

## Proposal To Establish Vets' National Life Insurance Plan Involves Very Heavy Cost

By DAVID O. TYSON

WASHINGTON—Legislation to cut the cost of the veterans' insurance program may soon be introduced in Congress. A house expenditures subcommittee has ended hearings on National Service Life Insurance (NSLI) and hopes before Congress adjourns to come up with specific recommendations for ironing out wrinkles in the program.

Rep. Porter Hardy (D-Va.), subcommittee chairman, made it clear however that the insurance protection of veterans and servicemen who now hold policies cannot be affected. "NSLI policies," he said, "are definite, irrevocable contracts between the government and the insured." But Rep. Hardy may recommend changes in the types of policies to be issued from now on. What they will be he isn't saying until he can study the evidence further.

One likely recommendation might reduce dividends slightly on present policies. During the hearings the subcommittee questioned whether the three percent interest paid by the government on invested NSLI fund was not too liberal a subsidy. The secretary of the treasury, not Congress, could bring this interest rate into line with the current market rate of 2.2 percent. The subcommittee said the government in this way could have saved \$210,000,000 up to October 1949 and still kept the NSLI fund intact.

It also said the high administrative cost of NSLI—which the government pays—could be reduced only by the Veterans administration (VA). It is estimated that handling each NSLI policy costs \$14 a year compared to \$8.49 for policies in the five largest commercial companies. It questioned whether the VA should not pay dividends to the government when premiums were paid by the government. As an inducement for enlistment, aviation cadets since 1940 have been granted \$10,000 free insurance with the government paying all premiums. However, when those premiums were discovered to be excessive, dividends totalling \$16,000,000 were paid back not to the government, but to the cadets.

**Annual Premiums Costly**  
Two significant recommendations were laid before the subcommittee by the VA insurance chief, Harold W. Breining. He said if Congress did not extend NSLI five-year term insurance it would be "a very desirable thing" for veterans and the government. He pointed out that World War I vets who kept term insurance are setting to the point where annual premiums are prohibitive. (Renewal of term insurance costs more as the insured gets older.) Congress has already extended twice the World War II term insurance carried by more than 3,000,000 veterans.

Breining also said that in another national emergency an NSLI solution "would not be satisfac-

tory." He recommended some form of death gratuity instead of insurance. A Defense department spokesman disagreed and said if a serviceman becomes uninsurable during service NSLI gives him a certain amount of insurance he couldn't get on discharge. He said enlisted men cannot afford adequate commercial coverage and each year in service penalizes them.

The Hardy subcommittee was set up under the Congressional Reorganization Act of 1946 to investigate the efficiency and economy of agencies in the executive department. The report soon to come out on veterans' insurance will be based on 10 months' research and four weeks of hearings.

Whales often "hold their breaths" for as long as fifty minutes. Like other mammals, however, they can drown if they get water in their lungs.

## Labor Peace Formula Given By G. M. C. President

WASHINGTON—How can an employer win labor peace and still make money? Charles E. Wilson, president of General Motors Corp., says he's found a way. Wilson holds out GM's new five-year contract with the CIO's auto workers as a model for other employers, big and small.

He told the national press club that GM does not expect the contract's money items to provide a pattern.

"It is our hope," he said, "that this agreement will set a pattern for bargaining based on principles that will insure industrial peace and prosperity and minimize strife and industrial warfare."

Wilson said GM got a five-year guarantee against strikes from the union. The firm agreed to boost pay rates four cents an hour every year to compensate for increased efficiency. Wages were partly geared to the rise and fall of living

costs. Workers also got pensions, insurance and longer vacations.

"If I were a small businessman operating a nice little business," the big business man said, "I would just love to take this General Motors agreement and put it right into effect in my business."

Wilson said resulting "fine morale" from employees would help put it over.

"That is my firm belief, and I think I have got the figures to back it up," he said.

Washington, June 14.—The American Newspaper Publisher Association has asked the government to investigate what it calls "unjust and unreasonable" newspaper transportation rates on western

railroads.

The organization filed a petition on behalf of 235 papers published west of the Mississippi river, asking the Interstate Commerce commission to order a cut in the rates. ICC hearings will open in New

York city next month on a previous ANPA petition for a study of railway express rates on newspapers in all parts of the country.

The latest petition applies to papers handled in western railroad passenger service only.



**BATHING BEAUTY** Kitty Aldred graced Roseburg city streets Saturday in this version of what a well dressed sales lady wears when trying to sell Sutherland Timber days carnival queen votes. Sponsored by the Roseburg Active club, Kitty is one of seven candidates for the royal title and hopes to rule over the July 1-4 celebration. (Master Studio picture)

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# Father's Day IS SUNDAY June 18