MORE protection to MORE veterans for an UNLIMITED period of time." Union jobs would disappear, the National UAW-CIO Veterans Committee threatened, unless the locals fought to limit veterans' reemployment rights to accrued seniority rather than absolute priority.

Like the AFL, UAW-CIO leaders argued that the best way to fight absolute priority was to convince ex-servicemen that an expansive reading of veteran reemployment would harm the returning soldiers themselves. In a memo to the union's local affiliates, the UAW-CIO Veterans Committee called on its members to "contact the veterans organizations in your locality" and "explain to them what Hershey's interpretation of the Act means and how little real protection it offers veterans."

Ultimately, the committee underscored, the best chance of protecting union jobs was for the locals to encourage "the adoption of resolutions by posts of the American Legion, the Veterans of Foreign Wars and other veterans organizations, condemning the Hershey

¹⁰⁷ Robert J. Watt, "Labor and the G.I. Joes," New York Forum, New York City. *The Carpenter*, Vol. 64, No. 11 (October), 30-31.

¹⁰⁸ Memo to all UAW-CIO Local Unions from National UAW-CIO Veterans Committee, 31 August 1944, FDRPL, FDRP, PP, Official File 4675 WWII, OF4675J Preference for Members of Armed Forces and War Workers 1942-5.

interpretation, insisting on the Union interpretation and demanding the preservation and safeguarding of the seniority system."¹⁰⁹

The UAW-CIO strategy was largely ineffective. Acknowledging the controversy surrounding veterans' preference at its 1945 National Convention, Legion National Commander Edward N. Scheiberling reiterated the organization's strong support for preferential hiring as defined by Hershey, despite labor's critique. "The participation of private industry in granting adequate preference to war veterans has been urged by the Legion's Veterans' Preference Committee," Scheiberling told the crowd. "All departments of the Legion have been admonished to exert all their influence to that end. We believe that all honorably discharged war veterans, when qualified, should be gainfully employed." Despite labor's warnings to the contrary, veterans' organizations pushed for the most generous interpretation of all veterans' preference legislation in the belief that such laws were the best means of promoting veteran hiring.

Without the support of organized veterans—and oftentimes in conflict with them, many of the nation's largest unions prepared to fight the Hershey memo by collecting information about seniority system violations during the summer and fall of 1944. The UAW-CIO's approach was typical of many powerful labor organizations. UAW-CIO headquarters circulated instructions to its locals in July warning its affiliates to take a "careful approach" to the problem of veterans' preference so as not to "create a cleavage between the veterans and organized labor" which might not only "destroy the seniority

¹⁰⁹ Ibid

¹¹⁰ SoP, Twenty-Seventh Annual National Convention of the American Legion, 19 November 1945, ALL.

system but destroy organized labor."¹¹¹ Rather than take on the veterans' organizations directly and risk a public relations setback, the UAW-CIO emphasized the careful collection of data so that it could make a well-evidenced case against absolute priority.

By October 1944—five months after it was released—union opposition to the Hershey memo had become so strong that White House advisor Samuel Rosenman was compelled to inform the president about the developing situation. "A dispute has arisen between [the] Selective Service and many of the labor organizations with respect to the interpretation of the law which guarantees returning veterans their old jobs," Rosenman explained. "The dispute is obviously filled with *political dynamite*," he cautioned, "because it is a question between these two competing groups and a decision either way is going to raise great resentment on the other side." Rather than risk upsetting either constituency, Rosenman recommended that Roosevelt wait until after the November election to weigh in, advice that the president eagerly embraced.

In the meantime, labor helped to initiate several lawsuits against employers who displaced senior union members in order to rehire returning soldiers, challenging the constitutionality of the Hershey memo. In the cases of Droste v. Nash-Kelvinator, Olin Industries v. Barnett, and Fishgold v. Sullivan Drydock and Repair Corporation et al., the unions reiterated that veterans' preference was merely "a device for dividing up a scarcity of jobs" and not a solution to larger postwar economic concerns. They also pointed out that "seniority rests upon the premise that time spent on a job represents an investment by the worker, entitling him to a return in the form of certain rights" and that as such, "to a

¹¹¹ Memo from Victor G. Reuther to All Regional Directors, International Representatives, and Local Union Presidents, 18 July 1944, FDRPL, FDRP, PP, Official File 4675 WWII, OF4675J Preference for Members of Armed Forces and War Workers 1942-5.

¹¹² Memo from Samuel Rosenman to Franklin Roosevelt, 12 October 1944, ibid.

require a worker to surrender [his] seniority right on behalf of anyone else is to take property from one person to give to another." These arguments contributed to a circuit split in 1945 when the Second Circuit Court of Appeals (adjudicating the Fishgold case) and the Sixth and Seventh Circuit Court of Appeals (hearing the Droste and Barnett cases, respectively) reached different conclusions about the nature of veterans' preference as outlined by Section 8.

The Supreme Court waded into the fight between the unions and the veterans' organizations the following year to resolve the circuit split, adding the Fishgold case to its docket. Abraham Fishgold, a twenty-six year old welder for the Sullivan Drydock and Repair Corporation of Brooklyn New York, had received an Order to Report for Induction from the United States Selective Service in May 1943. Fishgold was honorably discharged from the Army a year later during the summer of 1944. Upon his return to New York, he had reapplied and was rehired for his former job at Sullivan Drydock. Shortly thereafter, however, the shipyard had laid Fishgold off on that grounds that there was "insufficient work to occupy all hands" and he did not have sufficient seniority to survive to cuts. 114 Pointing to the Hershey memo, Fishgold sued Sullivan Drydock alleging that his employer was obligated to displace a more senior non-veteran worker in order to retain him.

On May 27, 1946 the Supreme Court ruled overwhelming (in a 6-1 decision) against the SSS and Legion's joint reading of Section 8, finding in favor of Sullivan Drydock. Delivering the majority opinion for the court, Justice William Orville Douglas argued that while veterans were entitled to preference in hiring, that privilege was limited

¹¹³ Matthew Woll, "Program for Veterans," *The Carpenter*, Vol. 66, No. 2 (February 1946): 11-15. ¹¹⁴ Fishgold v. Sullivan Drydock, 328 U.S. 275 (1946).

to accrued seniority not absolute priority. "If it [Congress] had desired to enact that, so long as there was work, no restored veteran, regardless of seniority, could be temporarily laid off during the year following his restoration, when the slackening of work required a reduction in forces," Douglas concluded, "we are bound to believe that it would have used a word of the kind which it had itself recognized as being descriptive of that situation." Siding with the unions, the Supreme Court found that veterans' preference rights were subordinate to labor's seniority system, severely limiting hiring privileges for returning soldiers.

IX.

Although labor was the most strident and organized opponent of veterans' newfound economic rights, union members were not alone in fighting hiring privileges for returning soldiers. Civilians pushed back against the developing veterans' preference infrastructure during the postwar period on the grounds that such policies undermined not only the unions' seniority system but cultural ideas about merit-based hiring as well. As one opponent of veterans' preference argued, laws like Section 8 "violated[ed] several concepts [that Americans] ha[d] been taught to regard, among them the principle of equality of opportunity and the civil service ideal that ability should be *the* criterion in public employment." By privileging veteran job applicants over their civilian competitors for no reason other than the formers' military status, veterans' preference laws upset meritocratic idea about deservedness. 117

Opponents of veterans' privileges also rejected these programs because they

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¹¹⁵ Ibio

^{116 &}quot;Veterans' Preference," New York Times, 16 June 1949, 18.

¹¹⁷ Kett, Merit.

seemed to honor veterans' military service at the expense of recognizing civilians' wartime sacrifices. Emphasizing the importance of war work away from the front and rationing to military victory, civilians suggested that, like the returning servicemen who claimed a new set of postwar benefits, they too had played prominent roles in defeating fascism. One preference opponent summed up popular sentiment in a letter to the editor of the New York Times, noting that, "in creating this preference during the war, Congress seemed to forget that many persons were either too young or too old to go to war, that millions of military age were 'frozen' in essential jobs, and that the sacrifices of some at home may have been as great as that of many for whom the blanket preference was conferred."118 Similarly disgruntled, another civilian wrote to the editor at the Washington Post, noting that, "According to the principles of Selective Service, the type of service to be rendered by each citizen was a matter to be decided by a group of his neighbors, the local Selective Board. If this board decided that Joe Doe should serve in a civilian capacity in the total war effort, then is it equitable or just to penalize him" by subordinating his employment interests to those of his veteran peers?¹¹⁹

Conflict between civilians and veterans over the legitimacy of preferential hiring was particularly acute in the highly unionized state of New York where, shortly before the end of the war, the State Assembly voted to amend the state Constitution to extend broad hiring preferences to veteran applicants for civil service positions. ¹²⁰ Under the amendment, disabled veterans were to be granted first priority in all appointments and promotions while able-bodied veterans were to be entitled to preferred positions in

^{118 &}quot;Veterans' Preference," New York Times, 16 June 1949, 18.

^{119 &}quot;Limited Preference," The Washington Post, 1 June 1949, 10.

¹²⁰ Charles Hurd, "The Veteran: Revision of the GI Bill of Rights is Required to Fit the Real Needs," *New York Times*, 11 March 1945, 33; "Bill for Full Preference for Veterans Voted by Assembly as Issue for Fall Poll," *New York Times*, 13 March 1945, 15.

matters of lay-off.¹²¹ Per the requirements of the New York State Constitution, the proposal—referred to as Amendment 6—was submitted for public referendum.

In the months preceding the November 1945 vote, opponents mobilized against Amendment 6, organizing groups like the Citizens Committee on Veterans Preference to bring together like-minded New Yorkers who were frustrated with the emerging array of reemployment programs for veterans. Working with established partners like the State Charities Aid Association, the American Association of University Women, the City Club of New York, the Citizens Union, the New York Academy of Medicine, the Association of State Civil Service Employes [sic], the New York State Teachers Association, the New York Tuberculosis and Health Association, the New York State Nurses Association, and the Public Education League, anti-preference organizations reached out to millions of voters before the referendum, urging them to "vote no" on Amendment 6. 122

In its influential ballot review, published two weeks before the referendum, the editors of *The New York Times*, came out in opposition to the veterans' preference amendment, encouraging its readers to reject Amendment 6. Not only did they find the legislation "unfair" because it "exclu[ded] merchant seaman, Red Cross workers and others" who had served overseas, the editors argued that the law portended "harm[s] even for the great mass of the veterans themselves, since competence would cease to be the primary test for appointment to the civil service," a popular argument with disgruntled civilians. Pointing to the amendment's ostensible inequalities *and* inefficiencies, the

¹²¹ "The Seven Questions," New York Times, 5 October 1945, 20.

^{122 &}quot;Embree Criticizes Veteran Amendment," New York Times, 25 October 1945, 38.

^{123 &}quot;The Seven Questions," New York Times, 5 October 1945, 20.

Times editors lent strong support to preference opponents' two-prong argument against veterans' privileges.

Although New Yorkers ultimately ratified Amendment 6 at the polls on November 6 by a margin of 51.4%, the closeness of the vote is another indicator of the public's growing wariness toward veterans' preference. ¹²⁴ In fact, the passage of Amendment 6 shocked several political commentators who had been tracking resistance to veterans' preference. Reflecting on the vote, one reporter chalked the ratification up to civilian guilt. "Who doesn't want to do something for the veteran?," he asked by means of explanation. "It is only when one reasons a little," which too few New Yorkers apparently had, "that one realizes that the extreme preference shown under Amendment No. 6 may close the civil service to men and women of exceptional ability, and so hurt every one, veterans included. The voters' hearts were in the right places. [But] they do seem in this case, by a small majority, to have been not quite clear in their thinking."

Although preference opponents lost out to much more organized and powerful veterans' groups in their effort to stymie the flow of super-citizenship rights to ex-service members, these challengers left an important mark on veteran policymaking nonetheless. By questioning the legitimacy of ex-service members' reemployment privileges in court and in public forums, the anti-preference movement constrained veteran policymaking during a particularly creative period by demonstrating that they would not tolerate an expansive reading of reemployment mandates. The Supreme Court's ruling against

^{124 &}quot;Veteran Preference Won by 34,219 Margin," New York Times, 16 December 1945, 34.

^{125 &}quot;Tuesday's Ayes and Noes," New York Times, 9 November 1945, 14.

superseniority rights in *Fishgold* reflected the public's mood by drawing clear parameters around preferential hiring rights.

This pattern was repeated in the state of New York where Amendment 6 passed by a slim majority. The date that the law took effect (January 1, 1946), the so-called "Committee to Void Paper Disabilities" brought suit against the state, alleging that the new mandate violated civilians' rights to equal protection. In the complaint, the petitioners emphasized their frustration with the fact that the law recognized individuals who received a zero percent disability rating from the VA (meaning that the bureau had rated their disability as less than 10%) as disabled, entitling them to additional points on civil service examinations. Although the New York Supreme Court upheld Amendment 6 (now officially known as the New York State Veterans Service Preference

Amendment) on November 26, 1947, it found that disabled veterans claiming disability entitlements must have at least a 10% disability, revealing the anti-preference

movement's ability to help bound veterans' privileges. 126

As these cases suggest, frustrated civilians were largely effective in helping to establish the outer limits of veterans' super-citizenship rights after the war, a fact that has been almost entirely overlooked by historians. By challenging the equity of veterans' reemployment programs, the civilian public helped to constrain veteran policymaking during a period of political innovation. Employers like Sullivan Drydock played a key role in circumscribing veterans' superseniority rights after World War II. Hundreds of similar cases in the late 1940s and early 1950s helped to further narrow and define the

¹²⁶ "Veterans Limited in Job Preference," New York Times, 23 April 1948, 15.

bounds of veterans' hiring rights by limiting eligibility periods and excluding classes of applicants.

Veteran policymaking in the 1940s was driven by conflict between a powerful Legion which believed that ex-service members' were uniquely deserving of government support and privileges, a White House that hoped to leverage enthusiasm for postwar planning to extend new social security provisions to all Americans, and a large civilian population that came to resent the new veterans' preference infrastructure which many saw as inimical to their own interests. Despite the dynamism of this debate, however, historians have largely emphasized a narrative of veteran heroism in their accounts of the postwar period. While there is ample evidence to suggest that the GI was hailed as a *cultural hero*, this tendency to overlook veteran-executive-civilian conflict has prevented a full accounting of policy development during this period.

Despite its political success, the Legion ultimately failed to secure a stable veteran-state social contract after World War II, its chief wartime goal. Although exservice members' received unprecedented benefits and privileges from government during this period—entitlements that helped to enshrine their super-citizenship status in law, public support for veteran reemployment programs had yet to crystallize, leaving hard-earned gains vulnerable to future rollbacks.

Chapter Five

Shifting Power: The Fragility of Veterans' Benefits in Cold War America, 1950-1956

I.

The American Legion reached the apex of its power during World War

II. Between 1940 and 1946, the organization renegotiated the veteran's place in

American society and politics for a second time in its short tenure, pushing the state to do
more than simply "restore" ex-service members to the status quo ante and to instead
confer new privileges to them, helping to mark veterans as super-citizens. Legionnaires
partly attributed their success in actualizing this superlative rights claim to their interwar
era efforts to mobilize a large, engaged constituency to advance their demands.

Membership Committee Chairman Charles L. Larson made this point emphatically at the
1949 National Convention. Although Larson acknowledged that there were "several
reasons" for the Legion's national "prestige" (including the organization's "worthwhile
programs"), the committee chairman insisted that the "chief reason" for the Legion's
influence in twentieth century policymaking "lies in our large membership."

In many ways, Larson was right. Since the Legion's March 1919 establishment, the group's leaders had inspired both awe and fear in their supporters and rivals for their ability to mobilize members in support of Legion-backed programs ranging from rehabilitation reform to adjusted compensation to readjustment benefits. The group's massive letter-writing campaigns had been integral to the organization's decades of legislative success, as had the accompanying threat that members would use their

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¹ Summary of the Proceedings (hereafter SoP), Thirty-First Annual National Convention of the American Legion, 29 August – 1 September 1949, American Legion Library (hereafter ALL).

significant electoral power to remove opponents from office if lawmakers did not fall in line. The National Executive Committee (NEC) anticipated that post-World War II membership growth would propel the Legion to even greater heights of political power at mid-century. As Larson explained in 1949, "With a large increasing membership, our programs of rehabilitation, child welfare, Americanism and national defense can effectively be carried out," initiatives which, the chairman hypothesized, would be "seriously affected" by any decline in enrollment.²

Larson's theory was tested—and proven—over the next decade as Legion membership rolls declined both in real terms and as a percentage of the eligible American veteran population. After reaching a record-high in 1946, enrollment fell by more than half a million people in just five years.³ Initially, the NEC responded to the falloff by developing new incentives for posts and departments that successfully boosted membership rolls and by creating a free "membership stabilization" program for active participants in order to encourage retention. However, despite the leadership board's significant investment in these programs, they ultimately failed to stimulate enrollment, a problem that was magnified by Congress's 1952 revision of the Legion's charter allowing Korean War veterans to join the organization. Based on historical patterns, the NEC had assumed that the amendment would naturally drive a period of membership expansion as newly eligible ex-service members hastened to sign up with the Legion. However, unlike in 1946 when World War II veterans had propelled two-fold growth in a single year, there was no "Korea boom." In 1952—the first year that Korean War veterans could

² Ibid.

³ Richard Seelye Jones, *A History of the American Legion* (Indianapolis: Bobbs-Merrill Co, 1946), 344; SoP, Thirty-Third Annual National Convention of the American Legion, 15-18 October 1951, ALL; American Legion, "National Membership Record: 2015," https://archive.legion.org/bitstream/handle/123456789/2713/aa002170.pdf?sequence=4&isAllowed=y.

register with the Legion—membership rolls only increased by 14,367 participants.⁴ Two years later, that growth had barely doubled.⁵ Even more troubling for the NEC was the fact that the Legion was coming to represent a smaller and smaller percentage of the country's rapidly expanding veteran population. Whereas more than a quarter of the nation's ex-service members had belonged to the Legion in 1940, giving the organization significant leverage to shape veteran policy for Second World War returnees, by 1954, that figure had slipped to an estimated 13.7%, sinking to just 11.7% by the end of the decade 6

Why did Legion enrollment fall off so steeply during this period? In the 1950s the Legion suffered several challenges to its public image as well as from growing public apathy toward veterans more broadly. First, the decline of what historian Tom Englehardt has called World War II era "victory culture" (or the patriotic celebration of the military) during this period contributed to declining Legion enrollment by creating a sense of grievance among many Korean War veterans who chose not to identify as exservice members after homecoming.⁷ The organization's recruitment efforts were further hampered by a growing aversion toward the Legion's radical anticommunism. While the NEC's ferocious red-baiting initially brought the group positive attention, by the mid-tolate 1950s (after the censure of Wisconsin Senator Joseph McCarthy), the Legion's

⁴ SoP, Thirty-Fourth Annual National Convention of the American Legion, 25-28 August 1952, ALL; American Legion, "National Membership Record: 2015,"

https://archive.legion.org/bitstream/handle/123456789/2713/aa002170.pdf?sequence=4&isAllowed=y. ⁵ Ibid.

⁶ Jones, A History of the American Legion, 344; SoP, Thirty-Fourth Annual National Convention of the American Legion, 25-28 August 1952, ALL; SoP, Thirty-Sixth Annual National Convention of the American Legion, 30 August-2 September 1954, ALL; SoP, Forty-Second Annual National Convention of the American Legion, 15-20 October 1960, ALL: American Legion, "National Membership Record: 2015," https://archive.legion.org/bitstream/handle/123456789/2713/aa002170.pdf?sequence=4&isAllowed=y; Bureau of the Census, Historical Statistics of the United States: Colonial Times to 1970, Bicentennial Edition, Part I (Washington, D.C.: Government Printing Office, 1975), 1145.

⁷ Tom Engelhardt, The End of Victory Culture: Cold War America and the Disillusioning of a Generation (Amherst, MA: University of Massachusetts Press, 2007).

attacks on sympathetic organizations (including the Girl Scouts of America, local teachers unions, and UNESCO) began to provoke regular criticism from both the editorial boards of the nation's leading newspapers and ordinary Americans who felt that the organization had gone too far in expressing "dismaying views." Finally, the Legion's public relations problems were compounded by a third challenge facing the organization during the 1950s: growing civilian protest against the perceived excesses of the 1944 GI Bill, legislation that the Legion had famously authored.

The Legion's diminution during this period had important political consequences for Korean War veterans. While the NEC wanted to extend the 1944 GI Bill to cover this latest generation of veterans, a new cohort of congressional lawmakers and Truman White House officials pushed back, presenting themselves as veteran experts in their own right. Alarmed by the financial implications of perpetual Cold War (global commitments that would require "substantial Armed Forces" in the words of one planner), government officials argued that the country simply could not afford to continue supporting veterans at 1940s' levels. Despite the Legion's insistence that the Cold War had created an even greater, more privileged role for veterans in American society, the financial implications of constant war proved to be too much for government to bear. On July 16, 1952, after two years of intense debate, Congress voted against the Legion's proposal to extend World War II era readjustment benefits to Korean War returnees and chose instead to adopt an alternate, less generous program for the young veterans. In moderating the provisions of the 1944 GI Bill with the passage of the more tight-fisted 1952 law (a

⁸ "Mud from the Legion," *The Washington Post*, 30 August 1952, 8.

⁹ U.S. House, Committee of Veterans' Affairs of the U.S. House of Representatives, *Veterans' Benefits in the United States: A Report to the President By the President's Commission on Veterans' Pensions*. (Washington, DC: Government Printing Office, 1956).

vision of the veteran-state social contract that the Dwight Eisenhower administration codified in its important 1956 U.S. President's Commission on Veterans' Pensions Report), the balance of power that existed between veterans' organizations and federal officials shifted from an equilibrium that favored groups like the Legion to one that advantaged the state, a power distribution that persisted throughout the second half of the twentieth century.

This reduction of benefits for Korean War benefits reveals the extraordinary nature of World War II era benefits, an issue that is not adequately treated by current scholarship. In characterizing 1940s' veteran policymaking (and particularly the passage of the 1944 GI Bill) as a "turning point" in American veteran-state relations, scholars have, as historian Mark Boulton aptly puts it, "left a strong impression that the original 1944 G.I. Bill marked the end point in the turbulent history of veterans' politics." In fact, the opposite is true. Beginning in the 1950s, the federal government began scaling back benefits for each subsequent generation of ex-service members. This chapter builds on recent work by Mark Boulton and Melinda Pash which demonstrates how government officials used accusations of 1944 GI Bill corruption as an excuse to start making cuts in the 1950s, pointing also to the important role that the Legion's diminution and the dawning Cold War played in this story. 11

Mark Boulton, Failing Our Veterans, The G.I. Bill and the Vietnam Generation (New York: New York University Press, 2014), 5. On the GI Bill as a turning point in U.S. veteran-state relations, see, Davis R.B. Ross, Preparing for Ulysses: Politics and Veterans During World War II (New York: Columbia University Press, 1969), 290; Glenn C. Altschuler and Stuart M. Blumin, The GI Bill: A New Deal for Veterans (Oxford: Oxford University Press, 2009), 7; Kathleen J. Frydl, The GI Bill (Cambridge: Cambridge University Press, 2009), 40; Jennifer D. Keene, Doughboys, The Great War, and the Great War, and the Remaking of America (Baltimore: The Johns Hopkins University Press, 2001), 212.

¹¹ Boulton, Failing Our Veterans; Melinda L. Pash, In the Shadow of the Greatest Generation: The Americans Who Fought the Korean War (New York: New York University, 2012): 183-226.

The first major impediment to Legion enrollment during the 1950s was the collapse of what historian Tom Englehardt has evocatively described as the "victory culture" of the early twentieth century which celebrated U.S. military supremacy as the foundation of national prosperity and security. 12 Triumph over the forces of militarism and fascism in the World Wars—along with the simultaneous transformation of the U.S. economy from debtor to creditor status—gave rise to a belief in American invincibility and exceptionalism during the first half of the 1900s, characterized by "cultural conventions ranging from jubilant music to optimistic media accounts" about the country's military performance and prospects. ¹³ This victory culture pervaded all aspects of American life, influencing not only the tenor of politics, but also the conduct of business, education, and art. However, as historian Andrew Huebner has demonstrated in his excellent book *The Warrior Image*, by the 1950s, advances in war reporting made it possible for journalists to begin offering more realistic and grisly portraits of combat and camp life for the newest generation of Korean War soldiers, undermining some of the rosier home front perceptions of conflict for readers and viewers who still tended to see war as a grand adventure rather than a traumatic experience. Whereas censorship and access limitations had prevented journalists from reporting on the most gruesome aspects of conflict before mid-century, Huebner explains that technological advances and shifting ideas about privacy made its newly possible for the media to suggest through "photographs and words... that Americans in Korea were tired, miserable, and stoic," a

¹² Engelhardt, *The End of Victory Culture*.

¹³ Andrew J. Huebner, *The Warrior Image: Soldiers in American Culture from the Second World War to the Vietnam Era* (Chapel Hill: University of North Carolina Press, 2008), 105.

sharp contrast to earlier portraits of gritty, unbowed GIs.¹⁴ These new images chipped away at victory culture and cast the Korean War veteran as a victim—rather than a hero—of international events.

As the façade of victory culture began to crack during the early 1950s—exposing the country's vulnerability to defeat—Americans began to rethink their support for the Korean War itself. According to an August 1951 Gallup poll, 53% of respondents favored U.S. withdrawal from the peninsula after dividing the country along the 38th parallel—a rejection of stated U.S. war aims (to rollback communism where it currently existed). By fall, public support had fallen off so greatly that Republican presidential candidate Senator Robert A. Taft declared the conflict to be "utterly useless" in an effort to build support for his campaign. (Fifty-six percent of Americans agreed with him). Although Taft lost the nomination to General Dwight D. Eisenhower, the senator's strategy was effective; Eisenhower was elected on a promise to, "Let it [the war] be Asians against Asians."

Declining popular support for the war effort reinforced a growing narrative among Korean War veterans that their service was underappreciated—if not forgotten—by Americans on the home front. For former service members like Marine James C.

Jones, Jr., the difference between the warm reception that he had received after the Second World War and his muted homecoming from Korea seemed to encapsulate a growing public indifference toward the sacrifices that he and his fellow veterans had

¹⁴ Ibid., 105.

¹⁵ Gallup Organization – AIPO. (August 1951). *Gallup Poll* [USGALLUP.51-478.QK07B]. Cornell University, Ithaca, NY: Roper Center for Public Opinion Research, iPOLL [distributor].

¹⁶ Gallup Organization. (October 1951). *Gallup Poll* [USGALLUP.110551.RK05]. Cornell University, Ithaca, NY: Roper Center for Public Opinion Research, iPOLL [distributor].

¹⁷ Huebner, *The Warrior Image*, 126.

made in the dawning Cold War. According to Jones, "stepping on to [sic] U.S. shores [was] indeed a pleasant change, environmentally, but more than a little disquieting." In an *American Legion Monthly* editorial he explained: "When many of us made a similar trip home from the various battlefields of World War II, we enjoyed an abiding sense of pride. There was the feeling that the whole country had been at war, seriously being [bent] upon whipping the common enemies." That sentiment had since evaporated, Jones claimed. While the entire home front had mobilized for total war a generation earlier, Korean War returnees like Jones emphasized how little civilians seemed to have sacrificed to support their troops in Korea. As a result, "precious little pride accompanies the current homecoming... None of us can see where we failed this time, but most of us can see where the home guard corked off. No, homecoming is not the great fun it was in 1945. Rather, it is a little embarrassing, because some of us hatch the hot ideas that we are little more than red-faced suckers," Jones lamented. 18

The veteran's complaint was not without merit. Many Americans were admittedly disengaged from the events in Korea. A National Opinion Research Center poll from June 1951 showed that as much as 40% of the country spent "no time" discussing the war with family and friends, an astonishing level of indifference for soldiers witnessing the evaporation of a victory culture that had only recently placed great emphasis on military accomplishment.¹⁹ This apparent lack of civilian support for the country's service members bred resentment amongst returnees like Private First Class

¹⁸ James C. Jones, Jr., "All's Quiet on the Home Front," *American Legion Monthly*, Vol. 52, No. 2 (February 1952): 20. Michael D. Gambone and Melinda L. Pash document similar disillusionment among Korean War returnees. Michael D. Gambone, *The Greatest Generation Comes Home: The Veteran in American Society* (College Station, TX: Texas A&M University Press, 2005), 166-87; Pash, *In the Shadow of the Greatest Generation*, 183-218.

¹⁹ Gallup Organization – AIPO. (August 1951). *Gallup Poll* [USGALLUP.51-478.QK07B]. Cornell University, Ithaca, NY: Roper Center for Public Opinion Research, iPOLL [distributor].

(PFC) Robert E. Braken who increasingly came to feel that there was little value in self-identifying as veterans. After landing in Seattle during demobilization, Braken took a troop train to Camp Carson, Colorado, stopping in a small town to grab lunch, when he had an encounter with a waitress that shaped his perception of the value of veteranhood. After excitedly explaining to his server that he had just returned from Korea (and was looking forward to good meal), Braken was horrified when his waitress asked where Korea was, assuming it to be a local army post. The woman's shocking unawareness of international events—and Braken's sacrifice—infuriated the PFC who explained in an interview years later that the waitress's response was not an uncommon one. "Jesus, you'd find out half the civilians in the United States didn't know where Korea was at," he said ruefully, "and the other half didn't care where it was at." Disillusioned, ex-service members like Jones and Braken questioned the benefit of claiming their veteran identity in a world that seemed to place decreasing value on military service.

No figure more fully embodied these tensions—public ambivalence toward the U.S. intervention in Korea, soldier-civilian resentment, and the debate amongst veterans over the value of claiming one's military identity—than the American prisoner of war (POW). Between June 27, 1950 (with the first deployment of U.S. forces to combat zones) and July 27, 1953 (when the armistice was finally signed), the North Korean and Chinese militaries captured more than seven thousand Americans. The communists treated the POWs brutally. Regularly exposed to the cold and denied food and medical attention, the American captives were forced to march hundreds of miles across the Korean and Chinese landscapes in defiance of the Geneva Conventions. As a result, a

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²⁰ Robert E. Braken Collection, Veterans History Project, American Folklife Center, Library of Congress.

stunning thirty-eight percent of the American POWs died in captivity.²¹ However, in spite of their enormous suffering, the Pentagon used the POWs in an anticommunist propaganda effort that ultimately created deep public anxiety over the prisoners' own strength of character and "American-ness," attacks which enraged the Korean War veteran community and prompted the newest generation of ex-service members to increasingly disavow its military past.

Although the loyalty of U.S. POWs would be questioned repeatedly after the war, there is very little evidence to suggest that American captives embraced communism with any frequency during their imprisonment overseas. American POWs did attend regular revolutionary teaching sessions for the duration of their captivity but records indicate this was done in exchange for food and shelter. Although a handful of the prisoners reported feeling sympathetic to the Chinese argument that U.S. soldiers should not be fighting and dying halfway across the world, few Americans actually subscribed to communist doctrine. Having grown up in relative comfort in the United States, few POWs were persuaded by the argument that they would better off under the Chinese model. Even more powerfully in many cases, white soldiers resented being taught by non-white (Chinese and North Korean) instructors who they assumed to be racially inferior to themselves and therefore incapable of developing a more efficient political system.²²

Nevertheless, despite the captors' failure at mass indoctrination, the communists were able to convince the U.S. government that they had succeeded in turning at least some of the prisoners. In the end, this bluff had greater strategic value than the actual

²¹ As a point of comparison, 99% of the U.S. forces captured by the Germans during the Second World War survived their imprisonment. Charles S. Young, *Name, Rank, and Serial Number: Exploiting Korean War POWs at Home and Abroad* (Oxford: Oxford University Press, 2014), 24-25, 46.
²² Ibid.. 56-57.

conversion of the POWs themselves. By sowing seeds of doubt about the prisoners' ability to resist the revolutionary teachings, the Chinese fomented existing fears in U.S. culture about the ability of "weak-minded" Americans to be persuaded by communism. In this way, historian Charles Young argues that "resistance to captivity was a parable for national will. Like prisoners being interrogated, the country could either capitulate to the Kremlin [acting through the Chinese] or fight back."

In order to persuade the U.S. government and public that the POWs had broken down and rejected the American way, the Chinese tortured a group of airmen into giving false confessions about engaging in germ warfare against the North Koreans and bribed POWs to write antiwar letters to their families back home—both of which they publicized to great effect. Although few Americans believed the biological weapons reports, many were concerned about why POWs had confessed to crimes they had not committed. The letters were even more damning because they were so personal in nature and therefore seemed to paint an even clearer picture of complicity. For example, Army PFC Paul F. Schnur, Jr. became the target of great public consternation during the spring of 1953 when the American news media reprinted antiwar messages that he had written to his parents from a Chinese prison camp. First published by the *Daily People's World*, the letters called out the "senselessness" of the American cause and emphasized the quality of the treatment that the U.S. POWs were receiving in communist hands. Schnur described how the "Reds planned areal [sic] fine Christmas holiday with fried chicken, apples, nuts, and candy," details that inflamed American readers. San Francisco television stations quickly picked up Schnur's story and began broadcasting information about him and his letters, raising public concerns about the integrity of American POWs

²³ Ibid., 6-7.

and veterans more broadly. The Schnur case was so damaging to the military's credibility that the Federal Bureau of Investigation (FBI) opened its own inquiry into the PFC, his family, and his associates. Although law enforcement officials were ultimately "unable to determine whether or not Schnur walked into enemy lines" willingly—a shocking assumption given that there was no evidence to suggest that the PFC had surrendered—the FBI decided to keep Schnur and his close contacts under surveillance because they believed that he had been a political activist within the POW camp. The fact that FBI did not take the exigencies of imprisonment into account in making its report further underscored how concerned the government was about the potential public relations threat posed by the POWs.²⁴

The Pentagon's fear about the possibility for further political fallout increased significantly in April 1953 as the United Nations (UN) prepared for its first prisoner exchange with the North Koreans and the Chinese. Military leaders assumed that, in selecting prisoners for the initial release, the Communists would choose to return the POWs who had been most amenable to conversion in order to embarrass the United States on the international stage. Anticipating months of terrible press coverage, the Department of Defense's Psychological Strategies Board (PSB) decided that it would be best to "prime" the public for forthcoming reports of POW collusion by preempting them. On April 12, 1953, the PSB issued a fact sheet to news organizations warning that many POWs had likely "come to accept" communism during their captivity. According to PSB experts, "the communists no doubt by their unremitting efforts ensnared some prisoners of war in their propaganda web. Some of them appear to have succumbed to the

²⁴ Psychological Strategies Board Memo, 21 April 1953, Dwight D. Eisenhower Presidential Library, C.D. Jackson Records (hereafter DDEPL, CDJR), Box 5, Prisoner Exchange; WWDC Broadcast Transcript, 20 April 1953, ibid.; Letter from G.D. Morgan to C.D. Jackson, 30 April 1953, ibid.

relentless Communist pressures, repetitious arguments, distorted and selected information and various inducements to accept, or at least repeat, many elements of Communist propaganda." At the Department of Defense's behest, American news agencies circulated the PSB's warnings widely in the two weeks leading up to the first prisoner exchange, saturating the American public with admonitions about the POWs' susceptibility to communist "brainwashing"—a new term that the Pentagon used to describe Chinese conversion tactics.²⁵

Upon their homecoming, as reporters questioned the freed POWs about their views on communism and imprisonment, it became increasingly clear to Pentagon officials that the captured soldiers had not, in fact, rejected American values en masse. Instead, as veterans spoke out about the horrible conditions that had existed in communist prison camps and about the loss of friends to starvation, hunger, and cold, the PSB came to realize that it had made a terrible mistake in branding the veterans as traitors and by subjecting them to media interrogations. In an urgent memo to the head of the PSB, one member of the board described how "the soldiers returning to the United States were alternately under deep cover and then in the open for the most glaring and unfair publicity" as a result of the DoD's preemptive campaign. "The result was that except for those few who are known to be hard-core communists, all the returned soldiers [are] extremely bitter and bewildered—and, in some instance, literally frightened. Some of them were worrying about whether they could ever obtain work in their home

²⁵ "Some G.I. Captives May Seem Pro-Red," *New York Times*, 13 April 1953, 3; Walter Simmons, "Expect POWs to Say a Kind Word for Reds," *Chicago Daily Tribune*, 17 April 1953, 1.

²⁶ "Freed AF Captain Tells of Forced Red Study," *Washington Post*, 27 April 1953, 3; "More Red Horrors Told by Freed U.S. Prisoners of War," *Los Angeles Times*, 30 April 1953, 1; Robert Alden, *First Released G.I.* 's [sic] *Find It Hard to Readjust to a Life of Freedom*, 21 April 1953, 1; "Pvt. Woodhouse is a POW Who Didn't Fall For Communist Line," *Chicago Defender*, 16 May 1953, 3.

communities or elsewhere in the United States now that the press had insinuated that they had accepted communist indoctrination."²⁷

Although many of the POWs vehemently contested the PSB's April attack on their patriotism in statements to the press disputing the Pentagon's account, the prisoners were largely unable to change the narrative about their imprisonment even after the PSB decided to reverse course and "play down the boys who confessed [to converting to communism] and play up the boys who helped out [in resisting]... as a matter of policy."²⁸ Instead, throughout the mid-1950s, the media continued to report on potential collusion between U.S. POWs and the Chinese and North Korean Armies, a story that badly damaged the reputations of innocent released captives. The perception that American POWs had collaborated with the country's communist adversaries overseas was so pervasive during this period that many former prisoners struggled to find employment after the war. In the virulent anticommunist climate of the mid-century United States, employers—including the military, which had falsely branded the POWs as traitors—were terrified to be associated with potentially subversive figures. As a result, the Pentagon denied reenlistment requests and private companies eschewed hiring known POWs. To avoid this fate, many former prisoners abandoned their veteran identities in order to move on with their lives and escape the PSB-inflicted accusations of communist subversion. For others, like Franklin Jack Chapman, it did not even take a failed job hunt to prompt the soldier to leave his military past behind. In an interview years after his homecoming, Chapman recalled how a bartender had called him "one of

²⁷ Psychological Strategy Board Memo, 12 May 1953, DDEPL, CDJR, Box 5, Prisoner Exchange. Emphasis Added.

²⁸ Operations Coordinating Board Memo, 13 October 1953, DDEPL, CDJR, Box 1, OCB Plan to Exploit BW Hoax, Mistreatment, Atrocities, Etc.

those [POW] cowards" upon learning of his imprisonment in North Korea just hours after he had returned to his hometown following years of torture and confinement. In that moment, Chapman—like many of his peers—decided that he would no longer self-identify as a veteran in order to protect himself from further character attacks. ²⁹

By no fault of the Legion, these ex-service members' willful abandonment of their veteran identities hurt organizational enrollment after the war as returnees sought to move on with their lives by dissociating from their military pasts. However, in mismanaging its response to the POW allegations, the NEC undoubtedly exacerbated the problem. Torn between its commitments to both veterans' rights and a concept of 100% Americanism that increasingly emphasized communism as the greatest threat to the United States, the Legion struggled to articulate a compelling message of support for the embattled POWs. Instead of offering the full-throated defense of the prisoners' innocence that many Korean War veterans sought and anticipated, the NEC used the incident as an opportunity advance its own Americanism agenda, suggesting—as the PSB had—that the "majority [of POWs] were unquestionably brainwashed" by the communists as a means of underscoring the insidiousness of the enemy.³⁰ However, whereas the PSB had accused the prisoners of having weak character, the Legion pointed the finger at the American education system—a major target of organizational outrage during the 1950s—insisting that academic elites (not the POWs) were responsible for insufficiently preparing the soldiers to withstand interrogations overseas. As John W. Bottomley, the Chairman of Education for the Freedom Committee of the Illinois

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²⁹ Franklin Jack Chapman Collection, Veterans History Project, American Folklife Center, Library of Congress.

³⁰ American Legion National Americanism Commission, *Firing Line*, Vol. II, No. II (15 January 1953).

Department, explained, "The case of the Korean POWs is symptomatic of a more general and disturbing failure of the American people to concern themselves with their own government and their indifference toward the liberties they enjoy as citizens. As a people we are extremely vocal about our own rights, but on the duties of citizenship we are remarkably reticent."³¹ Americans had failed in their obligation to the next generation, Bottomley argued, and now everyone was paying the price. Instead of inculcating children in "American" values, he claimed, the country had overinvested in teaching them superfluous—and potentially subversive—topics, including foreign literature and languages. The NEC took advantage of the nation's interest in the issue of war captivity to hammer a key plank of its Americanism program: "only by reading, studying, and discussing the principles in our basic American documents at an adult level can we come to any real comprehension of these principles or learn to evaluate them in terms of their application to our national and international problems today."32 Bottomley and his supporters on the NEC suggested that the POWs may have been able to resist communist brainwashing if they had been better educated in these important principles of U.S. political theory. In refusing to defend the POWs' integrity—and using the situation for its own political gain—the Legion missed an opportunity to build good will with the Korean War veteran community and instead reinforced a growing perception, developing amongst both ex-service members and the public at large, that the organization was becoming an increasingly extreme, right-wing group.

III.

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³² Ibid.

³¹ John W. Bottomley, "A Failure in Education," *Chicago Daily Tribune*, 30 August 1955, 20.

Observers had good reason to believe that the Legion was deepening its commitment to radical anticommunist politics after the Second World War. Although the organization had championed an anti-subversive—100% Americanist—agenda since its 1919 establishment, the target of the group's animus had shifted over the course of its decades-long history. Whereas the NEC had been fixated on deporting "alien slackers" (who they identified as immigrants to the United States who did not enlist in the military) during the 1920s and 1930s, by mid-century, the Legion was increasingly preoccupied with the "communist threat."

This was not a new issue for the organization; the Legion had a long history of anticommunist organizing dating back to the 1920s when the group emerged as an important ally for law enforcement officials during the First Red Scare. In November 1940, the NEC formalized its support for the FBI's investigations into potential communists and communist activity through the Legion Contact Program, an investigatory operation that deputized Legionnaires to act as informants for the Bureau. Managed by the Legion's National Americanism Commission, the program was created at the behest of the NEC after the Legionnaires threatened to operate as vigilantes if FBI Director J. Edgar Hoover did not accept their partnership offer. ³⁴ In a memo to Attorney General Frank Murphy requesting legal authority to establish the Contact Program, even the notoriously vicious Hoover expressed trepidation about moving forward with the operation: "I am of course concerned about the potential damage that may be done if

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³³ For more on Legion nativism during the 1920s and 1930s, see, Christopher Courtney Nehls, "A Grand and Glorious Feeling: The American Legion and American Nationalism between the World War," (PhD diss., University of Virginia, 2007); William Pencak, *For God & Country: The American Legion, 1919-1941* (Boston: Northeastern University Press, 1989), 2-23, 144-69, 236-77; John Higham, *Strangers in the Land: Patterns of American Nativism, 1860-1925* (New Brunswick, NJ: Rutgers University Press, 1988), 224

³⁴ Letter from B.E. Sackett to J. Edgar Hoover, 6 May 1941, FBI's American Legion Contact Program Policy File (hereafter FBIAL), 66-9330.

large groups of inexperienced men undertake investigations of cases which should in the interest of national defense be handled by experienced investigators," the director warned.³⁵ Nevertheless, by mid-1943, the FBI had enrolled more than 60,000 Legionnaires in the Contact Program and made more than half a million arrests based on the testimony of the new informants.³⁶ Although Hoover suspended the operation on November 26, 1945—a few months after the end of World War II—the Legion's relationship with the FBI endured.

During the late 1940s and early 1950s, the two institutions became linked not only programmatically but also through shared personnel as a revolving door developed between the FBI and the Legion's Americanism Commission—the committee responsible for carrying out the organization's anticommunist agenda. On July 13, 1950—less than a month after President Truman deployed the first U.S. forces to Korea—Hoover met with his Executives' Conference about resurrecting the Legion Contact Program.³⁷ After the NEC signed off on the partnership two weeks later, the FBI Director put Lee Pennington—a Special Agent with twenty-five years of Bureau service—in charge of the operation.³⁸ Pennington oversaw the Contact Program for the next three years during which time the operation expanded to include 75,000 Legion informants.³⁹ In January 1953—with the Korean War winding down, and the Contact Program seemingly coming to an end as well (although the operation existed on the FBI's books until 1957, it was largely defunded and downgraded in June 1954)—Pennington

³⁵ Memorandum from J. Edgar Hoover to Frank Murphy, 18 November 1940, ibid.

³⁶ FBI Memorandum, "The American Legion Backs up the FBI," ibid.

³⁷ Memorandum from Clyde Tolson to J. Edgar Hoover, 17 July 1950, ibid.

³⁸ Ellen Schrecker, *Many are the Crimes: McCarthyism in America* (Boston: Little, Brown and Company, 1998), 217; Richard Gid Powers, *Not Without Honor: The History of American Anticommunism* (New York: The Free Press, 1995), 248.

³⁹ Memorandum from D.M. Ladd to J. Edgar Hoover, 25 January 1952, FBIAL, 66-9330.

left the Bureau to take a job at the Legion, running the Americanism Commission.⁴⁰ Cartha DeLoach, the head of the FBI's Crime Records Division, followed Pennington, taking over the organization's public relations duties.⁴¹

The former Special Agents used their newfound influence to advance an anticommunist ideology that was already deeply rooted within the Legion. As the new head of the Americanism Commission, Pennington began publishing a biweekly newsletter called *Firing Line*, in order to—in the editorial board's words—"supply Legionnaires with solid facts on all aspects of the complex and highly deceptive problem of domestic subversion." During the 1950s and 1960s, *Firing Line* functioned as the organization's chief anticommunist propaganda arm, providing posts and individual members with regular updates on what the Americanism Commission described as "the subtler and more devious tactics of communists and their secret sympathizers and supporters" and guidance on the steps that Legionnaires should take to combat this type of political subversion. ⁴³

As Pennington's Americanism Commission made clear in biweekly *Firing Line* articles, during this period, the NEC came to view itself as the last line of defense in an existential struggle between 100% patriotic Americans and communists and their dupes for the future of the United States. Government leaders (especially State Department officials), the media, educators, and entertainers had all fallen down on the job of protecting U.S. interests, the Legion's leadership alleged, leaving only the country's veterans—who had personally confronted and defeated anti-democratic regimes

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⁴⁰ Memorandum from A.H. Belmont to L.V. Boardman, 4 June 1954, ibid.

⁴¹ Schrecker, Many are the Crimes, 217.

⁴² American Legion National Americanism Commission, *Firing Line*, Vol. II, No. 2 (15 January 1953).

⁴³ Ibid.

themselves—to stand up and call out this weakness. Given the purported stakes—with "America... fighting a defensive war for its very life against rapidly advancing world communism"—the Americanism Commission regularly railed against elected officials' refusal to take bolder action because of civil liberties claims, arguing that only guilty "commie swindlers" relied on this type of defense. ⁴⁴ The Legion particularly targeted the American Civil Liberties Union (ACLU) as an "enemy" of 100% Americans for its insistence that accused-communists receive due process, rights which—the NEC argued—undermined the security of the "patriotic majority." At their 1952 National Convention, Legion representatives adopted a resolution calling on the House Un-American Activities Committee (HUAC) to investigate the ACLU which it accused of having "a questionable record of subversive activities... [the] kind of thing unworthy of the Legion." When outsiders criticized the organization's stance as red-baiting, Legion representatives responded in a typically hostile fashion, embracing the label and counterattacking, suggesting that their opponents were simply "communist dupes."

During the late 1940s and early 1950s, this style of bellicose anticommunist politics was supported by a majority of Americans who approved of the government's growing number of counter-subversive programs, including the requirement that government employees take loyalty oaths, a blacklist of Hollywood actors and technical workers accused of holding communist affinities, and the expansion of the FBI's portfolio to include near-unlimited investigatory privileges.⁴⁷ However, by the middle of

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⁴⁴ American Legion National Americanism Commission, *Firing Line*, Vol. I, No. 4 (1 March 1952);

[&]quot;Watch out for these Commie Swindles," American Legion Monthly, Vol. 52, No. 5 (May 1952): 14-15.

⁴⁵ Firing Line, American Legion National Americanism Commission, Vol. I, No. 4 (1 March 1952).

⁴⁶ "Mud from the Legion," Washington Post, 30 August 1952, 10.

⁴⁷ On anticommunism in post-World War II America, see for example, Powers, *Not Without Honor*; Ted Morgan, *Reds: McCarthyism in Twentieth-Century America* (New York: Random House, 2003); Schrecker, *Many are the Crimes*; D.J. Molloy, *The World of the John Birch Society: Conspiracy, Conservatism and*

the decade, public opinion began to slowly turn against the anticommunist crusade as programmatic abuses started to come to light on the national political stage. Wisconsin Senator Joseph McCarthy's dramatic political battle against the Army represented a tipping point in public opinion on this style of anticommunist politics. In the fall of 1953, McCarthy opened an investigation into the U.S. Army on the grounds that it was harboring a communist sympathizer within its ranks and because of alleged espionage at the Signal Corps Center at Fort Monmouth in New Jersey. During the closed hearings that followed, McCarthy deeply offended the military witnesses by insinuating that they were unpatriotic and disloyal despite their lengthy and distinguished careers and the fact that they had conducted their own internal investigation and found no evidence to support the charges. Further insulting the Army's leadership, McCarthy simultaneously sought to bribe them to release one of his staffers (G. David Schine) from active duty after he received a draft notice during the course of the hearings. When Army Counsel John Adams leaked evidence of the senator's corrupt activity, McCarthy responded by blaming the incident on the military and insisting that Congress publicly investigate the Army. During the course of those hearings—in the summer of 1954—the senator famously attacked the Army's attorney Joseph N. Welch, suggesting that he was an associate of communists and by impugning the character of a young lawyer, despite an earlier agreement not to discuss the subject. The now-infamous exchange (in which an exasperated Welch asked McCarthy—the embodiment of the anticommunist movement—"have you left no sense of decency?") touched off a national debate about

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the Cold War (Nashville: Vanderbilt University Press, 2014); Phillip Deery, Red Apple: Communism and McCarthyism in Cold War New York (New York: Fordham University Press, 2014); Carl T. Bogus, Buckley: William F. Buckley, Jr. and the Rise of American Conservatism (New York: Bloomsbury Press, 2011).

the state of American anticommunist politics.⁴⁸ Whereas most citizens had been afraid to criticize the counter-subversive movement before the Army-McCarthy hearings for fear that they would be accused of being communist sympathizers, a majority of Americans had come to disapprove of the Wisconsin senator's actions by December 1954 according to Gallup researchers.⁴⁹ That spring, CBS news anchor Edward R. Murrow also spoke out against McCarthyist politics, as did *Time* magazine which ran a cover story on the dangers of men like Roy Cohn (McCarthy's key aide) and G. David Schine.⁵⁰

Outside Senate politics, liberals also began pushing back against the bellicose anticommunism of the late 1940s and early 1950s. In the embattled field of higher education, the American Association of University Professors voted to rollback the membership restrictions that had once prevented teachers accused of Communist Party affiliations or sympathies from joining the organization. (Before it was overturned in 1956, universities across the country used the professional association's position to support dismissals of purported communist sympathizers).⁵¹ Film producer and actor Kirk Douglas helped to end the Hollywood Blacklist in 1960 when he hired Dalton Trumbo—a writer accused of communist ties—to serve as a screenwriter for his movie *Exodus*. (Despite the protests of ardent anticommunist organizers—like the Legion—the film was nominated for three Academy Awards).⁵²

⁴⁸ On the decline of Joseph McCarthy, see, Powers, *Not Without Honor*, 266-79; Morgan, *Reds*, 457-99.

⁴⁹ Senator Joseph McCarthy's approval ratings are a highly imperfect measure of national attitudes toward bellicose anticommunism generally given that the lawmaker suffered a personal, public relations crisis during this period. However, because the crisis stemmed directly from his anticommunist position (and was seen by contemporaries as a political misstep) it remains a useful indicator of the country's mood vis-à-vis this type of politics. Gallup Organization – AIPO. (October 1954). Gallup Poll [USGALLUP.54-534.Q23.]. Cornell University, Ithaca, NY: Roper Center for Public Opinion Research, iPOLL [distributor].

⁵⁰ Powers, Not Without Honor, 268; Morgan, Reds, 477.

⁵¹ Powers, *Not Without Honor*, 274.

⁵² Ibid.

As American culture began to shift away from the red-baiting of first half of the decade, the court system also reaffirmed the country's legal commitment to civil liberties. On June 17, 1957—or "Red Monday"—the Supreme Court handed down four decisions, finding that government had violated the plaintiffs' civil rights in the course of subversive activities' investigations in all of the cases. In *Watkins v. United States* and *Service v. Dulles*, the court held that the state had to abandon some of its most draconian counter-subversive activities, including questioning congressional witnesses about their personal lives and terminating government employees based on their political beliefs. ⁵³

Despite the developing political and cultural consensus that the McCarthyism of the late 1940s and early 1950s had gone too far in stifling personal freedoms, the Legion doubled down on its support for radical anticommunism during the second half of the decade, emerging—alongside the John Birch Society—as one of the country's most virulent group of red-baiters. During this period, the Americanism Commission developed extensive lists of enemies (including organizations ranging from the ACLU to UNESCO, as well as the names of thousands of individuals with purported communist ties) which it published regularly in order to warn local posts and members about potential subversives. While the NEC's favorite targets included the usual subjects of red-baiting—namely, State Department officials, civil liberties' activists, university professors, Hollywood stars, and journalists, the Legionnaires also attacked more sympathetic figures like local teachers and charity groups for being "weak on communism." These indictments of neighborhood educators and fundraisers shocked many Americans who began to question the Legion's values. Reporting on a Virginia

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⁵³ Elizabeth J. Elias, "Red Monday and Its Aftermath: The Supreme Court's Flip-Flop Over Communism in the Late 1950s," *Hofstra Law Review*, Vol. 43, No. 1 (2014): 207-27.

post's attack on a local school board, the editors of the Washington Post warned against the veterans' radicalism, arguing that "loyal, decent Americans must not allow the battle against communism to be exploited by slimy adherents of the lunatic fringe who are not sincerely interested in combatting communism at all."54 The New Journal and Guide responded similarly when the NEC accused the Girl Scouts of America of promoting communism in its Scouts Handbook. Horrified, the newspaper called the incident "a new low for the American Legion... [which had] out 'McCarthied McCarthy,'" a feeling shared by hundreds of Americans who sent letters to the organization challenging their views.⁵⁵ Potential members also echoed this sentiment, telling reporters that they would not join the organization because they did not "like what the Legion stands for." ⁵⁶

By the early 1960s, after the Legion's enrollment figures had fallen by more than half a million from their 1946 peak, the NEC finally acknowledged the need to moderate its anticommunism in order to maintain the organization's political and cultural relevance. In 1963—following decades of proud red-baiting—representatives of the Americanism Commission to the All-American Conference to Combat Communism located their organization to the "moderate middle" of the "radical right." Casting aspersions on extremists that "argue from rigid ideological points of view," the Legionnaires argued that they now believed instead in "maintaining open positions and [in the] free discussion of issues."⁵⁷ In dramatically revising the Legion's approach to anticommunist politics at the inter-organizational convention, the Americanism

⁵⁴ R.F. Connell, "Textbook Censors," Washington Post, 31 January 1953, 8. Emphasis Added.

⁵⁵ John B. Tenderson, "In Defense of the Girl Scouts of America," New Journal and Guide, 21 August

⁵⁶ James P. Calhoun, "How Stands the Legion?," *American Legion Monthly*, Vol. 52, No. 1 (January 1952): 25. ⁵⁷ Powers, *Not Without Honor*, 306.

Commission's representatives signaled their understanding that the committee's older, style of red-baiting no longer served the group's larger aims of increasing enrollment figures and advancing veterans' causes. Unfortunately for the Legion, this realization came too late. By 1964—a year before the first ground forces were deployed to Vietnam—the Legion barely represented ten percent of the nation's total veteran population, down from nearly 27% before World War II.

IV.

While the Legion's perceived mishandling of the POW situation and growing perceptions of its anticommunist extremism hurt the organization with some potential enrollees, the group's national political profile was most damaged during this period by its association with a developing corruption case. Although the Legion was not itself at the center of the investigation, the organization's reputation was badly damaged by a scandal involving accusations of widespread fraud in the disbursement and use of the 1944 GI Bill by Veterans Administration (VA) officials and ex-service members. As the GI Bill's progenitor and chief supporter, the Legion was inextricably linked to the program's successes and failures. While the NEC readily accepted praise from GI Bill supporters for the programs many successes, the leadership board refused to acknowledge the real legal loopholes underlying the largely embellished fraud charges. As a result, as the corruption investigation grew during the early 1950s and a select congressional investigating committee reported on VA malfeasance, the Legion seemed increasingly out-of-touch with the realities of veterans' benefits disbursement. To many Americans

and their elected officials, the corruption scandal—and the Legion's response to it, seemed to signal the need for greater government oversight in veteran policymaking.

Almost immediately after President Franklin Roosevelt signed the GI Bill on June 22, 1944—and then the Veterans' Preference Act five days later—a diverse cross-section of Americans (including labor unions, women, fiscal conservatives, and education experts) began to protest the laws on the grounds that they unfairly advantaged ex-service members over non-veterans, violating the latters' equal protection rights. During this period, veterans' rights opponents employed a variety of tactics designed to slow or stop the implementation of the new programs. Legal challenges showed themselves to be the most effective means of containing (and in some instances, actually rolling back) expansive readings of the GI Bill. For example, in the landmark veterans' benefits case Fishgold v. Sullivan Drydock, the Supreme Court found that the private industry could not advance a superseniority construction of veterans' reemployment rights in the workplace, a key concern for labor unions. Circumscribing the Selective Service System's interpretation of the GI Bill, the court ruled that veteran hiring and promotions had to be made in the context of an employer's existing seniority system—striking a major blow to the Legion's campaign for "absolute [veteran] priority" in workplace advancement.58

While labor unions and citizen groups filed legal challenges against the GI Bill, education experts (who had long opposed the program's university and training entitlements on the grounds that they would dilute the academy by opening up higher education to lower class Americans) and fiscal conservatives (concerned about the law's

⁵⁸ Fishgold v. Sullivan Drydock, 328 U.S. 275 (1946).

cost) attacked the program in the court of public opinion, prospectively suggesting—before the law could even take effect—that veterans would use their government funds fraudulently. Speaking with the *New York Times* in January 1945, Dr. J.A. Humphreys of Wilson Junior College in Chicago captured the concerns of many higher education officials when he warned that "all signs indicate that 'fly by night schools' will become more numerous within the next few years" as overcrowding at "legitimate colleges" forces veterans to enroll at "racketeer" institutions. Dr. Leonard V. Koos, an education expert at the University of Chicago was even more direct, predicting that "quack colleges" where "the profit motive concerns them more than do professional standards" were the new frontier in higher education. ⁵⁹

Despite early concerns about the quality of the new universities founded to meet the growing veteran demand, the college benefit quickly became the most popular part of the GI Bill and was embraced by both veteran users and education providers. ⁶⁰

Beneficiary enrollment peaked in 1947 with nearly one million registrations. Education experts' dire predictions of universities run amuck never manifested; instead, new college administrators largely modeled their application and enrollment procedures on those of their peer institutions, creating stability—rather than chaos—in the higher education market. During the late 1940s, as these standards became further entrenched, the VA

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⁵⁹ Benjamin Fine, "'Quack' Schools Seek GI Tuition, Junior College Survey Reveals," *New York Times*, 19 January 1946, 1.

⁶⁰ The Title II college benefit is the best studied of all the GI Bill entitlements. See, Suzanne Mettler, *Soldiers to Citizens: The G.I. Bill and the Making of the Greatest Generation* (New York: Oxford University Press, 2005); Altschuler and Blumin, *The G.I. Bill*, 85-148; Frydl, *The G.I. Bill*, 303-51; Christopher P. Loss, *Between Citizens and the State: The Politics of American Higher Education in the 20th Century* (Princeton, NJ: Princeton University Press, 2011), 91-120; Keith W. Olson, *The GI Bill, the Veterans, and the Colleges* (Lexington: University of Kentucky Press, 1974); Hilary Herbold, "Never a Level playing Field: Blacks and the GI Bill," *Journal of Blacks in Higher Education*, Vol. 6 (Winter 1994-1995): 104-08. For a detailed study of the "below-college level" Title II programs, see, Mettler, *Soldiers to Citizens*, 77-120.

came to rely on college officials to select applicants, set fair tuition rates and measure veterans' degree progress for the agency. ⁶¹

However, as government and public confidence in the university entitlement grew, loopholes in the law's so-called "below-college level" programs (including, most notably, vocational training—as well as in the much smaller on-the-job and on-the-farm apprenticeship initiatives) became increasingly apparent. By the fall of 1949, enrollment in vocational training programs outpaced college attendance for the first time, a trend that would continue for the duration of the GI Bill's claim period. To meet this explosive demand, entrepreneurs set up trade schools overnight across the country that specialized in teaching veterans a range of skills—from cosmetology to car repair to carpentry. Whereas only 35 schools had opened their doors for the first time in 1944, 1,898 schools began admitting students in 1946; 1,812 opened in 1947; 970 were founded in 1948; and an additional 1,687 began admitting students in 1949. By October 1949, 17,459 institutions received VA funding for below college level training programs. Unlike universities, there was no accreditation process to vet the new vocational institutions or to ensure the quality of existing facilities, a problem compounded by the fact that there were no industry standards for tuition rates or curriculum (like those that existed at the university level) to help prevent abuses. Instead, as the Government Accountability Office (GAO) later summarized, the common practice at the VA was to "accept any school that applied" to participate in the GI Bill program. Without any oversight

⁶¹ General Accounting Office Report of Survey-Veterans' Education and Training Program: Report by the Chief of Investigations of the General Accounting Office of a Survey of Operations of the Veterans' Administration Relating to Education and Training under the Act of 1944, Known as the 'GI Bill of Rights, Y4.V643.Ed86 (Washington, DC: Government Printing Office, 1951).

mechanisms, any school—regardless of its quality—was able to enroll interested veterans in its training program and then send the VA a bill for training services rendered.⁶²

This poorly managed system was the perfect target for abuse by both the training academies and the veteran attendees. During the late 1940s and early 1950s, newspapers across the country were filled with reports of corruption within the vocational training programs. In a typical example, the *New York Times* ran a May 1948 story on the taxpayer costs of ballroom dancing after reporters discovered that the VA had spent \$180,000 so far that year training 627 veterans to waltz. 63 A Washington Post reporter was similarly outraged to learn that hundreds of New York veterans had used their government stipends to enroll in a "school of personality." 64 In another particularly egregious case, the Norfolk Journal and Guide profiled a Chicago reverend who was convicted of defrauding the VA \$16,969 for falsely inflating attendance figures at his Illinois School of Tailoring in order to receive government compensation for educational supplies that he never purchased.⁶⁵ The church leader's theft seemed to pale in comparison, however, to the FBI's high profile bust of a Charlotte, North Carolina beauty school scheme that had defrauded the VA out of more than half a million dollars in tuition payments between 1946 and 1951. In February 1951, law enforcement officials indicted Mrs. Ola Mae Forte Hill and 41 of her students on charges of conspiracy to

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⁶² U.S. House, Select Committee to Investigate the Educational, Training, and Loan Guaranty Programs under the G.I. Bill. *Report of Select Committee to Investigate the Educational, Training, and Loan Guaranty Programs under the G.I. Bill* (H.Rpt.3253). (Washington, DC: Government Printing Office, 1951).

^{63 &}quot;VA Demands Value for GI School Pay, New York Times, 4 May 1948, 28.

⁶⁴ "Dancing Veterans, Washington Post, 18 April 1946, 8.

^{65 &}quot;Pastor out on Bond in Fraud Case," Norfolk Journal and Guide, 18 September 1948, 17.

defraud the government for falsely enrolling in courses in order to charge the government for tuition and stipend payments.⁶⁶

As public outrage over the misuse of taxpayer money grew, government officials made feeble attempts to stymy the flood of corruption. Two years into its administration of the program, the VA finally identified its tuition payment system as a key target of fraud. Because schools were not required to provide any cost assessment data to the government, institutions were free to set their own student fees, costs that the institutions then passed onto the VA. Because the agency met these prices without question, the academies were highly incentivized to raise tuition prices. As a result, enrollment fees for below-college level training programs spiked after the war. (Tuition rates did increase slightly at universities as well; however, a GAO study of this phenomenon concluded that rate increases at colleges were checked by well-established enrollment norms at these institutions). On July 1, 1948, the VA finally adopted a new rule requiring school directors to report line item cost information to the agency for review, allowing VA regional officers to determine "fair and reasonable" compensation. Although the move inflamed educators who had profited in the unregulated postwar education marketplace, it had little impact on the program's bottom line as overworked VA agents did not have sufficient time to negotiate contracts with schools and therefore, largely failed to do so. 67 By 1950, the overspending had become so great—the VA estimated that it had paid out an extra \$43 million during 1947 in clerical errors alone—that

⁶⁶ "U.S. Arrests GI Beauty School Head, *Chicago Defender*, 28 April 1951, 4; "41 Male Beauty College Students Arrested for Fraud," *Norfolk Journal and Guide*, 28 April 1951, A7.

⁶⁷ General Accounting Office Report of Survey-Veterans' Education and Training Program: Report by the Chief of Investigations of the General Accounting Office of a Survey of Operations of the Veterans' Administration Relating to Education and Training under the Act of 1944, Known as the 'GI Bill of Rights, Y4.V643.Ed86 (Washington, DC: Government Printing Office, 1951).

Truman was forced to address the failures. In a message to Congress, the president noted that although the contributions stemming from the 1944 bill were very "great," it "is [was] clear that the recent rapid increase in trade and vocational training has included training of less than acceptable quality."

Responding to the drumbeat of fraud and corruption accusations, Texas Democratic representative Olin "Tiger" Teague—a nickname bestowed for the congressman's ferocity on the high school football field—called for an investigation of the VA-funded educational and vocational training programs on February 15, 1950. Born to farmers in 1910, Teague's family lost its Oklahoma property during the droughts of the 1930s, a tragedy that was compounded by the death of the congressman's father, James, in 1935 while Teague was an underclassman at Texas A&M University. The losses forced the future congressman to accept a fulltime job which he worked throughout college in order to cover his tuition, instilling in Teague a deep belief in the importance of self-reliance. He then joined the Army in 1940 and was deployed to Europe where he participated in the Normandy invasion and became the second most decorated American combat soldier in the Second World War. After demobilization, Teague ran for Congress and was elected to the House to serve as the representative for Texas's sixth district. In light of his military history, Teague was appointed to serve on the House Veterans' Affairs Committee where he became a dominant force over the next 30 years.⁶⁹

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⁶⁸ Harry S. Truman, Message from the President of the United States Transmitting Reports by the Administrator of Veterans' Affairs and the Director of the Bureau of the Budget Relative to the "Original Sound Intent of the Servicemen's Readjustment Act" (H.Doc.466). (Washington, DC: Government Printing Office, 1950).

⁶⁹ Sarah Jane Glazier, *Olin E. Teague, Democratic Representative from Texas* (Washington, DC: Grossman, 1972); Alec Philmore Pearson, Jr., "Olin E. Teague and the Veterans' Administration," (PhD diss., Texas A&M University, 1977), 1-30; Boulton, *Failing our Veterans*, 35.

Teague was a both southern Democrat—deeply committed to a racist application of states' rights doctrine—and a fiscal conservative—determined to reduce bloated New Deal budgets. In this way, he shared much in common with the Republican wave that swept the 1946 midterms. The GOP dealt a heavy blow to President Harry Truman's Fair Deal that election, winning majorities in both the House and Senate for the first time since 1928 on promises to cut spending. For his part, Teague was particularly concerned with the rapidly growing cost of veterans' programs. As he explained in a letter to a constituent,

Our country has gone too far down the road where everyone and every group is looking for something for nothing; and everyone wants economy until it touches them personally. The veteran group is fast becoming the largest single segment of our population, and have [sic] long been one of the strongest pressure groups the country has had. But just because they represent that patriotic portion of our society, I can see no just cause for disrupting our entire national economy by wrapping up the entire budget and tie [sic] it with a ribbon and pass it over to them.⁷¹

News accounts of GI Bill fraud and overspending deeply concerned the congressman who believed that veterans' benefits were unsustainable in their current form. On August 16, 1950, Teague got his chance to tackle the issue when the House voted to pass Resolution 474 creating a nine-member committee—led by Teague—to study the "alleged abuses in the education and training program of World War II veterans..."

⁷⁰ Ken Hechler, "What President Truman Thought of Congress and How He Chose to Deal With It," in *Congress and Harry S. Truman: A Conflicted Legacy*, ed. Donald A. Ritchie (Kirksville, MO: Truman State University Press, 2011), 6. For a detailed study of Teague's 1946 campaign, see, Pearson, "Olin E. Teague," 22-31.

⁷¹ Letter from Olin Teague to George Schubert, 10 June 1952, Texas A&M University, Olin E. Teague Papers, Box 72, Folder 230-3, cited in Boulton, *Failing our Veterans*, 37.

⁷² The following officials were chosen to serve on the House Select Committee to Investigate Educational Training and Loan Guaranty Programs Under the GI Bill: Olin E. Teague, Chairman (D-TX), Clair Engle (D-CA), Joe L. Evins (D-TN), Earl Chudoff (D-PA), Harold Patten (D-AZ), Alvin F. Weichel (R-OH), J. Glenn Beall (R-MD), Hubert B. Scudder (R-CA), and Thruston Ballard Morton (R-KY). Oliver E. Meadows served as the committee's staff director and James E. Flannery was the group's research analyst. (All of the select committee members were veterans except Engle and Scudder who sat on the House Veterans' Affairs Committee). Congress, House, Select Committee to Investigate Educational, Training,

Despite its mandate to study all VA-run educational programs, the Teague Committee elected to focus its investigation on the below college level training programs that had received so much public scrutiny over the past five years. Based on the testimony of VA officials, schools administrators, and veterans in hearings held across the country throughout December 1950, the Teague Committee concluded that GI Bill abuses were ultimately made possible by administrative failures at the VA. In its final report, Teague and his colleagues suggested that VA administrators had simply been overwhelmed by the task of implementing and overseeing the massive 1944 law which required the agency to assume significant roles in a breadth of policy areas including housing, agriculture, and education where its staff had little prior experience. Unfortunately, rather than seeking the guidance of experts in those fields, the investigators found,

little evidence which indicates that the Veterans' Administration sought the advice and assistance of established educational groups in organizing the vocational rehabilitation and educational service and establishing its policy. In fact, officials of the United States Office of Education have stated that they have no knowledge of any contacts or inquiries from the Veterans' Administration which would utilize the facilities or experience of that agency.... Through all echelons of the Veterans' Administration framework, the committee has found personnel lacking the education and experience necessary to qualify them as administrators of an educational program.⁷³

For example, in one instance, the original supervisor of a regional Training Facilities

Section—the agent responsible for overseeing curriculum development—had been

deemed qualified for the position based on one year of work as a machinist. He had no

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and Loan Guaranty Programs under the GI Bill, "Investigation of GI Schools" Hearings before the Committee to Investigate Educational and Training Program under GI Bill Created Pursuant to H.Res. 474, 81st Cong., 2nd sess., December 4, 1951. On the Teague Committee. See also, Frydl, *The GI Bill*, 294; Boulton, *Failing Our Veterans*, 36-41.

⁷³ U.S. House, Select Committee to Investigate the Educational, Training, and Loan Guaranty Programs under the G.I. Bill. *Report of Select Committee to Investigate the Educational, Training, and Loan Guaranty Programs under the G.I. Bill* (H.Rpt.3253). (Washington, DC: Government Printing Office, 1951).

college education or experience in school administration. This level incompetence was representative of the bureau as a whole and contributed to a second failure, the committee argued: insufficient oversight over training programs.

As case officers adjusted to their new roles, they had struggled to keep pace with the explosion in the number of vocational training programs, forcing the VA to switch from a model of regional supervision to self-reporting, making it very easy for veterans and third-parties (like educational institutions) to abuse the program by passing on inflated costs to the government, the committee concluded. In one particularly egregious example of this kind of cheating, the committee described how the C. & E. Marshall Co.—a supplier of watchmaking materials—had conspired with horological training schools across the country to set up fake companies to purchase its supplies at steep (90 percent) discounts. The dummy corporations then sold the materials to the schools at full price—creating false paper trails which the schools had used to charge the VA the marked-up rate before sharing the profits with C. & E. Marshall.

The hearings also revealed that VA officials were notable abusers of the system themselves. After the agency began requiring schools to submit cost information for analysis and negotiation in the summer of 1948, a handful of case officers leveraged the situation to extort school administrators, promising that they would not reduce tuition levels in exchange for goods and services. In one instance, several Texas administrators banded together to buy a local case officer a Buick in exchange for refraining from increasing tuition rates at their schools. In another case, a VA employee accepted two \$4,000 loans from the owner of 17 private schools to do the same.⁷⁴

⁷⁴ Congress, House, Select Committee to Investigate Educational, Training, and Loan Guaranty Programs under the GI Bill, "Investigation of GI Schools" Hearings before the Committee to Investigate Educational

While this kind of testimony horrified Teague Committee investigators who were stunned by the audacity of some of the perpetrators, the actions of the people behind frauds like the C. & E. Marshall Co. dummy corporation scam were outliers. The vast majority of GI Bill beneficiaries and VA officials used and administered the program as Congress intended: to support the reintegration of World War II veterans into the civilian workforce. Nevertheless, despite the fact that research clearly demonstrated the positive impact that university and below-college level training programs had on advancing this goal (economists credited these Title II initiatives with helping to thwart a postwar depression and sociologists found that veterans who used their educational benefits had greater class outcomes), GI Bill opponents argued that the law had become a tool for funneling illegal money to veterans and greedy third parties.⁷⁵

The program's supporters struggled to push back against the growing perception that the GI Bill had been corrupted by greedy ex-service members and partner institutions. Testifying before Congress, VA Administrator Carl Gray, Jr. stressed how the agency had overseen the most successful readjustment in American history by raising the education level of millions of beneficiaries and delivering training in the kinds of specialized skills that would help the United States to win the Cold War. When pressed

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and Training Program under GI Bill Created Pursuant to H.Res. 474, 81st Cong., 2nd sess., December 4, 1951.

⁷⁵ U.S. House, Committee of Veterans' Affairs of the U.S. House of Representatives, *Veterans' Benefits in the United States: A Report to the President By the President's Commission on Veterans' Pensions*. (Washington, DC: Government Printing Office, 1956).

by lawmakers on the corruption charges, Gray fired back, suggesting that Congress had written any flaws or loopholes into the original GI Bill—not the VA.⁷⁶

The Legion's Legislative Committee—which had drafted the law—was similarly unwilling to assume responsibility for any of the reported failures, arguing that it was third party administrators, not veterans, who had facilitated any fraudulent benefits usage. As Legion National Rehabilitation Commission Spokesman Cecil H. Munson argued before the House Veterans' Affairs Committee, "Every abuse which can be traced directly to the veteran has been made possible because some Veterans' Administration manager or supervisor; a school teacher, supervisor, or superintendent; a college professor, dean, or president; or some State agency... has been negligent in permitting conditions to develop which brought the veteran into disrepute."⁷⁷ Because the veterans were not themselves responsible for any of the corruption that may have stemmed from the bad actions of greedy educators, Munson argued ex-service members should not be punished for any misuse of GI Bill funds that Congress or law enforcement officials uncovered. This fear—that veterans would be held accountable for the corruption scandal in the form of decreased benefits—terrified Legion leaders who recognized the potential power of the investigation to undermine their political gains. Munson belied this concern throughout his testimony as he reiterated the claim that "malpractices on the part of schools and State agencies can[not] be controlled... through a curtailment of veterans' training benefits."⁷⁸

⁷⁶ Charles A. Quattlebaum, *Educational Benefits for Veterans of the Korean Conflict (Or Active Duty Service on or After June 27, 1950)*, CRS Report No. RL20742 (Washington, DC: Government Printing Office, 1952).

⁷⁷ Congress, House, Committee on Veterans' Affairs, Hearings Before the Committee on Veterans' Affairs on Bills Seeking to Provide Education and Training and Other Benefits for Veterans Who Serve on or After June 27, 1950, 82nd Cong., 2nd sess., February, 6-28 and March, 4-11, 1952.
⁷⁸ Ibid.

The Teague Committee's January 1951 report did not call for the rollback of any GI Bill provisions as the Legion had feared. First, the committee understood that any such recommendation would be largely ineffective. Most of the program's beneficiaries had already taken advantage of the law; therefore, it would be a mostly empty gesture to begin closing loopholes shortly before the program was set to expire. Second, by the time the Teague Committee began its backward-facing investigation in the summer of 1950, global events had outpaced the congressmen's reexamination of World War II veteran policy. At sunrise on the morning of Sunday, June 25, 1950, the North Korean Army launched a multi-prong invasion of the Republic of Korea—an American ally with the aim of reuniting the peninsula under Communist control.⁷⁹ Determined to contain communism in the north, President Harry Truman came immediately to the aid of the South Koreans. 80 At his behest, the UN Security Council voted to condemn the attack hours after it began. The following day, Truman ordered American air and naval forces stationed in Japan to fire on the advancing forces; three days later, he asked those units to begin targeting sites in North Korea as well. Five days after the initial invasion, Truman deployed the first ground forces to assist the embattled Republic of Korea Army. Between June 27, 1950 (when Truman mobilized the first American forces) and July 17, 1953 (when the United States signed an armistice ending hostilities), 1,789,000

⁷⁹ On the global origins of the Korean War, see for example, Bruce Cummings, *The Origins of the Korean War Volume I: Liberation and the Emergence of Separate Regimes*, 1945-1947 (Princeton, NJ: Princeton University Press, 1981); Bruce Cummings, *The Origins of the Korean War Volume II: The Roaring of the Cataract, 1947-1950* (Princeton, NJ: Princeton University Press, 1990); Steven Hugh Lee, *The Korean War* (Harlow, England: Longman, 2001); John Merrill, *Korea: The Peninsular Origins of the War* (Newark, DE: University of Delaware Press, 1989).

⁸⁰ On the origins of American involvement in the Korean War, see, Peter Lowe, *The Origins of the Korean War, Second Edition* (New York: Longman, 1997); Michael J. Hogan, *A Cross of Iron: Harry S. Truman and the Origins of the National Security State, 1945-1954* (New York: Cambridge University Press, 1998); Melvyn P. Leffler, *A Preponderance of Power: National Security, the Truman Administration, and the Cold War* (Stanford, CA: Stanford University Press, 1992); James I. Matray, *The Reluctant Crusade: American Foreign Policy in Korea, 1941-1950* (Honolulu: University of Hawaii Press, 1985).

Americans served in theater. Nearly six percent of those service members were wounded during their deployments; 54,246 were killed.⁸¹

Given the scale of the American intervention, the question of whether or not veterans of the Korean conflict should receive benefits comparable to those disbursed under the 1944 GI Bill quickly emerged as a critical concern for policymakers, service members, and their advocates. Unsurprisingly, the issue dominated the Teague Committee's 1951 report. As the chairman explained when introducing the lawmakers' findings, during the course of its investigation the committee's mission evolved from a "post mortem examination of a program which has served its purpose" to a "challenge... to diagnose the ills afflicting the living program which must be made healthy in order to serve the needs of those men and women who are made whole once more fighting for their country." As the committee's focus shifted toward an effort to craft policy for a new generation of ex-service members, the group pledged itself to "preserve what was good" while also "courageously eliminat[ing]whatever waste and abuses could be unearthed," confirming the Legion's greatest fear, that policymakers would use the fraud scandal as a pretext to rollback benefits for a new generation of veterans. 82

By the early 1950s—as Congress and the Truman White House took up the issue of benefits policymaking for Korean War veterans—the Legion was no longer the

^{81 &}quot;America's Wars Fact Sheet," Department of Veterans Affairs, May 2016, www.va.gov/opa/publications/factsheets/fs_americas_wars.pdf. Korean casualty rates were much higher. 217,000 military personnel died during the war while 1 million civilians were killed. 406,000 North Korean military personnel were killed and 600,000 died during the conflict. 600,000 Chinese soldiers also died during the war. "Korean War Fast Facts," CNN, 21 June 2016, Accessed 7 February 2017, www.cnn.com/2013/06/28/world/asia/korean-war-fast-facts/.

⁸² U.S. House, Select Committee to Investigate the Educational, Training, and Loan Guaranty Programs under the G.I. Bill. *Report of Select Committee to Investigate the Educational, Training, and Loan Guaranty Programs under the G.I. Bill* (H.Rpt.3253). (Washington, DC: Government Printing Office, 1951).

indomitable organization that it had been a decade earlier when the NEC had easily outmaneuvered the Roosevelt administration's New Dealers to advance the GI Bill over the president's objections. Embattled by several developing organizational, public relations, and political problems (including the collapse of victory culture, growing aversion to the organization's bellicose brand of anticommunism, and the vocational training program scandal), the Legion's reputation suffered at mid-century. Whereas elected officials, VA agents, and the public had once looked to Legionnaires as experts in the field of veteran policymaking, the organization increasingly appeared out of touch with current political and cultural realities. As a result, the NEC entered the debate over the future of Korean War veterans' benefits from a position of weakness at the same time that the state was building an increasingly robust case in favor of curtailing benefits based on arguments about the fraudulent use of 1944 GI Bill funds and—most importantly—the projected growth of federal veterans' expenditures.

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Having identified the VA's lack of regulatory control over the vocational training program as a major flaw in the 1944 law, Teague requested that his committee be extended for another year to continue its investigation into the issue in order to help close this—and other—loopholes in future legislation. The House voted to reconstitute the Teague Committee at the start of the Eighty Second Congress for the explicit purpose of gathering information to help write a new benefits law for Korean War veterans.⁸³

⁸³ Congress, House, Select Committee to Investigate Educational, Training, and Loan Guaranty Programs under the GI Bill, Hearings before the House Select Committee to Investigate Educational, Training, and Loan Guaranty Programs under GI Bill, House of Representatives, 82nd Cong., 1st sess., December 4, 1951.

After conducting a second year of hearings on not only the vocational education program, but on the loan guaranty provisions of the GI Bill as well, the Teague Committee submitted its final report to the House on February 14, 1952. In it, the lawmakers argued that in order to deliver services to a new generation of returning exservice members without exposing the state to the types of abuses that the committee had uncovered, any new program should 1) raise accreditation standards for vocational schools; 2) increase the VA's oversight responsibilities; 3) mandate greater screening for VA personnel; and 4) reduce subsistence payments to veterans enrolled in all levels of educational programming in order to discourage beneficiaries who were not serious about training (and had only enrolled in courses in order to receive VA stipends) from registering for government-funded courses.⁸⁴

Teague introduced a benefits bill in early February reflecting his committee's proposals as well as two additional—more controversial—provisions. Whereas the VA had disbursed funds (up to \$500 a year) directly to educational institutions under the original GI Bill, Teague proposed that the VA begin making payouts directly to veteran beneficiaries who could then contract with schools independently (as long as the institutions met VA guidelines) as a means of encouraging former service members to economize in selecting their schooling. The congressman also proposed reducing the veteran's tuition allowance in order to force him to make a personal financial contribution to his education (something that had been eschewed by the framers of the 1944 law). Teague believed that this new payments method would not only save the

⁸⁴ U.S. House, Select Committee to Investigate the Educational, Training, and Loan Guaranty Programs under the G.I. Bill. *Report of Select Committee to Investigate the Educational, Training, and Loan Guaranty Programs under the G.I. Bill* (H.Rpt.1375). (Washington, DC: Government Printing Office, 1952).

government money by cutting outlays but would also trim spending by encouraging the veteran to select the most affordable education option as a means of protecting his own pocket. A VA review supported Teague's assessment. The agency estimated that Teague's cost-cutting measures would save the state almost \$19 billion over five years if adopted in lieu of extending the 1944 GI Bill to cover Korean War veterans as the Legion suggested. Before the state almost \$10 billion over five years if adopted in lieu of extending the 1944 GI Bill to cover Korean War veterans as the Legion suggested.

Education experts hailed the Teague Bill as an excellent means of insuring and growing the veteran-student's investment in his own education. The Office of Education, the American Council on Education, and the Association of Land-Grant Colleges and Universities all came out in support of the congressman's plan. As Union College and American Council on Education President Carter Davidson put it in a letter to a Congressional Research Service analyst:

The [American Council on Education] committee endorses a [the Teague] policy which would establish a scholarship grant or aid contract between the veteran and the Federal Government, leaving the educational institutions to face the veteran student in his financial relations on the same basis as students paying for their education without Federal assistance. The fact that the veteran will have to make some contribution of his own... is considered by the committee to be one of the salient and healthy features of this proposed legislation.⁸⁷

The Truman White House shared Teague's sensitivities to the cost of a new benefits package. Although Truman and his aides credited the 1944 program (namely the education and training provisions) with strengthening the postwar economy and helping

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Office, 1952).

⁸⁵ To Provide Vocational Readjustment and to Restore Lost Educational Opportunities to Certain Persons who Served in the Armed Forces on or after June 27, 1950, and Prior to Such Date as Shall be Fixed by the President or the Congress, H.R. 6425, 82nd Cong. (1951).

NA officials estimated that Teague's program would cost approximately \$3.6 billion compared to the \$22 billion that it would cost to extend the 1944 GI Bill to cover Korean War ex-service members. Letter from Carl R. Gray, Jr. to John Rankin (H.Doc.249). Washington, DC: Government Printing Office, 1952.
 Charles A. Quattlebaum, Educational Benefits for Veterans of the Korean Conflict (Or Active Duty Service on or After June 27, 1950), CRS Report No. RL20742 (Washington, DC: Government Printing

to avert a potential demobilization recession during the mid-1940s, the president's economic advisors and Bureau of the Budget (BOB) Director Frederick Lawton argued that the same economic conditions no longer existed. As Truman explained in a letter to Legion National Commander Egbert "Erle" Cocke, Jr.,

"The situation that will confront them [returning Korean War veterans] and all the rest of us is going to be different in many ways than anything we have faced before.... As they return, these young people will not be faced with a specter of postwar unemployment—as was feared when the GI Bill was passed. Instead, they will come back to an economy which badly needs their services—an economy running full tilt to sustain a continuing defense effort along with civilian production."

With job opportunities abundant, Truman argued that there was no need for an aid package on the scale of the earlier program. BOB Director Lawton echoed the president's comments in a statement to the Congressional Research Service further clarifying the administration's view that "the World War II GI Bill was designed for a relatively short period of mass demobilization following an all-out war, when it was expected that there would be considerable unemployment as a result of economic readjustment. On the other hand, veterans of the current emergency will be released in far smaller numbers over a much longer period of time into an economy running full tilt to meet defense needs. *This changed situation indicates the necessity for a new approach to the readjustment problem.*" In other words, the White House argued that readjustment benefits were primarily useful as an economic tool to alleviate demobilization recessions—a threat that did not currently exist. 89

Instead, the Truman administration worried that the real economic threat came not from demobilization but from the cost of readjustment benefits themselves which the VA

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⁸⁸ Ibid.

⁸⁹ Ibid.

and Labor Department projected would reach at least \$22 billion over the next several years if the legislature did not make Teague-style reforms and instead passed a new GI Bill for Korean War veterans on the scale of the 1944 law as the Legion demanded.⁹⁰

To make matters worse, Truman explained in a message to Congress, the military had begun to dramatically increase its peacetime force with the dawn the Cold War, so that "before many years, nearly all the population may be veterans or dependents of veterans." With this transformation, BOB Director Lawton suggested that any new veteran aid package "[was] likely to become a semipermanent [sic] part of our Federal system of benefits." Given the anticipated scope of the program, Truman argued that "only the special and unique needs of servicemen and their dependents arising directly from military service should be provided for in special veterans' programs," insisting that the rest of the serviceman's needs ought to be covered by welfare programs serving the whole population. Underscoring the administration's commitment to reigning in spending on a new GI Bill, Truman reiterated his cost concerns in a message to attendees of the Legion's 1951 national convention. In a brief statement, the president affirmed his support for a readjustment package but cautioned that any aid must be disbursed with an eye toward current economic and global conditions. With the Cold War intensifying,

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 ^{90 &}quot;Fact Book on Veterans' Readjustment Benefits and Related Problems," President's Commission on Veterans' Pensions, 24 October 1955, DDEPL, U.S. President's Commission on Veterans' Pensions Records (hereafter USPCVPR), Box 67, Fact Book on Readjustment Benefits and Related Problems.
 91 Harry S. Truman, Budget Message of the President, The Budget of the United States Government for the Fiscal Year Ending June 30, 1952 (H.Doc.17). (Washington, DC: Government Printing Office, 1951).
 92 Charles A. Quattlebaum, Educational Benefits for Veterans of the Korean Conflict (Or Active Duty Service on or After June 27, 1950), CRS Report No. RL20742 (Washington, DC: Government Printing Office, 1952).

⁹³ Harry S. Truman, *Budget Message of the President, The Budget of the United States Government for the Fiscal Year Ending June 30, 1952* (H.Doc.17). (Washington, DC: Government Printing Office, 1951).

Truman argued the country could not afford to extend World War II era benefits to mushrooming generations of veterans.⁹⁴

While Teague's bill found strong support in a White House concerned about the financial implications of constant war, the congressman's cost-cutting measures enraged veteran organizers who argued that Teague's frugality would cheat Korean War exservice members out of their rights to a post-service education. Under the 1944 program, the state provided all eligible beneficiaries with up to \$500 per year (for four years) in tuition support. This level of funding was designed to cover enrollment fees at all of the nation's universities, including the country's most costly programs. In addition to receiving tuition assistance, World War II veterans had also been provided with stipends (\$75 per month for an ex-service member without dependents and \$105 per month for a veteran with dependents) to help cover their living expenses for 48 months as long as they remained enrolled full-time. By contrast, Teague's bill eliminated tuition assistance altogether and increased stipend payments with the intention that veterans would pay their enrollment fees with the extra funds. However, the increases were meager (\$110 per month for veterans without dependents and \$135-\$160 per month for ex-service members with families) and did not compensate for the elimination of tuition support. Moreover, Teague reduced the funding period from 48 months to 36 months, further decreasing the program's value to veteran recipients.

Speaking with a *New York Times* reporter about the Teague Bill, American Legion National Rehabilitation Commission Spokesman Cecil H. Munson lamented that

⁹⁴ SoP, Thirty Third Annual National Convention of the American Legion, 15-18 October 1951, ALL; John N. Popham, "Truman Requests Legion Aid U.M.T: Urges U.M.T. System," *New York Times*, 16 October 1951, 21.

many veterans would be unable to enroll in universities if the new GI Bill did not cover ex-service members' full cost of attendance. The Legionnaire expounded on this fear weeks later in testimony before the House Veterans' Affairs Committee on the Teague Bill's shortcomings. "Making the veteran pay one-half of his tuition will eliminate many veterans," Munson warned. "Ability is not measured in terms of dollars in a man's pocket, especially those returning from service." If Congress reduced the state's stipend caps (necessarily requiring the veteran to assume partial financial responsibility for his education), some academically gifted veterans will be denied the opportunity to pursue higher education at a time when their skills are needed most. The dawning Cold War had placed a premium on new scientific, technical, and language abilities, increasing the societal value of a new GI Bill, the Legionnaire argued. "We should recognize that there is a much greater need for the education or training of veterans of this emergency," Munson explained. 96

The Rehabilitation Commission Spokesman went on to question Teague's entire premise: that reducing expenditures and making payments directly to veterans would even help to eliminate the misuse of funds. "It seems to us unreasonable to attempt to control of [sic] abuses, through a plan of curtailment of benefits. These restrictions do not get at the heart of [the] abuses," which were caused not by veterans but by greedy educational institutions. "A good 'pure food law' in education which would eliminate the 'quacks' in education is the real need and curtailment of educational benefits to veterans in not going to accomplish this." Rather than "economiz[ing] at the expense of the

⁹⁵ "Legion to Demand G.I. Bill Extension," *New York Times*, 20 January 1952, 11; Benjamin Fine, "Education in Review," *New York Times*, 16 March 1952, E11.

⁹⁶ Congress, House, Committee on Veterans' Affairs, Hearings Before the Committee on Veterans' Affairs on Bills Seeking to Provide Education and Training and Other Benefits for Veterans Who Serve on or After June 27, 1950, 82nd Cong., 2nd sess., February, 6-28 and March, 4-11, 1952.

American veteran" (with little evidence of the approach's future success), Munson came out strongly in favor of extending the 1944 law with amendments to prevent enterprising trade school operators from taking advantage of an unregulated vocational education market. Under H.R. 5040—the so-called Rankin Bill (named after its sponsor House Veterans' Affairs Committee Chairman John Rankin)—Korean War veterans would receive benefits comparable to those disbursed to Second World War returnees. However, to prevent the types of fraud uncovered by the Teague Committee, Rankin proposed that trade schools only be accredited to receive VA funds if they enrolled at least 15% nonveterans, a financial safeguard intended to keep the quality of training high by requiring schools to appeal not only to government-funded GI Bill beneficiaries. 97

It had actually been the Legion's National Legislative Committee—not Rankin—that had drafted H.R. 5040 during the summer of 1950. Two weeks after the first U.S. deployments to Korea, Rankin reached out to the heads of veterans' organizations, federal agencies, and interested third parties (like educational associations) to solicit their feedback on the potential extension of GI Bill benefits to a new generation of exservicemen. Unsurprisingly, it was the Legion's National Legislative Director, Miles Kennedy, who had offered the most elaborate response to Rankin's questionnaire. Days after receiving the chairman's request, the Legion's NEC called an emergency meeting of its state department commanders at its headquarters in Indianapolis to evaluate the conflict's impact on veteran policy. At the July meeting, the assembled Legionnaires

⁹⁷ To Provide Vocational Readjustment and to Restore Lost Educational Opportunities to Certain Persons who Served in the Armed Forces on or after June 27, 1950, and Prior to Such Date as Shall be Fixed by the President or the Congress, H.R. 6425, 82nd Cong. (1951).

⁹⁸ Charles A. Quattlebaum, *Educational Benefits for Veterans of the Korean Conflict (Or Active Duty Service on or After June 27, 1950)*, CRS Report No. RL20742 (Washington, DC: Government Printing Office, 1952).

reaffirmed "the good being derived from the passage of the Servicemen's Readjustment Act of 1944" and voted unanimously to support the extension of GI Bill benefits to veterans of the current conflict. In his reply to the Veterans' Affairs Committee chairman, Legislative Director Kennedy went beyond simply conveying his organization's position; instead, he sent the congressman a copy of a bill that he had drafted ("The American Legion Omnibus Bill for Veterans of the Korean War") and asked Rankin if he would "be good enough to cause this bill to be introduced in the House as soon as possible." The congressman introduced Kennedy's proposal—H.R. 5040, or the "Rankin Bill"—two days later, on September 11, 1950.99

For the next two years, while the Teague Committee pursued its investigation of GI Bill abuses, the Legion campaigned actively in support of the Rankin Bill, calling for the extension of World War II era veterans' benefits to a new generation of service members on the grounds that government's obligation to Korean War veterans was "every bit as compelling and just" as it had been half a decade earlier. ¹⁰⁰ In order to build support for its position, the NEC used the new and growing medium of television to reach out to Americans more directly by broadcasting its annual meeting on the WFBM-TV and WTTV networks for the first time. During the telecasts, the NEC discussed the importance of extending generous readjustment benefits to veterans of the current war

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⁹⁹ Letter from Miles D. Kennedy to John E. Rankin, 11 September 1950, cited in Congress, House, Committee on Veterans' Affairs, Hearings Before the Committee on Veterans' Affairs on Bills Seeking to Provide Education and Training and Other Benefits for Veterans Who Serve on or After June 27, 1950, 82nd Cong., 2nd sess., February, 6-28 and March, 4-11, 1952; A Bill To Extend to Personnel of the Armed Forces on Active Military, Naval, or Air Service on or after June 25, 1950, Certain Benefits Provided by Law for Veterans of World War II, and for Other Purposes, H.R. 9644, 81st Cong., (1950); "Proposed Benefits for Korean Vets," *American Legion Monthly*, Vol. 49, No. 5 (November 1950): 25. ¹⁰⁰ "Legion Rehab Program Includes Full Rights for Korea Veterans, Cocke Tells Committee," *American Legion Monthly*, Vol. 50, No. 6 (June 1951): 34.

and passed Resolution 9, endorsing H.R. 5040—a position the National Convention affirmed five months later at its Miami gathering.¹⁰¹

Support for the GI Bill's extension (without Teague's proposed reductions) went beyond the Legion's members and auxiliary supporters. 102 According to a 1954 Elmo Roper poll, 81% of surveyed veterans believed that Korean War service members ought to receive the same educational benefits that had been disbursed to World War II soldiers. 103 As James D. Burshnick of Forest City, Pennsylvania explained in a letter to President Truman, "Many of my friends and I have just been or are soon to be discharged from the Armed Forces. We went into service after World War II and do not qualify for benefits of the old G.I. Bill of Rights, so we are now very interested in the passage of a new G.I. Bill. I would appreciate very much and my friends too if the bill is signed so that we can start to college in the Fall." ¹⁰⁴ Korean War returnee Donald R. Therriault was in a similar position, having enlisted in the Army Infantry three years after World War II. "I saved enough money from my first enlistment to finance my first year of college and from the second term of duty I did the same for my second year," he explained to the president. However, Therriault wrote that he had run out of funds and needed government support to complete his degree in Hotel Management from Michigan State College. "I did not know where I was going to get the finances to continue through

¹⁰¹ "Affairs of Legion Reviewed in Meeting of National Executive Committee; Strong Foreign Policy Stated," ibid., 29; SoP, Thirty-Third Annual National Convention of the American Legion, 15-18 October 1951, ALL; "What was Done, What is Planned," *American Legion Monthly*, Vol. 51, No. 5 (November 1951): 31-33.

¹⁰² Charles A. Quattlebaum, *Educational Benefits for Veterans of the Korean Conflict (Or Active Duty Service on or After June 27, 1950)*, CRS Report No. RL20742 (Washington, DC: Government Printing Office, 1952).

¹⁰³ Elmo Roper, "A Study of Veterans' Attitudes Toward Veterans' Benefits," October 1954, DDEPL, USPCVPR, Box 63, Study of Veterans' Attitudes Roper Poll (1).

¹⁰⁴ Letter from James D. Burshnick to Harry Truman, 10 July 1952, HSTPL, Official File (hereafter OF), Box 1504 OF 471 – B, Veterans – G.I. Bill (Pro).

the remaining two years of school," the veteran elaborated before concluding that he believed his generation deserved its own GI Bill which "will enable many of us to become better citizens and use our rights and privileges the way they were intended to be used." 105

After two months of debate in the House Veterans' Affairs Committee, Teague's approach ultimately triumphed. On May 16, 1952, the committee sent an amended version of the Teague Bill to the House floor for a vote. Although the congressmen revised the stipend caps upward during the mark-up period (settling on \$110 per month for veterans without dependents and \$135-\$160 for those with families), the committee preserved the centerpiece (and most controversial element) of Teague's proposal: its funding mechanism. The committee agreed with Teague's assessment that significant costs could be saved (and fraud prevented) if the VA disbursed funds directly to the veteran rather than to the educational institution despite veteran organizers' objections that this strategy was tantamount to denying educational access to Korean War returnees. 106 After defeating a last-minute attempt by Illinois Congressman William Springer to amend the bill by reversing the payments process (disbursing funds to educational institutions rather than veterans), the House voted 361-1 to pass the legislation on June 5.¹⁰⁷ The Senate followed suit a week and a half later, affirming its support by voice vote. Truman signed the "Veterans' Readjustment Assistance Act of

¹⁰⁵ Letter from Donald R. Therriault to Harry Truman, 16 July 1952, ibid.

¹⁰⁶ U.S. House, Committee on Veterans' Affairs, *Education and Training and Other Benefits for Persons Serving in the Armed Forces on or After June 27, 1950* (H.Doc.1943). (Washington, DC: Government Printing Office, 1952).

¹⁰⁷ Maryland Republican James Devereux voted "no" to protest the Rules Committee's decision to limit amendments and debate on the bill. Boulton, *Failing our Veterans*, 42.

1952" into law on July 16, extending readjustment benefits to a new generation of American veterans.¹⁰⁸

In their coverage of the new law, the *Washington Post, Los Angeles Times*, and *New York Times* all lauded Congress for working to close the loopholes that had facilitated fraud and corruption under the old system. As a United Press reporter explained, "The law is designed to eliminate racketeers and chiselers who preyed on the \$16 billion program for World War II veterans. Government payments for schooling now will be made directly to the veterans. The veterans will make their own deals on tuition and other costs, thus having an incentive to get their money's worth." 109

Many veterans who hoped to take advantage of the new benefits were just relieved to receive some kind of assistance, even if it was less than their fathers and brothers had gotten nearly a decade before. Sergeant Ray Sarng of Baltimore wrote in a letter to the president that "words can not [sic] express how happy I was to read that you had signed this measure for I am anxious to start college upon my release from the Army next month and I am deeply grateful that the Government will provide this free education." Gerald Schumann simply expressed that he was "thankfull [sic] to the Congress, the President and to the American people for giving me and the rest of the men and women of the armed services this generous bill for service during the present emergency."

¹⁰⁸ Boulton, Failing Our Veterans, 42.

¹⁰⁹ United Press, "Truman Signs Billion-Dollar Bill of Rights Giving Korea Veterans Most War II Benefits," *The Washington Post*, 17 July 1952, 1; "Truman Signs New Service Bill of Rights," *Los Angeles Times*, 17 July 1952, 20; "New Veteran Bill Signed by Truman," *New York Times*, 17 July 1952, 2. ¹¹⁰ Letter from Ray Sarng to Harry Truman, 18 July 1952, HSTPL, OF, Box 1504 OF 471 – B, Veterans – G.I. Bill (Pro).

¹¹¹ Letter from Gerald Schumann to Harry Truman, 20 July 1952, ibid.

The Legion was less sanguine about the outcome. Speaking with reporters after the bill's passage, Jerome F. Duggan, Chairman of the Legion's National Legislative Commission, reiterated the organization's commitment to higher education for all veterans, arguing that Congress had turned its back on the youngest generation of exservice members in denying them the same level of funding that had been disbursed to Second World War returnees nearly a decade prior. The NEC tried to spin its failure to secure World War II-style benefits by explaining to their members that "in view of the fact that there [were] 800,000 veterans eligible who [had] already waited as long as two years [for benefits], [the Legion felt] that further delay would not benefit anyone, particularly the veteran." 112 While this rationalization helped to assuage some frustrated Legionnaires, it was apparent to most observers that the Legion had suffered a major political defeat with the adoption of Teague's more hawkish approach to veterans' affairs.

Since its 1919 establishment, the Legion had been ascendant, gaining political credibility, popular support, and members throughout the 1920s, 1930s, and 1940s. Although the organization had struggled to pass several pieces of legislation in its decades-long history, Legionnaires had always been building political momentum. Despite Presidents Warren Harding, Herbert Hoover, Calvin Coolidge, and Franklin Roosevelt's vetoes of the organization's adjusted compensation proposals for example, the NEC succeeded in incrementally expanding its base of support. During World War II, the Legion drew on that political capital to create one of the country's most ambitious social welfare programs despite the objections of rivals in the White House. At that point, the NEC falsely assumed that it had secured a durable legal agreement with the

^{112 &}quot;Congress Passes Korea Vet GI Bill," American Legion Monthly, Vol. 53, No. 2 (August 1952): 29.

state about the veteran's place in American society. Having campaigned for World War II era aid (particularly the 1944 GI Bill) on the grounds that government owed veterans this assistance as the just reward for extraordinary service to the state, the NEC believed that, in passing the new legislation by overwhelming margins, Congress had recognized veterans as super-citizens entitled to special privileges like government-funded education, government-backed loans, and hiring preferences. The Legion's 1952 failure to secure the extension of World War II-style benefits for Korean War veterans demonstrated that the extent of this super-citizenship had not yet been established. In reducing funding for Korean War veterans' benefits, lawmakers reopened the veteran-state social contract for further negotiation despite the fact that the NEC believed that it had already finished the argument. With the passage of the Korean War GI Bill, Congress shifted the balance of power between veterans' organizations and government officials back in favor of the state, creating a new equilibrium that persisted throughout the remainder of the twentieth century.

VII.

The Dwight Eisenhower administration was integral in helping to promote and codify that vision of the veteran-state social contract—a more contingent approach to veterans' rights which circumscribed benefits disbursement based on cost assessments—in important policymaking circles during the mid-1950s. By 1956, 45% of Americans were either veterans or their dependents, up from 11% in 1940 before the United States' entrance into the Second World War. This explosive growth in the military population wrought enormous costs. By 1955, the federal government was spending \$4.5 billion a

year on veterans benefits (which had become the budget's fourth largest category) or \$95 in taxes for every American family, a six-fold increase over the per capita cost of veterans' entitlements since the interwar period. Budget analysts were even more concerned about the fact that "projections indicate[d that] total costs [would] rise in future years, particularly as a result of sharp increases in the [non-service connected] pension category" as aging veterans sought government assistance. 113 Equally troubling was the fact that the international situation seemed to require that the United States maintain a costly war posture for the foreseeable future. As the President's Commission on Veterans' Pensions concluded in April 1956, "For the first time in our history it has become necessary to maintain substantial Armed Forces and to use conscription in peacetime."114 Government analysts anticipated that this trend would continue throughout the twentieth century so that, by the year 2000, (assuming that the United States fought no wars) the number of living peacetime ex-servicemen would reach 26 million. 115 If those 26 million veterans received aid commensurate with what had been disbursed under the 1952 GI Bill the forecasters added, spending on veterans' entitlements would reach a staggering \$14.9 billion a year by the end of the century. 116

^{113 &}quot;Summary of Federal Veterans Programs and Tentative Analysis of Major Issues Requiring
Consideration by Commission on Veterans' Pensions," 14 March 1955, DDEPL, USPCVPR, Box 68,
Major Veterans Programs; "Types of Veterans' Programs Memo," 3 February 1956, DDEPL, USPCVPR,
Box 67, Description of Vet Programs; U.S. Congress, Committee of Veterans' Affairs of the U.S. House of
Representatives, Veterans' Benefits in the United States: A Report to the President By the President's
Commission on Veterans' Pensions. (Washington, DC: Government Printing Office, 1956).
114 Ibid.

 ¹¹⁵ Ibid. Of course, the U.S. fought several wars between 1955 and 2000; however the analysts were remarkably accurate in their prediction. According to the 2000 census, there were 26.4 million veterans alive in the United States. Christy Richardson and Judith Waldrop, "Veterans: 2000, Census 2000 Brief," United States Census Bureau, May 2003, https://www.census.gov/hhes/veterans/files/c2kbr-22.pdf.
 116 Veterans' spending actually reached more than 2.5 times the analysts' prediction, coming in at \$44.8 billion for FY2000. Christine Scott, "Veterans Affairs: Historical Budget Authority, FY1940-2012," Congressional Research Service, 13 June 1920.

President Eisenhower was deeply concerned by these spiraling cost projections which seemed even more troubling given the simultaneous expansion of other federal welfare programs like Social Security which also covered veterans as part of its larger mission. Beginning in 1946—and then expanded three years later, Congress made military service rendered between September 16, 1940 and April 1, 1956 creditable under the Old-Age and Survivors Insurance (OASI) system. At age 65, qualified veterans were permitted to begin receiving payments of up to \$160 a month, subject to regular OASI provisions. There were no restrictions, however, preventing veteran claimants of Social Security from also collecting a service-connected or non-service connected military pension on top of their OASI benefits, raising questions within the Eisenhower administration about government waste by way of cross-programmatic redundancy. As the president explained when ordering a review of U.S. veteran policy in the winter of 1955, "I would like... clarification of their [veterans' benefits] relationship to our broader Government social insurance and family protection programs."

Eisenhower created the President's Commission on Veterans' Pensions two weeks into the new year to "make a comprehensive study of the laws and policies" related to U.S. veterans' entitlement programs, including their relationship to Social Security. He tapped his old friend retired general Omar Bradley to chair the inquiry (which came to be known simply as the Bradley Commission) and appointed representatives from media, education, healthcare, insurance, business, and government

¹¹⁷ U.S. Congress, Committee of Veterans' Affairs of the U.S. House of Representatives, *Veterans' Benefits in the United States: A Report to the President By the President's Commission on Veterans' Pensions.* (Washington, DC: Government Printing Office, 1956).

[&]quot;While House Press Release," 5 March 1955, DDEPL, USPCVPR, Box 3, Press Releases (2).

to join the board. 119 Eisenhower and "Brad"—as the president referred to the chairman—shared a long personal and professional history. They had both graduated from West Point in 1915 before working their ways up through the ranks and ultimately being decorated as generals in 1942 and 1944 respectively. During the Second World War Bradley had served as a deputy to Eisenhower for several major campaigns (including Operations Torch and Overlord) and had continued to advise Eisenhower after he was elected president as his Chairman of the Joint Chiefs of Staff. Given their close relationship, "Brad" was an obvious choice to head the president's commission, especially because the general had served as VA Director for five years before joining the Joint Chiefs. 120

Echoing Congress's 1952 vote to reduce the level of government support for Korean War veterans vis-à-vis World War II ex-service members, the Bradley Commission concluded that the state must first privilege "national survival" in setting veteran policy. In its report, the Bradley Commission provided lawmakers with important guidance for limiting future spending. The commission underscored how messy and non-linear veteran policymaking had been to date and how that lack of clarity had perpetuated problems for both veterans and government itself. This observation led to the commission's most significant recommendation: that government should begin

¹¹⁹ A list of Bradley Commission members follows: Omar N. Bradley, Chairman; Clarence G. Adamy (Field Director of the National Citizens Committee for Educational Television); William J. Donovan (Attorney and World War II Director of the Office of Strategic Studies); Paul R. Hawley (Director of the American College of Surgeons); Martin D. Jenkins (President of Morgan State College); Theodore S. Petersen (President of the Standard Oil Company); John S. Thompson (Vice Chairman of the Board of Mutual Benefit Life Insurance Company). "White House Press Release," 28 March 1955, DDEPL, USPCVPR, Box 3, Press Releases (1).

¹²⁰ Omar N. Bradley and Clay Bair, *A General's Life: An Autobiography* (New York: Simon and Schuster, 1983); Jonathan W. Jordan, *Brothers, Rivals, Victors: Eisenhower, Patton, Bradley, and the Partnership that Drove the Allied Conquest in Europe* (New York: NAL Caliber/New American Library, 2011); Alan Axelrod, *Bradley* (New York: Palgrave Macmillan, 2008).

making "positive" veteran policy. "It [the state] must provide timely assistance instead of temporizing for years, then bowing to pressure group action and providing costly pensions on a sentimental basis to the remaining survivors of the conflict and to their widows and children," the commission wrote. ¹²¹ In other words: in order for government officials to retain their newfound advantage over veterans' organizations in policy negotiations, the Bradley Commission suggested that Congress and the White House develop benefits legislation *before* homecoming as a means of preventing the kind of slippery, more accretive process which had traditionally favored groups like the Legion.

The Legion's reaction to the Bradley Commission's Report was both swift and fierce. Days after the commission's findings were made public, the National Commander's Special Committee on the Bradley Commission hit back with an eighteen-page rebuttal document slamming the report as an ad hominem attack on veterans. "It is true that one who serves in the Armed Forces of this country is discharging an obligation of citizenship, but the fact which has escaped the Bradley Commission and others who pause at that point is that there are some who discharged this obligation of citizenship and some who failed to discharge it," the Legionnaires argued. Doubling down on appeals to patriotic exceptionalism, the Legion's Special Committee attacked the Bradley Commission's recommendations as phony and misguided, insisting that "by reason of their peculiar sacrifices and hazards, they [veterans] become a class of citizens select in

¹²¹ U.S. Congress, Committee of Veterans' Affairs of the U.S. House of Representatives, *Veterans' Benefits in the United States: A Report to the President By the President's Commission on Veterans' Pensions*. (Washington, DC: Government Printing Office, 1956).

nature and distinguished by peculiar service. No governmental commission, no amount of sophistry can deprive them of that special status." 122

Despite the Legion's insistence that the state had an obligation to treat veterans as super-citizens, by the mid-1950s, a consensus had developed amongst government officials in Congress and the White House that lawmakers had overpaid this debt in the 1940s. Beginning in 1952 with its passage of the more conservative Teague Bill over the Legion-supported Rankin Bill, Congress began to push back against the NEC, asserting a more fiscally conservative policymaking framework that privileged cost as the most important factor in setting funding levels.

In refusing to extend the 1944 GI Bill to cover Korean War ex-service members as the Legion demanded, elected officials signaled the fragility of veterans' benefits at mid-century. Despite the NEC's belief that it had won the debate over the nature of the state's obligation to its ex-service members in 1944 with the passage of GI Bill, the 1952 revision revealed Congress's intention to renegotiate. In rolling back educational funding—the provision the Legion most sought—based on cost assessments, legislators argued that veterans' benefits should be pegged to government's larger financial needs. The Bradley Commission affirmed this position in its 1956 report, making this vision of the veteran-state social contract explicit for the first time.

The modern veteran-state social contract was framed in the 1950s, not a decade earlier with the passage of the 1944 GI Bill as many scholars have suggested. In many ways, the World War II years were an extraordinary period in veteran policymaking, not

^{122 &}quot;Report of National Commander's Special Committee on the Bradley Commission," DDEPL, USPCVPR, Box 9, American Legion. Emphasis added.

the norm. Between 1940 and 1946, the Legion reached the zenith of its political power, allowing the organization to push an enormously costly omnibus benefits program through Congress. By 1947, that same group—which was largely responsible for driving most early twentieth century veterans' benefits programming—began to lose members, a pattern that would continue relatively unchecked throughout the second half of the twentieth century.

Epilogue

A New Balance of Power

On June 20, 1970, Arnold Bartz—a reporter for *National Journal*—made public a story that was well understood but rarely discussed by the American Legion's National Executive Committee (NEC): Organization leaders had failed to reverse the problem of falling enrollment in the Legion that began in the late 1940s and—as a result—"on veterans' issues, the Legion's influence has been on the wane for some time and *today* appears to be minimal."¹ By the Vietnam era, the Legion's reputation as one of the most powerful interest groups in Washington was in tatters. Although Legionnaires remained "vocal at home"—organizing community events like Boys' State conventions, baseball leagues, commemorative celebrations, and anti-communism talks—a 1970 survey of members of Congress suggested that the Legion no longer "materially affects the shape of [federal benefits] legislation."²

Late twentieth century veteran politics reflected the policymaking dynamic that was established during the 1950s. Just as the Legion's mid-century decline created space for ambitious elected officials in Congress and the Harry Truman White House to roll back benefits for Korean War veterans from World War II era highs, the organization's continued losses widened the opportunity for lawmakers to further reduce readjustment aid for Vietnam returnees and veterans of the all-volunteer force. House Veterans' Affairs Committee Chairman Olin Teague (the Texas Democrat who cut his teeth during

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¹ Arnold Bartz, "Washington Pressures/American Legion's Influence Wanes on Capitol Hill," *National Journal* (June 20, 1970): 1308.

² Ibid., 1310.

the Korean War GI Bill debates) trumpeted this shift in the balance of policymaking power from the Legion to Congress in a 1970 interview. Teague told reporters that before he became chairman, the Legion had "tried to dictate" its priorities to Congress, a dynamic that he had (happily) reversed. Now, the lawmaker explained, veterans groups' were constrained to an advisory role—or, as he phrased it, they occupied a "helpful" position.³ A congressional aide and former Legion post and district commander challenged Teague's characterization, suggesting that the NEC was less "helpful" than subservient. According to the unnamed source, the Legion had become "too nicey-nicey" in its negotiations with Congress and, in refusing to "call a spade a spade," it had "lost its political muscle."⁴ This was not simply the frustrated venting of a disempowered Legionnaire. House Veterans' Affairs Committee Staff Director Oliver E. Meadows confirmed to the National Journal that the committee had stopped "even look[ing] at proposals submitted by veterans' organizations when considering program changes."5 This was a stunning fall from grace and influence for an organization that had forced the powerful Franklin Roosevelt administration to extend unprecedented privileges to World War II veterans just twenty-five years earlier.

Without effective interest group advocacy for ex-service members' reintegration benefits, fiscal conservatives like Teague took advantage of the vacuum of power to further reduce veterans' spending over the second half of the twentieth century.⁶

Between the 1960s and the early 2000s, the real value of readjustment aid became progressively less generous, a trend reflected most clearly in steady cuts to veterans'

³ Ibid.

⁴ Ibid.

⁵ Ibid. Emphasis added.

⁶ Ibid., 1309.

education programs, which historian Mark Boulton has shown were the most widely used and symbolically important late twentieth century reintegration benefits. In 1948, when single beneficiaries received \$500 a year in tuition assistance (plus \$75 a month for living expenses), Harvard University's annual cost was exactly \$500, making the country's best private school education entirely affordable on the government's dime. (This was the explicit intention of the program's framers, who believed that the GI Bill should cover the full cost of a college education at the nation's top institutions). In contrast, by the mid-1990s, when the real value of the GI Bill reached its nadir, veterans' education entitlements did not even cover 50% of the cost of four years at a median-priced public university. (Making matters worse, government stopped providing veterans with additional funds for living expenses in 1951).

MONTHLY EDUCATION BENEFIT GIVEN TO VETERANS BETWEEN 1944 AND 2009



Note: "Values are adjusted for inflation and in 2014 dollars. Amounts are based on the maximum benefit." Copyright: Joanna S. Kao, Al Jazeera America 8

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⁷ Mark Boulton, *Failing Our Veterans: The G.I. Bill and the Vietnam Generation* (New York: New York University Press, 2014), 6.

⁸ Joanna S. Kao, "The Evolution of the GI Bill," *Al Jazeera America*, 22 June 2014, http://america.aljazeera.com/articles/2014/6/22/the-evolution-ofthegibill.html.

After peaking in 1946, the Legion's membership figures fell year after year (with few exceptions) until 1964, when enrollment briefly stabilized. Between 1967 and 1972, the Legion succeeded in signing up approximately 130,000 new members, but this 5% growth masked a greater problem: registration failed to keep pace with the rapid growth in the veteran population, which increased by 21% over the same period according to the Census Bureau. 10 Publically, the NEC assured its members that the Legion maintained its historic political strength despite the enrollment losses. In his opening remarks to the 1974 National Convention in Miami, National Commander Robert L. Eaton told the assembly that the Legion had "not done too badly with the Vietnam era veteran," although the board strived, as "always... [to] do better." Privately, however, the NEC conceded that its lobbying efforts were hampered by the group's failure to register large numbers of Vietnam veterans. Two days after Eaton's convention address, Membership and Post Activities Chairman William J. Gormley admitted to a small audience of board members that while the organization's "potential ha[d] grown and... [been] strengthened by over six and one-half million Viet Vets," the Legion had failed to convert most of those new "eligibles" into members. According to Gormley, since 1964, the Legion had been forced to shutter "more than 437" posts due to low enrollment. ¹² The Membership

⁹ American Legion, "National Membership Record: 2015," https://archive.legion.org/bitstream/handle/123456789/2713/aa002170.pdf?sequence=4&isAllowed=y; Robert E. Newman and John W. Querfeld, "2017 Internal Affairs Commission Report," https://www.legion.org/sites/legion.org/files/legion/commissions/2017 IA edited.pdf.

¹⁰ Bureau of the Census, Statistical Abstract of the United States, 1968: 89th Annual Edition (Washington, DC: Government Printing Office, 1968), 265; Bureau of the Census, Statistical Abstract of the United States, 1973: 94th Annual Edition (Washington, DC: Government Printing Office, 1975), 274.

Summary of the Proceedings, Fifty-Sixth Annual National Convention of the American Legion, 16-22
 August 1974, American Legion Library.
 Ibid.

Director also acknowledged that letters were pouring into the organization's Indianapolis headquarters questioning the board's seeming ineffectiveness in advocating for expanded reintegration benefits for Vietnam veterans and medical care for ex-service members of all wars. The Veterans of Foreign Wars (VFW) also struggled to sign up members during this period. In 1973, VFW officials admitted to Educational Testing Service (ETS) surveyors that that "Vietnam veterans [had] been a great deal slower to join the traditional veterans' organizations than were World War II G.I.s."

If the "traditional" veterans' organizations failed to advance the Vietnam exservice members' cause in Washington because of internal, enrollment challenges, new veterans' organizations—like Vietnam Veterans Against the War (the most high-profile association of Vietnam returnees)—were too busy working to end the war and advance social justice causes to fight for benefits increases. Founded by six antiwar Vietnam veterans on June 1, 1967, Vietnam Veterans Against the War (VVAW) quickly grew to 30,000 official members, although its events and rallies often drew much larger numbers of unaffiliated but sympathetic veteran supporters. Whereas most American veterans' organizations (including the Legion and VFW) were emphatic in their support for the Vietnam War, a younger generation of VVAW members hoped to use their unique platform as former service members—people who had witnessed the conflict first-hand—to tell the public what they called "the undisclosed truth" about the war as a means of ending it. This antiwar mission obscured the group's benefits claims, a reflection of the

¹³ Educational Testing Service, *Final Report on Educational Assistance to Veterans: A Comparative Study of Three G.I. Bills*, report submitted to the United States Senate Committee on Veterans' Affairs, 93d Cong., 1st sess., 1973, Committee Print 93-16, 119.

¹⁴ "Vietnam Veterans Against the War: Facts and Background," Wisconsin Historical Society, Vietnam Veterans Against the War Records (hereafter WHI, VVAWR), Box 1, Folder 4.

¹⁵ Operation RAW Questionnaires, 13 October 1970, WHI, VVAWR, Box 13, Folder 8.

organization's own priorities. VVAW members listed the demand for medical care, job training, and education funding eighth on its list of nine key objectives. 16

Just as the Legion's Korean War era diminution created space for elected officials to circumscribe benefits for veterans of that conflict, the further erosion of veterans' organizations' power during the second half of the twentieth century made possible the allocation of even less generous reintegration benefits to veterans a decade later. Congress first began to seriously address the issue of reintegration benefits for veterans of the emerging Vietnam conflict during the summer of 1965 after President Lyndon Johnson quietly mobilized an additional 500,000 troops for service on July 28. Senator Ralph Yarborough, the Democratic Chairman of the Veterans' Affairs Subcommittee, took advantage of the call up to advocate for a "Cold War GI Bill" (one of his long-held priorities)—a benefits package for veterans of the post-Korea period. Yarborough's plan had received little support during the early 1960s, but Johnson's Vietnam build up helped to reignite congressional interest in such a program. On March 3, 1966, Johnson signed the Veterans' Benefits Readjustment Act into law. The centerpiece of the new bill was the education entitlement, which was nearly identical to the 1952 GI Bill training program except that beneficiaries received less financial assistance under the 1966 bill than they had a generation earlier. In 1952, the federal government had provided single beneficiaries with a \$110 monthly allowance to cover tuition and living expenses; in 1966, that payment was reduced to just \$100. Proportional cuts were also made in payments to veterans with dependents.¹⁷

¹⁶ "Objectives of Vietnam Veterans Against the War," March 1971, WHI, VVAWR, Box 1, Folder 2.

¹⁷ Boulton, Failing Our Veterans, 74-89; James T. Bennett, Paid Patriotism? The Debate Over Veterans' Benefits (London: Routledge, Taylor & Francis Group, 2017), 209.

Almost immediately after Johnson signed the Cold War GI Bill, lawmakers across the political spectrum began studying the possibility of raising benefits for the Vietnam generation. In August 1967, Congress voted to increase stipends for veterans by \$30 a month. A year later, lawmakers extended the benefits coverage window from one month of eligibility for each month of military service to 1.5 months of eligibility for each month of service.

Despite these increases, by the end of the decade, the insufficiency of veterans' education benefits funding had become regular front-page news in the domestic and military presses. A report by the Educational Testing Service (ETS) summarized the problem: although Vietnam veterans received \$20 more a month in education support than their Korean War counterparts, "average tuition fees at 4-year public institutions more than doubled and tuition at 4-year private institutions increased fivefold" over the same period, significantly reducing the real value of the latter's living allowances. In order to better align benefits with the spiraling costs of higher education, Congress passed two additional liberalization measures over President Richard Nixon's protestations during the early 1970s, increasing veterans' monthly payments by nearly 70% and permitting GI Bill beneficiaries to participate in federal work-study programs.²¹

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¹⁸ Boulton, Failing Our Veterans, 97.

¹⁹ Ibid., 98.

²⁰ Educational Testing Service, *Final Report on Educational Assistance to Veterans: A Comparative Study of Three G.I. Bills*, report submitted to the United States Senate Committee on Veterans' Affairs, 93d Cong., 1st sess., 1973, Committee Print 93-16, 27.

²¹ In August 1969, the House passed a bill raising benefits payments by 27%. Weeks later, the Senate passed a much more generous plan which increased veterans' payments by 46%. Nixon countered with a proposal to raise payments by only 13%. A congressional conference committee agreed to a 34.6% raise despite Nixon's disapproval. Although the president debated vetoing the bill, he ultimately signed the Veterans Education and Training Act on March 26, 1970, wary that a veto would alienate his supporters. Boulton, *Failing Our Veterans*, 123-31. The Vietnam Era Veterans' Readjustment Assistance Act of 1972 increased monthly benefits payments by 25.7% to \$220 a month for single veterans. It also capped the extra income that veterans could earn through federal work-study programs at \$250. Nixon retaliated against the increased veterans' appropriations by impounding money earmarked for VA hospital construction in 1972

However, as the ETS pointed out, even after these increases, Vietnam veterans' tuition dollars covered less than either of the previous generations of GI Bill recipients. "The current level of benefits, when adjusted for the average cost of tuition, fees, books and supplies at a 4-year public institution represent a significantly smaller proportion of U.S. average monthly earnings than did the subsistence allowance paid to the veteran of World War II. This is true whether the veteran is attending a 4-year or 2-year public college; whether he is single or has dependents."²² Quite simply, veterans' benefits increases lagged far behind the skyrocketing inflation in higher education. The state's unwillingness to keep pace with these cost increases meant that beneficiaries had to contribute personally to their education costs, making it particularly difficult for black veterans, low-income white veterans, and veterans living in states with poorly funded higher education systems to take advantage of the Vietnam era GI Bill. As a result, according to the ETS, the percentage of "disadvantaged veterans" from these backgrounds applying for benefits fell from 82.8% after World War II to 77.3% after the Korean War to just 40.4% during the Vietnam era.²³

In November 1974, Congress passed a final benefits increase for Vietnam era veterans: the Vietnam Era Veterans' Readjustment Assistance Act of 1974 which raised ex-service members' monthly stipends by 23%. President General Ford vetoed the bill, calling it inflationary and a danger to the nation's fiscal health, sounding much like Presidents Warren Harding, Calvin Coolidge, Herbert Hoover, and Franklin Roosevelt

and pocket-vetoing the Veterans' Health Care Expansion Act, which allocated \$85 million for Vietnam veterans' health care expanses. Ibid., 131-33.

²² Educational Testing Service, Final Report on Educational Assistance to Veterans: A Comparative Study of Three G.I. Bills, report submitted to the United States Senate Committee on Veterans' Affairs, 93d Cong., 1st sess., 1973, Committee Print 93-16, 7.

²³ In its 1973 Report to Congress comparing benefits to veterans of World War II, the Korean War, and the Vietnam era, the Educational Testing Service used the term "disadvantaged veterans" to describe lowincome veterans. Ibid., 10, 90, 104-05.

had decades before when they made similar statements when vetoing veterans' legislation. And, as it had in 1924 and 1936, Congress overrode the executive once again, providing another generation of veterans with new benefits despite White House opposition. However, even with the 1974 increase, reintegration assistance for Vietnam veterans was only worth a fraction of the real value of the benefits that earlier generations had received. As historian James Bennett has argued, "unlike the original GI Bill, Uncle Sam and the nation's colleges and universities were not in collaboration [in disbursing aid]; Harvard was not laying out the welcome mat for returning vets whose tuition was being covered by grateful taxpayers." Whereas nearly 60% of Harvard students were veterans in 1947—paying for their education with GI Bill funds—by 1972, veterans comprised only 1.5% of the student population, a stunning decline which partly reflected the veteran's inability to pay for a private university education with the Vietnam era education entitlement.²⁴

The end of conscription on July 1, 1973—and the military's subsequent transition to an all-volunteer force (AVF)—undergirded further veterans' benefits reductions during the 1980s and 1990s. The American withdrawal from Vietnam and the end of the draft raised new questions about the state's obligations to its next generation of peacetime volunteers. Whereas the Doughboys had argued that government owed them restorative benefits as an equalizing measure for compelled service, men and women now joined the AVF of their own accord. As historians Beth Bailey and Jennifer Mittelstadt have

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²⁴ Bennett, *Paid Patriotism*, 210.

shown, Congress responded to the changed circumstances by ending GI Bill benefits on December 31, 1976, citing both cost and the end of the draft.²⁵

But even as legislators actively dismantled reintegration benefits for AVF veterans, the U.S. Army privately campaigned to reinstate and expand the program. Of all the branches of the American military, the Army was particularly hard hit by end of conscription in 1973. The Vietnam War horribly damaged the Army's reputation and, without the draft to compel new candidates into its ranks, recruiters struggled to hit enlistment quotas. Moreover, the hopefuls that did seek out service opportunities with the new all-volunteer Army were not the sort of candidates that military leaders wanted to attract. In the decade after conscription ended, the enlistment rates of African Americans and women rose quickly as the most vulnerable Americans flocked to the military as a means of securing employment and health care benefits. In 1974 alone, 30% of the Army's new recruits were black. This demographic shift in the Army's make up—away from white middle-class men and toward people of color and women—precipitated concerns among Army planners about the "feminizing and degrading effects of social welfare on the army."

Surprisingly Army Secretary Howard "Bo" Callaway's answer to this alleged problem was to *increase* spending on veterans' education benefits in an effort to drive up the enlistment rate of white middle-class men.²⁸ At the military's strong urging, Congress studied the proposal during the late 1970s and, on September 8, 1980,

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²⁵ Beth Bailey, *America's Army: Making the All-Volunteer Force* (Cambridge, MA: Belknap Press, 2009); Jennifer Mittelstadt, *The Rise of the Military Welfare State* (Cambridge, MA: Harvard University Press, 2015), 97.

²⁶ Bailey, America's Army, 115.

²⁷ Mittelstadt, *The Rise of the Military Welfare State*, 11. During the 1980s, President Ronald Reagan went so far as to initiate a "womanpause" in Army recruiting to slow the branch's perceived feminization. See, Bailey, *America's Army*, 130-71.

²⁸ Ibid., 115-19; Mittelstadt, *The Rise of the Military Welfare State*, 97.

lawmakers authorized a small education program as part of the annual Defense Authorization bill.²⁹ The new Veterans' Education Assistance Plan (VEAP) operated as a contributory entitlement whereby active duty service members could pay into a fund that received a 2:1 government match. Veterans could claim any accumulated monies upon demobilization.³⁰

Using VEAP as a model, Congress passed a more generous contributory program in 1984 as part of that year's Defense Authorization bill. Named for House Veterans' Affairs Committee Chairman Gillespie "Sonny" Montgomery (a Mississippi Democrat), the Montgomery GI Bill (MGIB) gave service members the option to pay \$100 a month for the first twelve months of active duty service into an education fund in exchange for a \$400 per month government contribution over 36 months. Beneficiaries were required to enroll in the program at the point of enlistment and any unclaimed funds were returned to the state after ten years.³¹ Although Congress regularly amended the MGIB throughout the 1980s, 1990s, and early 2000s to increase the government's contribution (by 2007, the monthly government payment reached \$800), RAND researchers found that "for many veterans, its benefit level [was] not sufficient to cover full-time tuition and the cost of living at many public institutions and most private universities."³² Six years into the War on Terror, Senators Jim Webb (a Virginia Democrat) and Charles "Chuck" Hagel (a Nebraska Republican)—two veterans—pointed out in a *New York Times* editorial that the MGIB "cover[ed] only about 13 percent of the cost of attending Columbia, 42 percent at

²⁹ Department of Defense Authorization Act of 1980, Pub. L. No. 96-342, 94 Stat. 1077 (1980).

³⁰ Mittelstadt, *The Rise of the Military Welfare State*, 100.

³¹ Paco Martorell and Peter Bergman, "Understanding the Cost and Quality of Military-Related Education Benefit Programs," Prepared for the Office of the Secretary of Defense, (Santa Monica, CA: Rand Corporation, 2013), ix; Bennett, *Paid Patriotism*, 215.

³² Jennifer L. Steele, Nicholas Salcedo, James Coley, "Service Members in School: Military Veterans' Experiences Using the Post-9/11 GI Bill and Pursuing Postsecondary Education," Prepared by the RAND Corporation for the American Council on Education, (Santa Monica, CA: Rand Corporation, 2010), 4.

the University of Hawaii, 14 percent at Washington and Lee, 26 percent at U.C.L.A., and 11 percent at Harvard Law School."³³

Determined to create a "full G.I. Bill for those who served in Iraq and Afghanistan"—not a half measure like the MGIB which, according to Webb and Hagel, was "hardly enough to allow a veteran to attend many community colleges"—the lawmakers proposed a panoply of education and training benefits for the most recent generation of ex-service members.³⁴ Under the Post-9/11 Veterans Educational Assistance Act—or, simply, the Post-9/11 GI Bill—signed into law by President George W. Bush on June 30, 2008, the federal government pays the full cost of tuition and fees for veterans attending in-state public universities. Veterans who enroll in private colleges are eligible to receive a capped sum (up to \$22,805.34 in tuition assistance for the 2017-2018 academic year), rates that are reevaluated annually.³⁵ In order to qualify for the full benefit, veterans must have performed at least 36 months of service in the post-9/11 military; the entitlement is prorated for those who demobilized before three years.³⁶

Although Congress and the executive sharply curtailed veterans' benefits spending over the second half of the twentieth century, government officials were guided

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³³ Jim Webb and Chuck Hagel, "A Post-Iraq G.I. Bill," *New York Times*, 9 November 2007, A27.

³⁵ U.S. Department of Veterans Affairs, "Education and Training," https://www.benefits.va.gov/GIBILL/resources/benefits_resources/rates/ch33/ch33rates080117.asp. Students may also qualify for a yearly books and supplies stipend worth \$1000, prorated based on enrollment. Ibid.

³⁶ Bennett, *Paid Patriotism*, 219; Martorell and Bergman, "Understanding the Cost and Quality of Military-Related Education Benefit Programs," 4. Funding for the Post-9/11 GI Bill is appropriated annually based on yearly usage projections. According to the Congressional Research Service, government spending on the Post-9/11 GI Bill has risen from \$5.5 billion in FY2010 (the first full year of implementation) to an estimated \$12.2 billion in FY2018. This increase reflects both rising education costs and the fact that participation in the program has grown from approximately 350,000 claimants in FY2010 to nearly 800,000 claimants in FY2018. Cassandria Dortch, *The Post-9/11 Veterans' Educational Assistance Act of 2008 (Post 9/11 GI Bill: A Primer*, CRS Report No. R42755 (Washington, DC: Government Printing Office, 2017), 23.

by the superlative construction of the veteran-state social contract that the Legion articulated and actualized in the 1940s. Even as fiscal conservatives like Olin Teague, Richard Nixon, and Gerald Ford sought to limit veterans' spending, they never questioned the underlying idea that ex-service members should receive special rights and privileges. This assumption—that veterans are super-citizens—is the political legacy of the American Legion. Even though the organization no longer drives veteran policymaking—as it did during the 1920s, 1930s, and 1940s—the Legion's core ideas about what the federal government owes its ex-service members have been deeply embedded in the American national consciousness.

This dissertation demonstrates that Legionnaires entirely redefined the parameters of the political debate about the veteran's place in U.S. society over the course of the twentieth century. In 1918, the American government provided its demobilizing soldiers with \$60 in mustering-out pay and their gas mask as a souvenir; the war-wounded were offered rudimentary vocational rehabilitation services and limited medical care in addition. During the 1920s and 1930s, the Legion led a successful fight to expand benefits programs for the First World War generation. Arguing that the federal government had an obligation, forged through conscription, to restore former service members to their prewar positions, Legionnaires secured new rehabilitative care for the disabled and financial benefits for all veterans during the interwar era. Most importantly, the Legion created new institutions in Congress (the House Committee on World War Veterans' Legislation) and the Senate Finance Subcommittee on World War Veterans' Legislation) and the executive branch (the Veterans' Administration) to support the emerging restorative veteran-state social contract. During the 1940s, the chairmen of the

congressional committees on veterans' affairs (Senator Bennett "Champ" Clark and John Rankin) and the Veterans' Administration Director (Frank Hines) were key players in the Legion-led effort to pass the 1944 GI Bill, which extended unprecedented rights to veterans of the Second World War, privileges that helped to mark ex-service members as super-citizens.

Even as the Legion's influence in Washington began to erode during the 1950s—leading to the reduction of benefits for successive generations of American ex-service members over the second half of the twentieth century, the organization's imprint on the policymaking landscape persisted. Although elected officials rolled back benefits for veterans from World War II era highs, they have never seriously questioned the *superlative veteran-state social contract* that the Legion helped to create more than seventy years ago.³⁷ The Legion made American veterans super-citizens, a status they retain today, even as the real value of ex-service members' reintegration benefits declines.

³⁷ Superlative veteran-state social contract is my term.

Appendix A.

American Legion National Membership by Year¹

1920	843,013	1944	1,425,923	1968	2,623,112	1992	3,115,340
1921	795,799	1945	1,667,742	1969	2,667,453	1993	3,104,973
1922	745,203	1946	3,326,742	1970	2,692,127	1994	3,053,584
1923	643,837	1947	3,272,060	1971	2,711,561	1995	2,950,200
1924	638,501	1948	3,087,044	1972	2,715,259	1996	2,879,545
1925	609,407	1949	2,944,955	1973	2,696,784	1997	2,831,819
1926	688,412	1950	2,917,963	1974	2,673,207	1998	2,806,834
1927	719,852	1951	2,737,529	1975	2,696,324	1999	2,764,318
1928	760,502	1952	2,751,896	1976	2,713,962	2000	2,699,141
1929	794,219	1953	2,803,541	1977	2,653,980	2001	2,705,649
1930	887,754	1954	2,797,640	1978	2,637,241	2002	2,761,836
1931	1,053,909	1955	2,795,990	1979	2,629,105	2003	2,688,311
1932	931,373	1956	2,781,691	1980	2,638,586	2004	2,657,623
1933	769,551	1957	2,749,778	1981	2,631,873	2005	2,615,218
1934	831,681	1958	2,694,431	1982	2,591,789	2006	2,615,162
1935	842,855	1959	2,702,992	1983	2,555,455	2007	2,629,364
1936	956,273	1960	2,679,255	1984	2,536,062	2008	2,591,732
1937	973,841	1961	2,628,732	1985	2,641,159	2009	2,352,250
1938	974,637	1962	2,635,623	1986	2,705,697	2010	2,405,207
1939	1,032,989	1963	2,602,897	1987	2,831,235	2011	2,403,295
1940	1,078,119	1964	2,544,437	1988	2,840,561	2012	2,364,870
1941	1,107,075	1965	2,547,246	1989	3,013,189	2013	2,311,701
1942	1,136,148	1966	2,553,782	1990	3,025,927	2014	2,208,651
1943	1,172,499	1967	2,585,202	1991	3,085,255	2015	2,135,965

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American Legion, "National Membership Record: 2015," https://archive.legion.org/bitstream/handle/123456789/2713/aa002170.pdf?sequence=4&isAllowed=y; Robert E. Newman and John W. Querfeld, "2017 Internal Affairs Commission Report," https://www.legion.org/sites/legion.org/files/legion/commissions/2017_IA_edited.pdf.

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Hanford MacNider Papers

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Official File

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