

To Amend the World War Veterans' Act of 1924

HEARINGS BEFORE THE COMMITTEE ON FINANCE UNITED STATES SENATE

SEVENTY-FIRST CONGRESS
SECOND SESSION

ON

H. R. 10381

AN ACT TO AMEND THE WORLD WAR VETERANS' ACT,
1924, AS AMENDED

MAY 1, 2, 5, 8, 12, AND 13, 1930

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TO AMEND THE WORLD WAR VETERANS' ACT OF 1924

THURSDAY, MAY 1, 1930

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

The subcommittee met, pursuant to call of the chairman, at 10.15 a. m. in room 312 Senate Office Building, Senator Reed Smoot presiding.

Present: Senators Smoot (chairman of subcommittee), Shortridge, Bingham, Walsh of Massachusetts, and Thomas of Oklahoma.

Present also: Representative John E. Rankin of Mississippi.

The CHAIRMAN. The committee will come to order.

Senator WALSH of Massachusetts. Mr. Chairman, if you will permit me I should like to make a suggestion.

The CHAIRMAN. Very well.

Senator WALSH of Massachusetts. It is with the idea of being helpful, but if you think it will not be helpful, then all right. My suggestion is that we have the bill before analyzed, paragraph by paragraph, by General Hines, so that we may have at the beginning of our hearings an analysis of the bill by the Director of the United States Veterans' Bureau.

The CHAIRMAN. Very well. All members of the subcommittee are present with the exception of one, and I understand that he is on his way, so we will not wait any longer. General Hines, Director of the United States Veterans' Bureau, has been invited to be present for the purpose of considering H. R. 10381, to amend the World War veterans' act, 1924, as amended. General Hines, I am quite sure that each member of the subcommittee would like you now to proceed with consideration of the bill, taking it up section by section, and explain briefly and to the point just what it means, what it will cost, and your recommendations as to the wisdom or unwisdom of the passage of such legislation. We will be very pleased now to hear from you.

(The bill referred to is here made a part of the record, as follows:)

[H. R. 10381, Seventy-first Congress, second session]

AN ACT To amend the World War Veterans' Act, 1924, as amended

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 5 of the World War Veterans' Act, 1924, as amended (section 426, title 38, United States Code), be hereby amended to read as follows:

"Sec. 5. The director, subject to the general direction of the President, shall administer, execute, and enforce the provisions of this act, and for that purpose shall have full power and authority to make rules and regulations, not inconsistent with the provisions of this act, which are necessary or appropriate to carry out its purposes: *Provided*, That in making regulations pursuant to existing law with reference to home treatment for service connected disabilities, the director shall not discriminate against any veteran solely on the ground that such veteran left a Government hospital against medical advice or without official leave; the director shall decide all questions arising under this act; and all decisions of questions of fact affecting any claimant to the benefits of Titles II, III, or IV of

this act shall be conclusive except as otherwise provided herein. All officers and employees of the bureau shall perform such duties as may be assigned them by the director. All official acts performed by such officers or employees specially designated therefor by the director shall have the same force and effect as though performed by the director in person. Wherever under any provision or provisions of the act regulations are directed or authorized to be made, such regulations, unless the context otherwise requires, shall or may be made by the director. The director shall adopt reasonable and proper rules to govern the procedure of the divisions and to regulate and provide for the nature and extent of the proofs and evidence and the method of taking and furnishing the same in order to establish the right to benefits of compensation, insurance, vocational training, or maintenance and support allowance provided for in this act, the forms of application of those claiming to be entitled to such benefits, the methods of making investigations and medical examinations, and the manner and form of adjudications and awards: *Provided*, That regulations relating to the nature and extent of the proofs and evidence shall provide that due regard shall be given to lay and other evidence not of a medical nature: *Provided further*, That where service connection has been found by the United States Veterans' Bureau to exist (whether or not by reason of a presumption of law) in the case of any injury or disease or any aggravation or recurrence of a disability, and such finding has continued in effect for a period of five years, such finding, except in case of fraud participated in by the claimant, shall be final and conclusive for the purposes of this act, and the claimant shall be entitled to benefits thereunder in accordance with such finding from and after the end of such five-year period, whether or not such period ended prior to the passage of this amendatory act."

SEC. 2. That section 10 of the World War Veterans' Act, 1924, as amended (section 434, title 38, United States Code), be hereby amended by adding thereto the following paragraphs:

"The director is further authorized to secure such recreational facilities, supplies, and equipment for the use of patients in hospitals, and for employees at isolated stations as he, in his discretion, may deem necessary, and the appropriations made available for the carrying out of the provisions of this section may be expended for that purpose.

"All property acquired by the Board of Managers of the National Home for Disabled Volunteer Soldiers under the act of May 29, 1902 (32 Stat. 282), known as the Battle Mountain Sanitarium, is hereby transferred to and the title thereof vested in the United States. The jurisdiction and control of said Battle Mountain Sanitarium, and the Battle Mountain Sanitarium Reserve created under the act of March 22, 1906 (sections 151-154, title 24, United States Code), are hereby transferred to the United States Veterans' Bureau, and any unexpended balances of appropriations therefor are made available for expenditure by said bureau."

SEC. 3. That section 16 of the World War Veterans' Act, 1924, as amended (section 442, title 38, United States Code), be hereby amended to read as follows:

"SEC. 16. All sums heretofore appropriated for the military and naval insurance appropriation and all premiums collected for the yearly renewal term insurance provided by the provisions of Title III deposited and covered into the Treasury to the credit of this appropriation, shall, where unexpended, be made available for the bureau. All premiums that may hereafter be collected for the yearly renewal term insurance provided by the provisions of Title III hereof shall be deposited and covered into the Treasury for the credit of this appropriation. Such sum, including all premium payments, is made available for the payment of the liabilities of the United States incurred under contracts of yearly renewal term insurance made under the provisions of Title III, including the refund of premiums and such liabilities as shall have been or shall hereafter be reduced to judgment in a district court of the United States or in the Supreme Court of the District of Columbia. Payments from this appropriation shall be made upon and in accordance with the awards by the director."

SEC. 4. That section 19 of the World War Veterans' Act, 1924, as amended (section 445, title 38, United States Code), be hereby amended to read as follows:

"SEC. 19. In the event of disagreement as to claim, including claim for refund of premiums, under a contract of insurance between the bureau and any person or persons claiming thereunder an action on the claim may be brought against the United States either in the Supreme Court of the District of Columbia or in the district court of the United States in and for the district in which such persons or any one of them resides, and jurisdiction is hereby conferred upon such courts to hear and determine all such controversies. The procedure in such suits shall be the same as that provided in sections 5 and 6 of the act entitled 'An act to provide for the bringing of suits against the Government of the

United States,' approved March 3, 1887, and section 10 thereof so far as applicable. All persons having or claiming to have an interest in such insurance may be made parties to such suit, and such as are not inhabitants of or found within the district in which suit is brought may be brought in by order of the court to be served personally or by publication or in such other reasonable manner as the court may direct. In all cases where the bureau acknowledges the indebtedness of the United States upon any such contract of insurance and there is a dispute as to the person or persons entitled to payment, a suit in the nature of a bill of interpleader may be brought by the bureau in the name of the United States against all persons having or claiming to have any interest in such insurance in the Supreme Court of the District of Columbia or in the district court in and for the district in which any of such claimants reside: *Provided*, That no less than thirty days prior to instituting such suit the bureau shall mail a notice of such intention to each of the persons to be made parties to the suit. The circuit courts of appeal and the Court of Appeals of the District of Columbia shall respectively exercise appellate jurisdiction and, except as provided in sections 346 and 347, title 28, United States Code, the decrees of the circuit courts of appeal and the Court of Appeals of the District of Columbia shall be final.

"No suit shall be allowed under this section unless the same shall have been brought within six years after the right accrued for which the claim is made, or within one year from the date of the approval of this amendatory act, whichever is the later date: *Provided*, That for the purposes of this section it shall be deemed that the right accrued on the happening of the contingency on which the claim is founded: *Provided further*, That this limitation is suspended for the period elapsing between the filing in the bureau of the claim sued upon and the denial of said claim by the director. Infants, insane persons, or persons under other legal disability, or persons rated as incompetent or insane by the bureau shall have three years in which to bring suit after the removal of their disabilities. If suit is seasonably begun and fails for defect in process, or for other reasons not affecting the merits, a new action, if one lies, may be brought within a year though the period of limitations has elapsed. Judgments heretofore rendered against the person or persons claiming under the contract of war-risk insurance on the ground that the claim was barred by the statute of limitations shall not be a bar to the institution of another suit on the same claim. No State or other statute of limitations shall be applicable to suits filed under this section.

"In any suit, action, or proceeding brought under the provisions of this act, subpoenas for witnesses who are required to attend a court of the United States in any district may run into any other district: *Provided*, That no writ of subpoena shall issue for witnesses living out of the district in which the court is held at a greater distance than one hundred miles from the place of holding the same without the permission of the court being first had upon proper application and cause shown. The word 'district' and the words 'district court' as used herein shall be construed to include the District of Columbia and the Supreme Court of the District of Columbia.

"Attorneys of the bureau when assigned to assist in the trial of cases, and employees of the bureau when ordered in writing by the director to appear as witnesses shall be paid the regular travel and subsistence allowance paid to other employees when on official travel status.

"Part-time and fee-basis employees of the bureau, in addition to their regular travel and subsistence allowance, when ordered in writing by the director to appear as witnesses in suits under this section, may be allowed, within the discretion and under written orders of the director, a fee in an amount not to exceed \$20 per day.

"Employees of the United States Veterans' Bureau who are subpoenaed to attend the trial of any suit, under the provisions of this act, as witnesses for plaintiffs shall be granted official leave for the period they are required to be away from the bureau in answer to such subpoenas.

"The term 'claim' as used in this section means any writing which alleges permanent and total disability at a time when the contract of insurance was in force, or which uses words showing an intention to claim insurance benefits, and the term 'disagreement' means a denial of the claim by the director or some one acting in his name on an appeal to the director. This section, as amended, with the exception of this paragraph, shall apply to all suits now pending against the United States under the provisions of the war risk insurance act, as amended, or the World War veterans' act, 1924, as amended: *Provided further*, That in connection with adjudication of the claim of Hal R. Johnson X-C423904, the director shall make payment of the amount of the adjusted service certificate in accordance with the last will and testament of the deceased."

Sec. 5. That a new subdivision be added to section 21 of the World War veterans' act, 1924, as amended (section 450, title 38, United States Code), to be known as subdivision (3), and to read as follows:

"(3) All or any part of the compensation or insurance the payment of which is suspended or withheld under this section may, in the discretion of the director, be paid temporarily to the person having custody and control of the incompetent or minor beneficiary to be used solely for the benefit of such beneficiary, or, in the case of an incompetent veteran, may be apportioned to the dependent or dependents, if any, of such veteran. Any part not so paid and any funds of a mentally incompetent or insane veteran not paid to the chief officer of the institution in which such veteran is an inmate nor apportioned to his dependent or dependents under the provisions of section 202 (7) of this act may be ordered held in the Treasury to the credit of such beneficiary. All funds so held shall be disbursed under the order and in the discretion of the director for the benefit of such veteran or his dependents. Any balance remaining in such fund to the credit of any veteran may be paid to him if he recovers and is found competent, or otherwise to his guardian, curator, or conservator, or, in the event of his death, to his personal representative, except as provided in section 26 of this act: *Provided*, That payment will not be made to his personal representative if, under the law of the State of his last legal residence, his estate would escheat to the State: *Provided further*, That any funds in the hands of a guardian, curator, conservator, or person legally vested with the care of the veteran or his estate, derived from compensation, automatic or term insurance payable under said acts, which under the law of the State wherein the veteran had his last legal residence would escheat to the State, shall escheat to the United States and shall be returned by such guardian, curator, conservator, or person legally vested with the care of the veteran or his estate, less legal expenses of any administration necessary to determine that an escheat is in order, to the bureau, and shall be deposited to the credit of the current appropriations provided for payment of compensation and insurance."

Sec. 6. That section 28 of the World War veterans' act, 1924, as amended (section 453, title 38, United States Code), be hereby amended to read as follows:

"Sec. 28. There shall be no recovery of payments from any person, who, in the judgment of the director, is without fault on his part and where, in the judgment of the director, such recovery would defeat the purpose of benefits otherwise authorized or would be against equity and good conscience. No disbursing officer shall be held liable for any amount paid by him to any person where the recovery of such amount is waived under this section.

"When under the provisions of this section the recovery of a payment made from the United States Government life insurance fund is waived, the United States Government life insurance fund shall be reimbursed for the amount involved from the current appropriation for military and naval insurance.

"This section, as amended, shall be deemed to be in effect as of June 7, 1924."

Sec. 7. That a new section be added to Title I of the World War veterans' act, 1924, as amended (section , title 38, United States Code), to be known as section 37, and to read as follows:

"Sec. 37. Checks properly issued to beneficiaries and undelivered for any reason shall be retained in the files of the bureau until such time as delivery may be accomplished, or, until three full fiscal years have elapsed after the end of the fiscal year in which issued."

Sec. 8. That a new section be added to Title I of the World War veterans' act, 1924, as amended (section , title 38, United States Code), to be known as section 38, and to read as follows:

"Sec. 38. The director is hereby authorized to purchase uniforms for all personnel employed as watchmen, elevator operators, and elevator starters in the Arlington Building, city of Washington, District of Columbia."

Sec. 9. That a new section be added to Title I of the World War veterans' act, 1924, as amended (section , title 38, United States Code), to be known as section 39, and to read as follows:

"Sec. 39. The Secretary of War is hereby authorized and directed to transfer to and accumulate in the War Department in the city of Washington, District of Columbia, all records and files containing information regarding medical and service records of veterans of the World War: *Provided*, That the necessary appropriation to accomplish the transfer of such records and files is hereby authorized."

Sec. 10. That section 200 of the World War veterans' act, 1924, as amended (section 471, title 38, United States Code), be hereby amended to read as follows:

"Sec. 200. For death or disability resulting from personal injury suffered or disease contracted in the military or naval service on or after April 6, 1917, and before July 2, 1921, or for an aggravation or recurrence of a disability existing prior to examination, acceptance, and enrollment for service, when such aggravation was suffered or contracted in, or such recurrence was caused by, the military or naval service on or after April 6, 1917, and before July 2, 1921, by any commissioned officer or enlisted man or by any member of the Army Nurse Corps (female), or of the Navy Nurse Corps (female), when employed in the active service under the War Department or Navy Department, the United States shall pay to such commissioned officer or enlisted man, member of the Army Nurse Corps (female), or of the Navy Nurse Corps (female), or women citizens of the United States who were taken from the United States by the United States Government and who served in base hospitals overseas, or, in the discretion of the director, separately to his or her dependents, compensation as hereinafter provided: *Provided*, That compensation shall not be denied any applicant therefore by reason of the injury, disease, aggravation, or recurrence having been caused by his own willful misconduct: *Provided further*, That such willful misconduct occurred during the period of enlistment of such applicant. That for the purposes of this Act every such officer, enlisted man, or other member employed in the active service under the War Department or Navy Department who was discharged or who resigned prior to July 2, 1921, and every such officer, enlisted man, or other member employed in the active service under the War Department or Navy Department on or before November 11, 1918, who on or after July 2, 1921, is discharged or resigns, shall be conclusively held and taken to have been in sound condition when examined, accepted, and enrolled for service, except as to defects, disorders, or infirmities made of record in any manner by proper authorities of the United States at the time of, or prior to, inception of active service, to the extent to which any such defect, disorder, or infirmity was so made of record: *Provided*, That an ex-service man who is shown to have or, if deceased, to have had, prior to January 1, 1930, a disability developing a 10 per centum degree or more in accordance with the provisions of subdivision (4) of section 202 of this act shall be presumed to have acquired his disability in such service between April 6, 1917, and July 2, 1921, or to have suffered an aggravation of a preexisting disability in such service between said dates, and said presumption shall be conclusive in cases of tuberculosis, paralysis, paresis, blindness, those permanently helpless or permanently bedridden, and spinal meningitis, but in all other cases said presumption shall be rebuttable by clear and convincing evidence; but nothing in this proviso shall be construed to prevent a claimant from receiving the benefits of compensation and medical care and treatment for a disability of more than 10 per centum degree (in accordance with the provisions of subdivision (4) of section 202 of this act) on or subsequent to January 1, 1930, if the facts in the case substantiate his claim: *Provided further*, That an ex-service man who is shown to have, or, if deceased, to have had, prior to January 1, 1930, neuropsychiatric disease and spinal meningitis, an active tuberculosis disease, paralysis agitans, encephalitis lethargica, a chronic constitutional disease or analogous disease, particularly, all diseases enumerated on page 75 of the schedule of disability ratings of the United States Veterans' Bureau, 1925, or amoebic dysentery developing a 10 per centum degree of disability or more in accordance with the provisions of subdivision (4) of section 202 of this act, shall be presumed to have acquired his disability in such service between April 6, 1917, and July 2, 1921, or to have suffered an aggravation of a preexisting neuropsychiatric disease and spinal meningitis, tuberculosis, paralysis agitans, encephalitis lethargica, a chronic constitutional disease or analogous disease, particularly, all diseases enumerated on page 75 of the schedule of disability ratings of the United States Veterans' Bureau, 1925, or amoebic dysentery in such service between said dates, and said presumption shall be conclusive; but nothing in this proviso shall be construed to prevent a claimant from receiving the benefits of compensation and medical care and treatment for a disability due to these diseases of more than 10 per centum degree (in accordance with the provisions of subdivision (4) of section 202 of this act) on or subsequent to January 1, 1930, if the facts in the case substantiate his claim: *Provided further*, That in any case where service connection is granted solely on the basis of a new presumption created by this amendatory act, no compensation shall be paid for any period prior to the approval of this act, nor for more than three years after such approval pending a further study of veterans' relief by the Congress: *Provided further*, That nothing herein contained shall be construed to apply to an ex-service man who enlisted or entered military or naval service subsequent to November 11, 1918."

Sec. 11. That section 201, subdivisions (f) and (l), of the World War veterans' act, 1924, as amended (sections 472, 475, title 38, United States Code), be hereby amended to read as follows:

"(f) If there is a dependent mother (or dependent father), \$20, or both, \$30. The amount payable under this subdivision shall not exceed the difference between the total amount payable to the widow and children and the sum of \$75. Such compensation shall be payable, whether the dependency of the father or mother or both arises before or after the death of the person: *Provided*, That the status of dependency shall be determined annually as of the anniversary date of the approval of the award, and the director is authorized to require a submission of such proof of dependency as he, in his discretion, may deem necessary: *Provided further*, That upon refusal or neglect of the claimant or claimants to supply such proof of dependency in a reasonable time the payment of compensation shall be suspended or discontinued.

"(l) If death occur or shall have occurred subsequent to April 6, 1917, and before discharge or resignation from the service, the United States Veterans' Bureau shall pay for burial and funeral expenses and the return of body to his home a sum not to exceed \$100, as may be fixed by regulation. Where a veteran of any war, including those women who served as Army nurses under contracts between April 21, 1898, and February 2, 1901, who was not dishonorably discharged, dies after discharge or resignation from the service, the director, in his discretion and with due regard to the circumstances of each case, shall pay, for burial and funeral expenses and the transportation of the body (including preparation of the body) to the place of burial, a sum not exceeding \$107 to cover such items and to be paid to such person or persons as may be fixed by regulations: *Provided*, That when such person dies while receiving from the bureau compensation or vocational training, or in a national military home, the above benefits shall be payable in all cases: *Provided further*, That where such person while receiving from the bureau medical, surgical, or hospital treatment, or vocational training, dies away from home and at the place to which he was ordered by the bureau, or while traveling under orders of the bureau, or in a national military home, the above benefits shall be payable in all cases and in addition thereto the actual and necessary cost of the transportation of the body of the person (including preparation of the body) to the place of burial, within the continental limits of the United States, its Territories, or possessions, and including also, in the discretion of the director, the actual and necessary cost of transportation of an attendant: *Provided further*, That no accrued pension, compensation, or insurance due at the time of death shall be deducted from the sum allowed: *Provided further*, That the director may, in his discretion, make contracts for burial and funeral services within the limits of the amounts allowed herein without regard to the laws prescribing advertisement for proposals for supplies and services for the United States Veterans' Bureau: *Provided further*, That section 8, title 41, of the United States Code, shall not be applied to contracts for burial and funeral expenses heretofore entered into by the director so as to deny payment for services rendered thereunder, and all suspensions of payment heretofore made in connection with such contracts are hereby removed, and any and all payments which are now or may hereafter become due on such contracts are hereby expressly authorized: *Provided further*, That no deduction shall be made from the sum allowed because of any contribution toward the burial which shall be made by any State, county, or municipality, but the aggregate of the sum allowed plus such contribution or contributions shall not exceed the actual cost of the burial.

"Where a veteran of any war, including those women who served as Army nurses under contracts between April 21, 1898, and February 2, 1901, who was not dishonorably discharged, dies after discharge or resignation from the service, the director shall furnish a flag to drape the casket of such veteran and afterwards to be given to his next of kin regardless of the cause of death of such veteran."

Sec. 12. That subdivisions (3) and (5) of section 202 of the World War veterans' act, 1924, as amended (sections 473, 478, 479, title 38, United States Code), be hereby amended to read as follows:

"(3) If and while the disability is rated as total and permanent, the rate of compensation shall be \$100 per month: *Provided, however*, That the permanent loss of the use of both feet, or both hands, or of both eyes, or of one foot and one hand, or of one foot and one eye, or of one hand and one eye, or the loss of hearing of both ears, or the organic loss of speech, or becoming permanently helpless or permanently bedridden, shall be deemed to be total permanent dis-

ability: *Provided further*, That the compensation for the loss of the use of both eyes shall be \$150 per month, and that compensation for the loss of the use of both eyes and one or more limbs shall be \$200 per month: *Provided further*, That for double total permanent disability the rate of compensation shall be \$200 per month.

"That any ex-service man shown to have a tuberculous disease of compensable degree, and who has been hospitalized for a period of one year, and who in the judgment of the director will not reach a condition of arrest by further hospitalization, and whose discharge from hospitalization will not be prejudicial to the beneficiary or his family, and who is not, in the judgment of the director, feasible for training, shall, upon his request be discharged from hospitalization, and rated as temporarily totally disabled, said rating to continue for the period of three years: *Provided, however*, That nothing in this subdivision shall deny the beneficiary the right, upon presentation of satisfactory evidence, to be adjudged to be permanently and totally disabled: *Provided further*, That in addition to the compensation above provided, the injured person shall be furnished by the United States such reasonable governmental medical, surgical, and hospital services, including payment of court costs and other expenses incident to proceedings heretofore or hereafter taken for commitment of mentally incompetent persons to hospitals for care and treatment of the insane, and shall be furnished with such supplies, including wheel chairs, artificial limbs, trusses, and similar appliances, as the director may determine to be useful and reasonably necessary, which wheel chairs, artificial limbs, trusses, and similar appliances may be procured by the bureau in such manner, either by purchase or manufacture, as the director may determine to be advantageous and reasonably necessary: *Provided*, That nothing in this act shall be construed to affect the necessary military control over any member of the Military or Naval Establishments before he shall have been discharged from the military or naval service: *Provided further*, That where any person entitled to the benefits of this paragraph has heretofore been hospitalized in a State institution, the United States Veterans' Bureau is hereby authorized to reimburse such person, or his estate, where payment has been made to the State out of the funds of such person, or to reimburse the State or any subdivision thereof where no payment has been made for the reasonable cost of such services from the date of admission.

"There shall be paid to any person who suffered the loss of the use of a creative organ or one or more feet or hands in the active service, in line of duty, between April 6, 1917, and November 11, 1918, compensation of \$25 per month, independent of any other compensation which may be payable under this act: *Provided, however*, That if such disability was incurred while the veteran was serving with the United States military forces in Russia, the dates herein stated shall extend from April 6, 1917, to April 1, 1920.

"(6) If the disabled person is so helpless as to be in need of a nurse or attendant, such additional sum shall be paid, but not exceeding \$50 per month, as the director may deem reasonable."

Sec. 13. That subdivision (7) of section 202 of the World War veterans' act, 1924, as amended (sections 480, 481, title 38, United States Code), be hereby amended to read as follows:

"(7) Where any disabled person having neither wife, child, nor dependent parent shall, after July 1, 1924, have been maintained by the Government of the United States for a period or periods amounting to six months in an institution or institutions, and shall be deemed by the director to be insane, the compensation for such person shall thereafter be \$20 per month so long as he shall thereafter be maintained by the bureau in an institution; and such compensation may, in the discretion of the director, be paid to the chief officer of said institution to be used for the benefit of such person: *Provided, however*, That in any case where the estate of such veteran derived from funds paid under the war risk insurance act, as amended, and/or the World War veterans' act, 1924, as amended, equals or exceeds \$3,000, payment of the \$20 per month shall be discontinued until the estate is reduced to \$3,000: *Provided further*, That if such person shall recover his reason and shall be discharged from such institution as competent, such additional sum shall be paid him as would equal the total sum by which his compensation has been reduced or discontinued through the provisions of this subdivision.

"All or any part of the compensation of any mentally incompetent inmate of an institution may, in the discretion of the director, be paid to the chief officer of said institution to be properly accounted for and to be used for the benefit of such inmate, or may, in the discretion of the director, be apportioned to wife, child, or children, or dependent parents in accordance with regulations.

"That any ex-service person shown to have had a tuberculous disease of service origin, whether active or otherwise, shall receive compensation of not less than \$50 per month: *Provided, however,* That nothing in this provision shall deny a beneficiary the right to receive a temporary total rating for six months after discharge from a one year's period of hospitalization: *Provided further,* That no payments under this provision shall be retroactive, and the payments hereunder shall commence from the date of the passage of this amendatory act or the date the disease reaches a condition of arrest, whichever be the later date.

"The director is hereby authorized and directed to insert in the rating schedule a minimum rating of permanent partial 25 per centum for arrested or apparently cured tuberculosis."

Sec. 14. That two new paragraphs be added to subdivision (10) of section 202 of the World War veterans' act, 1924, as amended (section 484, title 38, United States Code), to read as follows:

"Where a World War veteran hospitalized under this section for a period of more than thirty days files an affidavit with the commanding officer of the hospital to the effect that his annual income, inclusive of compensation or pension, is less than \$1,000, there shall be paid to the dependents of such veteran (commencing with the expiration of such thirty-day period and to be payable) during the period of any further continuous hospitalization and for two calendar months thereafter, the following amount of compensation:

"(a) If there is a wife but no child, \$30 per month;

"(b) If there is a wife and one child, \$40 per month, with \$6 for each additional child;

"(c) If there is no wife but one child, \$20 per month;

"(d) If there is no wife but two children, \$30 per month;

"(e) If there is no wife but three children, \$40 per month, with \$6 for each additional child.

"For the purposes of this section the Spanish-American War shall be construed to mean service between April 21, 1898, and July 4, 1902, and the term 'veteran' shall be deemed to include those persons retired or otherwise not dishonorably separated from the active list of the Army or Navy.

"That veterans hospitalized under the provisions of the World War veterans' act, as amended, shall be paid a hospital allowance in addition to any other benefits to which they may be entitled at the rate of \$8 per month during the period of hospitalization, in the event they certify they are financially in need, unless they are entitled to compensation or pension equal to or in excess of that amount."

Sec. 15. That subdivision (15) of section 202 of the World War veterans' act, 1924, as amended (section 489, title 38, United States Code), be hereby amended to read as follows:

"(15) That any person who is now receiving a gratuity or pension from the United States under existing law shall not receive compensation under this section unless he shall first surrender all claim to further payments of such gratuity or pension, except as hereafter provided and in subdivision (7) of section 201: *Provided,* That in the event of surrender of pension as hereinbefore set forth, any disability incurred in the military service of the United States, by reason of which said pension would be payable, shall be evaluated in accordance with the provisions of subdivision (4), section 202, and shall be payable as compensation under this act: *Provided further,* That such compensation rating shall be combined with any other compensation rating awarded by reason of active service in the World War."

Sec. 16. That section 206 of the World War veterans' act, 1924, as amended (section 495, title 38, United States Code), be hereby repealed.

Sec. 17. That section 209 of the World War veterans' act, 1924, as amended (section 498, title 38, United States Code), be hereby repealed.

Sec. 18. That section 210 of the World War veterans' act, 1924, as amended (section 499, title 38, United States Code), be hereby amended to read as follows:

"Sec. 210. That no compensation shall be payable for any period more than one year prior to the date of claim therefor, nor shall increased compensation be awarded to revert back more than six months prior to the date of claim therefor: *Provided,* That nothing herein shall be construed to permit the payment of compensation under the World War veterans' act, as amended, for any period prior to June 7, 1924. Except in case of fraud participated in by the beneficiary, no reduction in compensation shall be made retroactive. This section, as amended, shall be effective as of June 7, 1924."

Sec. 19. That section 212 of the World War veterans' act, 1924, as amended (section 422, title 38, United States Code), be hereby amended by adding thereto

the following proviso: "Provided further, That where death occurs subsequent to June 7, 1924, as a result of a disease or injury for which the veteran was entitled to compensation by virtue of an accrued right under the war risk insurance act, as amended, his dependents shall be entitled to the compensation provided by section 201 of this act: *Provided further*, That an application for compensation under the war risk insurance act, as amended, shall be deemed to be a claim for compensation under this act, and an application for compensation under the provisions of this act shall be deemed to be a claim for compensation under all subsequent amendments to said act, this proviso to be effective as of June 7, 1924."

Sec. 20. That a new section be added to Title 11 of the World War veterans' act, 1924, as amended (section ----, title 38, United States Code), to be known as section 214, and to read as follows:

"Sec. 214. Where an incompetent veteran receiving disability compensation under the provisions of this act disappears, the director, in his discretion, may pay to the dependents of such veteran the amount of compensation provided in section 201 of the World War veterans' act, 1924, as amended, for dependents of veterans."

Sec. 21. That section 301, paragraphs 3 and 4, of the World War veterans' act, 1924, as amended (section 512, title 38, United States Code), be hereby amended to read as follows:

"In case where an insured, whose yearly renewable term insurance has matured by reason of total permanent disability, is found and declared to be no longer permanently and totally disabled, and where the insured is required under regulations to renew payment of premiums on said term insurance, and where this contingency is extended beyond the period during which said yearly renewable term insurance otherwise must be converted, there shall be given such insured an additional period of two years from the date on which he is required to renew payment of premiums in which to reinstate or convert said term insurance as heretofore provided: *Provided*, That where the time for conversion has been extended under the second paragraph of this section because of the mental condition or disappearance of the insured, there shall be allowed to the insured an additional period of two years from the date on which he recovers from his mental disability or reappears in which to convert.

"The insurance, except as provided herein, shall be payable in two hundred and forty equal monthly installments: *Provided*, That when the amount of an individual monthly payment is less than \$5, such amount may, in the discretion of the director, be allowed to accumulate without interest and be disbursed annually. Provisions for maturity at certain ages, for continuous installments during the life of the insured or beneficiaries, or both, for refund of premiums, cash, loan, paid-up, and extended values, dividends from gains and savings, and such other provisions for the protection and advantage of and for alternative benefits to the insured and the beneficiaries as may be found to be reasonable and practicable, may be provided for in the contract of insurance or from time to time by regulations. All calculations shall be based upon the American Experience Table of Mortality and interest at 3½ per centum per annum, except that no deduction shall be made for continuous installments during the life of the insured in case his total and permanent disability continues more than two hundred and forty months. Subject to regulations, the insured shall at all times have the right to change the beneficiary or beneficiaries without the consent of such beneficiary or beneficiaries, but only within the classes herein provided."

Sec. 22. That the last proviso of section 304 of the World War veterans' act, 1924, as amended (section 515, title 38, United States Code), be hereby amended to read as follows: "*And provided further*, That, except as provided in section 301 of the World War veterans' act, as amended, no yearly renewable term insurance shall be reinstated after July 2, 1927."

Sec. 23. That section 307 of the World War veterans' act, 1924, as amended (section 518, title 38, United States Code), be hereby amended to read as follows:

"Sec. 307. All contracts or policies of insurance heretofore or hereafter issued, reinstated, or converted shall be incontestable from the date of issuance, reinstatement, or conversion, except for fraud, nonpayment of premiums, or on the ground that the applicant was not a member of the military or naval forces of the United States, and subject to the provisions of section 23: *Provided*, That the insured under such contract or policy may, without prejudicing his rights, elect to make claim to the bureau or to bring suit under section 19 of this act on any prior contract or policy and, if found entitled thereto, shall, upon surrender of any subsequent contract or policy, be entitled to payments under the prior contract of policy. Such suit may be brought either as an original action or by alternative plea in the same suit with the subsequent contract or policy, but recovery shall

not be had on both such contracts or policies: *Provided further*, That this section shall be deemed to be effective as of April 6, 1917, and applicable from that date to all contracts or policies of insurance."

Sec. 24. That section 311 of the World War veterans' act, 1924, as amended (section 512b, title 38, United States Code), be hereby amended to read as follows:

"Sec. 311. The director is hereby authorized and directed to include in United States Government life (converted) insurance policies provision whereby an insured, who is totally disabled as a result of disease or injury for a period of four consecutive months or more before attaining the age of sixty-five years and before default in payment of any premium, shall be paid disability benefits at the rate of \$5.75 monthly for each \$1,000 of converted insurance in force when total disability benefits become payable. The amount of such monthly payment under the provisions of this section shall not be reduced because of payment of permanent and total disability benefits under the United States Government life (converted) insurance policy. Such payments shall be effective as of the first day of the fifth consecutive month, and shall be made monthly during the continuance of such total disability. Such payments shall be concurrent with or independent of permanent total disability benefits under the United States Government life (converted) insurance policy. In addition to the monthly disability benefits the payment of premiums on the United States Government life (converted) insurance policy and for the total disability benefits authorized by this section shall be waived during the continuance of such total disability. Regulations shall provide for reexaminations of beneficiaries under this section; and, in the event that it is found that an insured is no longer totally disabled, the waiver of premiums and payment of benefits shall cease and the United States Government life (converted) insurance policy, including the total disability provision authorized by this section, may be continued by payment of premiums as provided in said policy and the total disability provision authorized by this section. Neither the dividends nor the amount payable in any settlement under any United States Government life (converted) insurance policy shall be decreased because of disability benefits granted under the provisions of this section. The payment of total disability benefits shall not prejudice the right of any insured, who is totally and permanently disabled to total permanent disability benefits under his United States Government life (converted) insurance policy: *Provided*, That the provision authorized by this section shall not be included in any United States Government life (converted) insurance policy heretofore or hereafter issued, except upon application, payment of premium by the insured, and proof of good health satisfactory to the director. The benefits granted under this section shall be on the basis of multiples of \$500, and not less than \$1,000 or more than the amount of United States Government life (converted) insurance in force at time of application. The director shall determine the amount of the monthly premium to cover the benefits of this section, and in order to continue such benefits in force the monthly premiums shall be payable until the insured attains the age of sixty-five years or until the prior maturity of the policy. In all other respects such monthly premium shall be payable under the same terms and conditions as the regular monthly premium on the United States Government life (converted) insurance policy."

Sec. 25. This amendment shall not affect rights which have accrued under the World War veterans' act, 1924, as amended, prior to the approval of this amendatory act, but all such rights shall continue and may be enforced in the same manner as if said amendatory act had not been approved.

Passed the House of Representatives April 24, 1930.

Attest:

WM. TYLER PAGE, *Clerk*.

STATEMENT OF GEN. FRANK T. HINES, DIRECTOR UNITED STATES VETERANS' BUREAU, WASHINGTON, D. C.

General HINES. Mr. Chairman and gentlemen of the committee, may I, before I take up an analysis of the bill paragraph by paragraph, read into the record a letter prepared to the chairman of the Senate Finance Committee, in accordance with his verbal request, in order that you may have before you somewhat the foundation upon which this bill is laid?

The CHAIRMAN. You may do that.

General HINES. My letter is dated April 20, 1930, and is addressed to the Hon. Reed Smoot, chairman Committee on Finance, United States Senate, and is as follows [reading]:

DEAR SENATOR SMOOT: In accordance with your verbal request there is submitted a report on H. R. 10381, a bill to amend the World War veterans' act, 1924, as amended, which was passed by the House of Representatives on April 24, 1930.

Before commenting on the various amendments contained in the bill I believe it would be well to set forth the amount of money we are now expending annually for the relief of World War veterans and the amount of money this country has expended for the relief of World War veterans, including disability compensation, vocational training, hospitalization, etc., up to the present time.

On the basis of existing legislation the bureau for 1931 estimates for its operations net appropriations totaling \$511,225,000. This total is made up as follows:

Death and disability compensation.....	\$100,000,000
Military and naval insurance.....	120,000,000
Adjusted service certificate fund.....	112,000,000
Medical and hospital services (not including salaries of operating personnel).....	35,000,000
Hospital construction.....	2,000,000
Printing and binding.....	125,000
Salaries and expenses (including salaries of hospital personnel).....	45,500,000

On behalf of World War veterans, for all purposes, there have been disbursed to date \$5,058,084,000. Direct benefits included in this total for the veteran and his dependents are as follows:

Death and disability compensation.....	\$1,572,758,344
Vocational training.....	614,984,110
Medical and hospital services (including hospital construction).....	412,251,088
Government term insurance (minus premium receipts).....	861,581,000
Adjusted compensation.....	111,700,200
Allowances (during service).....	282,083,472

It is estimated that the enactment of H. R. 10381 when fully in effect will add to the annual expenditures of the bureau a minimum of approximately \$200,000,000, and for the 10-year period 1931 to 1940 it is estimated that, over and above the expenditures on the basis of existing legislation, the additional cost due to the proposed bill will approximate \$2,000,000,000. These estimates are minimum figures, and it is my feeling that the true cost will materially exceed the figures cited, and may possibly rise to as high as \$500,000,000 a year, or \$5,000,000,000 over a 10-year period.

The proposed bill contains provisions which will go materially beyond what was originally contemplated when Congress desired to depart from the military pension system during the World War.

Section 10, which amends section 200 of the present act, presumes all disabilities of a 10 per cent degree or more existing prior to January 1, 1930, to be the result of injuries or diseases incurred in or aggravated by military service. The presumption in a large group of diseases is made conclusive. While this presumption now obtains for tuberculosis and a rebuttable presumption obtains for neuropsychiatric conditions as a few other diseases, it has not obtained for all other conditions. This provision represents a radical departure from the existing compensation theory. Cases unquestionably distressing have arisen throughout the country which are definitely outside the provisions of the present World War veterans' act, 1924, as amended. Appeals on behalf of these cases have been made to the Government and this proposal has been introduced largely on the basis of these cases, but does extend the act to a point where the question of service connection can no longer logically be considered as an essential factor, by liberalizing existing presumption periods which automatically insure service connection and, consequently, disability compensation. This section is rather a difficult one to estimate as to cost, but, giving consideration to those claims which have been disallowed—some 600,000 of them—the bureau approximates the minimum cost at \$150,548,000 per year, plus an administrative cost in excess of \$5,000,000.

In addition to the provision covered in the immediately preceding paragraph which tends to eliminate necessity for proof of service origin of disability, another entirely new provision is made, which provides compensation to veterans hospitalized for disabilities, which are not the result of military service, and their dependents. The intent of this amendment is to provide the veteran with spending money of \$8 per month and to authorize a dependency allowance to his dependents. This is clearly a pension provision and represents another radical departure from the underlying principles of the World War veterans' act, 1924, as amended. The estimate annual cost of this provision, standing alone, is \$5,300,000. However, in view of the fact that practically all of the men now hospitalized for nonservice connected disabilities will have such disabilities presumed to have been acquired in the service if the previously discussed amendment to section 200 becomes a law, this cost for the immediate future will be absorbed in the cost of section 10 of the bill. Of course, as time goes by and January 1, 1930, becomes far enough removed, there will be a large class of cases which will be affected by this amendment. The future cost, however, can not be estimated.

The bill is good in many particulars, especially those dealing with administrative provisions. By following the policy heretofore adopted by the bureau to keep Congress fully advised on changes of legislation and the possible effect of such legislation, I feel it my duty to call your particular attention in some detail to certain provisions which, if they become a law as above indicated, will constitute a broad departure from the established policy dealing with the World War veterans.

At the outset it may be stated that we are all in agreement with the desire to fully compensate any disabled veteran whose disability is due to service. From the detailed information which will follow I am sure that it can be said without fear of contradiction that Congress has dealt most generously with the veterans of the World War, and I know it to be their desire, as well as those charged with the administration of the law, to make sure that the maximum benefit and service are provided for the service man who has a disability due to his military service.

I do not feel it necessary to comment on the administrative items of the bill, and will pass them over. Your attention is called first to section 4 of the bill, which amends section 19 of the existing act. This section extends the time during which suits may be instituted one year from the date of the approval of the amendatory act. When we give consideration to the fact that some 5,000 suits on insurance are now pending against the Government, 90 per cent of which are based upon a claim for permanent and total disability existing at the time of discharge of the veteran from military service, it would not seem to me that this extension is justified. Most certainly a claimant who was actually permanently and totally disabled some six or eight years ago would have presented his claim before the bureau and, if it were disallowed, would have ample time to enter suit before this.

The Government's liability under term insurance now exceeds the premiums collected on such insurance by approximately \$1,300,000,000. The suits now pending have a potential liability of \$50,000,000 more, and when it is estimated that it will cost the Government about \$4,000 to defend each of these suits you may readily estimate the possible liability of any further extension of the time for filing suits. It is the desire and policy of the bureau to make insurance awards when the facts of record will permit under the law, and while a number of suits are lost in court many decisions against the Government may be charged to the natural sympathy for the veteran both on the part of the court and jury. For these reasons the bureau has reported adversely against this amendment.

Senator WALSH of Massachusetts. General Hines, what percentage of the cases do you win?

General HINES. Up until recently we were winning approximately 50 per cent of the cases, but the percentage decided against the Government is increasing, and I think it will tend to increase.

Senator SHORTRIDGE. And you say it costs the Government about \$4,000 to defend each case?

General HINES. Yes.

Senator SHORTRIDGE. Will you explain that?

General HINES. That is brought about by this situation: The claim is usually made to carry out a finding of permanent and total dis-

ability made by the bureau. Say from 1924 we found a veteran permanently and totally disabled and have been paying back to the date of discharge. If it can be shown that the man was permanently and totally disabled at discharge, the most of the policies that were in effect at that time, and there were very few that were not of the amount of \$10,000, then each of these suits has a potential liability against the Government of \$13,800. Now, the difficulty in the defense of these suits will be emphasized to the subcommittee when you know that it is necessary for us to find as witnesses men who examined the man in the early days of the bureau. The man may have been examined in New York. His case may come to trial in San Francisco, or it may come to trial at any place, wherever he happens to be, in a hospital or otherwise. Some attorney takes up his case, and there is the travel involved for witnesses, and the travel involved for those who try the case; and, quite naturally, the expense of preparing the case for trial.

Senator SHORTRIDGE. In and about the proper preparation of the defense in a given case you estimate costs the Government about \$4,000.

General HINES. Yes, sir.

Senator SHORTRIDGE. I see.

The CHAIRMAN. You may proceed with the letter.

General HINES. I will continue reading my letter to your chairman:

The next provision of the bill to which I desire again to call your particular attention is section 10, which amends section 200 of the present act by presuming all disabilities of a 10 per cent degree or more existing prior to January 1, 1930, to be the result of injuries or diseases incurred in or aggravated by military service. The presumption is rebutted by clear and convincing evidence in all cases except those of chronic and analogous diseases, tuberculosis, spinal meningitis, paralysis, paresis, and blindness, and veterans permanently helpless or permanently bedridden. No doubt the committee had in mind, by further broadening the presumptive clause of the present World War veterans' act, taking care of a number of cases which they feel are meritorious and which the law at this time does not cover. If it was only the intention of the committee to take in borderline cases, they have in some measure accomplished that by the first section of the bill by including in that amendment the provision that the bureau will give due regard to lay any other evidence not of a medical nature in connection with the adjudication of claims. The bureau would interpret that provision as sufficiently broad to permit liberal adjudication of border-line cases.

It is realized that it is difficult to legislate for a relatively few cases without admitting to benefits many other cases not equally meritorious. Even suppose there were 10,000 border-line cases—and I am sure that there are not that many—the proposed legislation not only will benefit these cases but will comprehend ten times that number, represented by veterans whose disabilities can not be shown to be due to their military service.

This legislation, moreover, will immediately create another border line, a situation which will always obtain where limits are prescribed. It would appear to me some other means should be sought to take care of border-line cases than to so broaden the legislative authority as to bring in cases which, on the theory of disability compensation, have actually no merit. I would recommend, for the consideration of Congress, the creation of a special board with authority to grant relief beyond the limits of the present law in border-line cases involving combat service, where necessity for relief is shown, even though evidence of acquirement of disability in service may not actually exist. Beyond this it would seem unwise to go without a complete study of the needs of all disabled veterans.

If it is the desire of Congress to depart from the policy by compensating veterans for injuries or diseases regardless of whether they are due to service or not, then the provision should be made to do it. It has been my thought, however, that it was not the intention of Congress to award compensation except for service-connected disabilities. While it is true that by the adoption of the original presumptive clause certain inequalities have been brought about, and this amendment will tend to eliminate some of the inequalities, nevertheless, its

further extension will create greater inequalities. It will not take care of many of those uncompensated veterans who are now sick in the Government hospitals and who have made a determined effort to obtain compensation for their disabilities. It is simply compensating by presumptive evidence for disabilities not due to service, and in the final analysis we must admit that if this provision becomes a law we have adopted a disability pension.

It seems to me that we are at a critical point in the matter of legislating for veterans, and it would be my desire to suggest to the Congress that they give careful consideration to a thorough study of this entire problem in order that the veterans may not be placed upon the compensation rolls for disabilities not due to service at such high rates that they will stand out as discriminating against other veterans whom the Congress at some future time, undoubtedly, will have to consider.

Section 13 of the bill amends the act by providing a \$50 statutory award for all cases of arrested tuberculosis, irrespective of whether active tuberculosis can be shown between the date of entrance into the service and January 1, 1930. This amendment must be considered in the light of the amendment to section 200 just referred to. Sound medical advice indicates that at least 75 per cent of the entire population is or has been infected, at some time or another, with tuberculosis, but due to immunity and physical resistance the condition does not become active or disabling in the majority of cases, although scars may be left indicating the infection which would result in a diagnosis of arrested or cured tuberculosis. It is hard to see the justification, in view of this, of providing compensation for these men at the rate of \$50 per month for the remainder of their lives unless the Government is prepared at this time to take care of other veterans with equally meritorious service and make similar awards for other disabilities which are, in fact, more disabling. The cost of this amendment is estimated at \$4,000,000 per annum.

Senator SHORTRIDGE. General Hines, will you tell me who is included by the language there, "take care of other veterans"?

General HINES. Other than tuberculosis cases. The rating under our compensation tables would be less than \$50 per month for the other cases, but by awarding compensation of \$50 per month you would give an award equal to the battle disability.

Senator SHORTRIDGE. I see.

The CHAIRMAN. You may proceed with your letter.

General HINES. I continue with the letter:

By section 14 of the bill, a new provision of the law is made which authorizes payment of compensation to veterans hospitalized for nonservice-connected disabilities and their dependents, when the veteran is in need. By this provision the committee evidently intends to take care of those cases where men take advantage of the opportunity of being hospitalized for nonservice-connected disabilities. This is clearly a pension provision and departs from the underlying principles of the World War veterans' act. It would not be so bad if we were prepared to embark upon a pension program at this time, and if it were not for the fact that it creates such a marked discrimination, under the existing law, whereby all veterans are furnished hospitalization for all disabilities whether due to service or not, within the limits of available facilities.

The Congress has only to date authorized construction essentially for the existing or contemplated service-connected load. It has not undertaken a program of construction to provide sufficient beds for all nonservice-connected cases; therefore, those in need of hospitalization and for whom no beds are available, would be at a great disadvantage over the veteran who is able to obtain a bed. It would seem to be wise, therefore, to give consideration to the fact that this provision, if it becomes a law, will undoubtedly, necessitate the Government undertaking a further extensive building program in order that these inequalities may be eliminated. Until the Congress had decided this important question, there is for consideration the advisability of enacting this provision.

As previously indicated, the estimated cost of this amendment is approximately \$5,300,000 per annum. If, however, hospital construction were to be developed to take care of all veterans, the cost would be very materially increased both as to hospital construction and operation and in allowances to themselves and families. Were the proposed amendment enacted, it would seem that demand would immediately arise for this increased hospital service with consequent additional hospital construction.

Certain provisions in the bill result in economies. These are pointed out in the memorandum attached. The largest item which might be said to somewhat offset the above-outlined cost is that claimed as a saving of \$42,000,000. In connection with this item it should be understood that under the bureau's decision no saving is made because the bureau has felt that it has correctly interpreted the wishes of Congress in not making the provisions under the World War veterans' act, as amended June 7, 1924, retroactive; that is, in so far as the new benefits granted by that act are concerned. It is felt it would be very difficult to substantiate individual claims involved, in view of the legislative history of the amendment under which these cases fall. It must be kept in mind that it is not an annual saving and that the most that can be said for it is that this amount of money would not have to be appropriated by Congress.

Thus far the beneficiaries of the World War veterans' legislation have fallen into two distinct groups, those with service-connected disabilities, together with their dependents, and all others disabled or not disabled. The provisions for the former I have already indicated. For the second group, namely, those not disabled by reason of military service, many benefits and privileges have been provided which are outlined in the attached memorandum. Chief of these, I feel, may be cited the privilege of hospitalization to the extent Government facilities are available. At present more than 40 per cent of our patient population of 30,000 are being treated for disabilities which are not shown to be the result of military service, and are being hospitalized under the provisions of the amendment of 1924, which, so far as facilities permitted, made Government hospital facilities available to all veterans regardless of the character or origin of their disabilities. During 1929 alone this general hospitalization provision cost approximately \$15,000,000.

Of course, for all veterans there was enacted the World War adjusted compensation act. The future obligation of the Government under this act exceeds \$3,500,000,000.

In closing may I again reiterate what I have previously stated to the World War Veterans' Committee, that it seems desirable that the Congress should at the earliest possible date make a study of the entire problem of veterans' relief, with the object of adopting a permanent national policy dealing therewith, having in mind the elimination of whatever inequalities now exist and the adoption of a policy in dealing with all veterans who are disabled and are in need, which can be extended in the future to other veterans who follow those now being cared for. In my judgment, further liberalization of existing acts, without such study and consideration, will only create further inequalities and in the final analysis work to the detriment of the actually disabled veteran whose disabilities are directly due to service. I need not tell you that it is my earnest desire to do everything possible for the disabled veterans, but I have felt it incumbent upon me to frankly discuss the several provisions of this proposed amendment, which definitely indicate a departure from the basic principles of our World War veterans' legislation, for whatever benefit it may be to your committee and to the Congress as a whole.

There is attached for your information a memorandum which discusses by sections the entire bill in sufficient detail to enable your committee to fully judge its effect.

A copy of this letter is inclosed for your use.

Very truly yours,

FRANK T. HINES, *Director*

(Analysis of H. R. 10381, "A bill to amend the World War veterans' act, 1924, as amended," as it passed the House of Representatives April 24, 1930)

THE ASSISTANT GENERAL COUNSEL.
THE DIRECTOR.

APRIL 28, 1930.

Section 1 of the bill amends section 5 of the act by providing that in making regulations pursuant to existing law with reference to home treatment for service-connected disabilities, the director shall not discriminate against any veteran solely on the ground that such veteran left a Government hospital against medical advice or without official leave. This amendment has for its purpose the changing of bureau procedure which has been in effect since June 28, 1922. Under this procedure, if a claimant leaves the hospital against medical advice or goes absent without leave therefrom he is not entitled to home treatment until such time as he may reenter a bureau hospital and clear his record of this character of discharge. This amendment in reality dictates the method of procedure

in connection with this class of cases. The danger in its enactment lies in the possible effect of such an amendment on the existing general policy of the Government to hospitalize and treat veterans in Government institutions and with Government facilities. If veterans are to be permitted to leave hospitals against medical advice or without proper leave and after so doing are to be entitled to home treatment it may have a decided effect upon the Government hospital program. It is known that when men are ill they do not exercise the same judgment as men not afflicted with disease. They become discouraged in many cases and desire to take on new forms of treatment, even though such new forms of treatment may not be advisable. In view of the fact that the director at the present time has authority to do that which the amendment dictates, it is not believed from a Government standpoint that the amendment is desirable.

Section 1 of the bill also amends section 5 of the act by directing that regulations relative to evidence provide that due regard be given to lay and other evidence not of a medical nature, in connection with the adjudication of claims. In view of the fact that the bureau is at present giving consideration to such evidence, the only effect of this amendment will be to require a more liberal evaluation of such evidence. It is impossible to estimate the cost of such a provision, but it undoubtedly will increase the expenditures.

Section 1 of the bill further amends section 5 of the act by providing that where service connection has been found by the bureau to exist in the case of any injury or disease or any aggravation or recurrence of a disability, and such finding has continued in effect for a period of five years, the finding shall be final except in cases of fraud participated in by the claimant, the period of limitation to run from the date of such finding irrespective of whether the period began prior to the passage of the amendatory act. This amendment is in reality a statute of limitations against the Government. Under existing bureau instructions every rating and other finding of fact made by a properly constituted authority and unappealed from within the time allowed by regulations shall be presumed to be correct for all purposes until the contrary is affirmatively shown, and such finding shall not be subject to reversal except where an error of law is shown on the face of the record, where there is evidence of fraud, or where the evidence affirmatively shows that the finding could not be correct upon any theory. The instructions further provide that the fact the evidence in the file may seem insufficient to support the finding shall not be sufficient to bring the case under the last mentioned exception, but the evidence must negative all reasonable possibility that the finding is correct. It is further provided in the instructions that nothing in the order shall be interpreted to prevent increasing a rating or award previously made or awarding service connection of a disease or injury previously considered as not due to service, where such action is warranted by the facts in the case, and fall within the provisions of the law. It would seem that under the existing bureau instructions a veteran's interests are amply protected. The adoption of the amendment would be to add a provision by mandate of Congress to the existing instructions that if a finding had been in effect for a period of five years it could not be disturbed except for fraud. The question would immediately arise upon passage of the amendment as to whether persons illegally granted service connection would continue to receive benefits after a 5-year period had run where no fraud could be shown. It is assumed that such is the intention of the author of this measure and under such assumption it would mean that because a mistake has occurred and continued for five years such mistake would be perpetuated. The bureau has estimated that this amendment will affect approximately 1,330 cases at an annual cost of approximately \$702,000.

Section 2 of the bill amends section 10 of the act by authorizing the director to secure recreational facilities, supplies, and equipment for patients generally and for employees at isolated stations. At the present time the bureau is furnishing such facilities for the use of patients, although there is no specific provision in the act covering such items, but has never endeavored to furnish facilities for employees. It is believed that the providing of such facilities for employees at isolated stations will greatly reduce the turnover in personnel. It will increase efficiency of the personnel assigned to such institutions by adding to their limited means of amusement. It is impossible to estimate the exact cost of this amendment, but it is contemplated that recommendations for the same will be submitted in connection with the appropriations for future hospital construction.

Section 2 of the bill also amends section 10 of the act by authorizing and directing the transfer of the Battle Mountain Sanitarium and the Battle Mountain Sanitarium Reserve from the jurisdiction of the Board of Managers of the National Home for Disabled Volunteer Soldiers to the bureau. The bureau at the present time is using these facilities to the extent possible. However, it is

apparent that if this hospital is transferred it will be used more nearly to capacity and will eliminate the demand for a new veterans' hospital in the South Dakota area. In this way there will result a considerable saving.

Section 3 of the bill amends section 16 of the act and authorizes the refund of premiums paid beyond the date of maturity on war risk term insurance. The bureau has always refunded such premiums, but the Comptroller General recently held that the bureau appropriations were not available for such purpose. In view of the fact that no risk attached to the Government for the period covered by these premiums, and that it is the practice of commercial insurance companies to refund the same, it is believed that this amendment is proper. As the premiums to be refunded were paid by the insured beyond the date of maturity, the refund will not result in any increased cost to the Government.

Section 4 of the bill amends section 19 of the act by authorizing the courts as part of the judgment to direct the refund of premiums. This amendment will not result in any increased cost to the Government for the same reason pointed out in the comment on section 3 of the bill.

Section 4 of the bill also amends section 19 of the act which relates to the filing of suits on insurance contracts by extending the time during which suits may be instituted one year from the date of the approval of the amendatory act. Under existing law, suits may be instituted within six years after the date the right accrued for which the claim is made or prior to May 20, 1920, whichever is the later date. Certain exceptions are made in the statute to protect the interests of minor and incompetent beneficiaries and the running of the limitation period is suspended for the period elapsing between the filing in the bureau of the claim sued upon and the denial of said claim by the director.

There are now pending in the courts approximately 3,000 suits on insurance, 90 per cent of which are based upon a claim that permanent and total disability existed at the time of the discharge of the veteran from the military service some 10 or more years ago. It would seem that if a claimant had actually been permanently and totally disabled six years or more he would have presented his claim before the bureau and, if disallowed, would have entered suit before this. There existed during the war approximately 4,500,000 contracts of insurance, the majority of which were permitted to lapse at date of discharge from the service. Suits on the greater number of these contracts are now barred by the statute of limitations. The number of suits now barred which might be filed if this amendment were adopted is, of course, rather difficult to estimate. However, it is known that there are some firms of attorneys which are making a specialty of instituting these suits and which, up to the date of the application of the statute of limitations, brought them by the hundreds. Many cases upon which suits are filed have little or no merit. While it might seem that they would be easy of defense by the Government, it must be remembered that courts and juries are naturally sympathetic to the veterans. Further, little evidence is required to sustain the burden of proof for the plaintiff, and cases are often decided in favor of the veterans where the only evidence presented is their own testimony and that of friends and relatives concerning their conditions when they returned home from the military service and subsequent thereto. It is very difficult for the Government to secure evidence as to just what a man's disability was, if any, and whether or not he was actually able to carry on in a successfully gainful occupation during this period. For the reasons given it can be seen that an extension of time during which suits may be instituted is not desirable from a governmental standpoint. The bureau reported adversely on this amendment when it was pending before the veterans' committee.

The cost of this amendment can not be estimated, but there is no question but that if it is adopted a large number of cases which would not otherwise be payable will be paid. In this connection it should be understood that judgment results in a setting up of a minimum liability against the Government of \$13,800 in each case, unless before all payments are made an escheat is effected. In view of the fact that the Government's liability on term insurance now exceeds the premium income on such insurance which has ceased by approximately \$1,300,000,000, it can be seen that the entry of additional judgments will materially increase the cost to the Government. Also, there is for consideration the cost of the defense of these suits. It is estimated that the cost of defending one of these suits is approximately \$4,000. Therefore, even though the Government may receive judgment against the plaintiff, the cost of the defense of the suit has to be paid by the Government.

Section 4 of the bill also amends section 19 of the act in the following respects:

Authorizes that subpoenas be issued for witnesses who live at a greater distance than 100 miles from the place where the suit is to be tried; authorizes the payment of regular travel and subsistence allowance to attorneys assigned to assist in the trial of suits and to regular employees of the bureau when ordered by the director to appear as witnesses; permits the director to order part time and free basis employees of the bureau to appear as witnesses in suits, and to pay them a fee in an amount not to exceed \$20 per day, and defines the term "claim" and the term "disagreement," which are technical terms used in the statute, to fix the time during which the limitation period for bringing suits is suspended.

These amendments all have for their purpose the approving of past administrative practice of the bureau and the securing of proper witnesses and representation at the trial of cases. While it can not be said that these amendments will result in any direct saving to the Government, it is believed that by the adoption of such amendments the Government will be in a better position to properly defend suits instituted under this section of the act.

Section 4 of the bill also amends section 19 of the act by authorizing official leave for bureau employees subpoenaed as witnesses for veteran plaintiffs in suits under this section. Under existing law these officials of the bureau who are called by plaintiffs, because of their knowledge of their physical or mental conditions acquired as the result of their employment in the bureau, must take annual leave or leave without pay. This works a particular hardship upon physicians of the bureau, particularly in those localities where a large number of suits has been instituted. It would seem only fair to these employees that they be not compelled to use their annual leave or take leave without pay in answering these subpoenas. The cost of this amendment is problematical, but it will undoubtedly increase to a certain extent the necessary bureau appropriations.

Section 4 of the bill amends the World War adjusted compensation act by providing that in connection with adjudication of the claim of Hal R. Johnson, XC-423,901, the director shall make payment of the amount of the adjusted service certificate in accordance with the last will and testament of the deceased. The facts in this case are as follows:

The veteran executed an application for adjusted compensation benefits designating as beneficiary thereof "Mrs. Stella Mae Johnson, wife." On April 2, 1920, the designated beneficiary shot the veteran and as the result of the gunshot wound inflicted by her the veteran died the following day, April 3, 1920. Subsequent to the time the gunshot wound was inflicted the veteran executed a will which has been probated, item 2 of which reads as follows:

"I give, devise, and bequeath all of my property real and personal and mixed whatsoever and wheresoever situate to my beloved uncle William E. Johnson, residing at Forest, Ohio, to have and to hold to him, his heirs, and assigns forever."

The original designated beneficiary, the wife, died on May 4, 1920. The question which arises in this case is whether the will of the veteran which was executed subsequent to the time the gunshot wound was inflicted by the original beneficiary, and which makes no specific reference to adjusted compensation, is sufficient to constitute a cancellation of the original designation of beneficiary under the adjusted compensation certificate. This case is being submitted to the Comptroller General for decision in view of two prior decisions rendered by him; one in the case of Russell R. La Fraugh, May 4, 1920, A-26701 (8 Comp. Gen. 585), and in the case of Willie Willis, XC-1,307,570, November 9, 1920, and January 14, 1930, A-28038.

Section 5 of the bill amends section 21 of the act by authorizing the director to pay compensation to the person having custody and control of an incompetent or minor beneficiary during the time compensation payments to a legally appointed guardian are suspended or withheld because of the misconduct of the guardian, and authorizes the continuance of a fund which the bureau is administering for the benefit of certain incompetent beneficiaries. These amendments are to insure a greater cooperation between the courts and the bureau and guardians in supervising the funds of incompetent beneficiaries. The adoption of these amendments will result in no additional cost to the Government.

Section 5 of the bill also amends section 21 of the act to provide for an escheat to the United States of funds of a minor or incompetent beneficiary in the hands of the Government or a guardian at the time of death of such minor or incompetent, when such funds are made up of payments from the bureau and escheat would otherwise result in favor of the State of residence of the minor or incompetent. The enactment of this amendment was suggested by the bureau and

will result in a saving of millions of dollars to the Government over a period of years. The immediate saving can not be estimated. The only question which will arise in connection with this amendment will be that of its constitutionality as applied to money already paid to the guardian. However, the bureau is hopeful of being able to maintain that this section, as amended, will apply to such funds, and that in the event of the death of the incompetent the money will revert to the United States rather than be paid to the State of the residence of the veteran.

Section 6 of the bill amends section 28 of the act, as amended, to make it effective June 7, 1924. This section authorizes the director to waive recovery of overpayments under certain circumstances. An amendment was adopted on May 20, 1928, relieving disbursing officers from liability in cases where such recovery was waived. The Comptroller General has ruled that this amendment was not retroactive and that recoveries waived between June 7, 1924, and May 20, 1928, were still chargeable against the disbursing officers. The present amendment will relieve the disbursing officers from and after June 7, 1924. The bureau recommended this amendment as it was felt that it was manifestly unfair to charge these disbursing officers with these overpayments when the Government, by waiving recovery, was making it impossible for them to recoup themselves from future payments to be made to the beneficiaries. The disallowances standing against disbursing officers which will be affected by this amendment are approximately \$218,500.

Section 7 of the bill adds a new provision to the act whereby checks issued to beneficiaries which are undelivered shall be retained in the bureau for three full fiscal years, rather than forwarded to the General Accounting Office after three months as is now the practice under regulations of the General Accounting Office. The operation of this regulation has resulted in much delay in beneficiaries receiving payments and much confusion in the records of the bureau as to payments made. The amendment was recommended by the bureau in the interest of good administration and will result in no increased cost.

Section 8 of the bill adds a new section to the act authorizing the director to buy uniforms for personnel employed as watchmen, elevator operators, and elevator starters in the Arlington Building, Washington, D. C. This amendment has for its purpose the uniforming of the personnel concerned so that they may present an appearance indicating the capacity in which they serve. The amendment is recommended by the bureau and it is estimated that the cost will be approximately \$1,800.

Section 9 of the bill adds a new provision to the act directing the Secretary of War to assemble in the city of Washington all medical and service records pertaining to veterans of the World War. It is understood that the committee of the House was informed that there are approximately 15,000,000 pieces of evidence stored in various depots and on military reservations. While this amendment does not pertain directly to the administration of the Veterans' Bureau it will facilitate the adjudication of cases by making available to the bureau all of the records pertaining to the veterans of the World War. Information was given to the veterans' committee that the cost of this amendment would be approximately \$3,000,000 and that the War Department has previously submitted a recommendation as to this matter to the Bureau of the Budget. While the desirability of having these records available for the bureau is manifest, it might be well to secure the recommendation of the Secretary of War as to the feasibility of assembling and storing them in Washington.

Section 10 of the bill amends section 200 of the act by eliminating the provision to the effect that no compensation shall be paid if the injury, disease, aggravation, or recurrence has been caused by the veteran's own willful misconduct, and the provision excepting from this prohibition persons suffering from paralysis, paresis, or blindness, or who are helpless or bedridden, and inserting in lieu thereof a proviso that compensation shall not be denied any applicant by reason of injury, disease, aggravation, or recurrence having been caused by the veteran's own willful misconduct, if such willful misconduct occurred during the period of enlistment of such applicant. Under this amendment the fact that the disability may have been self-inflicted, or may have resulted from willful disobedience of orders, or from the soldier's indiscretions, would be immaterial. For example, if the soldier, while a prisoner under sentence of court-martial, endeavored to escape and was shot by the guard, or if in order to avoid service he inflicted a wound upon himself, he would be compensated in either case for any disability which may have resulted from his act. It would seem highly inconsistent for the Government to compensate these men for these conditions, which resulted from acts for which the man was subjected to court-martial. From

the remarks made on the floor of the House it is believed that the sponsor of this amendment had in mind chiefly a provision which would permit payment of compensation to men suffering with disabilities due to social diseases acquired in the service. However, the amendment as drawn is so broad as to include all disabilities due to the man's own willful misconduct. It seems to me that it would be better to leave the misconduct clause, as it now stands, alone and add a new proviso to the effect that it shall not be construed to prohibit compensation for disabilities due to venereal infections.

Section 10 of the bill also amends section 200 of the act by presuming all disabilities of a 10 per cent degree or more existing prior to January 1, 1920, to be the result of injury or disease incurred in or aggravated by the military service, the presumption to be conclusive in cases of tuberculosis, paralysis, paresis, blindness, those permanently helpless or permanently bedridden, neuropsychiatric disease, paralysis agitans, encephalitis lethargica, a chronic constitutional disease or analogous disease, particularly all diseases enumerated on page 75 of the schedule of disability ratings of the United States Veterans' Bureau, 1925, or amoebic dysentery. Payments as a result of the new presumption are not retroactive and are to continue only for a period of three years following the enactment of the bill. Under existing law the presumption of service origin is extended only to a limited class of cases, namely; neuropsychiatric disease and spinal meningitis, an active tuberculous disease, paralysis agitans, encephalitis lethargica, or amoebic dysentery, and is made conclusive only in the cases of active tuberculous disease and spinal meningitis. While these amendments go extremely far in eliminating preference which has heretofore been given to veterans suffering from diseases now covered by the existing law, they do not eliminate all preference. For example, the veteran who suffers an accidental injury subsequent to military service which results in a 10 per cent disability prior to January 1, 1920, is as much entitled to have his disability presumed to have been acquired in the service as is the veteran who, through obscure causes, contracts one of the specified diseases subsequent to military service which results in a 10 per cent disability prior to January 1, 1920. However, under the operation of the amendment in the first case the service origin of the disability would be rebutted, whereas in the second case it would not be rebutted. Then there are diseases not mentioned in the bill at all which are probably as worthy of presumption. The measure is essentially a pension measure for disability acquired subsequent to service. With regard to those existing presumptions it may be stated that it is extremely difficult to justify them on any scientific basis, there being no unanimity of medical opinion as to the part which service may have played in causing the specified diseases. Certainly there is no scientific basis for the presumptions covered by the amendment. On the contrary, there is much evidence to indicate that the incidence of disease now included in the presumption provisions of the law, as well as those which would be included under the amendment, is not at all peculiar to warfare and is very close to the normal incidence which may be traced throughout the civilian population of our country.

As to these veterans suffering with disease now presumed to be of service origin, it would seem unwise to make any change which would adversely affect their economic affairs. They have adjusted themselves, having in mind the beneficial provisions of the statute, and it would be unfair to take any action which would disturb them. It is questionable, however, as to whether the Congress should go further at this time and place additional veterans on the rolls at rates payable for service connected disabilities, simply because past Congresses have heretofore extended to veterans suffering with certain diseases the benefit of a presumption of their disabilities having been incurred in the service. I believe the bill would be improved structurally by consolidating the two provisos relating to presumption of service origin. The ease with which this could be accomplished, as well as its desirability, is obvious.

One of the arguments advanced as a necessity for this amendment is the fact that many men are suffering with conditions which in all probability are connected with the service but concerning which they have not been able to produce any evidence which would show acquirement in service. Certainly, some way should be found to take care of these cases. The amendment in this bill to section 5 of the act requiring a more liberal evaluation of lay and other evidence will probably go far to take care of some of these cases. It might be well to create a special board or court with authority to grant relief beyond the limits of the present law in borderline cases where necessity for relief is shown, even though evidence of acquirement of disability in service may not actually exist. Beyond this it would

seem unwise to go without a complete study of the needs of all disabled veterans. The Government has always recognized the distinction in its obligation as between those men who acquired disabilities in the service and those men who acquired disabilities subsequent thereto. These former certainly have a greater right to look to the Government for relief, both at an earlier date and in a greater amount. This amendment, if adopted, would commit the Government to a policy of paying an equal amount to a certain group of ex-service men suffering with disabilities not acquired in the service as is payable to veterans who did acquire their disabilities in the service, and leave to a future Congress the adoption of relief measures for those other veterans with disabilities not acquired in the service and not covered by the amendment. The time has come, it is believed, when the Congress should give consideration to treating all veterans equally, grouped into two general classes: (1) Those who acquired their disabilities in the service, and (2) those who acquired their disabilities subsequent to service. Certainly, as to the latter class, we should give some consideration to the question of need in the individual cases. Unless this is done Congress is simply creating more inequalities and the ultimate task of placing all veterans on a parity becomes more difficult, if not impossible, except by allowing the present rates of compensation to stand for nonservice connected disabilities and raising the rates for service connected disabilities. In this connection there should be considered the question of whether this Government can afford the cost of such legislation.

So far as making the presumption of service origin conclusive for paralysis, paresis, blindness, and those cases of men permanently helpless or permanently bedridden, these conditions in many cases are the result of misconduct, diseases, and while they are probably the most pitiful of all cases because of the usually hopeless prognosis and sociological problems involved, it would seem highly inconsistent for the Government to compensate these men for these conditions, the result of diseases, the acquirement of which in the service was a court-martial offense. Further, it has always been contrary to the policy of the Government to compensate or pension men for diseases which may be said to be the result of their own vicious habits.

The cost of this amendment has been estimated by the bureau to be approximately \$150,548,000 per annum. However, it should be understood that in estimating this cost only the disallowed claims on record in the bureau have been considered. It is impossible to estimate the number of additional claims which would be filed. Based upon the experience of the Pension Bureau and increased to include temporary cases, it is estimated that 765,000 veterans might be eligible for compensation at an annual cost of \$458,148,000. It is believed that the first figure can be considered the minimum cost and the second figure the probable maximum cost. The true cost of the amendment will fall somewhere between the two estimates. There has not been included in this estimate the cost of administration of such an amendment. The adoption of the amendment would necessitate a review of approximately 600,000 disallowed claims and the adjudication of such cases incident to the reviews. It would mean the examination or reexamination of thousands of men and the work in connection therewith. There is no question but that the cost alone of administering this one provision would be approximately \$5,000,000.

Section 11 of the bill amends section 201 of the act by changing the date of determination of dependency from the first of each year to the anniversary date of the original award. (This amendment has for its purpose the distribution of the work incident to review of cases over the entire year.) This amendment was recommended by the bureau as an administrative measure, but inasmuch as the procedure finally set up under the present law is working satisfactorily, the Adjudication Service has advised that it is no longer necessary to good administration. It would therefore seem that it should be eliminated before the bill is finally approved, if possible.

Section 11 of the bill also amends section 201 of the act by providing for the payment of burial and funeral expenses, and transportation of the body to the home, for those veterans who die in national military homes. At the present time these expenses are paid when a veteran dies in a Veterans' Bureau hospital. This section also amends the law by authorizing the furnishing of a flag to drape the casket of any veteran of any war regardless of the cause of death.

The first amendment would seem to be justified in view of the fact that the Government has already recognized its obligation to pay similar expenses where the veteran dies in a bureau hospital. The second amendment also would seem justifiable. At the present time the Government is furnishing money for a flag for those men who die and who leave insufficient assets for their burial, and in certain cases is furnishing money for a flag irrespective of assets. The furnishing

of a flag to drape the casket of a deceased veteran should not be on the basis of his indigency, but should be on the basis of his having served his country honorably. So far as the first amendment is concerned it is impossible to estimate the exact cost. However, it will add something to the present cost in connection with burial and funeral expenses. It is estimated that the second amendment will cost \$40,250 for the year 1930.

Section 12 of the bill amends subdivision 3 of section 202 of the act by providing additional compensation of \$25 per month, independent of any other compensation which may be payable, to persons who suffered the loss of the use of a creative organ or one foot or one hand or both feet or both hands in the active service in line of duty between April 6, 1917, and November 11, 1918, with a proviso that if such disability occurred while the veteran was serving with the United States military forces in Russia, the dates herein stated shall extend from April 6, 1917, to April 1, 1920. It is understood that the reason for adopting the latter date for members of the United States military forces in Russia is that those men were engaged in actual warfare up to as late a date as April 1, 1920. However, it would seem that this differentiation between members of the United States military forces in France and members of the United States military forces in Russia is hardly justified.

This amendment is a recognition of disabilities incurred during actual hostilities as a preferred class. While it may be justifiable to recognize an additional obligation on the part of the Government for disabilities incurred during actual hostilities as contrasted with disabilities incurred subsequent thereto, there can be no justification for preferring one group of men which so acquired disabilities over another. There are thousands of men who were just as badly disabled during the period mentioned but who are not covered by the amendment. For example: Those men who suffered severe facial injuries, including destruction or the loss of a nose, ears, etc., and those men who suffered severe shrapnel wounds of the body. Also, it should be appreciated that while many of these disabilities were acquired during actual hostilities, they are not what might be termed "battle casualties." Further, the date November 11, 1918, is an arbitrary one. Many men were badly disabled following the armistice and before being returned to this country from the American Expeditionary Forces. Surely they are entitled to consideration. Here arises again the question of whether the Government is going to put all veterans on a parity. The cost of this amendment is estimated at approximately \$1,000,000 per annum. This does not take into consideration the cases of "loss of use of one or more hands or feet" but it is impossible to accurately estimate this cost.

Section 12 of the bill also amends subdivision 5 of section 202 of the act by removing the necessity for showing the constant need of a nurse or attendant where claim for nurse or attendant allowance is made. This amendment is to overcome a ruling by the bureau which authorizes the payment of this allowance only in those cases where it can be shown that an attendant is needed at practically all times. The class of cases particularly affected by this amendment are those men who are on what is known as home treatment, and who, while bed cases, are able to be "up and around" for short periods of time during the day. It would seem that this amendment will be helpful in assisting these men to effect a recovery, if possible, by assuring them of an allowance for a nurse or attendant which, it is realized, in many cases is needed. The cost of this amendment is problematical, but undoubtedly it will result in an increased cost.

Section 13 of the bill amends subdivision (7) of section 202 of the act so as to discontinue payments in all cases of hospitalized insane veterans who have no dependents where their estates equal or exceed \$5,000. The amendment was recommended by the bureau and will result in a saving of millions of dollars to the Government which would otherwise be paid into the estates of those veterans to fall, eventually, into the hands of distant relatives who have no right to look to the veteran for support or bounty. The immediate saving to the Government by the enactment of this provision can not be estimated.

Section 13 of the bill also amends the act by providing a \$50 statutory award for all cases of arrested tuberculosis irrespective of whether active tuberculosis can be shown between the date of entrance into the service and January 1, 1930. Heretofore the bureau has paid only cases of arrested tuberculosis where activity existed between the dates specified.

This amendment must be considered in the light of the amendment to section 200 which removes the necessity of showing active tuberculosis for the presumption of service origin, although its undesirability does not hinge on the enactment of that amendment. As a result of the adoption of this amendment every man who can show arrested tuberculosis between the date of entrance into the

service and January 1, 1930, will be held to have acquired his tuberculosis in the service and will receive \$50 per month for life. In considering this amendment it must be remembered that sound medical advice indicates that at least 75 per cent of the entire population is or has been infected with tuberculosis, but, due to immunity and physical resistance, the condition does not become active or disabling in the majority of instances. It is also agreed that unless preceded by a more or less extensive period of activity the condition diagnosed as arrested or cured tuberculosis is not in itself seriously disabling either from a medical or industrial standpoint. There are certain portions of the country to a great extent populated by persons having such diagnosed conditions, and the manner in which such localities have thrived industrially is one of the best proofs of the statement made above.

When it is considered that thousands of men entered the military service without any notation of these arrested conditions and completed their military service without any adverse effect on such conditions, it does not seem that the Government, by reason of the inclusion of several presumptions in the law, should provide compensation to these men at the rate of \$50 per month for the remainder of their lives. Such a provision is essentially a pension measure based on other than actual disability, and in view of the fact that the Government to date has not recognized any obligation to pay compensation for disabilities not acquired in the service, it does not seem just to prefer these men over all others, particularly when many of the others are disabled to a far greater extent.

If a veteran had active tuberculosis in the service or prior to January 1, 1925, and that active tuberculosis has since become arrested, there may be justification for placing that veteran on the rolls at the rate of \$50 per month for life, but certainly beyond this the Government should not go until such time as it is prepared to provide for all veterans. The adoption of this amendment would in reality be the paying of a bounty of \$50 per month for a diagnosed condition of which the veteran in all probability would never have been aware had it not been for the medical examination to which he was subjected by the military authorities or the bureau.

The cost of this amendment is estimated at a minimum of approximately \$4,000,000 per annum. However, this estimate is based on presently disallowed claims, and in no sense is the true probable cost as the result of additional claims which would be filed under such an amendment. Also, it does not include the cost of examining and reexamining the veterans affected, and the rating and adjudication of the cases. The adoption of the amendment would entail a tremendous administrative responsibility on the bureau, and would no doubt result in endless controversies concerning the existence or nonexistence of arrested tuberculosis in individual cases.

Section 13 of the bill also contains an amendment directing a 25 per cent minimum rating to be included in the bureau rating schedule for arrested tuberculosis. At the present time after two years of arrest the rating schedule provides no per cent for these cases. The purpose of the amendment is to insure that where a man has a compensable disability, in addition to his tuberculosis, the rating of the two may be combined and compensation paid accordingly. In view of the fact that those men who have only arrested tuberculosis are paid \$50 under a statutory award, it would seem that this amendment is only fair. The medical council of the bureau some time ago advised that persons with arrested tuberculosis which follows a period of activity have a minimum industrial handicap of 25 per cent. The cost of the amendment is estimated at \$8,000 per annum. This figure, however, is based upon the cases in which service connection has been established under the existing law. The cost of the amendment does not comprehend cases which would be brought in as a result of the amendment to section 200 previously discussed.

Section 14 of the bill adds a new provision to the law authorizing payment of compensation to the dependents of veterans hospitalized for nonservice connected disabilities, when the veteran files an affidavit with the commanding officer that his annual income is less than \$1,000, at the same rate as is payable to dependents of veterans when the veteran dies from disability incurred in or aggravated by the military service. The purpose of this amendment is to take care of the dependents of those men who, by reason of the ravages of disease necessitating hospitalization, are unable to provide for them. The disabilities of these men have no connection whatever with the military service.

The discrimination which would result from the adoption of this amendment is apparent. As to those men who are hospitalized, we are now spending approximately \$120 per month for their hospitalization. The amendment would add

to this payment the amounts which would be payable to their dependents. However, it is known that the present hospital facilities of the Government are not sufficient to hospitalize all men suffering from nonservice connected disabilities. Certainly, the Government should not give to those men who are fortunate enough to procure hospitalization further relief and deny that relief to those men who, due to lack of beds, are unable to secure hospitalization. There is also for consideration the widows and children of deceased veterans who died as a result of disease or injury not incurred in service. Those widows and children, it would seem, have as much right to look to the Government for relief as have the wives and children of men hospitalized for nonservice connected disabilities. Further, there are the dependents of men incapacitated for work by reason of nonservice connected disabilities but who need no hospital treatment. Are not these men and their dependents equally entitled to consideration? In other words, to provide for this class of veterans and their dependents by specific amendments without giving consideration to the entire problem would seem unjust, and yet to take care of all without a comprehensive study as to the needs would certainly be unwise. Therefore, before the adoption of this or any similar amendment it would seem that a joint committee of both Houses of Congress should give careful and sympathetic consideration to the entire problem and within a reasonable time report to Congress as to the best solution of the problem. There is also for consideration the question of whether the wives and children of these men hospitalized for nonservice connected disabilities are entitled to the same relief as the widows and children of men who died in the service or as the result of disease or injury acquired in the service. Certainly, the latter group has a greater right to look to the Government for aid than has the former.

The estimated cost of this amendment is approximately \$4,000,000 per annum. However, in view of the presumptive clause in section 200 there would be no immediate cost under this provision but as time goes on nonservice connected cases in hospitals will increase so that over a period of years this cost would be appreciable. This estimate is based only upon the number of cases hospitalized during the last year in bureau hospitals. Also, there is for consideration in connection with this amendment the fact that thousands of veterans are now in soldiers' homes under the authority of the Veterans' Bureau it is possible that a large number would be entitled to the additional allowance for a wife or dependent children. This factor has not been considered in computing the estimate. Further, if the amendment were to be adopted it would no doubt necessitate additions to existing hospitals and additional hospitals, if we are to treat these men equally. To what extent this would increase the Government's hospital program is impossible to estimate, but certainly there would be immediate demand for additional facilities.

Section 14 of the bill also amends the act to define the term "Spanish-American War" to mean the period between April 21, 1898, and July 4, 1902, for the purpose of hospitalization under section 202 (10). This amendment has for its purpose the adoption of the same definition for the term "Spanish-American War" as is used in the pension acts which relate to the same class of men. It would seem that if pensions are paid for this period on the theory that the period is that of the Spanish-American War the same period should be accepted by the Veterans' Bureau in considering the right to hospitalization. It is impossible to estimate the cost of this amendment, but it is not believed that it would be material.

Section 14 of the bill also amends section 202 (10) of the act by providing that veterans hospitalized under the provisions of the World War veterans' act, as amended, shall be paid a hospital allowance in addition to any other benefits to which they may be entitled at the rate of \$8.00 per month during the period of hospitalization, in the event they certify they are financially in need, unless they are entitled to compensation or pension equal to or in excess of that amount. This amendment is discriminatory in that it provides payment of compensation to those men who are fortunate enough to secure hospitalization, but leaves others who are suffering with disabilities for which they can not be hospitalized because of lack of existing facilities without relief. It is estimated that this amendment would cost approximately \$1,300,000 per annum.

Section 15 of the bill amends subdivision 15 of section 202 of the act by providing that any person who is now receiving a pension, and who also has a disability of World War origin for which compensation is payable, may waive the pension and have the disability on account of which same is otherwise payable evaluated with his World War disability. Under the present law a veteran of

this class must waive pension entirely if he elects to receive compensation. It seems unfair to deprive a veteran of his pension for disability acquired in the service other than during the World War simply because he has acquired another disability during the World War for which he is entitled to compensation. It appeared that the easiest solution to this problem was to consider his otherwise pensionable disability along with his World War disability, evaluate the two under the World War veterans' act, and pay compensation accordingly. It is impossible to estimate the cost of this provision. However, it is not believed that it will be considerable.

Section 16 of the bill repeals section 206 of the act, which requires the filing of proof in certain cases prior to April 6, 1930. It would seem in connection with this amendment that if a man is entitled to compensation there should be no limitation on the filing of proof of his claim. The cost of such an amendment is impossible to estimate.

Section 17 of the bill repeals section 209 of the act, which requires the filing of claims prior to April 6, 1930, in certain cases. The same comment with reference to the repeal of section 206 is applicable with reference to this section. So long as section 210 of the act, which limits retroactive payments to one year prior to date of claim, remains in the law the amendment would not seem objectionable. It is impossible to estimate the cost of the adoption of this amendment.

Section 18 of the bill amends section 210 of the act by the addition of a provision to the effect that nothing contained in that section shall be construed to permit the payment of compensation under the World War veterans' act, as amended, for any period prior to June 7, 1924. Heretofore, the bureau has refused to pay compensation in any cases where the veteran had no right prior to the enactment of the World War veterans' act, 1924, for any period prior to the date of the enactment of this act. Recently the Attorney General and the Comptroller General of the United States ruled that under the language of the statute payments could be made in some cases two years prior to the date of application, and in other cases one year prior to the date of application. The adoption of these opinions by the bureau would have resulted in an additional payment of approximately \$42,000,000. The bureau recommended this amendment.

Section 19 of the bill amends section 212 of the act by providing that a claim filed for compensation under the war risk insurance act or the World War veterans' act shall be deemed to be a claim for compensation under both acts and all subsequent amendments thereto. The purpose of this amendment is to give approval to the prior practice of the bureau which has recently been questioned by a decision of the Comptroller General. The bureau has always reviewed cases under amendatory legislation without requiring a new application. However, the Comptroller General insists that a new application be made on the theory that a new right arises under amendatory or new legislation. In view of the fact that the Comptroller General stated in his decision that past benefits paid may not be disturbed, the adoption of this amendment will result in no increased cost to the Government and will simplify the future adjudicatory work of the bureau.

Section 20 of the bill adds a new provision to the act authorizing the director in his discretion to pay to a wife, child, or children, of an incompetent veteran drawing compensation who disappears, the same amount of compensation as is provided for the same class of relatives of a veteran who dies of a service connected disability. When a veteran disappears it is necessary for the bureau to suspend all payments pending his reappearance or proof of death. This amendment would appear justifiable as there is no question but that hardship has resulted from the disappearance of a few incompetent veterans. It would be well, however, if possible, to add a provision that the incompetency must be the result of the disability incurred in the service. Under the amendment as drawn it would be possible for a veteran with a 10 per cent service connected disability, and who was incompetent as a result of a disease not service connected, to disappear and his dependents receive the benefits of the section. It is not believed that it was the intention to take care of this class of cases. It is impossible to estimate the cost of the amendment.

Section 21 of the bill amends paragraph 3 of section 301 of the act so as to authorize the reinstatement of insurance by a small class of veterans which is still permitted to carry term insurance. The amendment is in reality a clarification of existing law and was recommended by the bureau. It will result in very little, if any, cost to the Government.

Section 22 of the bill amends section 304 of the act for the same purpose as the previous amendment. The same comment is applicable here as above. It is

not believed that any material cost will result from the enactment of this amendment, although it is known that there will be some additional cost.

Section 23 of the bill amends section 307 of the act by making all contracts of insurance issued by the Government incontestable from date of issuance except for fraud, nonpayment of premiums, or on the ground that the applicant was not a member of the military or naval forces. This is a very sweeping amendment and will place beyond contest many contracts and policies of insurance which otherwise would be contestable. It is a well-recognized principle of commercial insurance companies, however, and in reality is only a clarification of the existing law which was practically nullified by a recent decision of the Comptroller General. It is believed that some such provision is necessary to stabilize Government insurance, and to insure to the veteran and his beneficiary the payment of the insurance at date of permanent and total disability or death.

The amendment also prevents the bureau, in connection with suits on original contracts, from raising the plea of estoppel because of the subsequent reinstatement or the conversion of the insurance. This defense is purely a legal one and penalizes the veteran who reinstates or continues his insurance in force, but, being a valid legal defense, there is no authority in the bureau to waive it. While the enactment of these amendments will necessitate a very careful consideration of all application for insurance, reinstatement, or conversion, and at the same time it would appear essentially fair to the veteran. It is impossible to estimate the cost of such an amendment, but will no doubt result in the payment of many cases which would otherwise be disallowed.

Section 24 of the bill amends section 311 of the act by clarifying the provisions thereof relative to insurance against total disability to be issued by the Government at a premium rate commensurate with the risk. This amendment merely changes the language of the existing law so as to make these provisions which have been authorized to be placed in existing policies more nearly in line with similar provisions in commercial contracts. This amendment is recommended by the bureau and will result in no additional cost to the Government.

Section 25 of the bill amends the law by adding a new provision protecting the existing rights of veterans under the World War veterans' act. As the result of the enactment of this measure, the present rights of veterans will not be adversely affected.

In closing it might be well to state just exactly what is being done by the Government for the veterans who do not acquire their disabilities, if any, in the military service: First, free examinations to determine their disabilities, if any, and in connection with such examinations and observation periods incident thereto pay them \$2.65 per day as loss of wages. Second, the Government is offering to these men, so far as Government hospital facilities are available, hospital treatment for their nonservice connected disabilities. Third, it is waiving these disabilities in connection with examinations under the civil service for positions in the Government. Fourth, it is giving to these men an additional 5 per cent over and above that which they make on a civil service examination. Fifth, it has issued to them adjusted compensation certificates if their adjusted service credit exceeds \$50, or has paid to them adjusted service pay if their adjusted service credit was \$50 or less. Sixth, it has provided homestead rights on certain lands. Seventh, it has established in the Department of Labor an employment bureau, the duties of which shall be to assist particularly ex-service men in securing employment. Eighth, it has provided, under certain conditions, for the payment of burial and funeral expenses and the furnishing of a flag to drape the casket. Other benefits have been provided such as special rights under the patent laws and immigration laws.

The total estimated cost of this bill is approximately \$200,000,000. However, it should be understood that this figure represents probably a minimum estimate of cost. It is entirely possible that the bill will cost as high as \$500,000,000. A more accurate estimate can not be made, and any figure arrived at other than on the basis of disallowed claims is in reality a guess.

J. O'C. ROBERTS.

General HINES. Mr. Chairman and gentlemen of the subcommittee: It seems to me that there is one and only one important problem before this subcommittee, and then the rest of the problem is simply the writing of the act, and that important problem is: Whether we are to adhere to the principles of the World War veterans' act and award benefits for service disability, or whether we are to combine with that

World War veterans' act, which is on a compensation basis, provisions which we can not escape and must be termed "pension provisions."

The real danger, in addition to what I have stated in this formal letter, seems to me to come by the adoption and taking on to the rolls of a large number of veterans whose disabilities we must admit, at least in a great number if not in all cases, are disabilities not due to service on a compensation basis and that will be out of line with whatever pension the Congress probably in the future would be able to pay them.

I doubt if we can escape the proposition, regardless of what is said, that sooner probably than we expect we will be facing the problem of pensions for the World War veterans. We have dealt with the World War veterans in many ways. Benefits have been more or less pyramided, starting with the theory of Government and war-risk insurance that would prevent pensions. We undertook to reestablish them in vocations when they were unable to take up their pre-war vocations, in order to assist them to carry on. We have granted hospitalization and in that we are nearer an equality in the way of treating all veterans alike than in any other method of relief; but in all of them we are hoping to assist them to carry on. And we have adopted a compensation system based primarily as to status, looking back at the time when it was adopted, of workmen's compensation, departing for the first time from our pension system.

Now, when all these steps were taken we expected undoubtedly to avoid the pension. We are not going to do it. The problem is still before the Congress, still before the people, and it rests entirely upon the proposition of the veteran, who at least honestly believes that he has a disability due to service, that we are unable to take care of, even when resolving the doubt in his favor, and we can not violate the law; but the veteran that we feel has to be taken care of by some one. It becomes a question of a pension after all.

Now, Mr. Chairman and gentlemen of the subcommittee, before taking up the bill section by section, if there are any questions that you would like to have me answer on the general proposition, I should like to do it now.

The CHAIRMAN. General Hines, what is the estimate of the bureau as to the cost of the bill as it passed the House?

General HINES. We estimate that the minimum cost of the bill—and I will include in the record with your permission an itemized statement—we estimate that the minimum cost of the bill—

The CHAIRMAN (interposing). Give the items just as they are, so they may go into the record.

General HINES. Very well, I will furnish it. Now answering your question directly, I should like to say that the minimum cost of the bill is \$181,040,650, and the cost of the bill may run even as high as \$404,759,589.

Senator SHORTRIDGE. Is that as to the total? In other words, are you looking into the future or just annually?

General HINES. Annually. These are annual costs.

Senator SHORTRIDGE. All right.

General HINES. Now, I should like to explain the difficulties we have in estimating the cost of the bill. The only accurate information we have available in the bureau is disallowed claims. Taking those

as a basis we have estimated what we believe is a very conservative estimate of minimum cost. The subcommittee will readily understand that by presuming that all disabilities from time of discharge up to January 1, 1930, may bring in many men we have not heard anything about, who have disabilities now. It will also bring about a division of disabilities. That is, say a man now has a service-connected disability of 30 per cent. He might have a nonservice-connected disability which would increase that 30 per cent a great deal more, even up to total disability. So that in its present form the bill is a difficult one to estimate. But I am willing to say that the minimum will be the cost I have given you. And then if we take the experience of the Pension Bureau in dealing with pension provisions, I have here a table which shows—and which should go into the record probably at this time—that the cost may run as high as \$404,750,589 annually.

The CHAIRMAN. You will put that table in the record at this point.

General HINES. Very well. I furnish it to the committee reporter for that purpose.

(The tabulated statement with reference to H. R. 10381 is here made a part of the record, as follows:)

Estimate of cost of extending presumptive period for all disabilities, from 1925 to 1930, by amendment of section 200¹

Year	Based on claims disallowed, not of service origin		Based on experience of Pension Bureau, permanent disabilities		Based on experience of Pension Bureau, increased to include temporary disabilities	
	Number of veterans	Annual cost	Number of veterans	Annual cost	Number of veterans	Annual cost
1925.....	136,511	\$72,231,770	381,067	\$203,182,023	673,204	\$303,250,050
1910.....	148,601	78,041,800	410,320	220,183,554	621,234	328,632,780
1927.....	102,860	80,173,571	348,300	237,185,014	660,203	354,008,387
1928.....	185,020	97,878,784	480,605	251,187,146	717,172	370,383,088
1929.....	105,104	103,241,750	512,646	271,180,205	705,141	404,750,589

¹ Estimate of cost to pay compensation to the dependents of those veterans whose disease or injury causing death is presumed to be connected with service under sec. 200 as amended by H. R. 10381. Based on estimated number of nonservice connected deaths through calendar year 1929, 102,600 cases, \$48,700,000. Exclusive of ex-service men who enlisted or entered military or naval service subsequent to Nov. 11, 1918.

Senator WALSH of Massachusetts. What is the present annual cost, I mean under the present law?

General HINES. For compensation it is around \$200,000,000. The whole appropriation is \$511,000,000.

Senator SHORTRIDGE. Referring to the statement you made a moment ago as to cost, in response to a question by the chairman, do you mean in addition to the present law?

General HINES. Yes; that is in addition to the present law. In other words, the amount now of \$511,000,000 would be increased by \$181,000,000, and in time would run much higher than that, very likely.

The CHAIRMAN. You have no doubt but what if the House bill passed the Senate and became a law without change that the constructions that would be given it, or forced upon it, would amount to an increase of \$400,000,000?

General HINES. Well, I probably in giving my personal opinion might not put it that high for the first year. I think the first year would run less, probably \$250,000,000. But I believe eventually, as its provisions became more generally known, it would reach the maximum cost.

Senator WALSH of Massachusetts. Has your bureau made any study of the possibility of a pension system?

General HINES. We have made as best we could a preliminary study, but we feel that the Pension Bureau, based upon their experience, would be better able to estimate that than probably we would. It is difficult to take our experience with compensation as compared with pensions. We have felt that a pension bill would undoubtedly cost over \$200,000,000 the first year. I think the Pension Bureau would probably estimate that at less than we would, basing it upon their experience with the Spanish-American War men, and the rate at which they applied each year, that is, what percentage of them applied.

A pension will necessarily be dependent, as we can all see, upon the big factor of need, which comes in and which varies with conditions of employment, and that sort of thing. We have felt, or, personally, I have felt, very strongly that the factor of need should be taken into account in all our legislation. I think we have rather shied away from it, primarily because of the administrative difficulty of establishing need. But even with that difficulty I think it would put us on a fairer and firmer basis. None of us doubt that when the Government takes a man into the service it creates a certain moral obligation. But I am sure that we can not advocate any policy which would cause the Government to forever take care of a man whether he is in need or not and simply because he served his country. I think the veterans themselves would resent any such policy as that. But I do feel that the veterans generally certainly look to their Government when they are in need, if their service has been good and they are no longer able to carry on. That is a problem that is bound to come with the World War veterans just as it has come with other veterans who preceded them, although liberalization may stave the matter off for a while.

Now, I should not overlook this situation in presenting these costs. This bill is limited to three years. But that does not in any way in my estimation prevent you from getting onto the roll a large number of veterans in that period who will stand by later on when you come to take care of other veterans who must follow after them.

The CHAIRMAN. The difficulty there arises that the law will be extended for another three years if it is wanted.

General HINES. My experience has been that we have never taken away but have always continued on.

Senator WALSH of Massachusetts. How soon after the Civil War was the general pension law passed?

General HINES. Twenty-five years.

The CHAIRMAN. But it began at about \$6 a month.

General HINES. It commenced very low, either \$6 or \$8 a month. Then the Spanish-American War pension began 20 years, I think, after that war.

Senator WALSH of Massachusetts. And it was based somewhat on age.

General HINES. Yes; age is an element. They have of course two forms of pension, a pension for age and a pension for disability.

The CHAIRMAN. That came up later, however.

Senator SHORTRIDGE. Right there, in order to refresh my recollection, let me ask you: Assuming the adoption of a pension system as applied to World War veterans, how many, in round numbers, would be entitled to the benefit of such a law or provision?

General HINES. Of a pension?

Senator SHORTRIDGE. Yes; just in round numbers.

General HINES. Well, we have a table here that has been worked out and which of course is an estimate. It is a comparison of United States Veterans' Bureau and Pension Bureau estimates on this very problem. The table first shows the percentage of claims awarded the first year, and the Bureau of Pensions takes 10 per cent, while the Veterans' Bureau figures that 41 per cent of those eligible would apply. The number of soldiers then that would be affected the first year under the Pension Bureau estimate would be 100,000, and under the Veterans' Bureau estimate would be 304,201. The annual cost according to the estimate of the Pension Bureau is \$18,000,000, and according to the estimate of the Veterans' Bureau is \$41,000,000. And then widows and minors number according to the estimate by the Pension Bureau 18,500, and by the Veterans' Bureau 83,084; and the annual cost under the estimate of the Pension Bureau would be \$7,400,000, while under the estimate of the Veterans' Bureau would be \$17,946,144. The total, both soldiers and widows and minors under the Pension Bureau estimate for the first year would be 118,500, and under the estimate of the Veterans' Bureau would be 387,285; while the annual cost under the estimate of the Pension Bureau would be \$25,400,000 and under the estimate of the United States Veterans' Bureau would be \$59,013,279.

Now, we extend these figures up to the second, third, fourth, and fifth years, and we make the cost for the fifth year: the estimate of the Pension Bureau is \$254,000,000, while the estimate of the Veterans' Bureau is \$188,074,692. In other words, they overcome us as we proceed.

Now, these estimates are based in the case of the Pension Bureau on a disability of \$180 per year, and in case of death \$400.

The CHAIRMAN. Do you mean \$15 a month?

General HINES. Yes, sir; the pension rate is \$15 a month, and for death, \$400. The Veterans' Bureau rate is three-fourths for new claims, and full rate for old claims, disability rate \$180 and death rate \$288.

The CHAIRMAN. Is that \$15 based upon the total number of soldiers, because there will be no pension at \$15 a month?

General HINES. Our average disability is \$43. The Spanish-American War man I believe is about \$34 on the average. So I suppose you would not start it under \$20 or \$25, and I doubt very much if a rate less than that would be of any value.

The CHAIRMAN. Oh, you would not start at that. There will never be any rate lower than \$30. You need not figure on anything less than that at all.

General HINES. In what I have stated I am presenting for the purpose of trying to at least make clear, so far as we can see it, the situation. We have no desire at all to try to indicate what the Con-

gross should do. But from the administrative end it does appear to us in the bureau that we have reached a rather critical time in this whole matter of veterans' relief, and that a study of all angles of it is certainly needed. And in saying that I would not say that we should not pass some legislation in this Congress. But whatever legislation we do pass, I think should be in such shape that it will not prove a detriment in the future, to studies made in the future for legislation, something that would be difficult to overcome.

Senator WALSH of Massachusetts. Mr. Chairman, Congressman Rankin would like to ask a question or two.

The CHAIRMAN. Very well.

Representative RANKIN. Is that satisfactory, Mr. Chairman?

The CHAIRMAN. Yes.

Representative RANKIN. General Hines, you spoke of the cost of this bill. You mean the bill as amended in the House?

General HINES. That is right.

Representative RANKIN. Now, the original Johnson bill as introduced in the House and before it was amended, you estimated would cost \$76,000,000.

General HINES. One section of it only, section 200. The total bill would cost between \$97,000,000 and \$100,000,000.

Representative RANKIN. I mean that section of the bill which is in controversy here.

General HINES. Yes.

Representative RANKIN. Now, the Rankin-Walsh bill, introduced in the House by myself and in the Senate by Senator Walsh of Massachusetts, and which has been invariably referred to in the committee over there as the Rankin bill, covered practically all chronic constitutional diseases, which you stated in your testimony before the committee, I believe, would cover about 77,000 cases.

General HINES. That is your bill?

Representative RANKIN. Yes, my bill.

General HINES. Yes.

Representative RANKIN. At the present rate of compensation that bill would have cost, I believe you figured, about \$44,000,000.

General HINES. Between \$42,000,000 and \$44,000,000.

Representative RANKIN. If it had been passed instead of the legislation we have now, the cost would have been about \$44,000,000.

General HINES. Yes; that is the way we estimated it.

Representative RANKIN. You also wrote me a letter I believe in which you stated that with the Johnson bill brought up to 1925, bringing all the presumptive period for all disabilities up to 1925, which is a good deal broader than the Walsh-Rankin bill, would cost \$76,000,000.

General HINES. Yes, sir.

Representative RANKIN. And that with the provisions of the Rankin-Walsh bill superimposed upon that, to January 1, 1930, would entail an additional cost of \$31,000,000.

General HINES. That is right, which would make section 200, that we are talking about, something like \$103,200,000.

Representative RANKIN. That is the provision in this bill that extends the presumptive period and puts these additional men on the roll.

General HINES. Yes; but you have another amendment—

Representative RANKIN (interposing). Well, I am going to ask you about that in a minute. Now, also there is a provision in this bill that carries out the ideas of the bill introduced by Mr. Fish, of New York, and Mrs. Rogers, of Massachusetts, to pay the veterans who are in hospitals and uncompensated, or to pay their dependents at home, an allowance up to \$30 a month. It is estimated that that would cost about \$9,000,000.

General HINES. Yes, sir. I think the original bill you are speaking of our estimate showed would cost about \$10,000,000.

The CHAIRMAN. Mrs. Rogers says it is estimated that this amendment would affect the dependents of practically 27,560 veterans, and during the fiscal year 1930 would cost approximately \$4,000,000.

General HINES. It is about \$5,000,000.

Senator WALSH of Massachusetts. Is that for payment of money to veterans who are in hospitals without proof of disability?

General HINES. Uncompensated veterans.

Representative RANKIN. It goes to their dependents. If they are put on the roll by this bill, that amount then should be taken from the total cost.

General HINES. At the start, yes.

Representative RANKIN. Yes, because they would be compensated and because compensated their families would not draw this compensation.

General HINES. We have some of course with disabilities that occurred between then and up to this date, and they will then begin to go up to a new date.

Representative RANKIN. The Johnson bill, by going outside the limits prescribed by the Rankin-Walsh bill, and putting on men suffering from disabilities on the pay roll, increased the cost of the bill the difference between \$44,000,000 for the first year and \$108,000,000, did it not?

General HINES. That together with wiping out any rebuttable evidence.

Representative RANKIN. No, your letter came before that was wiped out.

General HINES. Well, I am speaking of your bill plus the Johnson bill, and in that connection our letter is correct. But you are now asking me about this bill as it stands here.

Representative RANKIN. No, I am asking you about the Johnson bill, all spread out and taking in all acute cases, we will say, and cases that are not chronic, has entailed an additional cost of the difference between \$44,000,000 and your estimate of \$108,000,000 a year.

General HINES. That is correct.

Representative RANKIN. Of course I agree with you, Senator, that the matter of rebuttable evidence should be put back in the bill. And I will say that I opposed striking it out.

Senator SHORTRIDGE. Pardon me right there. That means that evidence should be admitted to rebut the claim made?

Representative RANKIN. Except in certain cases.

General HINES. It means that if a man is knocked over by a street car and that his disability resulted from that, evidence that it happened in that way would be evidence to prevent the payment of compensation. Under the law as it now exists there is no rebuttal as I understand it.

Representative RANKIN. Under the bill as originally introduced by me and by Senator Walsh of Massachusetts there are certain diseases that are not rebuttable, and tuberculosis is one of them.

Senator SHORTRIDGE. I see. Now, let me ask you: Practically all chronic diseases are constitutional, are they?

General HINES. I believe so, but I have two witnesses here who will be better able to answer that than I am. May I have Doctor Cooley answer that?

Senator SHORTRIDGE. Will you please explain that?

Dr. MARTIN COOLEY, Medical Service, United States Veterans' Bureau. If it is desired.

General HINES. I should like to have him explain that so that you may get the information from a doctor rather than from a layman.

Representative RANKIN. Yes; explain that.

Doctor COOLEY. The term chronic is a more inclusive term. A condition may be chronic but not constitutional.

Representative RANKIN. There would be very few cases of that kind, would there not?

Doctor COOLEY. Well, roughly speaking, your question might be answered in this way: That most constitutional diseases are chronic.

Senator SHORTRIDGE. For my own information, let me ask: You use two terms, chronic and constitutional.

Doctor COOLEY. Yes.

Senator SHORTRIDGE. Is a chronic disease considered permanent?

Doctor COOLEY. It is very apt to be so and yet is not essentially so.

Senator SHORTRIDGE. And now as to a constitutional disease.

Doctor COOLEY. A constitutional disease may not necessarily be permanent.

Representative RANKIN. As I understood the testimony before the Veterans' Committee in the House, the word "chronic" might be defined as long-drawn-out.

General HINES. Long standing.

Senator THOMAS of Oklahoma. Give us an example of the difference.

Doctor COOLEY. A constitutional disease is a disease which arises from within, that is, which develops in the interior of the body itself. It assumes some defect, or wear of and tear of the mechanism, by which the body breaks down. The term is used in contradistinction to an extraneous cause, like an infection from without the body. I might further explain that the term "constitutional" has lost a good deal of its significance in medicine. It was formerly an omnibus group, into which we threw those conditions of which we knew very little. With the advance in pathology, chemistry, and other branches we have been able to take most of these diseases out of that group and put them into more scientific classifications. For example, take diabetes; it was formerly known as a constitutional disease. We know now that diabetes is of a certain origin, and our knowledge of it has allowed us to put it in the class of metabolism disorders. The term "constitutional," in popular significance, is taken to mean what involves the system. But in medicine it has a more restricted and special meaning, it is applied to only a certain group of diseases.

Senator THOMAS of Oklahoma. Now, what about chronic diseases?

Doctor COOLEY. Diseases of joints may be chronic, such as chronic rheumatism. That would be considered a local disease of the joints, and would be so classified, but would not necessarily be a constitutional disease.

Senator WALSH of Massachusetts. I take it that Congressman Rankin's purpose was to connect the matter up with that of expense.

Representative RANKIN. Yes; diseases or disabilities that would not be classed as chronic would be classed under the head of acute or temporary.

Doctor COOLEY. Yes.

Representative RANKIN. The reason I am asking these questions is that one or two cases such as you mention have been brought up, I take it, rheumatism.

General HINES. And arthritis.

Representative RANKIN. And phlebitis, and a few of those cases. Now, General Hines, I want to ask you this: After all the amendments refer, or let us say the amendments of section 200, and that is what the most of this is about, and we understand that, for the controversy is over the amending of section 200 of the World War veterans' act of 1924 and just how far we shall go. Somehow more has gotten before the House, and the idea has gotten abroad that I was alluding to, whereas my bill would have cost about one-third and would have reached those men now suffering from chronic constitutional diseases. If the Senate committee should strike out the amendments to section 200 that were adopted in the House, and substitute that provision of the Walsh-Rankin bill, it would make that amendment cost about \$44,000,000 instead of around \$100,000,000.

General HINES. I am assuming that the rebuttable feature goes back—

Representative RANKIN (interposing). I will come to that. I think, General Hines, we can pretty safely presume that that rebuttable clause will be restored; and I might add that it would likely not have been stricken out if the House had understood it, and I think everybody was surprised when it carried, even the author of the bill. If that were done it would cost what?

General HINES. That section is \$103,200,000.

Representative RANKIN. It would bring it down to \$44,000,000.

General HINES. Approximately. I think I told you at the time that the estimate was conservative, but we would be willing to stand on it.

Representative RANKIN. If we would strike out the word "constitutional" and just say "chronic diseases," would that materially increase the cost, and if so to what extent?

General HINES. Do you mean to exclude that and just leave it with the word "chronic" in it?

Representative RANKIN. Yes.

General HINES. It would increase the cost, but to what extent I am not quite sure. Doctor Cooley, do you think that would affect it materially?

Doctor COOLEY. I would not attempt to estimate it.

Representative RANKIN. I am speaking about the cost of the amendment in the Walsh-Rankin bill.

General HINES. It would increase it. As I understand it, your amendment takes in chronic constitutional diseases.

Doctor COOLEY. Yes; I so understand it.

Representative RANKIN. No. General Hines you have the same idea that others had in the beginning, that the provision means chronic or constitutional, but it says "chronic constitutional." The point I am making is that if we should strike out the word "constitutional"

and just say "chronic diseases" and put them on by presumption, those who break down up to 1930, it would mean what in cost?

General HINES. I think our estimate of \$44,000,000 would be low.

Representative RANKIN. It would not increase by means of the Walsh-Rankin amendment the section known as 200.

General HINES. No; assuming that the rebuttable feature goes back in. That is just section 200 that we are talking about now?

Representative RANKIN. Of course you are aware, General Hines, that that was the section included in my bill to amend the World War veterans' act, and that was also included in the bill of Senator Walsh of Massachusetts, over which this trouble arose.

General HINES. Of course, Congressman, that does not in any way affect the underlying principles I have referred to.

Representative RANKIN. I understand that, but we have thrown principles to the winds in some of this veterans' legislation; but we will not discuss it here; that has much more prospect than that feature in the case of enlisted men who have chronic diseases.

Senator WALSH of Massachusetts. Now, Mr. Chairman, I think the Congressman has concluded his examination, if you or the other members of the subcommittee have any questions.

The CHAIRMAN. General Hines, now if you will take up section by section the bill that is before us, we will be glad to hear you tell us about it.

General HINES. I have the tabulated statement here to which I was referring awhile ago.

The CHAIRMAN. You may make that a part of the record.

General HINES. I will furnish it to the committee reporter.

(The tabulated statement entitled "H. R. 9687, comparison of United States Veterans' Bureau and Pension Bureau estimates" is here made a part of the record, as follows:)

H. R. 9687, comparison of United States Veterans' Bureau and Pension Bureau estimates

Year	Percentage of claims awarded		Soldiers				Widows and minors				Total			
			Number		Annual cost		Number		Annual cost		Number		Annual cost	
	Pension Bureau	United States Veterans' Bureau	Pension Bureau	United States Veterans' Bureau	Pension Bureau	United States Veterans' Bureau	Pension Bureau	United States Veterans' Bureau	Pension Bureau	United States Veterans' Bureau	Pension Bureau	United States Veterans' Bureau	Pension Bureau	United States Veterans' Bureau
First	10	41	100,000	304,201	\$18,000,000	\$41,067,135	18,500	83,064	\$7,400,000	\$17,946,144	119,500	387,265	\$25,400,000	\$59,013,279
Second	25	35	350,000	563,885	63,000,000	89,813,520	64,750	154,009	25,900,000	39,247,902	414,750	717,804	88,900,000	128,061,512
Third	25	10	600,000	638,000	108,000,000	111,515,625	111,000	174,273	44,400,000	48,731,616	711,000	812,353	152,400,000	169,247,261
Fourth	20	6	800,000	682,598	144,000,000	120,864,330	148,000	198,432	50,200,000	52,816,968	978,000	869,690	208,200,000	173,681,298
Fifth	20	8	1,000,000	741,954	180,000,000	130,860,700	185,000	202,643	74,000,000	57,193,982	1,185,000	944,507	254,000,000	188,054,682
Total	100	100			513,000,000	494,141,310			210,900,000	215,936,712			723,900,000	710,078,022
Average annual cost					102,000,000	98,828,262			42,180,000	43,187,342			144,780,000	142,015,000

Pension Bureau rate, disability \$190 per year; death \$400.

U. S. Veterans' Bureau rate: three-fourths for new claims and full rate for old claims, disability rate \$190 and death rate \$288.

General HINES. Section 1 of the bill amends section 5 of the act by providing that in making regulations pursuant to existing law with reference to home treatment for service-connected disabilities, the director shall not discriminate against any veteran solely on the ground that such veteran left a Government hospital against medical advice or without official leave. This amendment has for its purpose the changing of bureau procedure which has been in effect since June 28, 1922. Under this procedure, if a claimant leaves the hospital against medical advice or goes absent without leave therefrom, he is not entitled to home treatment until such time as he may reenter a bureau hospital and clear his record of this character of discharge. This amendment in reality dictates the method of procedure in connection with this class of cases. The danger in its enactment lies in the possible effect of such an amendment on the existing general policy of the Government to hospitalize and treat veterans in Government institutions and with Government facilities. If veterans are to be permitted to leave hospitals against medical advice or without proper leave and after so doing are to be entitled to home treatment, it may have a decided effect upon the Government hospital program. It is known that when men are ill they do not exercise the same judgment as men not afflicted with disease. They become discouraged in many cases and desire to take on new forms of treatment, even though such new forms of treatment may not be advisable. In view of the fact that the director at the present time has authority to do that which the amendment dictates, it is not believed from a Government standpoint that the amendment is desirable.

Might I point out to the committee also that as an administrative proposition if these men are permitted either for disciplinary reasons or against medical advice to go out and locate themselves wherever they wish, and then the Government is called upon to furnish medical treatment by means of doctors visiting them every so often, and have follow-up nurses—and we do follow them up now with follow-up nurses, and when indicated doctors go there—I am afraid it will put a problem upon the bureau that we would be unable to meet. And it really takes on the situation that has been contended for some time, in one or two places, that it is better for these men to be out of hospitals than to be in them, and we make a definite allowance for that. The doctors do not believe that is the way for the men to get well; and this group usually involves men who have tuberculosis. We have a provision now which permits them to be sent home with a temporary total rating if the doctors determine that the feature of hospitalization would not be helpful. But this amendment makes so much of an administrative procedure a matter of law that we hope the committee will take it out, and I feel confident I can cure it by regulation, whatever would be proper to do.

Senator WALSH of Massachusetts. Who are the proponents of this provision?

General HINES. Congressman Swing of California. It was brought up by reason of some cases which he recited on the floor of the House, of some unfortunate men who had left the hospital against medical advice and had gone into a colony in California, where a number of them lived, and one man in particular was in bad shape I know. These men were all offered hospital treatment but declined it, and the

man in question died while in that condition, although I had authorized a doctor and a nurse to go there, and yet it was of no avail, and he used that as an example.

Senator WALSH of Massachusetts. The veterans' organization have not urged it, have they?

General HINES. No, I think not. I think the veterans' organization feel as we do, that we should not penalize a man for life, and ought to take him back after a reasonable time.

Senator SHORRIDGE. I do not wish to interrupt unduly, but as I understand it under the present law you may and do permit them to leave.

General HINES. We have no way of holding them. They come and go as they please.

Senator SHORRIDGE. You may and you do in proper cases permit them to go, and thereafter furnish the aid of a nurse?

General HINES. Yes.

Senator WALSH of Massachusetts. By declaring them to be permanent?

Senator SHORRIDGE. I say, under the other provisions of the law. This amendment permits a patient, we will say, to go against medical advice.

General HINES. That is right.

Senator SHORRIDGE. Without leave of those who have his interests at heart?

General HINES. And gets the same treatment as other men who go on advice.

Senator WALSH of Massachusetts. It is an attempt to correct the administrative regulations by law.

The CHAIRMAN. You may proceed with your statement.

General HINES. Section 4 of the bill also amends section 5 of the act by directing that regulations relative to evidence provide that due regard be given to lay and other evidence not of a medical nature, in connection with the adjudication of claims. In view of the fact that the bureau is at present giving consideration to such evidence, the only effect of this amendment will be to require a more liberal evaluation of such evidence. It is impossible to estimate the cost of such a provision, but it undoubtedly will increase the expenditures.

I should like to introduce into the record at this point a letter to all regional officers outlining the policy of resolving the doubt in favor of the claimant, so that the subcommittee may have before them the present policy. We feel of course that when we have medical opinion and lay opinion upon a medical question that we should be guided by the medical opinion.

(The letter to all regional officers of the Veterans' Bureau, is as follows:)

FEBRUARY 10, 1930.

REGIONAL MANAGER, UNITED STATES VETERANS' BUREAU,

Charleston, W. Va.

DEAR SIR: During the past year there has been before the bureau an unusual opportunity to study the quality of our service. We have utilized it to study and improve our internal procedure and organization, so that the service of the bureau might be expedited and its business with the public efficiently accomplished. In that direction I feel confident we have been successful. But efficient service is not effective service unless it is performed with a will to be helpful and accomplished in a spirit of mutual understanding and appreciation. These qualities of service are important and peculiarly essential to the work in which we, of the bureau, are engaged.

The bureau must give to the veteran maximum service in the performance of those duties assigned to it by law. This service begins when the veteran makes known his desire, and ends when the bureau has discharged the Government's obligation to him. The quality of this service depends, in a large measure, upon the veteran and the bureau employee, who is the veteran's and the Government's representative, and this quality will be of the highest when the veteran assists and the bureau employee discharges his duties to the veteran and to the Government.

The veteran is entitled to know what rights his Government has granted him and to receive a prompt answer to his application for benefits. When he files an application he must understand that before a decision can be reached the bureau is required to have in its possession all of the evidence necessary to bring out the material facts in his case and that it would be unfair to both the veteran and the Government to reach a decision on the case until the evidence is complete, at least to the full extent that it may be available. It is during this process that the veteran renders his maximum service by assisting in every way and giving all information requested by the bureau employee. Unless this is given freely and frankly, the answer to his application may be not only unsatisfactory to him but is unsatisfactory to the Government and eventually is the cause of misunderstanding.

Our inability to grant service connection in some cases may not be due to the lack of proof in existence to do so, but because such evidence has not been found and presented to the bureau's adjudicating agencies. It is, accordingly, an integral part of the bureau's policy and procedure to urge upon the veteran the presentation of all manner of evidence which can be procured from whatever source, and, recognizing the unfamiliarity of many veterans with the nature of the medical requirements upon which the bureau's determination must rest, to afford every cooperation on the part of the bureau agencies in assisting the veteran in obtaining and presenting complete evidence. It is thought well to here request that all personnel having to do with the adjudication of claims carefully review the provisions of General Order No. 320 B.

Aside from these efforts which must be made to fully realize the intent of the Congress, and while the law places the burden of proof upon the claimant to establish his claim, I have taken occasion to impress upon you the fact that World War veterans' legislation is liberal in its basic purpose and that the bureau's policy does not require that the proof must be such as to establish the claim to a mathematical or moral certainty.

There are quoted below pertinent extracts from the instructions which have been given to the personnel of the bureau charged with the adjudication of claims:

"When letters are written to the claimant or their duly authorized representatives in response to their requests for action, the bureau's reasons for the action taken shall be embodied therein. In other words, advice to claimants and beneficiaries of the action of the bureau shall be so worded that the average man can understand why such action was taken; what is lacking in the evidence in file, and what additional evidence is needed to substantiate the claim in the event the action is unfavorable."

"When in the course of reviewing a case it is found that information which may substantiate the contentions of the claimant can be obtained from third parties or that information already furnished by third parties may be supplemented by such parties in favor of the claimant, the parties whom the file indicates may furnish such information shall be communicated with by the bureau and proper opportunity given them to submit the evidence which may permit action favorable to the claimant.

"Employees of the bureau should keep in mind that in border-line cases the policy will be to give a little more rather than a little less. The policy to be pursued should not be highly technical and rigid, but it should be kept in mind that the burden of proof rests upon the claimant to establish his case in accordance with law, and that doubtful points should be decided in his favor when such action does not contravene a positive statutory provision."

You will thus observe that there is to be kept uppermost in the minds of the bureau personnel that the very definite policy of the bureau is

First, to assure as far as possible that the claimant will procure all evidence tending to support his claim, with intelligent knowledge of the nature of evidence which is necessary and the purpose which it is to serve;

Second, to render such help and assistance in procuring that evidence as may be proper; and

Third, that you shall give to the evidence which is procured through these efforts the most liberal consideration possible under the law.

It must be realized, however, that the law imposes a definite responsibility upon all charged with the adjudication of claims which can not be obviated or contravened. As long as the law makes the payment of compensation contingent upon service origin or aggravation of the cause of disability or death, it will be realized that the bureau can not legally award compensation without evidence meeting that requirement, although the bureau must endeavor, because of the basic intent of the World War veterans' legislation, to temper its consideration of the sufficiency or insufficiency of the evidence to meet that requirement with the utmost liberality consistent with a fair and sensible appreciation of its basic responsibility.

I desire that the foregoing statements of policy in the consideration of claims before the bureau be again disseminated to the personnel of your office having to do with the adjudication of claims, so that we may be assured that there is no misunderstanding as to the intent of the bureau in its consideration of claims before it. Adherence to these stated policies by the personnel of your office can not but give to the quality of service of your office that element of sympathetic understanding and helpfulness which, to the veteran and those interested in him, is the measure of our service.

Very truly yours,

FRANK T. HINES, *Director.*

Senator SHORTRIDGE. What do you mean by "lay" opinion?

Senator WALSH of Massachusetts. I might suggest that it might be an opinion by the wife, daughter, or child, for instance, saying that the father has been spitting blood.

General HINES. After having viewed a claimant, for instance, that I have known for a number of years, and who I have seen gradually go down in weight, from that and from his inability to carry on, I may assume that he has tuberculosis. That would be a lay opinion, that he had it. But the doctor who examines him may find that while he has certain lung pathology, yet he has been unable to diagnose the case as tubercular, and says he has not tuberculosis. Unless we have a preponderance of evidence that the doctor might be mistaken, we have generally acted on the doctor's opinion.

Senator SHORTRIDGE. But you take into consideration, I suppose, and weigh both the lay opinion and the medical opinion in arriving at your decision?

General HINES. Yes, we do, and they are able to do that by instructions. But there was a feeling, and quite a strong feeling in the House committee, by reason of certain cases that came before them, that it should be emphasized, that it was the desire of the Congress to give greater weight to it.

The CHAIRMAN. Would the bureau like this provision?

General HINES. We would not object to it, providing the reflection is not carried with it that we are not now giving the benefit of the doubt. I think rather that we have gone quite in the other direction. I am frank to say that with that expression on the part of Congress any border-line cases would come in.

The CHAIRMAN. What would be your recommendation?

General HINES. To leave it in the law.

The CHAIRMAN. Very well.

Senator SHORTRIDGE. Where is that?

The CHAIRMAN. On page 3 of the bill.

Senator SHORTRIDGE. It is this language, I take it [reading]:

Provided, That regulations relating to the nature and extend of the proofs and evidence shall provide that due regard shall be given to lay and other evidence not of a medical nature.

Well, there is no harm in having that there.

The CHAIRMAN. All right, General Hines, you may go ahead with your statement.

General HINES. Section 1 of the bill further amends section 5 of the act by providing that where service connection has been found by the bureau to exist in the case of any injury or disease or any aggravation or recurrence of a disability, and such finding has continued in effect for a period of five years, the finding shall be final except in cases of fraud participated in by the claimant, the period of limitation to run from the date of such finding irrespective of whether the period began prior to the passage of the amendatory act. This amendment is in reality a statute of limitations against the Government. Under existing bureau instructions every rating and other finding of fact made by a properly constituted authority and unappealed from within the time allowed by regulations shall be presumed to be correct for all purposes until the contrary is affirmatively shown, and such finding shall not be subject to reversal except where an error of law is shown on the face of the record, where there is evidence of fraud, or where the evidence affirmatively shows that the finding could not be correct.

Senator SHORTRIDGE. Is this a finding of fact?

General HINES. Yes. The instructions do not provide that the fact the evidence in the file may seem to support the finding shall be sufficient to bring a case under the last-mentioned exception, but they do not permit any reasonable possibility of a finding of fact being overturned. It is further provided in the instructions that the instructions shall be interpreted to prevent increasing the number of cases under consideration not due to service, but such cases are covered by the existing provisions of the act and fall within the provisions of the act. The existing bureau instructions, veterans' interests are amply protected. The adoption of the amendment would be to add a provision by mandate of Congress that in any case where a finding had been in effect for a period of five years it shall not be disturbed except for fraud. The amendment would immediately arise upon passage of the amendment as to persons ill who have had service connection would continue to exist for a period of five years had run where no fraud could be shown. It is assumed that such is the intention of the author of the amendment and under such assumption it would mean that because a mistake has occurred and continued for five years such mistake would be perpetuated. The bureau has estimated that this amendment will affect approximately 1,330 cases at an annual cost of approximately \$702,000.

We feel that under the bureau's written instructions that amendment is not proper and should come out.

Senator SHORTRIDGE. And that is the amendment beginning with line 5 and running to line 16 on page 3 of the bill now before us.

General HINES. Yes.

The CHAIRMAN. You may continue your statement.

General HINES. Section 2 of the bill amends section 10 of the act by authorizing the director to secure recreational facilities, supplies, and equipment for patients generally and for employees at isolated stations. At the present time the bureau is furnishing such facilities for the use of patients, although there is no specific provision in the act covering such items, but has never endeavored to furnish facili-

ties for employees. It is believed that the providing of such facilities for employees at isolated stations will greatly reduce the turnover in personnel. It will increase efficiency of the personnel assigned to such institutions by adding to their limited means of amusement. It is impossible to estimate the exact cost of this amendment, but it is contemplated that recommendations for the same will be submitted in connection with the appropriations for future hospital construction.

The CHAIRMAN. Then that is all right.

General HINES. Yes, sir; we have no objection to that.

The CHAIRMAN. You may continue your statement.

General HINES. Section 2 of the bill also amends section 10 of the act by authorizing and directing the transfer of the Battle Mountain Sanitarium and the Battle Mountain Sanitarium Reserve from the jurisdiction of the Board of Managers of the National Home for Disabled Volunteer Soldiers to the bureau. The bureau at the present time is using these facilities to the extent possible. However, it is apparent that if this hospital is transferred it will be used more nearly to capacity and will eliminate the demand for a new veterans' hospital in the South Dakota area. In this way there will result a considerable saving.

At this point I might call the subcommittee's attention to a bill which recently passed the House, which calls for a consolidation of the Veterans' Bureau, the Pension Bureau, and the Battle Mountain Sanitarium and the Battle Mountain Sanitarium Reserve under one Federal agency. If that bill should become a law this language would of course be unnecessary. Personally I can see no very sound reason for singling out one extension as against all other extensions.

Senator WALSH of Massachusetts. That is in conformity with the recommendation of the President, is it not?

General HINES. Yes; I think so. Of course, I would not want to say that it meets all of his views, but I think it brings about the principle he wishes of bringing these agencies all together.

Senator SHORTRIDGE. Your immediate comment is addressed to the provision found from line 3 to line 14 of the bill.

General HINES. Yes; it refers to the transfer of the Battle Mountain Sanitarium.

Senator WALSH of Massachusetts. And if the other bill goes through this should come out.

The CHAIRMAN. I think we should take this out, because the other bill is likely to go through, and it is only a piecemeal affair, and it should be in one piece of legislation.

General HINES. We could undoubtedly use it, but if the other bill is to go through I suggest that it be not put in here.

Senator WALSH of Massachusetts. Was there any objection made to the other bill in the House?

General HINES. There was considerable debate on it, but it passed by a large majority.

Representative RANKIN. The debate was upon the matter of the consolidation of the Pension Bureau.

Senator SHORTRIDGE. What is the scope of that bill?

General HINES. It contemplates consolidating in a new Federal agency, to be known as the administration of veterans' affairs, the Veteran's Bureau, the Pension Bureau, and the National Homes for

Disabled Volunteer Soldiers—that is, the soldiers' homes now administered by a Board of Managers. It brings about a consolidation and prevents overlapping, brings about a coordination of these agencies, leaving them as rather smaller units or bureaus in the larger units.

Senator SHORTRIDGE. And it passed the House the other day?

General HINES. Yes.

The CHAIRMAN. You may continue your statement.

General HINES. Section 3 of the bill amends section 16 of the act and authorizes the refund of premiums paid beyond the date of maturity on war-risk term insurance. The bureau has always refunded such premiums, but the Comptroller General recently held that the bureau appropriations were not available for such purpose. In view of the fact that no risk attached to the Government for the period covered by these premiums, and that it is the practice of commercial insurance companies to refund the same, it is believed that this amendment is proper. As the premiums to be refunded were paid by the insured beyond the date of maturity, the refund will not result in any increased cost to the Government.

The CHAIRMAN. Why do you add this "yearly renewable"? I think you put it in in three places, and I do not understand why it is there.

General HINES. In order to identify the insurance. The Government has two forms of insurance; the one being the everyday kind of insurance, which has a level premium and is continuing on now, in the commercial form of insurance. But the old war-risk insurance was renewable yearly. It has to be renewed each year so as to be kept in force. We have always referred to it as renewable.

The CHAIRMAN. It is not in the present law. And consequently this does not bear on it, does it?

General HINES. I think so.

The CHAIRMAN. In section 16, line 20, there appears "renewal," and at line 24 and at line 5, page 5. That is not in the existing law.

General HINES. What we are really referring to is term insurance, which was the old war-risk yearly renewable term insurance.

The CHAIRMAN. But is it necessary here?

General HINES. Senator, on page 7 of the World War veterans' act of 1924, section 16, reads this way:

All sums heretofore appropriated for the military and naval insurance appropriation and all premiums collected for the yearly renewable term insurance.

There the word used is "renewable" and not "renewal." That was to distinguish it from the convertible insurance now in force. That is a misprint in the bill. It was intended as renewable and they have it renewal. In other words, we have practically the same as the commercial practice, that when a premium was not earned, whatever the unearned portion was would be refunded. In other words, if a policy matures we would refund the unearned part, the same as if you had a commercial policy, or a fire insurance policy, or an automobile policy. If the full premium was not earned, the portion would be refunded at the end of the term.

Senator WALSH of Massachusetts. It was something to correct a ruling by the Comptroller General, something between his ruling and your own, as I understood it.

Senator SHORTRIDGE. It should be "renewable" then?

The CHAIRMAN. That is what I could not understand, why it should be "renewal".

General HINES. You should change it to "renewable" on lines 5, 20, and 24. I will have Mr. Roberts follow these things along and make these corrections for you, if that is agreeable.

The CHAIRMAN. All right.

Senator SHORTRIDGE. Then where the word "renewal" appears there it should be "renewable"?

General HINES. Yes.

The CHAIRMAN. You may proceed with your statement.

General HINES. Section 4 of the bill amends section 19 of the act by authorizing the courts as part of the judgment to direct the refund of premiums. This amendment will not result in any increased cost to the Government for the same reason pointed out in the comment on section 3 of the bill.

That is, we have collected premiums and if the courts so rule, all right.

The CHAIRMAN. You put in to include a claim for refund of premiums.

General HINES. Yes.

The CHAIRMAN. Isn't that the practice now?

General HINES. It has been the practice, but there is really no definite legal authority for it. I wanted it put into the law.

The CHAIRMAN. It is only carrying out what you are now doing?

General HINES. That is right.

The CHAIRMAN. All right. Proceed with your statement.

General HINES. Section 4 of the bill also amends section 19 of the act which relates to the filing of suits on insurance contracts by extending the time during which suits may be instituted one year from the date of the approval of the amendatory act. Under existing law, suits may be instituted within six years after the date the right accrued for which the claim is made or prior to May 29, 1929, whichever is the later date. Certain exceptions are made in the statute to protect the interests of minor and incompetent beneficiaries and the running of the limitation period is suspended for the period elapsing between the filing in the bureau of the claim sued upon and the denial of said claim by the director.

There are now pending in the courts approximately 5,000 suits on insurance, 90 per cent of which are based upon a claim that permanent and total disability existed at the time of the discharge of the veteran from the military service some ten or more years ago. It would seem that if a claimant had actually been permanently and totally disabled six years or more he would have presented his claim before the bureau and, if disallowed, would have entered suit before this. There existed during the war approximately 4,500,000 contracts of insurance, the majority of which were permitted to lapse at date of discharge from the service. Suits on the greater number of these contracts are now barred by the statute of limitations. The number of suits now barred which might be filed if this amendment were adopted is, of course, rather difficult to estimate.

However, it is known that there are some firms of attorneys which are making a specialty of instituting these suits and which, up to the date of the application of the statute of limitations, brought them by the hundreds. Many cases upon which suits are filed have little or not merit. While it might seem that they would be easy of defense

by the Government, it must be remembered that courts and juries are naturally sympathetic to the veterans. Further, little evidence is required to sustain the burden of proof for the plaintiff, and cases are often decided in favor of the veterans where the only evidence presented is their own testimony and that of friends and relatives concerning their condition when they returned home from the military service and subsequent thereon. It is very difficult for the Government to secure evidence as to just what a man's disability was, if any, and whether or not he was actually able to carry on in a successfully gainful occupation during this period. For the reasons given it can be seen that an extension of time during which suits may be instituted is not desirable from a governmental standpoint. The bureau reported adversely on this amendment when it was pending before the veterans' committee.

The cost of this amendment can not be estimated, but there is no question but that if it is adopted a large number of cases which would not otherwise be payable will be paid. In this connection it should be understood that judgment results in a setting up of a minimum liability against the Government of \$13,800 in each case, unless before all payments are made an escheat is effected. In view of the fact that the Government's liability term insurance now exceeds the premium income on such insurance which has ceased by approximately \$1,300,000,000, it can be seen that the entry of additional judgments will materially increase the cost to the Government. Also, there is for consideration the cost of the defense of these suits. It is estimated that the cost of defending one of these suits is approximately \$4,000. Therefore, even though the Government may receive judgment against the plaintiff, the cost of the defense of the suit has to be paid by the Government.

Mr. Chairman, I should like to state further to this subcommittee that in my judgment that is one of the very serious problems in the bill to-day. We all know that in considering insurance suits against insurance companies the tendencies of courts and juries is to side rather with the claimant. With the veteran we have all that influence in suits and more, in that in a community it is a difficult thing for the district attorney to make a defense. They dislike that character of suits, against veterans. If I felt that these claims were meritorious of course I would not ask that this amendment be taken out, but many of these suits involved in such cases—

Senator WALSH of Massachusetts (interposing). Do you mean suits that might be brought in the future?

General HINES. Yes. They may involve his estate. They do not always involve him or his dependents. If it involved wife and children it would be different. But it seems to involve persons at a greater distance from the veteran. If we could bring about a more uniform position in decisions it would be different. So that it would seem we should not extend the time for filing suits.

Senator WALSH of Massachusetts. A good many of these cases filed on the last day were filed for the purpose of preserving any loss of rights of beneficiaries, I take it. You do not anticipate that all of them will be seriously pushed, do you?

General HINES. No; but we have the unfortunate situation that some cases which we have have no merit. For instance, if a man can show to a jury that he has been unable to carry on in a gainful occu-

pation regardless of what the medical facts may show in our records of his condition when he came out of the service, and he has since been declared permanently and totally disabled by the bureau, he will get his judgment.

Senator SHORTRIDGE. You advocate that?

General HINES. Yes, sir.

Senator SHORTRIDGE. What is the statute of limitation now?

General HINES. Six years.

Senator WALSH of Massachusetts. This time would only apply to cases where the six years have expired?

General HINES. That is right.

Senator SHORTRIDGE. Under the present law the statute of limitations for commencing action is six years.

General HINES. Yes, sir. And he has time out in the bureau also. In other words, the statute of limitations is held up during the time the bureau is considering his claim.

Senator SHORTRIDGE. It begins to run at what time?

General HINES. At the date when the situation is determined.

Senator SHORTRIDGE. He has six years plus the time it takes the bureau to adjudicate or determine the matter?

General HINES. Yes, sir.

Senator SHORTRIDGE. Now, the proposition is to extend that period of limitations.

General HINES. Yes. They put in a limiting date as of May 29, 1929, and it has now expired. At this time they want to extend it to May 29, 1930, or one year from the date of this act.

Senator SHORTRIDGE. So that it would permit the legal commencing of certain actions of this character within the added period.

General HINES. Yes; and a large number of other cases would undoubtedly be brought.

Senator SHORTRIDGE. And in all probability a large number of additional cases would come in?

General HINES. Yes.

The CHAIRMAN. I notice on page 6, lines 23 and 24, the House put in section 346 and section 347 that are not in the existing law there—the existing law, sections 239 and 240 of the Judicial Code.

General HINES. That is it.

The CHAIRMAN. That is what it is to-day?

General HINES. It is 346 and 347 of title 28 United States Code to-day. They inserted, as I understand it, merely the sections and the title of the United States Code in lieu of sections 239 and 240 of the Judicial Code.

The CHAIRMAN. Isn't it under the practice to-day, sections 239 and 240 of the Judicial Code?

General HINES. Yes, sir.

The CHAIRMAN. Now, the House changed that to sections 346 and 347, title 28, of the United States Code.

General HINES. They are the same sections.

The CHAIRMAN. They are the same identical sections?

General HINES. Yes, sir.

The CHAIRMAN. So that it makes no difference.

General HINES. Except by making it refer to the United States Code instead of the Judicial Code.

The CHAIRMAN. All right.

Senator SHORTRIDGE. Then what is your summing up in regard to this? Or have you expressed it?

General HINES. We feel that that extension should come out.

Senator SHORTRIDGE. And that no more suits of that character should be permitted?

General HINES. That the limitation should be left as it is now.

The CHAIRMAN. You recommend here the item beginning with line 6, page 7, with the proviso?

General HINES. We desire it from the date of the approval of this amendatory act. You see that is now in the act but by reference to amendatory act it has the effect of extending it another year.

The CHAIRMAN. In other words you want the words "or within a year from the date of the approval of this amendatory act" stricken out?

General HINES. Yes, sir.

Senator BINGHAM. Just what words do you want stricken out?

The CHAIRMAN. Beginning on line 5, after the word "made," then strike out the words "or within one year from the date of the approval of this amendatory act, whichever is the later date."

General HINES. Yes, sir.

Senator SHORTRIDGE. Now let me understand this: Under the law as at present certain actions have been commenced.

General HINES. About 5,000 of them have been filed.

Senator SHORTRIDGE. Under the law as it now is can any others be filed, or has the statute of limitations run against them all?

General HINES. No; there are certain cases where the bureau is properly considering a claim, that it would fall within the limitations, so that there can be some other suits. But there should not be suits which had not been filed, or which had not been appealed from or action threatened. They would all be out. So the only new suits would be those really under consideration by the bureau and which have been continued during the time we have been considering them, to see whether we would pay them.

Senator SHORTRIDGE. If the time is not extended action is to be taken upon the theory and the view that if there had been meritorious cases they would have been commenced.

General HINES. That is the theory. We feel that they have had ample time to have started action. Of course this language would not preclude the bureau from allowing an insurance claim if we found we could meritoriously allow it, if the merits of the claim were such that we could allow it. But it would prevent that claim if it had not been filed, would prevent bringing suit against the Government.

Senator SHORTRIDGE. Who urged this amendment? What was the view of those who urged it?

Senator WALSH of Massachusetts. It started a year ago when the time expired.

General HINES. I think the Legion authorized it. It only debarred those cases where death occurred more than six years ago. Anybody that died five years ago the beneficiary would have another year to bring suit.

Senator WALSH of Massachusetts. The limit is six years.

General HINES. Yes, sir. The service organization I think first proposed that.

The CHAIRMAN. House bill 10630 has just come over to the committee now. I will have a report made on it and let it be presented at the same time.

Senator BINGHAM. General Hines, you know only too well that there are a certain number of persons that the Bible refers to as feeble folk, who are not up to date, and who do not get word about things, if they live in some back room of a big city, or out in the country, who do not learn for a long time what is going on, and then some one comes and tells them, and it is too late. I have a great deal of sympathy with such folks. At the same time we do not want to do any injustice to others. Is the injustice likely to occur against the Government or the other veterans by prolonging the time when suit may be brought?

General HINES. It puts the Government to the trouble of defending a large number of suits that have been drummed up by those firms of lawyers that are specializing in them. Mr. Roberts has just indicated to me that he knows of one firm that has 900 suits ready to file against the Government if this is permitted. We are put to the expense of defending a large number of suits that we think are not meritorious. My disposition would be that if a case should show up where properly insurance should be paid and the bureau did not have the authority, that that should be a matter for a special bill rather than to let the bars down forever. If we extend it this year, then at the end of the year the same contention will be made for a further extension.

Senator WALSH of Massachusetts. Of course continuous extensions amount to elimination of the statute of limitations.

General HINES. I thought we had given the matter very careful consideration when the 6-year limit was put in.

The CHAIRMAN. Those attorneys you speak of have made it a business of following these matters, and they more than likely have collected from each party, say, \$10.

General HINES. Well, they can collect 10 per cent.

The CHAIRMAN. But before they get that they can make the poor boys put up \$10.

Senator SHORTRIDGE. That is a crime under the law, is it not?

General HINES. No; in the matter of these suits they have a right to collect 10 per cent, and it is quite a profitable business to them.

Senator SHORTRIDGE. But if they get more than that it is a crime under the law?

General HINES. Oh, yes. But the law provides for 10 per cent.

Senator SHORTRIDGE. The law permits a certain percentage of the amount of the recovery?

General HINES. Yes. The law permits the court in giving judgment to award 10 per cent to the attorney.

Senator SHORTRIDGE. But if the attorney takes from the plaintiff more than the court has allowed, that is a crime under the law, is it not?

General HINES. Yes, sir.

Senator SHORTRIDGE. That is a statutory, a specific crime.

General HINES. Yes, sir.

Senator BINGHAM. But isn't it true that they can get 10 per cent of the \$10,000 award?

General HINES. Yes, sir. The judgments run almost uniformly 10 per cent.

Senator BINGHAM. Now, I appreciate the point you have brought out, and of course we are all aware of these attorneys that go into this as a business and drum up cases, and we ought to protect the Government against things of that kind. But in addition to that we all know of the situation to which I have just referred, and we ought not to make it impossible for the unfortunate feeble folk to get justice.

The CHAIRMAN. They can have it by a special bill.

General HINES. There are two ways in which that can be brought about. One would be by a bill, and the other is to make an award without any suit. There is nothing to preclude the bureau from making an award of insurance at any time. Another way would be, if we were doubtful, although we thought the equities of the case were such that it should be paid, we could recommend a special bill.

The CHAIRMAN. Then it would not necessarily require legislation.

General HINES. No, sir.

Senator WALSH of Massachusetts. Of course all these people are in touch with the bureau, and are informed of their rights. It is not like a person who discovers six years after death that he has some rights. They know of their rights within the 6-year period.

Senator BINGHAM. Not always.

General HINES. We all know that some show up very much to our surprise and the surprise of the Legion, who have not heard anything about the World War veterans' act. But if there is that kind of case, we will find a way to allow it rather than to let down the bars.

The CHAIRMAN. The committee will now stand adjourned until 10 o'clock tomorrow morning.

(Whereupon, at 11.50 a. m., Thursday, May 1, 1930, the committee adjourned until 10 o'clock a. m. of the following day, Friday, May 2, 1930.)

TO AMEND THE WORLD WAR VETERANS' ACT OF 1924

FRIDAY, MAY 9, 1930

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

The subcommittee met, pursuant to adjournment, at 10.10 a. m., in room 312, Senate Office Building, Senator Reed Smoot presiding.

Present: Senators Smoot (chairman of subcommittee), Shortridge, Bingham, Walsh of Massachusetts, and Thomas of Oklahoma.

Present also: Representative John E. Rankin, of Mississippi.

The CHAIRMAN. The committee will come to order. General Hines, we will resume.

STATEMENT OF GEN. FRANK T. HINES, DIRECTOR UNITED STATES VETERANS' BUREAU, WASHINGTON, D. C.—Resumed

The CHAIRMAN. General Hines, we had, at the close of the last meeting, been talking on section 4.

General HINES. Yes; on section 4. There is another amendment to section 4, Mr. Chairman, authorizing that subpoenas be issued for witnesses who live at a greater distance than 100 miles from the place where the suit is to be tried.

The CHAIRMAN. That is on page 8 of the bill, and that is all new matter?

General HINES. Yes, sir. This authorizes the payment of regular travel and subsistence allowance to attorneys assigned to assist in the trial of suits and to regular employees of the bureau when ordered by the director to appear as witnesses; permits the director to order part-time and fee-basis employees of the bureau to appear as witnesses in suits, and to pay them a fee in an amount not to exceed \$20 per day, and defines the term "claim" and the term "disagreement," which are technical terms used in the statute, to fix the time during which the limitation period for bringing suits is suspended.

These amendments all have for their purpose the approving of past administrative practice of the bureau and the securing of proper witnesses and representation at the trial of cases. While it can not be said that these amendments will result in any direct saving to the Government, it is believed that by the adoption of such amendments the Government will be in a better position to properly defend suits instituted under this section of the act.

We feel that these amendments will enable the bureau to secure witnesses who are employees of the bureau and to require witnesses to appear at trials beyond the 100 miles now provided for, and will enable the bureau better to defend suits under this section of the act.

Senator SHORTRIDGE. How is it now?

General HINES. We are limited to 100 miles in bringing witnesses. And these men, as you know, come from all over the country, and it is necessary to get witnesses, in many cases, from more than 100 miles.

Senator SHORTRIDGE. Is it the general rule to bring them in person to the court or to take their deposition?

General HINES. Well, we do both; but in many cases it is essential to have the witnesses in court. Where the deposition will answer, we do that.

The CHAIRMAN. Why do you make that \$20 per day?

General HINES. This is for the purpose of taking care of those who are part-time and fee-basis employees of the bureau. We can not expect them to come for only the \$6 a day allowance. You can not get them to come, unless you can compel it by court order.

The CHAIRMAN. Why should they be different from anybody else?

General HINES. They are part-time and fee-basis employees of the bureau, and you can not expect them to come that way.

Senator SHORTRIDGE. Observe, however, Mr. Chairman, that the language is "a fee in an amount not to exceed \$20 per day."

The CHAIRMAN. Of course, you know what that means; it means \$20 a day.

General HINES. May I have Mr. Roberts tell you some of the difficulties we are experiencing in that matter?

Senator SHORTRIDGE. It does not necessarily mean, Mr. Chairman, \$20 a day.

The CHAIRMAN. Not necessarily. But did you ever hear of a case of that kind where it was less than \$20 per day? If the language were "not to exceed \$10 per day," did you ever hear of a case where it was less than \$10?

Senator SHORTRIDGE. I can imagine if it should say "not to exceed \$100 per day," it would not always be \$100 per day.

General HINES. If the committee will permit, I would like to have Mr. Roberts, who is the assistant general counsel, give you some of the difficulties we are having in that regard.

The CHAIRMAN. Very well, Mr. Roberts.

Mr. JAMES O'C. ROBERTS. Mr. Chairman, the Department of Justice has authority to pay expert witnesses fees up to \$20 a day at the present time. The Comptroller General has ruled, however, that fee basis and part time doctors are Government employees, and as such are only to be allowed the regular amount provided for travel and subsistence. We have a large number of diagnosticians on the rolls, who are either on part time duty or in fee basis positions. Those men will not continue in our service, and have so notified us, if we pay them only \$6 a day, and the regular transportation allowance when they travel as witnesses. In fact, most of them would prefer not to go as witnesses at all, because they lose money at \$20 a day; but at the present time we can not pay them even that, which is the same fee as the Department of Justice pays expert witnesses when they are called to testify in a case. We do not use these men extensively, but we do have to use them when we are compelled to show the progress of a disease, and how it affects the human body. We have to call those witnesses in cases of that kind, and under the present law can pay them only \$6 a day.

The CHAIRMAN. Do you call many of those who are now in the regular service?

Mr. ROBERTS. We call many of them in the regular service.

The CHAIRMAN. And now you are going to pay them \$20 a day?

Mr. ROBERTS. No; the men who are the part time or fee basis specialists are the ones we are going to pay \$20 a day. Men who are on the Government pay roll will not be paid that amount.

The CHAIRMAN. It says here "part time and fee basis employees of the bureau."

Mr. ROBERTS. Yes; but they are only paid so much for a visit, or on a part-time status. But, in addition to that, we have our own doctors who are called and who get nothing but their regular travel allowance.

Senator SHORTRIDGE. Do these physicians who may be called and are to be paid according to this proposed rate engage in private practice?

Mr. ROBERTS. Yes; they are all engaged in private practice and are only on our rolls as part time or fee basis employees.

Senator SHORTRIDGE. So that if called as witnesses, their private practice suffers?

General HINES. They will have to let their private practice go for that time.

The CHAIRMAN. They are all seeking the remuneration of the part-time service. What I want to call attention to is that it will be \$20 a day.

General HINES. We have many men to whom \$20 a day would not be a temptation to leave their practice. They are very high-grade men, and even now the service they give at these places they give at considerable sacrifice to their own private interest and practice; but they do it because they have an interest in the veterans. But the fee we pay them for the part-time service, or for the visits they make over a period of time, they would receive that normally, perhaps, in one visit in a civilian case.

Senator SHORTRIDGE. Who fixes that?

General HINES. The director of the bureau.

Mr. ROBERTS. It will be now in the discretion of the director, under a written order of the director.

Senator SHORTRIDGE. Meaning General Hines?

Mr. ROBERTS. Yes, sir.

General HINES. And in addition to the \$6 we pay the employees, they would have to have a special order from me to pay them the additional \$20.

Senator SHORTRIDGE. Then, not to prolong the matter, it would be up to you to fix the rate?

General HINES. It would.

Senator SHORTRIDGE. And you would not, as a matter of course, fix it at \$20?

General HINES. I would not.

The CHAIRMAN. No; the doctor would fix it, or say he would not go.

General HINES. I would take into account the man, and the necessity of having him.

The CHAIRMAN. Senator, the doctor will say, it is \$20, and that is fixed.

Senator SHORTRIDGE. Like the law of the Medes and Persians.

The CHAIRMAN. What else have you, General?

General HINES. Section 4 of the bill also amends section 19 of the act by authorizing official leave for bureau employees subpoenaed as witnesses for veteran plaintiffs in suits under this section. Under

existing law these officials of the bureau who are called by plaintiffs, because of their knowledge of their physical or mental conditions acquired as the result of their employment in the bureau, must take annual leave or leave without pay. This works a particular hardship upon physicians of the bureau, particularly in those localities where a large number of suits has been instituted. It would seem only fair to these employees that they be not compelled to use their annual leave or take leave without pay in answering these subpoenas. The cost of this amendment is problematical, but it will undoubtedly increase to a certain extent the necessary bureau appropriations.

In other words, the veterans themselves, having been examined by our doctors at various places, call them as witnesses. They can go and, of course, do go, but if they leave they either have to take official leave or leave without pay; and it does seem to me that they haven't any discretion in the matter, and it is a little unfair to have them use up all their annual leave and lose their pay when called as witnesses in those suits.

Senator SHORTRIDGE. Is that matter covered by the language here?

The CHAIRMAN. On page 8, lines 24 and 25.

Senator SHORTRIDGE. I see. Down at the bottom, and ending on page 9?

The CHAIRMAN. Yes. They have 30 days' leave now?

General HINES. Yes; 30-day annual leave with pay.

The CHAIRMAN. How much sick leave?

General HINES. They have 30 days' sick leave, but that is not automatic. It has to be shown they are sick.

The CHAIRMAN. Certainly.

General HINES. It could not be used for this purpose.

The CHAIRMAN. No. They have holidays besides?

General HINES. Yes; some, and Sundays.

The CHAIRMAN. About 68 days out of the year.

General HINES. If they utilize all their sick leave, yes. Of course, the holiday period can not very well be counted, because that is a time the court is not in session.

The CHAIRMAN. I am not counting that in the 68 days.

Is there anything else in this section?

General HINES. Yes. Section 4 of the bill amends the World War adjusted compensation act by providing that in connection with adjudication of the claim of Hal R. Johnson, XC-423004, the director shall make payment of the amount of the adjusted service certificate in accordance with the last will and testament of the deceased. The facts in this case are as follows:

The veteran executed an application for adjusted compensation benefits designating as beneficiary thereof "Mrs. Stella Mae Johnson, wife." On April 2, 1929, the designated beneficiary shot the veteran and as the result of the gunshot wound inflicted by her the veteran died the following day, April 3, 1929. Subsequent to the time the gunshot wound was inflicted the veteran executed a will which has been probated. Item 2 of the will reads as follows:

I give, devise, and bequeath all of my property real and personal and mixed whatsoever and wheresoever situate to my beloved uncle William E. Johnson, residing at Forest, Ohio, to have and to hold to him his heirs and assigns forever.

The original designated beneficiary, the wife, died on May 4, 1929. The question which arises in this case is whether the will of the veteran

which was executed subsequent to the time the gunshot wound was inflicted by the original beneficiary and which makes no specific reference to adjusted compensation, is sufficient to constitute a cancellation of the original designation of beneficiary under the adjusted compensation certificate. This case is being submitted to the Comptroller General for decision in view of two prior decisions rendered by him; one in the case of Russell R. LaFraugh, May 4, 1929, A-26791 (8 Comp. Gen. 575), and in the case of Willie Willis, XC-1307570, November 9, 1929, and January 14, 1930, A-28938.

We believe, Mr. Chairman, that that legislation has no place in this bill.

The CHAIRMAN. None whatever.

General HINES. It pertains to another bill.

The CHAIRMAN. It is a claim.

General HINES. Adjusted compensation act and should be stricken from this act.

Senator SHORTRIDGE. That would strike out that whole proviso?

The CHAIRMAN. From line 14 to line 18.

General HINES. I think, if it had been noticed in the House, it would have gone out on a point of order.

Section 5 of the bill amends section 21 of the act by authorizing the director to pay compensation to the person having custody and control of an incompetent or minor beneficiary during the time compensation payments to a legally appointed guardian are suspended or withheld because of the misconduct of the guardian, and authorizes the continuance of a fund which the bureau is administering for the benefit of certain incompetent beneficiaries. These amendments are to insure a greater cooperation between the courts and the bureau and guardians in supervising the funds of incompetent beneficiaries. The adoption of these amendments will result in no additional cost to the Government.

In other words, they have to do plainly with administrative matters.

The CHAIRMAN. I see no reason why it should not be. What is the next?

General HINES. Section 5 of the bill also amends section 21 of the act to provide for an escheat to the United States of funds of a minor or incompetent beneficiary in the hands of the Government or a guardian at the time of death of such minor or incompetent, when such funds are made up of payments from the bureau and escheat would otherwise result in favor of the State of residence of the minor or incompetent. The enactment of this amendment was suggested by the bureau and will result in a saving of millions of dollars to the Government over a period of years. The immediate saving can not be estimated. The only question which will arise in connection with this amendment will be that of its constitutionality as applied to money already paid to the guardian. However, the bureau is hopeful of being able to maintain that this section, as amended, will apply to such funds, and that in the event of the death of the incompetent the money will revert to the United States rather than be paid to the State of the residence of the veteran.

The committee will understand that the estates of these veterans who have been incompetent and have been in our institutions a long time have grown so that they sometimes exceed \$10,000, or may be even \$12,000 or \$15,000. And they will continue to build up. If

the veteran dies, they become the source of controversy, first, among relatives; and in this case, if there was no relative, then the question arises as to whether they would escheat to the United States, or to the State. We thought there was no question about them escheating to the United States under the existing law, but we have had questions raised. In what States was that, Mr. Roberts?

Mr. ROBERTS. In Tennessee and in Kansas.

General HINES. They should escheat to the United States. These funds are held for the benefit of the veteran in the hope, of course, that he will recover. If they do not recover, I think it should go should go back to the United States.

The CHAIRMAN. All right. What is the next?

Senator SHORTRIDGE. It goes either to the State or the United States?

General HINES. Yes, sir.

Senator SHORTRIDGE. Where there are no relatives?

General HINES. If there were relatives, it would go to them, and we have no objection to that; but in cases where there are no relatives that do take we think it should go to the United States.

Senator SHORTRIDGE. I wanted to recall the law to myself.

The CHAIRMAN. Page 11 is the next one, General.

General HINES. Section 6 of the bill amends section 28 of the act, as amended, to make it effective June 7, 1924. This section authorizes the director to waive recovery of overpayments under certain circumstances. An amendment was adopted on May 29, 1928, relieving disbursing officers from liability in cases where such recovery was waived. The Comptroller General has ruled that this amendment was not retroactive and that recoveries waived between June 7, 1924, and May 29, 1928, were still chargeable against the disbursing officers. The present amendment will relieve the disbursing officers from and after June 7, 1924. The bureau recommended this amendment as it was felt that it was manifestly unfair to charge these disbursing officers with these overpayments when the Government, by waiving recovery, was making it impossible for them to recoup themselves from future payments to be made to the beneficiaries. The disallowances standing against disbursing officers which will be affected by this amendment are approximately \$218,500.

We felt, also, Mr. Chairman, that that was the original intent of the act, although it did not specifically say so, that it was to be effective from the date of the act of June 7, 1924; and we felt that the comptroller, in his contention was perfectly right under the law, but that it puts the disbursing officers in an unfair position.

The CHAIRMAN. And it clarifies the language.

General HINES. And it clarifies the language.

Section 7 of the bill adds a new provision to the act whereby checks issued to beneficiaries which are undelivered shall be retained in the bureau of three full fiscal years, rather than forwarded to the General Accounting Office after three months as is now the practice under regulations of the General Accounting Office. The operation of this regulation has resulted in much delay in beneficiaries receiving payments and much confusion in the records of the bureau as to payments made. The amendment was recommended by the bureau in the interest of good administration and will result in no increased cost.

Now, Mr. Chairman, I understand the comptroller objects to that amendment.

The CHAIRMAN. Yes; I have a memorandum here.

General HINES. I would simply like to add this: That our sole interest in this matter is to have some system worked out whereby, when the veteran shows up, we can make prompt delivery of checks or money that is due the veteran. We have no desire to upset any accounting procedure, if we can bring about the prompt delivery of these checks in any way other than by the bureau holding the checks. These men, as you know, travel around a great deal. And they are not as careful about leaving their forwarding addresses, as many of the rest of us are, and in many cases those checks will be returned to the comptroller, and then the men will show up at the disbursing office, while the checks are here, and the men will be many miles away from there. It has resulted in delay in delivery of the checks. In talking with the comptroller's representative, we feel that they have changed their procedure at the General Accounting Office on account of this complaint, so that a great deal of this delay would be avoided, if that is so, and if the delay can be avoided, we have no great objection to it.

The CHAIRMAN. The comptroller gives an explanation of it, General, which, in my opinion, looks very plausible on its face.

General HINES. I think the whole matter, Mr. Chairman, rests on whether he is able to make prompt delivery of the check.

The CHAIRMAN. Evidently, from his statement here, there is not any question about that at all, General.

Senator BINGHAM. What is the objection to having the checks accumulate with the bureau? The bureau is in direct touch with the soldier, whereas the comptroller is not. What is the objection to having checks accumulate with the bureau so that if the soldier does return prompt delivery thereof can be made?

General HINES. I think the principal objection is that this makes a departure from the procedure that is followed by every other department of the Government, and he feels that that should not be done.

Senator BINGHAM. That is a good bureaucratic excuse, with which I have no patience.

Senator SHORTRIDGE. What does he state in his letter, Mr. Chairman?

The CHAIRMAN. I think he states a good reason. I will read it.

Senator SHORTRIDGE. I was about to ask you to do that.

The CHAIRMAN. This is a memorandum with reference to this bill in relation to section 7, page 12, amending section 37 of the World War veterans' act. [Reading:]

SEC. 37. Checks properly issued to beneficiaries and undelivered for any reason shall be retained in the files of the bureau until such time as delivery may be accomplished, or, until three full fiscal years have elapsed after the end of the fiscal year in which issued.

That ends the quotation. [Continuing reading:]

This would result in excepting the Veterans' Bureau from other Federal departments and establishments for the purpose of the operation of an established accounting procedure, whereby disbursing officers generally (inclusive of those of the Veterans' Bureau) are required on the first of each quarter to forward undelivered checks in their possession for more than three months to the General Accounting Office for safekeeping and lawful disposition. (Bulletin No. 3 of General Accounting Office, issued May 19, 1923, and Supplement No. 1, issued August 16, 1927, copies herewith.)

The application of such existing accounting procedure to the Veterans' Bureau is material for reasons, as follows:

"1. As a proper administrative and fund accounting procedure in the settlement of claims and accounts for which the United States is concerned as debtor and as creditor. In the settlement of the accounts of disbursing agents credit is allowed by the General Accounting Office for expenditures reported as made by means of checks issued as described therein, the credit being given on the presumption that the checks were delivered. If it subsequently develops that delivery has not been made, and that the checks are in reality in the hands of the disbursing agent, the question presents itself whether a proper credit has been allowed, or whether the money is still in the hands of the disbursing officer, and, in consequence, the credit action should be reversed, there having in fact been no expenditure.

That seems perfectly reasonable on its face. As to the practice, I am not sure. Now let us see what he says further [reading]:

2. Pending claims often involve outstanding checks, resulting in their cancellation or deposit of the amount into the Treasury on account of an indebtedness to the United States. The law requires the General Accounting Office to report outstanding checks as pertaining to "Outstanding liabilities." Under the old procedure—which the bill would restore—the delay in forwarding and the failure to report the status of the payee's accounts in many instances caused sums to be carried to the "Outstanding liabilities" fund in the Treasury which should have reached the general fund in the Treasury. By the existing procedure, substituted therefor, such conditions are remedied to a large extent.

3. The inauguration of the existing procedure operated to reduce the number of checks formerly stolen or misplaced, due to insufficient safeguarding facilities, while being retained in the disbursing offices for indefinite periods, thereby effecting a reduction of need for check investigations and a monetary saving to the Government to the extent of such reduction. Approximately 67,000 of such checks are now on file in the General Accounting Office, where they are recorded, checked, and thoroughly safeguarded. Delivery or disposition of checks so filed in the General Accounting Office are made by it without delay, hardship, or the imposition of unnecessary requirements on applicants. The Veterans' Bureau is now being promptly informed of such deliveries as made. The former procedure in the Veterans' Bureau, which the bill would restore, in addition to giving rise to accounting complications as above indicated, makes it again possible for the checks to fall into unauthorized hands, and the consequent development of forgeries.

No reason is set forth or particular need appears why the Veterans' Bureau should be excepted from the requirement upon other departments and establishments of the established accounting procedure for the safeguarding of undelivered checks, and their availability for accounting purposes, as the bill would do.

Accordingly, it is believed that said proposed new section 37 (lines 24 and 25, p. 6, and lines 1 to 3, p. 7) should be stricken from the bill.

General HINES. Mr. Chairman, of course, I would have to take exception to the comptroller's statement that we are unable to safeguard our checks.

Senator BINGHAM. Before you do that, General, I wish you would give us some examples of the delays that have been caused, and the inconvenience that has resulted to the veterans. The comptroller claims there have been no delays; but he does not state anything about any new practice which would tend to alleviate any such delays.

General HINES. Well, of course, I have not before me any concrete examples; but I do know that we have had complaints in the past, and I think the comptroller's representative, who is present, will admit that the practice was changed on account of those complaints. The principal thing is that if the veteran comes in and asks for his check and it is not in our regional office, then he has to file a claim for it. That requires a blank to be filled out, and other procedure. In other words, these checks would be centralized, while the bureau has 54 regional offices scattered throughout the United States all in contact with the veteran, and in contact with our office, and we are

better able to identify the veteran than anybody else and to bring the check to him directly. I know of no cases offhand where the checks have fallen into unauthorized hands. There may have been some in other years, but I mean since the setting up of the regional Veterans' Bureau offices, since the act authorizing it, and the setting up of the regional disbursing offices.

Mind you, gentlemen, we are handling matters of greater importance than this in connection with the adjusted loans, in the regional offices, and those checks are handled in our regional offices, and they are a live matter compared with other matters that the disbursing officers have as a responsibility. I can furnish the committee with some of the examples.

But I can say this: That the comptroller and the bureau have worked together very closely on these matters. I have had good cooperation from Judge McCarl's office. We have adopted procedure that has been helpful and beneficial to both offices. If we were clear on the statement that he can eliminate this delay, we would not object to the change; but we felt we had the basis for it when we made the suggestion. Just what changes have been made I am not familiar with in detail. But I do know, in all technical matters that we have to deal with, if relief is to be of any benefit, it must be prompt, because as soon as there is a delay the relief measures are not of great benefit.

The CHAIRMAN. That is true, but it does seem to me if you were building up now a system of receipts and disbursements of the Government, just the same as an individual or a corporation, or a corporate entity, I can not see for the life of me why this procedure would not be the better and proper one.

Senator BINGHAM. If it were keeping the checks here in the home office of the Veterans' Bureau, then I would agree with the chairman; but the real difference, as I see it, is between centralization and decentralization.

General HINES. That is it.

Senator BINGHAM. I think the argument does apply. Under the proposal of the comptroller, those checks have to come to his office here. We are dealing with 120,000,000 people here. And the checks, under this system, will be kept with the bonded disbursing officers in the district where the veteran lives, or is likely to turn up, where he is known, or where some means of identifying him are known. And the decentralization of these checks, it seems to me, is a very important matter of relief for the veteran.

The CHAIRMAN. But the veteran is apt to be in one State one month and in another the next. You do not know where he is going to be.

General HINES. But, Senator, we have a folder applying to each veteran. He advises us that he is at a certain place and is going to stay there, and his folder goes to that area. We immediately get that contact. Now many of them show up after they have been away a year or so and claim their compensation. And frequently they get into other difficulties because they have not responded to our request for an examination. But the comptroller can not wipe off that obligation. It stands as an obligation against the United States.

The CHAIRMAN. Yes; but wherever they move, everybody would know there is one place to get information; one responsible head.

General HINES. Unfortunately, that is not so with the veteran. Many of them do, but the veterans generally look to the Veterans' Bureau for almost everything. In other words, that is the agency of the Government they contact; that is the agency of the Government they know. Naturally, they come to the Veterans' Bureau regional offices first.

Senator BINGHAM. Furthermore, the comptroller does not have the file of the veteran. He has got to go into it de novo. If he does not go into it de novo, what is the use for the check?

General HINES. It seems to me the whole matter rests on centralization or decentralization.

The CHAIRMAN. That is all there is to it.

General HINES. We have felt that decentralization has given us better results. Many differ with us, but we feel that we would not have been able to handle the volume of business we have if we were centralized.

The CHAIRMAN. Is there a representative here from the comptroller's office?

Mr. J. D. WOODSIDE. Yes, sir.

The CHAIRMAN. We would like to have a statement from the representative of the comptroller's office.

Senator SHORTRIDGE. Before you do that, Mr. Chairman, let me ask a question first.

The CHAIRMAN. Very well. The Senator from California wants to ask a question, and then we will have the statement from the comptroller's representative.

Senator SHORTRIDGE. I want to understand the procedure and the route it takes to handle the matter under the present plan of operation.

General HINES. Yes, sir.

Senator SHORTRIDGE. Now a check is given to a beneficiary—

General HINES (interposing). They are given monthly to the beneficiary.

Senator SHORTRIDGE. I am speaking of the checks mentioned in that section [reading]:

Checks properly issued to beneficiaries and undelivered for any reason shall be retained in the files of the bureau—

General HINES (interposing). First, as you know, Senator, we have about 54 regional offices. In your State we have one at San Francisco, and one at Los Angeles. Then in those offices we have a claims folder that pertains to each case.

Senator SHORTRIDGE. Take a given case.

General HINES. That gives the record of the man from the time he filed his claim, up to date; gives everything.

Senator SHORTRIDGE. All right.

General HINES. Then in that office the disbursing officer makes out the checks and mails them to the last known address of the beneficiary, or the veteran. Now the veteran has filed with us his address.

Senator SHORTRIDGE. Here, or yonder in the other office?

General HINES. No; in the regional office.

Senator SHORTRIDGE. In the regional office?

General HINES. Yes. And we do get a copy of it here in the Washington office; but the regional office is going to do the business in that area. Now as long as that address is unchanged, they go

out and are delivered promptly. They are mailed out every month, the address is mimeographed, and they go out to the veteran promptly.

Now, if they come back——

Senator SHORTRIDGE (interposing). Undelivered.

General HINES. Yes; if they are undelivered——

Senator SHORTRIDGE (interposing). How soon are they returned?

General HINES. Generally within 5 days or 10 days. The post offices return them promptly to us.

Senator SHORTRIDGE. Now they are back in the regional office.

General HINES. Now they are back in the regional office. Now, as I understand the situation now, we hold them three months, when they must be sent to the comptroller's office, under the regulation.

Senator SHORTRIDGE. The Comptroller General's office here?

General HINES. The Comptroller General's office here, yes; under the regulations. We feel that three months is a short time. The veteran may have gone away and failed to give notice of a change of address; but he returns. And immediately when he returns he comes to the regional office and asks where is his compensation check.

Senator SHORTRIDGE. Yes.

General HINES. If it is within the three months and we have it, we can give it to him promptly. But if it is after the three months and it has been sent here, we have to get it from Washington for those checks that are past due. If he is still entitled to the compensation, we can not get it until it is issued.

Senator SHORTRIDGE. The check, when issued, is an outstanding obligation of the Government.

General HINES. Yes, sir.

Senator SHORTRIDGE. Does not General McCarl, here in Washington, know that?

General HINES. He does know it. We give him a list of the veterans, and the checks.

Senator SHORTRIDGE. I mean, as suggested in his letter, does he not wish to know and to keep account of the outstanding and undelivered checks which are obligations of the Government?

General HINES. Well, of course, he has all that; he has the status of the accounts, and the disbursing officers' accounts. They all go through his office. They come first to my office, and then go to the General Accounting Office.

Senator SHORTRIDGE. Then, as I understand it, if after three months the check as issued from the regional office in Los Angeles is sent to the beneficiary and is undelivered, it is returned to the regional office?

General HINES. Yes, sir.

Senator SHORTRIDGE. And is retained there for three months?

General HINES. And is retained there for three months.

Senator SHORTRIDGE. And then is sent on here to the General Accounting Office?

General HINES. Yes, sir.

Senator SHORTRIDGE. If, after the three months, the beneficiary shows up, what is the procedure then?

General HINES. Then, to get that check, he has to file a claim for it with the General Accounting Office; and, of course, that will come through the bureau from the field office.

Senator SHORTRIDGE. I was about to ask you, what is the procedure there when he returns and finds the check was issued, was undelivered, and retained by you three months, and then forwarded to Washington; what then must he do, or what must be done to get his money?

General HINES. If it has been forwarded to the General Accounting Office, it would be in that office, and he would have to go through the procedure prescribed by that office. You have a special form, I believe, Mr. Woodside, for that purpose?

Mr. WOODSIDE. I think not now, General Hines.

Senator SHORTRIDGE. Explain the procedure.

General HINES. The check goes from the central bureau to the General Accounting Office. The procedure after that, Mr. Woodside can tell you better than I can.

Senator SHORTRIDGE. Your proposition is that the checks be retained for three full years in your office?

General HINES. Yes, sir.

Senator SHORTRIDGE. Rather than be turned over to the General Accounting Office?

General HINES. Yes, sir.

Senator BINGHAM. And they will be kept in the regional office where the veteran is supposed to live?

General HINES. They will be kept in the disbursing office, be kept by the disbursing officer in his safe in the region where the veteran lives.

Senator SHORTRIDGE. Let me ask you: During those three years, the long period of three years, there may have accumulated a large number of those undelivered outstanding obligations of the Government.

General HINES. We would not continue to issue those checks if they kept coming back. We would stop issuing them until we heard from the veteran. But we would have one or two of them, or perhaps more.

Senator BINGHAM. How many are allowed to accumulate for one veteran?

Mr. MOORE. Not more than one or two.

Senator SHORTRIDGE. What I want is the information—

Senator BINGHAM (interposing). I want your question understood. The Senator from California thinks that there might be a large number of checks accumulated. I understand that is not so.

General HINES. There is only one contingency where that would happen, and that is where they are held by the post office at the delivery point, and not sent back.

Senator SHORTRIDGE. That is what I wanted to develop, Senator. I say, during this period of three years there might accumulate a large number of these outstanding certificates, aggregating several hundreds of thousands of dollars.

General HINES. In the aggregate, but not to one individual, Senator.

Senator SHORTRIDGE. No; certainly not. But the point I wanted to develop is this: During those three years there have been issued and undelivered and retained, we will say for the moment in your department—using that phrase—checks and certificates or obligations of the Government amounting to hundreds of thousands of dollars in the aggregate.

General HINES. Yes, sir.

Senator SHORTRIDGE. Now, what record of those checks or of those outstanding obligations has the General Accounting Office?

General HINES. The disbursing officer makes a monthly report of his disbursements. He shows certain checks outstanding and not paid, and makes a full report. That is just like you and I do in our accounts, when we balance our bank account. We show certain checks not paid. Those will show up here in the General Accounting Office when the accounts come through.

Senator SHORTRIDGE. General McCarl seems to want this information and the certificates in his department; is that not so, Senator?

The CHAIRMAN. Yes.

General HINES. He wants the checks.

The CHAIRMAN. He wants his records complete.

Senator SHORTRIDGE. That is the point I am driving at. In other words, he wants not only the reports but the checks.

General HINES. The checks that are undelivered.

Senator SHORTRIDGE. So that the only point is the retention of the checks.

General HINES. Yes, sir.

The CHAIRMAN. Let us have a brief statement from the representative of General McCarl.

Mr. WOODSIDE. I believe, Mr. Chairman, we did have some difficulty over the delivery of these checks about the time that this regulation was promulgated. But about a year and a half ago General Hines took the matter up with General McCarl, and some changes have been inaugurated. And there is now very little delay in the delivery of a check. The Veterans' Bureau sends us a letter saying that a check should be delivered to a certain veteran at a certain place. We get no application from the veteran. The check is immediately mailed out. I find from an investigation in our office that there is an average delay of two or three days in mailing a check out.

Now, there is a reason for this that we feel is very material. A claim has been allowed, and yet no payment has been made. The check is outstanding. We know it has not been cashed, but we do not know whether it is undelivered, or lost, or whether it is in someone else's hands. The disbursing officer notifies us that it is not cashed, but we do not know where it is. It may be lost.

Senator BINGHAM. If you got the information from him as to where the check was, would not that be all that you would require?

Mr. WOODSIDE. Where it was, Senator?

Senator BINGHAM. Yes. You say you do not know whether it was lost in the mails, or whether it is being carried around by the veteran uncashed. If you had the information as to where it was, would not that be all you would require?

Mr. WOODSIDE. That would cure that, but still it would not tell us whether the credits should be allowed in the expenditure.

Senator BINGHAM. I can not see what difference it makes where the physical check reposes as long as you have the information.

Mr. WOODSIDE. I believe it is just as quick to deliver the check from the General Accounting Office in Washington as from the office in the field, because the beneficiary has left and gone to some other place, so that the check would not follow him.

Senator BINGHAM. But if the veteran comes back to Los Angeles, after wandering, let us say, in South America for a year, and he comes back to get his check in the office where he is known, he can get it right away; but under your proposal he would have to wait until the notice comes back here across the continent, and then the check can be mailed back to Los Angeles.

Mr. WOODSIDE. If he comes back to the place where the check was issued, that is true. But some of these fellows rove a good deal. If they were centralized at one place, it would be easier and quicker to deliver the checks to them.

General HINES. Mr. Chairman, we have a much more serious problem than the problem of taking care of those checks. That is the matter of the loans on the adjusted insurance certificates. We have to provide a place for those. We have a great many of those loans outstanding, as you know, and we have felt that we could not centralize those, because the veteran comes back to get a new loan when a new credit is due under his certificate, and if we centralized them it would delay matters because we would have to send them to the office here.

The CHAIRMAN. That is a little different. That is for a loan.

General HINES. This is an outstanding obligation.

The CHAIRMAN. But the Government does not pay anything on that. That goes direct to the veteran and it is not in any way, shape, or form such an obligation of the Government.

General HINES. But we have made a partial payment on the certificate.

The CHAIRMAN. Yes; you have made a partial payment.

General HINES. We have made a partial payment on the amount due on the adjusted service certificate. I was trying to point out that the bureau kept those records safely.

The CHAIRMAN. I think we have covered that pretty thoroughly. What is the next matter?

Senator BINGHAM. Suppose those were returned here once a year?

General HINES. That would be four times better than it is now.

Senator SHORTRIDGE. Just one question. The representative of the comptroller calls attention to the plan that has been adopted by the Government. If that plan were adopted here, would it be different from any other department?

Mr. WOODSIDE. It would be the only department.

General HINES. Has not the War Department some such arrangement, Mr. Woodside?

Mr. WOODSIDE. I made special inquiry this morning as to that, General, and find it has not.

Senator SHORTRIDGE. That is, in the War Department, where a check is issued and not delivered, it finds its way back to the General Accounting Office?

Mr. WOODSIDE. After 90 days.

Senator SHORTRIDGE. After 90 days it is sent back and properly entered and recorded, so to speak, in the accounts here by the General Accounting Office?

Mr. WOODSIDE. Yes, sir.

The CHAIRMAN. General Hines, the next change is in section 38?

General HINES. Section 8 of the bill adds a new section to the act authorizing the director to buy uniforms for personnel employed

as watchmen, elevator operators, and elevator starters in the Arlington Building, Washington, D. C. This amendment has for its purpose the uniforming of the personnel concerned so that they may present an appearance indicating the capacity in which they serve. The amendment is recommended by the bureau and it is estimated that the cost will be approximately \$1,800 a year.

I need this legislation in order to have it authorized for the appropriation bill. If I put it in an appropriation bill it is subject to a point of order; and this is in keeping with the policy of the Government.

The CHAIRMAN. It will have to go into an appropriation bill anyway.

General HINES. Yes; to get the money, but this is an authorization for it.

The CHAIRMAN. This is rather an objectionable way of passing legislation here, you know, of this character.

Senator BINGHAM. How would you do it otherwise?

The CHAIRMAN. By A resolution of the Senate and House will do it exactly the same. All right, you may go on.

General HINES. Section 9 of the bill adds a new provision to the act directing the Secretary of War to assemble in the city of Washington all medical and service records pertaining to veterans of the World War. It is understood that the committee of the House was informed that there are approximately 15,000,000 pieces of evidence stored in various depots and on military reservations. While this amendment does not pertain directly to the administration of the Veterans' Bureau it will facilitate the adjudication of cases by making available to the bureau all of the records pertaining to the veterans of the World War. Information was given to the veterans' committee that the cost of this amendment would be approximately \$3,000,000, and that the War Department has previously submitted a recommendation as to this matter to the Bureau of the Budget. While the desirability of having these records available for the bureau is manifest, it might be well to secure the recommendation of the Secretary of War as to the feasibility of assembling and storing them in Washington.

I might say, in connection with that, that the great value of those records comes in the bureau's adjudication of claims to determine the past medical record of the men in the service in detail and in many cases for the purpose of establishing service connection. We have had a number of cases where, upon a second search of the records or a further search of the records, men have been able to establish service connection which they could not do otherwise. I believe that other countries—I know in one instance, particularly France, that all of those medical records have been turned over to the Bureau of Veterans, and they have them in their charge. I have felt that it would be a good thing to have that occur here, but the War Department feels that they have to use them in so many cases in checking up reenlistments of men, and so on, that they have opposed turning them over to the bureau. Both the bureau and the War Department are in accord that they should be properly assembled and indexed so that they could be available for either department.

The CHAIRMAN. Why should that cost \$3,000,000, simply this transfer?

General HINES. Well, there is a great deal of clerical work in assembling them and getting them together. I think that estimate was

made by the War Department, probably in connection with their gathering of data for the adjusted service compensation.

The CHAIRMAN. It reads [reading]:

The Secretary of War is hereby authorized and directed to transfer to and accumulate in the War Department in the city of Washington, District of Columbia, all records and files containing information regarding medical and service records of veterans of the World War: *Provided*, That the necessary appropriation to accomplish the transfer of such records and files is hereby authorized."

That is just a transfer. That does not say anything in relation to compilation.

General HINES. No; but they would be of no use unless they are compiled so that they could be found easily and regularly.

The CHAIRMAN. They are not that way now?

General HINES. No; they are boxed and in certain camps and hospitals and have to be indexed under the veteran's name and number, to be available; otherwise you would have to go through all the various boxes, through all these various camps and hospitals.

The CHAIRMAN. How are you going to keep them after they are assembled?

General HINES. I think just as we keep our records now.

The CHAIRMAN. Where are you going to put them?

General HINES. I know of a plan which I had in mind when we asked for them from the War Department. I contemplated using one of the large storage houses out at Perryville, Md., where they could be assembled and placed on steel shelving, and be properly indexed. Where claims have been filed, I think those should come to the Veterans' Bureau and be kept there.

The CHAIRMAN. In other words, you have to rent a storehouse for them?

General HINES. Yes; we have one there.

The CHAIRMAN. Does the Government have that?

General HINES. Yes; we own that.

The CHAIRMAN. What are you doing with it now?

General HINES. We have various supplies that have been turned over from the War Department and the Navy Department to us, medical supplies that we contemplate selling as soon as the market is favorable for that purpose.

Senator SHORTRIDGE. What is the method of turning over and keeping the records of the veterans of the Spanish-American War, for example?

General HINES. The War Department retains those. Of course, the keeping of them in one department, I think the tendency would be to keep the records of the men of all wars.

Senator SHORTRIDGE. Did you note that, Mr. Chairman, that this refers to the records of the veterans of the World War only? I merely inquired what about the like records of the men of earlier wars; where are they kept?

General HINES. They are still kept in the War Department.

Senator SHORTRIDGE. If they are transferred, why should they not be kept there?

General HINES. We are dealing with those all the time, if it applies to the World War veterans.

Senator WALSH of Massachusetts. Those are mostly dead subjects?

General HINES. Yes; and we have not reached the end of the use of these records. The real questions will come later.

The CHAIRMAN. You may go on, General.

Senator BINGHAM. Certainly, the files and records should be put in such condition that they can be used readily.

General HINES. Yes, sir.

Senator WALSH of Massachusetts. Is the stock that was turned over to your bureau by these other departments and stored at Perryville pretty well depleted?

General HINES. Well, wherever possible we have used it, in establishing new hospitals. There is a great mass of other materials there that was purchased for field use during the war that we feel is obsolete.

Senator WALSH of Massachusetts. I imagine so.

General HINES. And we have set aside completely enough for our requirements for five years, of anything that is usable. And we have also submitted lists of the material to other Government agencies so that they may select anything that is usable to them. The balance is stored and indexed ready for sale, but we have refrained from throwing it on the market at this time, as we feel that the Government would not receive but a few cents on the dollar, and we have felt that we had better keep it until a more favorable time.

The CHAIRMAN. We will go to page 14 of the bill.

General HINES. This is the most important provision in the bill, gentlemen.

Section 10 of the bill amends section 200 of the act by eliminating the provision to the effect that no compensation shall be paid if the injury, disease, aggravation, or recurrence has been caused by the veteran's own willful misconduct and the provision excepting from this prohibition persons suffering from paralysis, paresis, or blindness, or who are helpless or bedridden, and inserting in lieu thereof a proviso that compensation shall not be denied any applicant by reason of injury, disease, aggravation, or recurrence having been caused by the veteran's own willful misconduct, if such willful misconduct occurred during the period of enlistment of such applicant. Under this amendment the fact that the disability may have been self-inflicted or may have resulted from willful disobedience of orders or from the soldier's indiscretions would be immaterial. For example, if a soldier, while a prisoner under sentence of court-martial, endeavored to escape and was shot by the guard, or if, in order to avoid service, he inflicted a wound upon himself, he would be compensated in either case for any disability which may have resulted from his act. It would seem highly inconsistent for the Government to compensate these men for these conditions which resulted from acts for which the man was subjected to court-martial. From the remarks made on the floor of the House, it is believed that the sponsor of this amendment had in mind chiefly a provision which would permit payment of compensation to men suffering with disabilities due to social diseases acquired in the service. However, the amendment as drawn is so broad as to include all disabilities due to the man's own willful misconduct. It seems to me that it would be better to leave the misconduct clause, as it now stands, alone, and add a new proviso to the effect that it shall not be construed to prohibit compensation for disabilities due to venereal infections, if you want to change it at all.

The CHAIRMAN. Well, the law does provide that. You need not repeat that in this law. It seems to me by discarding this provision here would be leaving the law just as it is.

Senator WALSH of Massachusetts. Will you define just what the present law is?

General HINES. Mr. Roberts, will you do that?

Mr. ROBERTS. The present law reads:

But no compensation shall be paid if the injury, disease, aggravation, or recurrence has been caused by his own willful misconduct.

In other words, we do not pay any compensation if the disability is as a result of the veteran's own misconduct; in fact, his acquiring a social disease. The sponsor of this evidently wanted to remove the inhibition so far as the social diseases were concerned. He drew it too broad.

Senator SNOWBRIDGE. Under the present law, is he compensated in such cases as you have stated?

Mr. ROBERTS. No, sir; he is not.

General HINES. Mr. Chairman, may I have Dr. Cooley state one distinction or conflict he has found in the law? Doctor, you pointed out to me a conflict there.

Doctor COOLEY. The first proviso, that the applicant shall not be denied compensation by reason of injury or disease, when caused by misconduct, further provides that that provision shall be applicable to men only who have had a certain form of service.

General HINES. A term of enlistment?

Doctor COOLEY. Yes. You see the second proviso, that the willful misconduct must have occurred during the period of enlistment.

The CHAIRMAN. That is not the law to-day?

Doctor COOLEY. No; and the point is that that proviso is exclusive; it applies only to a man who acquired the venereal disease during the service, and not after it; and therefore seems in conflict with the provision, line 6, page 15, which extends a conclusive presumption to paralysis, paresis, blindness, etc., arising after service, and up to January 1, 1930, since paralysis, paresis, blindness, etc., are usually misconduct conditions.

General HINES. In other words, it makes it inconsistent with the next section.

Mr. ROBERTS. These provisions could hardly be called inconsistent. There are rather overlapping extensions of benefits. First the inhibition against payment for disability the result of misconduct is struck out with the exception heretofore in the law in favor of certain cases. This amendment standing alone would result in payment of all cases. Next an affirmative provision is inserted to pay misconduct cases where the incidence of the disease or injury was in service. Then there is a conclusive presumption that certain diseases, some of which are admittedly misconduct in origin, were incurred in the service. These presumption cases would immediately become payable being deemed incurred in service under the affirmative provision above mentioned. There is no more inconsistency here than in affirmatively providing compensation for disability incurred in service and then presuming certain diseases admittedly not service connected to have been incurred in the service, which is the law at present.

The CHAIRMAN. Yes; I see.

Senator WALSH of Massachusetts. In other words, if there is any evidence of disability that has been accentuated by misconduct, you consider that.

General HINES. The aggravation of the disability.

Senator WALSH of Massachusetts. You consider that as a factor in the degree of disability?

General HINES. Yes, sir.

Senator WALSH of Massachusetts. But you do not grant any compensation, under existing law, for a disability arising from misconduct?

General HINES. No, sir.

The CHAIRMAN. I think that is proper.

Senator SHORTRIDGE. You can not, under the law.

General HINES. That is in the law.

Doctor COOLEY. There is a proviso in existing law as to paralysis, paresis, and blindness that are due to misconduct.

Senator SHORTRIDGE. I did not understand that.

Doctor COOLEY. Yes, sir.

Senator SHORTRIDGE. Read that.

Doctor COOLEY. The original war risk insurance act provided that no man should be paid for a disability which was due to his own misconduct. That has been the law, and efforts have been made to take it out, and Congress has refused a number of times. Now some years ago it was modified, however, to take care of certain very deserving cases that were in our hospitals. We had, roughly, some 900 men in the hospitals--paretics, tabetics, and so forth--and with the idea of saving them from expulsion from those hospitals, this proviso was put in the act. Compensation was to be paid during hospitalization.

General HINES. Will you read that?

Doctor COOLEY. That proviso is [reading]:

Provided, That no person suffering from paralysis, paresis, or blindness shall be denied compensation by reason of willful misconduct, nor shall any person who is helpless or bedridden as a result of any disability be denied compensation by reason of willful misconduct.

Senator WALSH of Massachusetts. Will you cite that section you have just read?

Doctor COOLEY. That is in the old-law, under Title II, page 15, section 200.

Senator WALSH of Massachusetts. Thank you.

Senator SHORTRIDGE. Now it is proposed to broaden that section, I understand?

Doctor COOLEY. Yes, sir.

The CHAIRMAN. Let us repeal that, rather than broaden this.

Doctor COOLEY. It is more than a broadening. It is a change in the spirit of the statute not in any way recognized heretofore.

Senator SHORTRIDGE. Every country in the world, I understand, that has to deal with the ex-soldier, takes into account what we may call diseases resulting from misconduct?

Doctor COOLEY. Yes, sir.

Senator SHORTRIDGE. Including those comprehended by that section?

Doctor COOLEY. Yes, sir.

The CHAIRMAN. That was the first action taken by our Government along that line.

General HINES. That is the beginning.

The CHAIRMAN. Yes. That is the first subject that was ever taken up in all of our wars.

Doctor COOLEY. Yes, sir.

The CHAIRMAN. I thought at the time it was properly enacted, and still feel that way.

Senator WALSH of Massachusetts. There are 900 cases under those provisos?

General HINES. There were. I think there are more now, cases of paralysis, paresis, and blindness not denied compensation.

Senator WALSH of Massachusetts. How were those diseases treated under acts granting pensions in the Civil War and in the Spanish-American War?

General HINES. They have provisions with reference to that in the pension law.

Mr. ROBERTS. The present pension law provides that a man can not receive a pension for a disability which is the result of his vicious habits. But my understanding is in connection with five bills recently passed by the Senate, at least one excluded the vicious causes.

The CHAIRMAN. I was so tied up that I could not attend, and do not know whether they do or not. But I was on the Pension Committee for eight years, and we never passed one single bill or created any law changing the provisions with reference to that.

Senator SHORTRIDGE. Well, we must be merciful. Concede the wrong as a moral act—concede that, the result of which here is a misfortune to an ex-soldier—

The CHAIRMAN (interposing). And say to everybody else hereafter, "Do as you please."

Senator SHORTRIDGE. No; I do not mean that.

The CHAIRMAN. That is what it would be.

General HINES. I believe the present law is very helpful, because when a man is in need of aid, we do take him into the hospitals and take care of him. But in going much further you make an inconsistency between what we did during the war and now.

Senator THOMAS of Oklahoma. General Hines, you say that when he becomes totally helpless and needs aid, you take him into the hospitals. Is there any way that by taking him in time you might prevent his becoming helpless?

General HINES. No; because there is no way to prevent the blindness and paralysis, or paresis, resulting from such misconduct. That is what I understand from medical men.

Senator SHORTRIDGE. I do not want to be misunderstood in my attitude by questions put, but this is a matter of record, and I am perfectly willing to say that if through misconduct a great misfortune falls upon a soldier, I do not want to bar him from relief. I do not want to encourage misconduct or violation of rules or regulations of the Army or the Navy; but if, through his misconduct, he has met with a great misfortune, I want the Government to be merciful and protect him, if you please, and give him proper relief.

General HINES. I can go, Senator, as far as that, taking care of the man, and taking care of his family; but I think to compensate the man, except in these cases we mentioned—

Senator SHORTRIDGE (interposing). In extreme cases.

General HINES. Yes; I think we would be going rather far.

Senator WALSH of Massachusetts. Now in this amendment in this bill, changing the present law, it takes two steps forward. First, it

embraces all those cases where the misconduct can be proved to have occurred during the service.

General HINES. Yes, sir.

Senator WALSH of Massachusetts. That is one matter.

General HINES. Yes, sir.

Senator WALSH of Massachusetts. Now you have stated that it goes even further.

General HINES. It takes in those cases of willful misconduct where they brought the injury upon themselves.

Senator WALSH of Massachusetts. Like the man being shot who was a deserter.

General HINES. Yes, sir.

Senator SHORTRIDGE. Of course, I do not include those.

Senator WALSH of Massachusetts. You stated that the advocates of this change, in the House, did not intend to go that far?

General HINES. I am sure of that, from the language of the debate.

The CHAIRMAN. You may go on, General.

General HINES. Now this is the same section, Mr. Chairman. Section 10 of the bill also amends section 200 of the act by presuming all disabilities of a 10 per cent degree or more existing prior to January 1, 1930, to be the result of injury or disease incurred in or aggravated by the military service, the presumption to be conclusive in cases of tuberculosis, paralysis, paresis, blindness, those permanently helpless or permanently bedridden, neuropsychiatric disease, paralysis agitans, encephalitis lethargica, a chronic constitutional disease or analogous disease, particularly all diseases enumerated on page 75 of the schedule of disability ratings of the United States Veterans' Bureau, 1925, or amoebic dysentery. Payments as a result of the new presumption are not retroactive and are to continue only for a period of three years following the enactment of the bill. Under existing law the presumption of service origin is extended only to a limited class of cases; namely, neuropsychiatric disease and spinal meningitis, an active tuberculous disease, paralysis agitans, encephalitis lethargica, or amoebic dysentery, and is made conclusive only in the cases of active tuberculosis disease and spinal meningitis. While these amendments go extremely far in eliminating preference which has heretofore been given to veterans suffering from diseases now covered by the existing law, they do not eliminate all preference. For example, the veteran who suffers an accidental injury subsequent to military service which results in a 10 per cent disability prior to January 1, 1930, is as much entitled to have his disability presumed to have been acquired in the service as is the veteran who, through obscure causes, contracts one of the specified diseases subsequent to military service which results in a 10 per cent disability prior to January 1, 1930.

However, under the operation of the amendment in the first case the service origin of the disability would be rebutted, whereas in the second case it would not be rebutted. Then there are diseases not mentioned in the bill at all which are probably as worthy of presumption. The measure is essentially a pension measure for disability acquired subsequent to service. With regard to those existing presumptions, it may be stated that it is extremely difficult to justify them on any scientific basis, there being no unanimity of medical opinion as to the part which service may have played in causing the specified diseases. Certainly there is no scientific basis for the pre-

sumptions covered by the amendment. On the contrary there is much evidence to indicate that the incidence of diseases now included in the presumption provisions of the law, as well as those which would be included under the amendment, is not at all peculiar to warfare and is very close to the normal incidence which may be traced throughout the civilian population of our country.

As to those veterans suffering with diseases now presumed to be of service origin, it would seem unwise to make any change which would adversely affect their economic affairs. They have adjusted themselves, having in mind the beneficial provisions of the statute, and it would be unfair to take any action which would disturb them. It is questionable, however, as to whether the Congress should go further at this time and place additional veterans on the rolls at rates payable for service-connected disabilities, simply because past Congresses have heretofore extended to veterans suffering with certain diseases the benefit of a presumption of their disabilities having been incurred in the service. I believe the bill would be improved structurally by consolidating the two provisos relating to presumption of service origin. The ease with which this could be accomplished, as well as its desirability, is obvious.

One of the arguments advanced as to the necessity for this amendment is the fact that many men are suffering with conditions which in all probability are connected with the service but concerning which they have not been able to produce any evidence which would show acquirement in service. Certainly, some way should be found to take care of these cases. The amendment in this bill to section 5 of the act requiring a more liberal evaluation of lay and other evidence will probably go far to take care of some of these cases. It might be well to create a special board or court with authority to grant relief beyond the limits of the present law in border-line cases where necessity for relief is shown, even though evidence of acquirement of disability in service may not actually exist. Beyond this it would seem unwise to go without a complete study of the needs of all disabled veterans. The Government has always recognized the distinction in its obligation as between those men who acquired disabilities in the service and those men who acquired disabilities subsequent thereto. These former certainly have a greater right to look to the Government for relief, both at an earlier date and in a greater amount. This amendment, if adopted, would commit the Government to a policy of paying an equal amount to a certain group of ex-service men suffering with disabilities not acquired in the service as is payable to veterans who did acquire their disabilities in the service, leaving to a future Congress the adoption of relief measures for those other veterans with disabilities not acquired in the service and not covered by the amendment. The time has come, it is believed, when the Congress should give consideration to treating all veterans equally, grouped into two general classes: (1) Those who acquired their disabilities in the service, and (2) those who acquired their disabilities subsequent to service. Certainly, as to the latter class, we should give some consideration to the question of need in the individual cases. Unless this is done Congress is simply creating more inequalities and the ultimate task of placing all veterans on a parity becomes more difficult, if not impossible, except by allowing the present rates of compensation to stand for nonservice-connected

disabilities and raising the rates for service-connected disabilities. In this connection there should be considered the question of whether this Government can afford the cost of such legislation.

So far as making the presumption of service origin conclusive for paralysis, paresis, blindness, and those cases of men permanently helpless or permanently bedridden, those conditions in many cases are the result of misconduct diseases, and while they are probably the most pitiful of all cases because of the usually hopeless prognosis and sociological problems involved, it would seem highly inconsistent for the Government to compensate these men for these conditions, the result of diseases, the acquirement of which in the service was a court martial offense. Further, it has always been contrary to the policy of the Government to compensate or pension men for diseases which may be said to be the result of their own vicious habits.

The cost of this amendment has been estimated by the bureau to be approximately \$156,548,000. However, it should be understood that in estimating this cost only the disallowed claims on record in the bureau have been considered. It is impossible to estimate the number of additional claims which would be filed. Based upon the experience of the Pension Bureau and increased to include temporary cases, it is estimated that 765,000 veterans might be eligible for compensation at an annual cost of \$458,148,000. It is believed that the first figure can be considered the minimum cost and the second figure the probable maximum cost. The true cost of the amendment will fall somewhere between the two estimates. There has not been included in this estimate the cost of administration of such an amendment. The adoption of the amendment would necessitate a review of approximately 600,000 disallowed claims and the adjudication of such cases incident to the reviews. It would mean the examination or reexamination of thousands of men and the work in connection therewith. There is no question but that the cost alone of administering this one provision would be approximately \$5,000,000.

Now, Mr. Chairman, this one clause is the clause of the bill that has caused the greatest discussion, and probably is the one that should be given the most careful consideration. It started, undoubtedly, based upon the conditions of those men in our hospitals, particularly for tuberculosis, who are uncompensated, aggravated by the situation, it is true, and which will probably have to be met, of men in need of hospitalization which the Government offers to them, being unable to take advantage of that form of relief, because of no means by which their families could be cared for while they are taking advantage of the Government hospitalization. I feel sure that there must be a middle ground that we can take on this provision. I believe that the service organizations, themselves, while they could not oppose taking all of those men in, would be satisfied with something less; that is, a degree of disabilities which we might conclude, in a number of cases, that their disabilities might be due to service, or aggravated by service. We refer here to a number of disabilities that are indicated on our rating table. I think I should at this time call the committee's attention to the fact that the rating table for compensation, itself, at least creates in the veterans' mind a feeling that they are not all being equally cared for. That is, we have built this table under the act of June 7, 1924, under which there is considered the pre-war occupation, and a man's ability to carry on, in

that occupation and that table results, in many cases, in two men with the same disability drawing a different amount of money. I have frequently used the example of a bookkeeper and a structural iron worker, both having served in the war, and lost a limb at the middle thigh. In the case of the bookkeeper, where we are taking into account his pre-war occupation, he would draw a compensation of \$39 a month; while the structural iron worker, who has a greater handicap because of his pre-war occupation, and his inability to carry on in that work, draws \$89 a month.

Now, the two veterans not being expert in the law, it is with great difficulty that they understand why one gets \$39 a month and the other \$89 a month. In the mind of the public it is ridiculous. And I know that there are many Members of Congress that have no idea of the intricacies of our present law. It is very complicated, and requires careful thought and great care.

Now, we have a problem before us, of course. I know that the Congressmen who advocated the bill that took in the men in all hospitals, Congressman Rankin, was appealed to by this group of men I first mentioned; that is, those men that are in the hospitals and in beds alongside of men who are drawing compensation. They have the same disability. They have been taken into the hospitals, and their buddies have been taken in, and they can not understand why we are not paying them compensation like we are paying to their buddies.

That is undoubtedly the reason for this agitation which has carried us so far as to take in all these up to January, 1925. Some of them have shown disabilities which may be rebutted. The bureau will have that duty to rebut them. It is not a pleasant task to rebut evidence against a veteran. For that we will be criticized as much as for not taking them in, thinking it is a matter of doubt. So it is not a scientific measure. And I have provided a measure setting up a group of disabilities, and that is a group of disabilities which the American Legion included in their platform at their last convention, and that will take in a group of veterans who are undoubtedly entitled to some consideration. There is sufficient doubt in that group to cause you to think that some may be due to service. They can not be taken in now simply because the medical evidence must be had to show a 10 per cent degree of disability, and that evidence can not be found, and we can not find it. So that it can not be cured by presumption. And when you do that, you are doing away with the service connection, and we should face it that way. So it seems to me the problem—we can talk about the disability, and the one over the other, but when you come down to the one man, it is a question of how far are you going to go at this time in doing away with the necessity for showing service connection for disabilities of the war veterans.

The CHAIRMAN. General Hines, when you open that door, where are you going to stop?

General HINES. You will start on a pension system, dressed up in compensation clothes. The first system I have mentioned. That is, treating the veterans at a certain stage of disability, or inability to carry on; or when they reach a definite age, they get so much. Now, our compensation is built on an entirely different system, and my hope has been that we would not embark on a pension through com-

pensation; that we would adhere strictly to the essentials of this law, and compensate men for disability; and then when we had reached the other group, on the pension system, as we had taken other groups that had preceded them. I have always felt that when you take in the other group, that the factor of need must be given consideration.

Now, I do not mean by that that it is necessary to pauperize veterans. That is not the limit, but there is a limit to which the Government can go when we take into consideration the large numbers we are now dealing with. Mind you, through all our previous experience we have not dealt with such numbers. We had 2,000,000 men in the Civil War; 400,000 men in the Spanish-American War; now you are dealing with four and a half million men, which is going to be quite a different problem.

Now, I know none of us is going to argue for a moment whether or not the Government has an obligation. We have a moral obligation to take care of these men, if in need, when they have served their country faithfully. But I do not believe that these men, themselves, expect to get anything from the Government simply because they have served, unless they are in need. I can not feel that that is the spirit of the men. I feel and believe that this agitation has been brought about by the large number of uncompensated veterans who are in need, not those who are not in need; and they are backed up by those veterans who have been taken care of.

And, necessarily, the veterans' organizations can not help but be on the side of further enactment; but I believe they will agree with me that we can not do all of this and still feel that it is due to disabilities brought about by service; that when we depart from the principles of the World War veterans' act, much as we may dislike to say it, we are adopting not a system of compensation but a pension system. And you can not avoid the issue.

Now I have drafted a bill that the committee could very well consider, that takes in a certain number of these chronic disabilities.

The CHAIRMAN. You mean as an amendment to this bill?

General HINES. Well, it is a substitute for the entire bill. It follows very closely this bill, excepting in this provision and another one, which is exactly in the same category so far as a pension system goes.

The CHAIRMAN. What is the estimate of the cost, General?

General HINES. The estimate of the other bill is \$20,000,000, and of that section of this bill is \$12,000,000.

Senator WALSH of Massachusetts. To get that straight, General, the additional cost that would follow in the amendment we spoke of just before this one, namely, the one that gives compensation for disability as a result of misconduct, that is included in the whole cost?

General HINES. I have bunched it all together.

Now, there is a difference between Mr. Rankin's bill and Mr. Johnson's bill, but it is brought about by that rebuttable feature of the estimate which we overlooked in giving the figures to you before, but which will come in. That is the death cases. I do not believe we mentioned this at all; but, of course, if you carry this presumption to January 30, you are going to bring in all the men now in our hospitals. They will all be service connected, because they were in there on January 30. And when you start to reviewing some of the other claims, you will find veterans who have died in the presumptive period by the extension of the presumptive period,

and, manifestly, their widows and dependents would be included, so we have included in this cost that item. But taking the minimum, assuming you take simply Mr. Rankin's bill, the principles are exactly the same.

The CHAIRMAN. Now, General Hines, from the statement you have just made, I take it for granted that this pending amendment here is opposed by you; the Veterans' Bureau is opposed to it?

General HINES. We can not recommend it, for the reasons I have given.

The CHAIRMAN. Splendidly given, too. I would like to ask Mr. Taylor here what is the attitude of the organization as to this proposed pending amendment?

Mr. TAYLOR. Section 200 of the bill as it passed the House, that is the one we are in favor of.

General HINES. Then you agree with me?

Mr. TAYLOR. I agree with you, for the substitution of section 200, if the bill is passed.

Senator WALSH of Massachusetts. Will you offer that for the record now?

General HINES. Yes; I will put it in the record right now.

Senator BINGHAM. What will be the cost of that now? Is that the one you just spoke about?

General HINES. Yes; this section will cost \$12,000,000. The whole bill will run about \$20,000,000.

The CHAIRMAN. I want the entire bill to go in. You may give me a copy of the proposed bill, and I will have it printed for the use of the committee.

Senator WALSH of Massachusetts. I would like to hear the opinion of the representative of the Disabled Veterans.

Mr. KIRBY. Mr. Chairman, speaking for the Disabled American Veterans, our organization has taken the position that we would ask the committee to consider chronic diseases up to the first of this year.

Senator WALSH of Massachusetts. We will hear you later on that then.

Mr. KIRBY. That is just generally speaking, that is how we differ in the date. The American Legion has said January 1, 1925, and our plan is to go to the 1st of January of this year.

General HINES. Mr. Chairman, if I may ask him this question: Then, as I understand, you are in favor of the disabilities in the American Legion's program, but brought up to the date in Mr. Rankin's bill, January 1, 1930.

Mr. KIRBY. Yes; but we are willing to have that rebuttable clause put in, so that a man that had his leg cut off last Christmas, it could be rebutted as not war incurred.

The CHAIRMAN. I think this is a good place to adjourn. The committee will stand adjourned until 10 o'clock on Monday morning.

(Whereupon, at 11.45 o'clock a. m., the committee adjourned to meet on Monday, May 5, 1930, at 10 o'clock a. m.)

TO AMEND THE WORLD WAR VETERANS' ACT OF 1924

MONDAY, MAY 5, 1930

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

The subcommittee met, pursuant to adjournment, at 10 o'clock a. m., in Room 312 Senate Office Building, Senator Reed Smoot presiding.

Present: Senators Smoot (chairman of subcommittee), Shortridge, Bingham, Walsh of Massachusetts, and Thomas of Oklahoma.

Present also: Representative John E. Rankin, of Mississippi.

The CHAIRMAN. The committee will come to order. General Hines, you may proceed.

STATEMENT OF GEN. FRANK T. HINES, DIRECTOR UNITED STATES VETERANS' BUREAU, WASHINGTON, D. C.—Resumed

General HINES. Mr. Chairman, the next section is section 11 of the bill, which amends section 201 of the act by changing the date of determination of dependency from the first of each year to the anniversary date of the original award. (This amendment has for its purpose the distribution of the work incident to review of cases over the entire year.) This amendment was recommended by the bureau as an administrative measure.

I doubt if there is any objection on the part of anyone to it.

Section 11 of the bill also amends section 201 of the act by providing for the payment of burial and funeral expenses, and transportation of the body to the home, for those veterans who die in national military homes. At the present time these expenses are paid when a veteran dies in a Veterans' Bureau hospital. This section also amends the law by authorizing the furnishing of a flag to drape the casket of any veteran of any war regardless of the cause of death.

The first amendment would seem to be justified in view of the fact that the Government has already recognized its obligation to pay similar expenses where the veteran dies in a bureau hospital. The second amendment also would seem justifiable. At the present time the Government is furnishing money for a flag for those men who die and who leave insufficient assets for their burial, and in certain cases is furnishing money for a flag irrespective of assets. The furnishing of a flag to drape the casket of a deceased veteran should not be on the basis of his indigency, but should be on the basis of his having served his country honorably. So far as the first amendment is concerned it is impossible to estimate the exact cost. However, it will add something to the present cost in connection with burial and funeral expenses. It is estimated that the second amendment will cost \$40,250 for the fiscal year 1930, and, of course, it is a continuing expense.

Section 12 of the bill amends subdivision 3 of the section 202 of the act by providing additional compensation of \$25 per month, independent of any other compensation which may be payable, to persons who suffered the loss of the use of a creative organ or one foot or one hand or both feet or both hands in the active service in line of duty between April 6, 1917, and November 11, 1918, with a proviso that if such disability occurred while the veteran was serving with the United States military forces in Russia, the dates herein stated shall extend from April 6, 1917, to April 1, 1920.

The CHAIRMAN. What will the cost of that be?

General HINES. We estimated, for the whole section there, \$1,000,000.

The CHAIRMAN. You mean section 12?

General HINES. Yes, sir.

However, it would seem that this differentiation between members of the United States military forces in France and members of the United States military forces in Russia, is hardly justified.

This amendment is a recognition of disabilities incurred during actual hostilities as a preferred class. While it may be justifiable to recognize an additional obligation on the part of the Government for disabilities incurred during actual hostilities as contrasted with disabilities incurred subsequent thereto, there can be no justification for preferring one group of men which so acquired disabilities over another. There are thousands of men who were just as badly disabled during the period mentioned but who are not covered by the amendment. For example: Those men who suffered severe facial injuries, including destruction or the loss of a nose, ears, and so forth, and those men who suffered severe shrapnel wounds of the body. Also, it should be appreciated that while many of these disabilities were acquired during actual hostilities, they are not what might be termed "battle casualties." Further, the date of November 11, 1918, is an arbitrary one. Many men were badly disabled following the Armistice and before being returned to this country from the American Expeditionary Forces in France. Surely, they are entitled to consideration. Here arises again the question of whether the Government is going to put all veterans on a parity. The cost of this amendment is estimated at approximately \$1,000,000 per annum. This does not take into consideration the cases of "loss of use of one or more hands or feet", but it is impossible to accurately estimate this cost.

We suggest that that be carefully considered, Mr. Chairman, with the suggestion that certain amendments be made to that section.

Section 12 of the bill also amends subdivision 5 of section 202 of the act by removing the necessity for showing the constant need of a nurse or attendant where claim for nurse or attendant allowance is made. This amendment is to overcome a ruling by the bureau which authorizes the payment of this allowance only in those cases where it can be shown that an attendant is needed at practically all times. The class of cases particularly affected by this amendment are those men who are on what is known as home treatment and who, while bad cases, are able to be "up and around" for short periods of time during the day. It would seem that this amendment will be helpful in assisting these men to effect a recovery, if possible, by assuring them of an allowance for a nurse or attendant which,

it is realized, in many cases is needed. The cost of this amendment is problematical, but undoubtedly it will result in an increased cost. We do not oppose that section, Mr. Chairman.

Section 13 of the bill amends subdivision (7) of section 202 of the act so as to discontinue payments in all cases of hospitalized insane veterans who have no dependents where their estates equal or exceed \$3,000. The amendment was recommended by the bureau and will result in a saving of millions of dollars to the Government which would otherwise be paid into the estates of those veterans to fall eventually into the hands of distant relatives who have no right to look to the veteran for support or bounty. The immediate saving to the Government by the enactment of this provision can not be estimated.

Section 13 of the bill also amends the act by providing a \$50 statutory award for all cases of arrested tuberculosis irrespective of whether active tuberculosis can be shown between the date of entrance into the service and January 1, 1930. Heretofore the bureau has paid only cases of arrested tuberculosis where activity existed between the dates specified.

This amendment must be considered in the light of the amendment to section 200 which removed the necessity of showing active tuberculosis for the presumption of service origin, although its undesirability does not hinge on the enactment of that amendment. As a result of the adoption of this amendment every man who can show arrested tuberculosis between the date of entrance into the service and January 1, 1930, will be held to have acquired his tuberculosis in the service and will receive \$50 per month for life. In considering this amendment it must be remembered that sound medical advice indicates that at least 75 per cent of the entire population is or has been infected with tuberculosis, but due to immunity and physical resistance the condition does not become active or disabling in the majority of instances. It is also agreed that unless preceded by a more or less extensive period of activity the condition diagnosed as arrested or cured tuberculosis is not in itself seriously disabling either from a medical or industrial standpoint. There are certain portions of the country to a great extent populated by persons having such diagnosed conditions, and the manner in which such localities have thrived industrially is one of the best proofs of the statement made above.

When it is considered that thousands of men entered the military service without any notation of these arrested conditions and completed their military service without any adverse effect on such conditions, it does not seem that the Government, by reason of the inclusion of several presumptions in the law, should provide compensation to these men at the rate of \$50 per month for the remainder of their lives. Such a provision is essentially a pension measure based on other than actual disability, and in view of the fact that the Government to date has not recognized any obligation to pay compensation for disabilities not acquired in the service, it does not seem just to prefer these men over all others, particularly when many of the others are disabled to a far greater extent.

If a veteran had active tuberculosis in the service or prior to January 1, 1925, and that active tuberculosis has since become arrested,

there may be justification for placing that veteran on the rolls at the rate of \$50 per month, but certainly beyond this the Government should not go until such time as it is prepared to provide for all veterans. The adoption of this amendment would in reality be the paying of a bounty of \$50 per month for a diagnosed condition of which the veteran in all probability would never have been aware had it not been for the medical examination to which he was subjected by the military authorities or the bureau.

The cost of this amendment is estimated at a minimum of approximately \$4,000,000 per annum. However, this estimate is based on presently disallowed claims, and in no sense is the true probable cost as the result of additional claims which would be filed under such an amendment. Also, it does not include the cost of examining and re-examining the veterans affected, and the rating and adjudication of the cases. The adoption of the amendment would entail a tremendous administrative responsibility on the bureau, and would no doubt result in endless controversies concerning the existence or nonexistence of arrested tuberculosis in individual cases.

I would like to call the committee's attention, Mr. Chairman, to our experience so far with arrested tuberculosis. We originally estimated to the Congress, when that amendment was put on, that the probable number of cases would be between 18,000 and 20,000. We have reached over 40,000.

Mr. MOORE. Forty-one thousand five hundred and eighty-one.

General HINES. Forty-one thousand five hundred and eighty-one cases of arrested tuberculosis. This whole amendment is brought about primarily by a decision of the comptroller in certain cases where he indicated that unless activity was shown in service, or in the presumptive period—that is, up to January 1, 1925—the compensation for arrested tuberculosis could not be paid. We had some men on our rolls who had been diagnosed in the early days, when they were in pretty much of a hurry and under considerable pressure, as having tuberculosis. Further review of the cases and more careful study indicate in some cases that they had no active tuberculosis, although scars may be found of arrested tuberculosis. Of course, the theory is that if they have scars of arrested tuberculosis at this time they must have had activity at some time. It is difficult to determine whether they had it before they came into the service or afterwards, but we feel that where they had it afterwards we have taken in those men by the existing law.

The CHAIRMAN. There were double the number that you first anticipated?

General HINES. Yes, sir. We feel that that has been administered liberally.

Senator WALSH of Massachusetts. In a single sentence, tell us just what is the change in this section from the present law.

General HINES. It just contemplates that we will presume that those men have had active tuberculosis if we find arrested tuberculosis at this time. There is no telling how many of such cases we will find.

Senator WALSH of Massachusetts. There is great difficulty in determining a case of active tuberculosis, is there not?

General HINES. In the early days it is difficult to determine it accurately, in the incipient stage, but I feel that with the modern methods of observation, the X ray, and all that sort of thing, that

difficulty no longer exists. In the early days there may have been some question.

Senator WALSH of Massachusetts. When tuberculosis is arrested, is there a scar or something left that is observable?

General HINES. The extent of the scar all depends upon the duration of the activity. It usually leaves some marks.

Senator WALSH of Massachusetts. So that it is proposed to argue back from a condition of arrested tuberculosis, that there was once an active case.

General HINES. Yes; and that, of course, is safe to assume. But you could not, under any broad assumption, assume that they were all acquired in the service. It may have been acquired in the early days. I have present, if the committee desires to go into the technical questions of tuberculosis, two men of the bureau who are expert on that.

Section 13 of the bill also contains an amendment directing a 25 per cent minimum rating to be included in the bureau rating schedule for arrested tuberculosis. At the present time after two years of arrest the rating schedule provides no per cent for these cases. The purpose of the amendment is to insure that where a man has a compensable disability in addition to his tuberculosis, the rating of the two may be combined and compensation paid accordingly. In view of the fact that those men who have only arrested tuberculosis are paid \$50 under a statutory award, it would seem that this amendment is only fair. The medical council of the bureau some time ago advised that persons with arrested tuberculosis which follows a period of activity have a minimum industrial handicap of 25 per cent. The cost of the amendment is estimated at \$8,000 per annum. This figure, however, is based upon the cases in which service connection has been established under the existing law. The cost of the amendment does not comprehend cases which would be brought in as a result of the amendment to section 200 previously discussed; that is, by broadening the presumption.

Section 14 of the bill adds a new provision to the law authorizing payment of compensation to the dependents of veterans hospitalized for nonservice connected disabilities, when the veteran files an affidavit with the commanding officer that his annual income is less than \$1,000, at the same rate as is payable to dependents of veterans when the veteran dies from disability incurred in or aggravated by the military service. The purpose of this amendment is to take care of the dependents of those men who, by reason of the ravages of disease necessitating hospitalization, are unable to provide for themselves. The disabilities of these men have no connection whatever with the military service.

The discrimination which would result from the adoption of this amendment is apparent. As to those men who are hospitalized, we are now spending approximately \$120 per month for their hospitalization. The amendment would add to this payment the amounts which would be payable to their dependents. However, it is known that the present hospital facilities of the Government are not sufficient to hospitalize all men suffering from nonservice connected disabilities. Certainly the Government should not give to those men who are fortunate enough to procure hospitalization further relief and deny that relief to those men who, due to lack of beds, are unable

to secure hospitalization. There is also for consideration the widows and children of deceased veterans who died as a result of disease or injury not incurred in service. These widows and children, it would seem, have as much right to look to the Government for relief as have the wives and children of men hospitalized for nonservice connected disabilities. Further, there are the dependents of men incapacitated for work by reason of nonservice connected disabilities but who need no hospital treatment. Are not these men and their dependents equally entitled to consideration? In other words, to provide for this class of veterans and their dependents by specific amendments without giving consideration to the entire problem would seem unjust, and yet to take care of all without a comprehensive study as to the needs would certainly be unwise.

Therefore, before the adoption of this or any similar amendment it would seem that a joint committee of both Houses of Congress should give careful and sympathetic consideration to the entire problem and within a reasonable time report to Congress as to the best solution of the problem. There is also for consideration the question of whether the wives and children of these men hospitalized for nonservice connected disabilities are entitled to the same relief as the widows and children of men who died in the service or as the result of disease or injury acquired in the service. Certainly, the latter group has a greater right to look to the Government for aid than has the former.

The estimated cost of this amendment is approximately \$4,000,000 per annum. However, in view of the presumptive clause in section 200 there would be no immediate cost under this provision but as time goes on nonservice connected cases in hospitals will increase so that over a period of years this cost would be appreciable. This estimate is based only upon the number of cases hospitalized during the last year in bureau hospitals. Also, there is for consideration in connection with this amendment the fact that thousands of veterans are now in soldiers' homes under the authority of the Veterans' Bureau and it is possible that a large number would be entitled to the additional allowance for a wife or dependent children. This factor has not been considered in computing the estimate. Further, if the amendment were to be adopted it would no doubt necessitate additions to existing hospitals and additional hospitals, if we are to treat these men equally. To what extent this would increase the Government's hospital program is impossible to estimate, but certainly there would be immediate demand for additional facilities.

Mr. Chairman, this amendment, and the group of men that it is contemplated will be cared for, brings up one of the problems difficult of solution. In other words, there can be no doubt that we all feel pretty much alike regarding these men who find themselves in need, and when we offer hospitalization to them they defer their hospitalization because they can not leave their families to go to the hospital. It raises a very sympathetic problem. At the same time, as soon as you embark upon this amendment, you have taken the first step toward a pension. There can not be any doubt about that. We have recently had a study made as to where we would probably go if we continued our present policy of hospitalizing veterans of nonservice connected disability, and, of course, we should be prepared, if we adopt this amendment, in order not to treat them unequally,

to hospitalize veterans for noncompensable disabilities to the greatest extent. We have found that that step, taking a minimum of what may be expected, will bring about a tremendous problem of hospitalization in future years. This study was made by the medical council of the bureau, composed of medical specialists who meet and advise the medical service of the bureau. They estimated that the peak load of beds required for hospitalizing all veterans in the year 1950 would reach the total of 129,859. The bureau's estimate for the same year is 62,154. We have made our estimate following our experience up to date. Continuing the bureau's estimate up to 1970, we find that the maximum will be reached in 1965, when it would require 83,129 beds. The magnitude of that problem can best be judged when I tell you that at this time we have provision for about 30,000 beds, and a building program that will contemplate perhaps 10,000 additional beds, so that it would be safe to say that if we continue to construct beds for the noncompensable cases, so that there would be no inequality if this provision were adopted, we would have to double the number of beds between now and the peak. We feel that our estimate is conservative, and, taking the data of the medical council, it would look to be very conservative, so that the number probably will be found between the medical council's estimate and the bureau's estimate.

Senator WALSH of Massachusetts. May I make an inquiry about this section? There are two classes of veterans who get hospitalization, those who have service connection and those who have nonservice connection disabilities. Those who have service connection get compensation, of course.

General HINES. Yes, sir.

Senator WALSH of Massachusetts. But their dependents receive nothing?

General HINES. If their disability is temporary and they have dependents, they receive an allowance under the law.

Senator WALSH of Massachusetts. While they are being hospitalized?

General HINES. Yes.

Senator WALSH of Massachusetts. How much is that?

General HINES. A man receiving hospitalization as a single man gets compensation of \$80 a month if he has temporary disability. If he had dependents, he gets an addition for a wife and children. If a disabled person has neither wife nor child, he gets \$80. If he has a wife but no child living, \$90; if he has a wife and one child, \$95; and \$5 for each additional child; if no wife and one child living, \$90, and \$5 for each additional child.

Senator WALSH of Massachusetts. Then, those veterans who show service connection, while being hospitalized, receive \$10 if they have a wife but no child, and \$15 for a wife and one child, is that true?

General HINES. That is in addition to their single compensation.

Senator WALSH of Massachusetts. This amendment proposes that veterans who go to hospitals, who have nonservice connection, and who are not entitled to compensation, shall be paid, for their wife, with no child, \$30 per month, and for a wife with one child, \$40 per month. In the former case it is \$20 more than the veteran who has service connection receives for a wife with no child, and in the other case it is \$25 more. Then, I suppose there are corresponding increases in the other cases.

General HINES. Those rates taken there are based upon the death rates paid to widows and children, under the act.

Senator WALSH of Massachusetts. They seem to be similar to the death rates.

General HINES. They are.

Senator WALSH of Massachusetts. But is the death rate paid in all cases?

General HINES. No.

Senator WALSH of Massachusetts. Only in cases where service connection is shown.

General HINES. That is right. This goes further, too, by making an allowance of \$8 a month to the man, under another amendment that I am coming to.

Senator WALSH of Massachusetts. Why would not this naturally lead to legislation to give the wife and child this compensation in case the veteran who showed nonservice connection died?

General HINES. We have pointed that out, Mr. Chairman. That would be just as fair. As a matter of fact, it would create an inequality if you did not go that far.

The CHAIRMAN. It is the natural result.

General HINES. Yes. We recognize, of course, with the service organizations, that we have a problem here, and a very decided one. We differ only in the solution of it. We feel that until Congress has had an opportunity to study the whole question, to adopt this at this time without knowing how far you might be able to go, may create a situation difficult to straighten out later. There are others whose cases would be equally meritorious, and this would establish a precedent, even though we do say it is only for three years. We have continued our hospitalization of these men for a number of years now. We have had distressing cases. They have been met by various means, and probably it would not be asking too much to defer it until we are sure we can adopt a measure which would answer all the problems that are likely to arise along this line.

Senator BINGHAM. Where did this section originate?

General HINES. With practically all the service organizations. I think it is a part of the Legion program. I know it is a part of the program of the Disabled American Veterans. The Veterans of Foreign Wars take a little different view. They advocated at once the adoption of a pension, which, of course, answers all these conditions.

Senator WALSH of Massachusetts. Is it your opinion that the enlargement of payments by the Government to veterans who show nonservice connection is likely to result in no further expansion to veterans who are disabled and who show service connection?

General HINES. No. I have a feeling that it will result in further expansion of allowances to those men. Otherwise you will not have made the distinction that I feel the Congress would like to make between the men whose disabilities we know are due to service connection and the men whose disabilities are not due to service.

Senator WALSH of Massachusetts. Of course, there has to be a limit reached some time.

General HINES. Yes.

Senator WALSH of Massachusetts. What I am trying to find out is whether or not we are going to help the disabled man who shows service connection by enlarging our expenditures for the veterans

who do not show service connection; or whether or not, in the long run, by reason of the large amount of money that would be necessary to be appropriated, it is going to put a clamp upon further benefits for the really disabled men who have service connection.

General HINES. I have a feeling that even if this bill were to become a law, the question of raising funds to pay it might become a problem, and any problem of that kind would reflect back on the actually disabled men who incurred their disability in service.

Senator WALSH of Massachusetts. In other words, there is a possibility of having here two contending forces, both fighting—perhaps properly so—for appropriations for themselves and their dependents. I was wondering if the result would not be, in the long run, really to the detriment of the really disabled man who had service connection.

General HINES. That has been my opinion, and I have so stated.

Senator WALSH of Massachusetts. In your answer to my first question, I rather got the opposite impression.

General HINES. I was under the impression that you had asked whether that would result in bringing the others up. I thought you were thinking, then, of bringing them up.

Senator WALSH of Massachusetts. In a spirit of equity.

General HINES. Yes; in a spirit of equity to the men. But both in my letter to the House and in reporting on the bill, I stated that I feel that the danger is to the actually disabled man whose disability is due to service if we overdo it for the noncompensable man.

Senator, so long as we are on that subject, the inequalities that now exist between the Government's treatment of various veterans are rather startling if you make a study of them. If the committee had the time we could go into that. I feel that that is really a matter for the study of the special committee. But really the enactment of such provisions as the one we are just talking about only again enlarges those inequalities, and, as the cost mounts up, manifestly the public's attention must be called to the large amount that is being expended there, and they are thinking, probably, of the men whose disabilities are due to service. Therefore, any resentment against any large expenditure would necessarily fall against the men whose disabilities are due to service.

Section 14 of the bill also amends the act to define the term "Spanish-American War" to mean the period between April 21, 1898, and July 4, 1902, for the purpose of hospitalization under section 202 (10). This amendment has for its purpose the adoption of the same definition for the term "Spanish-American War" as is used in the pension acts which relate to the same class of men. It would seem that if pensions are paid for this period on the theory that the period is that of the Spanish-American War the same period should be accepted by the Veterans' Bureau in considering the right to hospitalization. It is impossible to estimate the cost of this amendment, but it is not believed that it would be material.

The bureau recommends the change.

Senator BINGHAM. That clause is in the draft which you propose?

General HINES. Yes.

Section 14 of the bill also amends section 202 (10) of the act by providing that veterans hospitalized under the provisions of the World War veterans' act, as amended, shall be paid a hospital allowance in addition to any other benefits to which they may be entitled at the

rate of \$8 per month during the period of hospitalization, in the event they certify they are financially in need, unless they are entitled to compensation or pension equal to or in excess of that amount. This amendment is discriminatory in that it provides payment of compensation to those men who are fortunate enough to secure hospitalization, but leaves others who are suffering with disabilities for which they can not be hospitalized because of lack of existing facilities without relief. It is estimated that this amendment would cost approximately \$1,200,000 per annum.

What I have said in regard to the allowances for dependents applies equally to this.

Senator SHORTRIDGE. May I interrupt you there? Were your views with respect to the last item mentioned presented to the House committee?

General HINES. No, sir. This amendment was made on the floor, although I think the House committee had my views generally on the question of compensation for nonservice-connected disabilities. This particular amendment was put in on the floor of the House.

Senator SHORTRIDGE. Another question. Have you had opportunity, either officially or otherwise, to present your views to those who still favor this amendment?

General HINES. No, sir; I have not, except in the letter which was read. I think it was read by Mr. Snell, on the floor of the House.

Senator SHORTRIDGE. Doubtless there are those who continue to favor this provision.

General HINES. Quite a number. They are in the same category, Senator, as those men to whom we offer hospitalization, but who find themselves in such a situation that they can not accept hospitalization because of the need of their families. This is a little broader, in that this would cover the single man as well as the married man. No matter how we may look at it, it is a pension. It must be. But it is only a pension during hospitalization. If we were prepared to take in all the nonservice-connected veterans in our hospitals, we know to-day that some 3,500 of them are on a waiting list to get into Government institutions, and then there would be no distinction between the man who was given hospitalization and the man who was outside, but until we are able to take them all in, there is that discrimination between the veterans.

Section 15 of the bill amends subdivision 15 of section 202 of the act by providing that any person who is now receiving a pension, and who also has a disability of World War origin for which compensation is payable, may waive the pension and have the disability on account of which same is otherwise payable evaluated with his World War disability. Under the present law a veteran of this class must waive pension entirely if he elects to receive compensation. It seems unfair to deprive a veteran of his pension for disability acquired in the service other than during the World War simply because he has acquired another disability during the World War for which he is entitled to compensation. It appeared that the easiest solution to this problem was to consider his otherwise pensionable disability along with his World War disability, evaluate the two under the World War veterans' act, and pay compensation accordingly. It is impossible to estimate the cost of this provision. However, it is not believed that it will be considerable.

The fairness of the provision, however, is apparent, and the bureau recommends it.

Section 16 of the bill repeals section 206 of the act, which requires the filing of proof in certain cases prior to April 6, 1930. It would seem in connection with this amendment that if a man is entitled to compensation there should be no limitation on the filing of proof of his claim. The cost of such an amendment is impossible to estimate.

We feel that the man should have a right at any time to prove his claim, with no limitation.

Senator SHORTRIDGE. Under the law it must be presented and filed by a certain date.

General HINES. The date by which he can file that expired April 6, 1930. This wipes out the limitations. We know, of course, from experience that it will bring in other cases, but I feel, in fairness to the men who have a just claim, that they should have a right to prove it.

Section 17 of the bill repeals section 209 of the act, which requires the filing of claims prior to April 6, 1930, in certain cases. The same comment with reference to the repeal of section 206 is applicable with reference to this section.

Senator SHORTRIDGE. The repeal of this section leaves it so that—

General HINES. So that a veteran can prove a claim at any time, and file a claim at any time. It wipes out the limitation.

Senator SHORTRIDGE. The statute of limitations, so to speak.

General HINES. The statute of limitations; yes.

Section 18 of the bill amends section 210 of the act by the addition of a provision to the effect that nothing contained in that section shall be construed to permit the payment of compensation under the World War veterans' act, as amended, for any period prior to June 7, 1924. Heretofore, the bureau has refused to pay compensation in any cases where the veteran had no right prior to the enactment of the World War veterans' act, 1924, for any period prior to the date of the enactment of this act. Recently the Attorney General and the Comptroller General of the United States ruled that under the language of the statute payments could be made in some cases two years prior to the date of application, and in other cases one year prior to the date of application. The adoption of these opinions by the bureau would have resulted in an additional payment of retroactive compensation amounting to approximately \$42,000,000. The bureau recommended this amendment.

We know, Mr. Chairman and gentlemen, that when Congress adopted the act of June 7, 1924, and brought in new groups, that it was contemplated that those benefits would be paid from that date on; and that no retroactive effect was to be given to the additional benefits. Somehow, in conference on the bill, the language which made that very specific seemed to have been eliminated, although the debates and the discussions indicated that it was the intent of Congress that the additional benefits would be from that date on, rather than retroactively, and the bureau has so construed it. A case was submitted, however, to the Comptroller General, and finally the Attorney General said that the act, strictly construed, would enable the veteran to be paid retroactive compensation. On reconsideration the Comptroller General adhered to his finding, but finally concluded that I should have an opportunity, before he would insist upon the

payment—because I was unable to pay it, due to the appropriation—to present the matter again to Congress and have them decide it. So, the bureau recommended this amendment, and it was reported out by the House committee, and has passed the House in this form. We feel, Mr. Chairman, that wherever additional benefits are given, it is a wise course to make them payable from the date of the act, rather than to make them retroactive.

Senator SHORTRIDGE. If the section is amended as it is written here in the bill as it is now before us, then it will permit retroactive payments.

General HINES. No, sir. It will just confirm the bureau's interpretation, that it was the intention of Congress that the new benefits would date from June 7, 1924, rather than two years, or one year prior thereto. There would be no additional payments for those benefits. It would not take anything away that has been paid, but it would confirm the bureau's interpretation, rather than the Comptroller General's interpretation of the act.

Senator SHORTRIDGE. It removes all doubt as to the law.

General HINES. It removes all doubt; yes, sir.

Section 19 of the bill amends section 212 of the act by providing that a claim filed for compensation under the war risk insurance act or the World War veterans' act shall be deemed to be a claim for compensation under both acts and all subsequent amendments thereto. The purpose of this amendment is to give approval to the prior practice of the bureau which has recently been questioned by a decision of the Comptroller General. The bureau has always reviewed cases under amendatory legislation without requiring a new application. However, the Comptroller General insists that a new application be made on the theory that a new right arises under amendatory or new legislation. In view of the fact that the Comptroller General stated in his decision that past benefits paid may not be disturbed, the adoption of this amendment will result in no increased cost to the Government and will simplify the future adjudicatory work of the bureau.

We feel that many of these men, Mr. Chairman, would not know of new benefits, and probably would not file. The bureau reviews the cases and pays them without this new claim. We also feel that it would not do to be too technical with the man in requiring him to make an application for each benefit. He does not always understand the law. It is complicated and difficult for many of us to understand, and for that reason we feel that this amendment will clear up any doubt that may exist in the mind of the Comptroller General as to our interpretation of the act.

Section 20 of the bill adds a new provision to the act authorizing the director in his discretion to pay to a wife, child, or children of an incompetent veteran drawing compensation who disappears, the same amount of compensation as is provided for the same class of relatives of a veteran who dies of a service connected disability. When a veteran disappears it is necessary for the bureau to suspend all payments pending his reappearance or proof of death. This amendment would appear justifiable, as there is no question but that hardship has resulted from the disappearance of a few incompetent veterans. It would be well, however, if possible, to add a provision that the incompetency must be the result of the disability incurred in

the service. Under the amendment as drawn it would be possible for a veteran with a 10 per cent service connected disability, and who was incompetent as a result of a disease not service connected, to disappear and his dependents receive the benefits of the section. It is not believed that it was the intention to take care of this class of cases. It is impossible to estimate the cost of the amendment.

Some of the veterans who have a service connected disability, and are incompetent, disappear. Their families, of course, are no more aware of where they are than we are, and we feel that the veteran, having been declared entitled to compensation, the best use that could be made of that compensation until he shows up again is to give it to his family, and this would give the bureau the right to pay it.

Senator BINGHAM. General, that does not appear in your draft?

General HINES. No; it was not included, but I feel that it should be. We can include that. It was left out because it was not recommended by us originally, but I think it is a fair provision.

Senator SHORTRIDGE. How is it now done under the law?

General HINES. There is no law that covers, except that a man has to be declared legally dead, and that, of course, depends upon the state of his residence.

Senator SHORTRIDGE. He is an incompetent veteran.

General HINES. Yes.

Senator WALSH of Massachusetts. A proviso should be inserted so that the Government would not be liable when the veteran shows up.

Senator SHORTRIDGE. I was about to throw out that thought. As the law is, for example, you have an incompetent veteran entitled to a certain amount of money.

General HINES. Yes.

Senator SHORTRIDGE. While he is here, to whom does the money go?

General HINES. It goes to the guardian, if a guardian has been appointed. If he has not been declared legally incompetent, it may be paid to the veteran.

Senator SHORTRIDGE. Even though he is held to be incompetent?

General HINES. Yes. If he is declared legally incompetent, a guardian would be appointed, and then the money would be paid to the guardian. But we are speaking more of those veterans, who, we feel, are incompetent to draw their compensation, but are not legally incompetent.

Senator SHORTRIDGE. This proposed amendment deals with a case where he disappears.

General HINES. Yes.

Senator SHORTRIDGE. Nobody knows where he is.

General HINES. Yes, sir.

Senator SHORTRIDGE. And it is designated so that the money which otherwise would go to him if he had not disappeared, may go to his family, his wife and children.

General HINES. Yes.

Senator BINGHAM. Do I understand your answer to Senator Walsh to be that this covers a case like this? Suppose this veteran were not declared legally incompetent, and disappeared for a year. You pay his compensation to his dependents. Then he comes back and wants his compensation.

General HINES. I think the law should cover that, so that we should not make double payment.

Senator BINGHAM. There is nothing here to prevent his bringing suit to recover that.

General HINES. He can not sue on compensation, Senator. He can sue on insurance, but the Government has not given the veteran the right to sue on compensation.

Senator BINGHAM. He could make a lot of trouble.

General HINES. Yes; he could make it disagreeable, and I think the law should cover that.

Section 21 of the bill amends paragraph 3 of section 301 of the act so as to authorize the reinstatement of insurance by a small class of veterans which is still permitted to carry term insurance. The amendment is in reality a clarification of existing law and was recommended by the bureau. It will result in very little, if any, cost to the Government.

Section 22 of the bill amends section 304 of the act for the same purpose as the previous amendment. The same comment is applicable here as above. It is not believed that any material cost will result from the enactment of this amendment, although it is known that there will be some additional cost.

Section 23 of the bill amends section 307 of the act by making all contracts of insurance issued by the Government incontestable from date of issuance except for fraud, nonpayment of premiums, or on the ground that the applicant was not a member of the military or naval forces. This is a very sweeping amendment and will place beyond contest many contracts and policies of insurance which otherwise would be contestable. It is a well recognized principle of commercial insurance companies, however, and in reality is only a clarification of the existing law which was practically nullified by a recent decision of the Comptroller General. It is believed that some such provision is necessary to stabilize Government insurance, and to insure to the veteran and his beneficiary the payment of the insurance at date of permanent and total disability.

The amendment also prevents the bureau, in connection with suits on original contracts, from raising the plea of estoppel because of the subsequent reinstatement or the conversion of the insurance. This defense is purely a legal one and penalizes the veteran who reinstates or continues his insurance in force, but, being a valid legal defense, there is no authority in the bureau to waive it. While the enactment of these amendments will necessitate a very careful consideration of all applications for insurance, reinstatement, or conversion, and at the same time it would appear essentially fair to the veteran. It is impossible to estimate the cost of such an amendment, but will no doubt result in the payment of many cases which would otherwise be disallowed.

I would like to have Mr. Roberts explain the decision of the comptroller and its effect, if he may.

Mr. ROBERTS. Mr. Chairman, the present World War veterans' act of 1924, as amended, contains a provision to the effect that where a policy is maintained in force for a period of six months, it should be incontestable, except for fraud or nonpayment of premiums. We have followed that, and in all cases where the policy has remained in force for six months we have paid the claim, irrespective of the merits

of it, unless there was fraud or failure to pay premiums. The only cases that have been excepted from that section of the act were where the man originally did not have the right to apply for the insurance, such as a man who was not in the military service, who erroneously made an application, and through an error it was accepted. However, under date of January 10, 1930, notwithstanding the long practice of the bureau, the Comptroller General, in the case of Mabry W. Woodall, held that if a man was permanently and totally disabled at the time he applied for reinstatement of insurance, or conversion of insurance, no matter if he paid the premiums for 10 or 15 years, if the bureau was to administratively then determine that 10 years before he had been permanently and totally disabled at the time he applied, the policy was not incontestable, the statute did not protect it, and the man would have no rights, or his beneficiary would have no rights, whichever was the case.

This was, of course, an overturning of a practice not only in the bureau, but a practice which obtains with all commercial insurance companies. The very purpose of an incontestable clause is to give some stability to the policies, and while the amendment was not recommended by the bureau, we felt the weight and force of the argument in favor of it.

The report of the House committee, which accompanied the amendment, stated that it was to protect all policies except in the one class of cases where the veteran was not originally entitled to apply. It is a very drastic provision, more drastic than any commercial contract, because they usually require the payment of premiums for a period of one or two years. The present statute requires it for six months. This amendment, if adopted, would make it incontestable from the moment of acceptance by the bureau, except for fraud or failure to pay premiums.

Senator SHORTRIDGE. Or——

Mr. ROBERTS. Or the fact that the veteran was not eligible originally to apply.

Senator SHORTRIDGE. At the time of the issuance of the policy.

Mr. ROBERTS. That is correct.

General HINES. The three contingencies.

Senator SHORTRIDGE. Fraud, nonpayment of premiums——

Mr. ROBERTS. And not being eligible for the insurance.

Senator BINGHAM. Not being eligible at any time.

Mr. ROBERTS. That is, not being in the military or naval service at the time of original application.

Senator WALSH of Massachusetts. Has the reinstatement period ended yet?

General HINES. The limitation was wiped out. A man can not reinstate his war risk insurance, but if he was at any time entitled to war risk insurance and is a good risk at this time, he can take converted insurance.

Senator BINGHAM. If he is a good risk.

General HINES. Yes. He has to be a good risk and not permanently or totally disabled.

Senator WALSH of Massachusetts. Are you receiving many of those applications?

General HINES. We did for a while. We have drives periodically. We recently had one, which has increased the number of policyholders.

We have something like 678,000 policyholders at this time in converted insurance.

Senator SHORTRIDGE. I note here on page 29 of the bill that there are two provisos. They are not new matter, are they? That is under section 23, which you have been discussing.

On page 29 of the copy of the bill which I hold in my hand I note that there are two provisos, one beginning on line 3 and the other on line 9. Merely for my information, is that new matter?

General HINES. Which bill have you, Senator?

The CHAIRMAN. In the bill that you have it is page 31, line 12.

Mr. ROBERTS. That is new matter.

Senator SHORTRIDGE. What is the meaning or significance of the language?

Mr. ROBERTS. The significance of that language, Senator, is simply this: Under the present law as interpreted by the bureau and the courts, the man applies for reinstatement of his insurance or for conversion of his term insurance. He is thereafter estopped to set up a claim on his original contract and is bound by that reinstatement or conversion, as well as the Government being bound by it.

Many of these men who have paid premiums right straight along on their policies and have converted or have reinstated and converted, are now endeavoring to get back to the date of discharge in 1919, alleging that they were permanently and totally disabled at that time. If there has been a reinstatement or conversion intervening he is estopped to go back of that reinstatement or conversion under the interpretation that I have just stated.

This was to give him the option, as it was felt by the sponsors of the amendment that as long as a man had endeavored to keep faith with his Government and paid the premiums he should not be penalized for having done it. In other words, if he had not paid any premiums he could allege a date back at the time of discharge as the date of permanent and total disability, and collect. If, however, he had paid premiums and reinstated or converted his insurance, he would not be able to go back of the date of reinstatement or conversion.

Senator SHORTRIDGE. And that second proviso fixes a certain date?

Mr. ROBERTS. That is to give retroactive effect to the section so that those men who have heretofore been denied will be able to come in under this amendment and claim the benefit of it.

Senator WALSH. Generally speaking, General, how much cheaper are the premiums on converted insurance policies than those of commercial companies?

General HINES. They vary, of course, with the character of policy; but I think it is safe to say that the cost in each group is dependent upon the commercial charge for the contingency of permanent and total disability. We charge no premium for that. In other words, we take the straight American experience table of mortality and 3½ per cent, as against death, and we make no charge or the premium is not loaded for permanent total disability. The charge in commercial companies varies; it is not uniform at all. I should think it is safe to say, generally, that our policies are at least 10 or 15 per cent cheaper.

The CHAIRMAN. Just that one class of policies?

General HINES. Yes, converted. All of our policies carry that clause, maturing in the event of permanent and total disability or death.

Section 24 of the bill amends section 311 of the act by clarifying the provisions thereof relative to insurance against total disability to be issued by the Government at a premium rate commensurate with the risk. This amendment merely changes the language of the existing law so as to make these provisions which have been authorized to be placed in existing policies more nearly in line with similar provisions in commercial contracts. This amendment is recommended by the bureau and will result in no additional cost to the Government.

Section 25 of the bill amends the law by adding a new provision protecting the existing rights of veterans under the World War veterans' act. As a result of the enactment of this measure, the present rights of veterans will not be adversely affected.

Senator SHORTRIDGE. That is what we might term a saving clause.

General HINES. Their rights would not be affected by any changes of this act.

Now, Mr. Chairman, may I enter at this place in the record a summary of the cost of these various amendments? I have referred to them as each amendment was taken up, and I believe it would be convenient to the committee to have this in the record; and I will hand to the reporter the statement which gives the same amounts that I have read and which totals \$181,040,650 as the minimum cost of this bill.

The CHAIRMAN. As it passed the House?

General HINES. Yes, sir. The statement showing the study both by the Pension Bureau and the Veterans' Bureau as to the maximum cost that might be reached under the most liberal interpretation has already been entered in the record.

The CHAIRMAN. This statement will be placed in the record.

(The statement referred to and submitted by the witness is here printed in full as follows:)

Section 5. Restoring service connection.....	\$702, 000
Section 200. Disability awards (now).....	103, 200, 000
Section 200. Death.....	48, 700, 000
Misconduct cases:	
Disallowed cases.....	5, 080, 000
Terminated cases.....	335, 100
Furnishing flags.....	40, 250
Loss of hands or feet.....	1, 000, 000
Payment of \$50 in tuberculosis cases.....	4, 000, 000
Rating of 25 per cent for arrested tuberculosis.....	8, 000
Section 202 (10). Family allowance.....	4, 000, 000
Section 202 (10). \$8 to hospitalize veterans.....	1, 300, 000
Accumulation of Adjutant General's Office records.....	3, 000, 000
Administrative cost of section 200.....	5, 000, 000
Hospitalization of 3,500 section 202 (10) veterans now awaiting hospitalization.....	4, 449, 000
Uniforms to elevator men.....	1, 800
Recoveries (sec. 28).....	218, 500
Total.....	<hr/> 181, 040, 650

Senator SHORTRIDGE. Have you gone through the bill, General, in detail and pointed out severally the sections that your bureau, or that you, speaking for it, approve?

General HINES. Yes, sir. The statement shows that, and we have submitted to the committee this confidential committee print of a bill which we feel carries out those suggestions.

Senator SHORTRIDGE. I am prompted to ask that question because have been unable to be here all the time you have been testifying.

General HINES. The bureau is desirous, of course, of seeing some legislation go through at this session of Congress and in such form that we can approve it and which will not prove to be embarrassing by a further study of the relief which the Congress ultimately will wish to give to the veterans.

The CHAIRMAN. What is the estimated cost of your suggested provision?

General HINES. \$20,000,000 more annually. I think the main points of difference that will arise between the bureau and the service organizations, if I may point them out, as to the date of the presumptive provisions of section 200 as against the bureau's suggestions for those disabilities which we feel should be brought in to make them on a parity with other presumptive provisions given to other veterans. January 1, 1925, is the date the bureau recommends. Some of the service organizations will feel, I am sure, that that date should be January 1, 1930, which of course brings in a broader group and takes in many of the veterans who are now in our hospitals and can only be considered as having disabilities not due to service.

The other contention will undoubtedly arise probably on the allowance to uncompensated veterans for their dependents that are in our hospitals at this time.

There may be some contention relative to extending the time of filing suits against the Government; and I believe that those three provisions will be the ones in controversy. I think the service organizations would be in accord with the bureau on most of the others, although I am saying that without having conferred with them.

I just wish to point out those three points.

Senator SHORTRIDGE. Finally, to sum up, if the bill should pass as it comes from the House it would entail an additional expenditure by the Government to meet all requirements of the bill?

General HINES. Yes, sir.

Senator SHORTRIDGE. As a minimum, how much?

General HINES. A minimum of \$181,000,000 annually.

Senator SHORTRIDGE. And a possible maximum of how much?

General HINES. \$400,000,000.

Senator SHORTRIDGE. What was the item of \$20,000,000 you mentioned just now?

General HINES. The item of \$20,000,000 is the proposed substitute bill which is offered by the bureau as a compromise.

Senator SHORTRIDGE. The bill that you suggest you estimate would add a minimum of \$20,000,000?

General HINES. Yes, sir; annually.

Senator SHORTRIDGE. And a possible maximum of what?

General HINES. I doubt if it would run much over that; but if you put a maximum on it, I would say \$25,000,000.

Senator SHORTRIDGE. And the additions in the suggested additional cost to the Government spring out of one, two, or three provisions in the bill?

General HINES. Yes, sir; which I have just referred to.

Senator SHORTRIDGE. And thus far, as I understand you, those speaking for the organizations are urging the bill that is before the Senate now?

The CHAIRMAN. Not all the organizations. There may be some; I do not know.

Senator SHORTRIDGE. Well, let us say certain of the organizations, then.

Senator BINGHAM. The American Legion expressed approval of your draft.

General HINES. I think they differ on the allowances to the uncompensated veterans.

Senator SHORTRIDGE. What I am seeking to get at is this. You advance your views; others entertain, perhaps, contrary views; and the query is in my mind whether there might be a coming together of minds and an adjustment reasonably satisfactory to all parties, each of whom, of course, is in sympathy with the main purposes of the legislation.

General HINES. I think that is possible, Senator.

The CHAIRMAN. Is that all?

General HINES. That is all, Mr. Chairman, unless the committee desires me further.

The CHAIRMAN. I would like to have an executive session at this time, and then have all of you come here tomorrow morning.

Senator SHORTRIDGE. If the date in question should be moved up to 1930 in the bill as you suggest, what additional amount would that cost the Government, if you have estimated it?

General HINES. Senator, we have not estimated that, but by tomorrow morning I can have an estimate to give you on that.

Senator SHORTRIDGE. That will be interesting, I think.

General HINES. I would rather do that than to guess at it.

H. R. 8155—Presumptive period

As previously estimated	Cases	Estimated annual cost
To 1925.....	129,000	\$12,600,000
To 1930.....	77,100	43,600,700

¹ No Tuberculosis and neuropsychiatric cases.
² Tuberculosis and neuropsychiatric cases included.

(Whereupon, at 11.20 o'clock a. m., the hearing in the above-entitled matter adjourned until to-morrow, Tuesday, May 6, 1930, at 10 o'clock a. m., and the committee proceeded to the consideration of business in executive session.)

TO AMEND THE WORLD WAR VETERANS' ACT OF 1924

THURSDAY, MAY 8, 1930

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

The committee met, pursuant to adjournment, at 10 o'clock a. m., in room 312, Senate Office Building, Hon. Reed Smoot presiding.

Present: Senators Smoot (chairman), Watson, Reed, Couzens, Greene, Bingham, La Follette, Thomas of Idaho, Harrisor, Walsh of Massachusetts, and Barkley.

The CHAIRMAN. We will proceed with the hearing. General Hines, you have stated all that you desire on this bill; have you?

General HINES. Yes, Mr. Chairman.

STATEMENT OF JOHN THOMAS TAYLOR, CHAIRMAN OF THE NATIONAL LEGISLATIVE COMMITTEE OF THE AMERICAN LEGION

The CHAIRMAN. Mr. Taylor, you listened to the statement made by General Hines in relation to the bill as passed by the House. Will your statement carry out about the same ideas, or are they radically different?

Mr. TAYLOR. There are several of the sections on which we disagree with the Director of the Veterans' Bureau, Mr. Chairman and members of the committee. It will take me only a few moments to explain our differences of opinion.

First, however, I should like to read for the record a telegram from the National Commander of the American Legion on this legislation, if I may. It is a release that he gave out to the press when a bill passed the House.

He says:

The American Legion has been and still is in favor of a conservative and constructive piece of legislation in keeping with the known needs of our disabled, and at the same time in accordance with the principles of economy. The Legion is in favor of a practical plan of procedure with reference to our disabled men's legislation. We believe in supporting legislation that can and will be enacted and approved, and thus become of benefit to the disabled.

Proposed legislation, as attractive as it may be, is of no benefit to the suffering comrade unless it becomes effective by presidential approval.

Our disabled are in need of immediate relief. Because of this need the legion has supported the Johnson bill as it came originally from the Veterans' Committee of the House. It would have benefited some 84,000 disabled men. It would have cost, according to estimate, less than \$100,000,000. It would likely have met with the approval of the President. We were willing to go so far as to amend this bill in order to reduce the cost if necessary to receive presidential approval. We want immediate relief for these veterans. What the disabled need is immediate and material assistance, and not a lot of theoretical ideas which have no chance of maturing for years to come.

The original Johnson bill is not perfect, but it would give needed assistance. Perfecting amendments could have been offered later without endangering the final approval of the basic provisions of the Johnson bill.

The Legion is a practical and unselfish organization, interested in our disabled and our country alike, and desirous of rendering service in keeping with a conservative and constructive program.

It is our hope that a splendid piece of legislation will be agreed upon as a result of senatorial consideration, and thus make it possible for the disabled to receive immediately the benefits of such legislation.

The bill which passed the House, H. R. 10381, upon which the Director of the Veterans' Bureau, General Hinos, testified before this committee, contains 47 amendments to the World War veterans' act. Forty-three of them, which I will not mention, we are in perfect approval of. The others I should like to touch upon.

First, section 5:

Section 5 is the amendment which proposes to take the comptroller out of the Veterans' Bureau only so far as decisions on questions of law and medicine are concerned. That was stricken out of the bill in the House upon the recommendation of Will Wood; and when he talked about that particular section he emphasized the fact that the comptroller was a creature of the Congress, brought into existence solely for the purposes of the Congress, and responsible to Congress alone; and he gave the House the idea that this took the comptroller entirely out of the Veterans' Bureau.

As a matter of fact, the report of the Veterans' Committee states that this particular amendment would not interfere upon a preaudit or postaudit with the right of the Comptroller General to disallow expenditures by disbursing officers not in conformity with the decisions of the director. This amendment by the Veterans' Committee of the House intended that the director shall have the power to review any decision of the Comptroller General heretofore rendered, and, notwithstanding such decision, to pay the claim affected thereby if he believes it to be payable.

Our cause of complaint—and it is constant—is that the Comptroller General has to a certain degree supplanted the director, in that he has attorneys in the bureau, which attorneys, in passing upon questions of law, in fact pass upon medical evidence, and defeat the intent of the law as passed by Congress so far as veterans' relief is concerned.

We have no quarrel whatsoever with his auditing. We do ask that that amendment be put back in the bill, and that the comptroller be prevented from acting as counsel to the Veterans' Bureau.

In that regard you will recall that when the director testified he pointed out two sections of this bill. On one he agreed with the comptroller, and on the other he did not agree with the comptroller. I say that to show that the director does not always approve the comptroller's decisions.

One of the sections that the director discussed was the first amendment proposed to subdivision 7 of section 202, which would override the comptroller's decision in connection with the \$50 a month arrested-tuberculosis award. The director asked that this proposed amendment be excluded from the Finance Committee's bill. We ask that it be excluded. The comptroller has ruled that arrested-tuberculosis men, in order to draw the \$50 a month for the arrested tuberculosis, must have proven in fact active tuberculosis; and that was not the original intent of the law. That is where I say the comp-

troller rules not only on auditing questions but on questions of law and of medicine. The comptroller says that the proper construction of this section of the law is that the man must have had active tuberculosis, from which results arrested tuberculosis, in order for him to get the \$50 a month.

That particular decision of the comptroller has caused tremendous dissatisfaction throughout the country where these tuberculosis men are in the hospitals. It is ominently unjust and unfair.

The director also the other day, in testifying on the amendment to section 210, which is the section making retroactive the payments of compensation, stated that that would cost \$42,000,000. Now, the comptroller has ruled in favor of that particular section.

Senator WATSON. Where is it in this bill?

Senator HARRISON. I did not have the right bill.

Mr. TAYLOR. It is a proposed amendment to section 210.

Senator WATSON. But I do not know where that is in this bill.

Senator WALSH of Massachusetts. It is pretty hard to find it, because most of the amendments are in the nature of provisos. I think you will have to look it up. It is pretty hard to put your hand on these amendments.

Senator COUZENS. I think it is on page 25, Senator.

Senator WATSON. Thank you.

Mr. TAYLOR. What I was pointing out, Senator, was the fact that we would like the comptroller removed from the Veterans' Bureau so far as legal and medical opinions are concerned, and confine his activity to auditing, which Congress intended him to do. I stated the other day, when the director was here, that he agreed with the comptroller in one instance and disagreed with him in the other; and I am now pointing out the one in which he disagreed with the comptroller. Both the comptroller and the Attorney General ruled that in accordance with the law these payments should be retroactive. That saves the Government \$42,000,000 a year. As a matter of fact, we are in agreement with him; but I just pointed out those two inconsistencies, as we consider them, so far as the attitude of the bureau itself with regard to the comptroller is concerned.

We believe that this section should be put back into the law, and that the comptroller should confine his activities to questions of auditing, pro and post auditing.

The CHAIRMAN. But that is not the duty imposed by Congress upon the comptroller. He has to go into every detail of the law. He has to pass upon all those matters before he O. K's the payment. That is his duty.

Mr. TAYLOR. Mr. Chairman, the Veterans' Bureau has a thoroughly competent legal and medical staff. They go into these questions of the legality of these cases, and the evidence and testimony that has been submitted in proof of them; and the law itself, the veterans' act itself, provides the final authority in the Director of the Veterans' Bureau to pass upon these cases so far as the question of proof is concerned.

Our understanding was, so far as the duty of the comptroller was concerned, that he is to see that the payments are in strict accordance with the legal decision of the Director of the Veterans' Bureau; but, instead of doing that, he reviews the legal opinion of the Director of the Veterans' Bureau both as to law and as to medicine, and

upsets the Director of the Veterans' Bureau. We ask that the Director of the Veterans' Bureau be permitted to review those cases rejected by the comptroller, and pass upon them favorably if they have already been passed upon.

The CHAIRMAN. All right; we understand it.

Mr. TAYLOR. The House provided, in its amendments to section 10, that the period of time within which suits may be brought upon insurance contracts shall be extended one year following the approval of this amendatory act; and Director Hines in his testimony opposed this amendment. We hope this committee will include that, and grant these men that extra year so far as suits on insurance are concerned.

This insurance is something that they bought and paid for. It is a contractual relation. The man should not have his rights imperiled through the setting up of an arbitrary date of limitation after which the question of the right to payment may not be considered by the courts. I think it is a sort of reflection upon the courts themselves. I think the courts have courage enough to pass upon these cases adversely if they think the merit is not in the case; and, just as Senator Bingham pointed out the other day, there are a great many people who are not aware of their rights so far as insurance is concerned, and they should have the right to bring suit.

The argument was raised the other day that attorneys had gathered in a great many of these suits, and were prepared to file suit in case of extension.

Senator WATSON. As I understand, you propose an arbitrary period yourself of one year?

Mr. TAYLOR. We ask for an extension of a year. As a matter of fact, we have repeatedly asked that the date of limitation be taken out of the law entirely. The other day, though, the argument was raised that attorneys had gathered a lot of these cases. The fact that attorneys have been unscrupulous in gathering cases is no reason why the veteran himself should be deprived of his rights. Suppose they have: There should be some rules or regulations respecting the attorneys who are handling cases which will at least give the men a right to bring suit.

Senator WATSON. What difference would that make in the number?

Mr. TAYLOR. The number of men who might bring suits?

Senator WATSON. Yes.

Mr. TAYLOR. I do not know how many there would be; but, no matter how many there are, this is insurance that the man bought and paid for. He ought to have a right to bring the suit; and if it is a question of his heirs bringing the suit, they ought to have the same right.

I do not think, just because some attorneys or groups of attorneys have been unscrupulous, that the right should be denied the man himself.

Senator COUZENS. Is there any limitation in the law as to the fees these attorneys can get?

Mr. TAYLOR. Not in insurance cases, sir. I think they get 10 per cent; the courts may award 10 per cent.

Senator WATSON. But not more?

Mr. TAYLOR. In other matters, though, it is \$5.

Senator WATSON. There is no limitation in the insurance cases; is there?

Mr. TAYLOR. The court may award 10 per cent.

Senator WATSON. Is that in the law?

Mr. TAYLOR. Yes; it is in the law.

Senator WATSON. I did not know there was any limit.

General HINES. Pardon me, if I may cover that point for you: It means that in a \$10,000 suit the court may award \$1,000; but most of these run to about thirteen thousand three hundred and some dollars commuted value, and the court would be permitted to award 10 per cent of that, which would be a maximum fee of thirteen hundred and some dollars.

Senator COUZENS. Of course it is perfectly obvious that the more attorneys go into these things, the more lawsuits the Government has, just the same as the ambulance chasers.

Mr. TAYLOR. Why not regulate the attorney by fixing the fee?

Senator COUZENS. I am not objecting to that.

Mr. TAYLOR. The important section, of course, as far as we are concerned, is section 200.

Section 200 in the Johnson bill as it is, the department has estimated, would cost \$76,000,000. It was estimated that the bill would cost \$89,000,000, although Mr. Johnson on the floor of the House, after receiving some figures from the Pension Bureau, said that it might run up as high as \$400,000,000; but if you take the \$76,000,000 that section 200 of the Johnson bill costs, which eliminates the question of diseases and inserts the word "disability," and substitute for it section 200 of the American Legion bill, which brings up to 1925 as a presumptive date certain constitutional diseases, about 20 of them, that reduces the cost \$12,500,000, and makes the total cost of the bill somewhere between \$25,000,000 and \$30,000,000.

Senator WATSON. This whole bill?

Mr. TAYLOR. The whole bill, by substituting section 200 of the American Legion bill for section 200 of the present bill. Section 200 of the American Legion bill brings certain constitutional diseases, about 20 of them—

Senator WALSH of Massachusetts. What are these diseases?

Mr. TAYLOR. They are shown in the committee print, section 200.

Senator WATSON. Do you mean, then, that by making that substitution, the maximum cost under this bill would not exceed \$25,000,000?

Mr. TAYLOR. That is what the director testified to. It would be less than \$30,000,000.

Senator WATSON. Is that your view, General?

General HINES. No; there are some other changes that would be necessary; but, speaking of section 200, the committee probably had better consider that as a unit, and then you will get the picture of the total cost.

Under the Legion amendment put in place of the Johnson bill as it was reported out, where that section 200 would cost \$76,000,000, the Legion bill provision, substituted for that provision which cost \$76,000,000, would run \$12,500,000.

Mr. TAYLOR. The total cost of the bill, it was testified, would be \$89,000,000. \$76,000,000 from \$89,000,000 leaves \$13,000,000. \$13,000,000 and \$12,500,000 makes \$25,500,000. It would be less than \$30,000,000.

This is a question which has come before the American Legion repeatedly—the question of the extension of the presumptive period—and the Legion, acting upon its best medical advice, recommends that these constitutional diseases be brought up to January 1, 1925, and that presumptive date of January 1, 1925, was put in the law by this committee.

Senator WALSH of Massachusetts. But for other diseases?

Mr. TAYLOR. For other diseases; yes, sir.

Senator COUZENS. Many telegrams are coming in here concerning the putting forward of the presumptive date.

Mr. TAYLOR. The extension of the presumptive period to January 1, 1930.

Senator COUZENS. And you are opposed to that?

Mr. TAYLOR. We recommend the substitution of our section 200, which brings constitutional diseases up to January 1, 1925; yes, sir.

Senator COUZENS. So you disapprove of bringing them from January 1, 1925, up to January 1, 1930?

Mr. TAYLOR. In this bill; yes, sir.

If there is any reason why I should go into any more detail on that I shall be glad to do it; but that is the situation.

The CHAIRMAN. I think we understand it.

Senator COUZENS. May I ask a question? The witness refers to "we" all the time. I am only asking for information: How many are included in the "we"?

Mr. TAYLOR. What is the membership of the American Legion?

Senator COUZENS. No; but of course it is quite apparent that all of the members of the American Legion can not pass on these various technical questions and matters of law.

Mr. TAYLOR. No.

Senator COUZENS. When you say "we," how many actually know what you propose?

Mr. TAYLOR. That is a pretty difficult question to answer.

Senator WALSH of Massachusetts. The legislative committee, I suppose.

Mr. TAYLOR. Oh, no; not at all.

The posts of the American Legion that are interested in these problems pass resolutions, which resolutions go to their department conventions, their State conventions. They are either approved or disapproved. Those departments send those resolutions which are approved to our national convention, which is composed of some 1,200 delegates. At that convention a man from every State thoroughly skilled in this subject—a man who has devoted the last 10 or 11 years to it—is a member of the convention rehabilitation committee, to which come some three or four hundred resolutions touching every phase of amending the World War veterans' act; and these are men who are just simply soaked up with information about this subject.

That rehabilitation committee, of which Watson Miller is the chairman, goes into deliberation on these questions, and devotes days and days to them, with expert testimony. They come to certain conclusions, and they recommend those conclusions to the national convention itself on the floor, where they are discussed, and the national convention either approves or disapproves them; and, so far as this is concerned, this is what the national convention has approved. It is

the only democratic way in which we can get the expression of the million and a half people who are in the Legion and the auxiliary.

Senator COUZENS. So that when you say "we", you mean that the national convention have fixed January 1, 1925, as the last date of presumptive disease?

Mr. TAYLOR. Yes, sir.

Senator COUZENS. But out of your million and a half membership, it is quite possible, as in the case of a national election, that 30,000,000 would be on one side and 15,000,000 on another; is not that true?

Mr. TAYLOR. It is not quite so with the Legion; no, sir, because in the case of these questions the very men who are most vitally interested in this subject, those directly affected by it, are the men who get on this committee and who work year in and year out from the hospitals—who get on this rehabilitation committee, or appear before it to present the point of view as they see it—and it is rather a more positive expression, I might say, than our national elections.

Senator WATSON. At what particular convention was this?

Mr. TAYLOR. Louisville—the last one.

Senator WATSON. Was there a prolonged discussion of this whole subject—this particular subject?

Mr. TAYLOR. Not of this particular section. This thing is the most important thing to the Legion, and these men sat day and night for a week.

Senator WATSON. But there must have been some discussion.

Mr. TAYLOR. They certainly discussed this thing thoroughly.

Senator WATSON. Was it pretty unanimously concluded?

Mr. TAYLOR (to Mr. Miller). Was it unanimous?

Mr. WATSON MILLER. It was unanimous so far as the convention were concerned, and unanimous so far as the committee action was concerned, so far as I know.

Senator COUZENS. Let me ask a question at that point.

It appears that many departments of the American Legion have varying views. The witness, being an expert economist on the Brookhart bill—

Mr. TAYLOR. Do not say that, Senator. [Laughter.]

Senator COUZENS (continuing). Says that the American Legion are opposed to the Brookhart bill; and yet I receive many, many letters and telegrams from American Legion departments of States approving of it; and I am concerned about the matter. I am not joking because the witness is an economist.

Mr. TAYLOR. Do you mean departments, or individuals who write on post stationery? So far as this amendment that we are talking about here is concerned, section 200, there is only one department of the American Legion that has gone contrary to the national organization since this question came up—just one.

Senator COUZENS. I am not speaking about this; I am not familiar with it. What I am trying to get is that there seems to be a great diversity of opinion among these departments, and I have wondered how much difference of opinion there was on the provisions of the pending bill. Do you know?

Mr. TAYLOR. Even on the Brookhart bill it is not a question of difference of opinion among the departments; it is a question of difference of opinion among individuals. For instance, the department of Michigan is not for the Brookhart bill, and yet there are certain individuals in Michigan who are for it.

Senator COUZENS. No; there are certain posts in addition to the department. There are certain American Legion posts. I mean, the posts are all split up.

Mr. TAYLOR. No; not split up. Here is the way that works:

We have over 12,000 posts in the American Legion, and we exercise our best efforts to keep them fully informed; but posts of the American Legion are pretty much like small political groups and gatherings in cities and States. They have their ambitious spokesmen, and those individuals come around to the post with a proposal which at least makes them popular, and they explain the matter to a post. Other members of the post sitting there know nothing about it; and the splendid orator explains what a grand benefit this is, and he gets the post to go on record for what he says. Now, just as soon as they find out that what they have done is contrary to the national mandate of the organization, they are off it.

Senator COUZENS. But they do not repeal the resolution.

Mr. TAYLOR. Sometimes I suppose they do that; but these are just a lot of boys, 25 and 30 years of age, who are anxious to get all they can get, I guess, as far as adjusted compensation is concerned; but I want to talk to you about that.

Senator COUZENS. I am just anxious because this legislation is supposed to be passed in the interest of the veterans—

Mr. TAYLOR. Yes, sir.

Senator COUZENS. And I want to know as nearly as I can just what the views of the veterans are before I take any action on some of these matters.

Mr. TAYLOR. Yes, sir. Well, we try in the best manner that we can to secure, at our national conventions, the composite expression of the veterans of the United States. The fellows who come down there are enthusiastic, interested, intelligent men on this subject, men who have spent a lifetime working for it, and we have to stand by what they say.

Senator COUZENS. Yes; but as a matter of fact those who attend these conventions are not usually the disabled—

Mr. TAYLOR. Oh, yes, they are.

Senator COUZENS. Because they are in hospitals and can not attend the conventions.

Mr. TAYLOR. Oh, every hospital in the United States sends its delegates to the American Legion conventions.

Senator COUZENS. Yes; but the delegate does not know the attitude of all the members in the hospital; does he?

Mr. TAYLOR. He is sleeping on a bed right there with them. You would be surprised to find how active these fellows are.

Senator COUZENS. I am looking for the facts; that is all.

Senator BARKLEY. I have had a number of telegrams from American Legion posts in Kentucky urging support of the Rankin bill. It seems that this bill as it passed the House was originally known as the Rankin bill, but it was amended pretty radically on the floor of the House. Those who have wired me about it have wired urging support of the Rankin bill. Do they know what the Rankin bill is, or the difference between it and the Johnson bill?

Mr. TAYLOR. No; they do not.

Senator BARKLEY. By what authority do they assume to speak for the Legion in that regard?

Mr. TAYLOR. They do not speak for the Legion. They just speak for themselves.

Senator BARKLEY. They sign themselves "Adjutant" or "Post." Does that mean that any action has been taken by the post?

Mr. TAYLOR. Yes; that does. That means that they have taken some action; and the Rankin bill is a name now. I mean, it has been pretty thoroughly gotten across in the country just what the Rankin amendment means.

Now, I say this to you, Senator: The Rankin amendment is not in the Johnson bill. It is not in it. The Rankin amendment brought up to 1930 certain diseases. That was amended on the floor of the House by Representative Connery, of Massachusetts, who moved, not that the constitutional diseases be brought up to 1930, but that everything in the Johnson bill be brought up to 1930; and the Johnson bill contains the word "disability," so that every disability occurring prior to January 1, 1930, under the Connery amendment is brought up to January 1, 1930, and then, with the Cochran amendment, which prevents any rebuttal testimony being submitted, every disability prior to January 1, 1930, is made not only presumptive but conclusive. So there is no Rankin amendment in this bill.

Senator BARKLEY. I was wondering how it happened. I began to get telegrams, probably the next day after this bill passed the House, referring to it as the Rankin bill; and I wondered what sort of influence from Washington was being brought to bear on these various Legion posts so soon.

Mr. TAYLOR. None; none at all from the Legion.

Senator WALSH of Massachusetts. The Veterans of Foreign Wars have communicated a good deal about the Rankin bill.

Mr. TAYLOR. Yes; the Rankin bill is a name. That is what it is; it is the name of a piece of legislation.

Senator BINGHAM. Is not this true, Colonel Taylor: That the bill as it came to us from the House, which will cost anywhere from \$200,000,000 to \$400,000,000 annually, according to various estimates (\$200,000,000 being the least and \$400,000,000 being admittedly its possible cost), will benefit a very large number of people who, of course, would get no benefit under the Legion bill, and those people and their friends naturally are anxious that that bill should pass the Senate?

Mr. TAYLOR. Certainly.

Senator BINGHAM. And they have stirred up people in Connecticut; they have stirred up various organizations there that wire me, as they evidently have Senator Barkley of Kentucky.

Mr. TAYLOR. And every other Senator.

Senator BINGHAM. And every other Senator; and the posts, acting under the influence of sympathy for these individuals whom they know, who would benefit by this bill, have taken action out of the goodness of their hearts.

Mr. TAYLOR. Some of them have, sir.

Senator BINGHAM. Out of sympathy, desiring to see them get all they can.

Mr. TAYLOR. Certainly; that is a natural thing.

Senator BINGHAM. Whereas what you represent, as I understand, is the considered action of the American Legion over a period of years, with its organization extending into the various States and departments and posts who have considered these and many other pro-

posals, and have, in their convention, after the matter has been fully thrashed out, decided what it is in the best interest of all the veterans to ask for?

Mr. TAYLOR. You are exactly right.

Senator BINGHAM. Is that the situation?

Mr. TAYLOR. Yes; you are exactly right, with one further remark, and that is that while this entire matter was before the House we had our national rehabilitation committee, composed of all of our liaison men and everybody that is interested in this problem so far as the Legion is concerned, and people outside of the Legion, meet here in Washington. They met here for three or four days, and covered every subject affecting the disabled man. This extended over a long period of time. Did they approve it? They did not. They approved the action that had been taken by the Legion convention.

Now, Mr. Chairman, what has been brought out here of course is perfectly correct, that there are a great many dissatisfied disabled, uncompensated veterans in hospitals. Here is a man who does not draw compensation suffering from tuberculosis, I might say, and on the bed beside him is some other man who draws compensation for the same disease.

Senator WALSH of Massachusetts. One being able to prove service connection, and the other not?

Mr. TAYLOR. Yes; or one coming prior to January 1, 1925, and thereby being presumed to be connected with the service.

Senator BINGHAM. Or the other one being one who, under our law, being an ill veteran and needing hospitalization, takes advantage of a vacant bed in the hospital, and gets free hospitalization.

Mr. TAYLOR. That is what I want to touch on exactly—the question of dependency compensation for those nonservice-connected men in hospitals.

Senator WALSH of Massachusetts. Will you refer to that by section?

Mr. TAYLOR. Section 202 (10).

Senator WATSON. Do you know how many of those there are?

Mr. TAYLOR. Last year, 89,000 nonservice-connected cases went through hospitals. Right now, 45 per cent of the 30,000 are nonservice-connected; but when this committee, at the same time that it fixed that date of January 1, 1925, fixed hospitalization for both service-connected and nonservice-connected cases, and made certain types of diseases mandatory for hospitalization, and, relative to the others, said that if the director has beds they can be hospitalized, this committee recognized two things: First of all, it recognized need; and, second, it recognized giving the benefit of the doubt to the veteran.

We think this hospitalization for nonservice-connected cases is a splendid idea. Yesterday, or the last time the director testified, he said that he looked upon it as a step in the direction of pensions. We do not. We think, as a matter of fact, it is a step against pensions.

Senator WALSH of Massachusetts. He did not say that as to the hospitalization alone.

Mr. TAYLOR. No; I am talking about the dependency compensation for 202 (10) men. He thought it was a step toward pensions.

Pensions are a permanent thing. I think we will all admit that. A man who gets a pension is put on a permanent roll. This dependency compensation is a temporary thing. It starts one month after the man goes in the hospital, provided his income is less than \$1,000, and it continues for two months after he is discharged from the hospital. The reason for that is, if he is in such a financial condition that he requires some compensation for his dependents, that immediately upon getting out of a hospital he would not be able to get back on his feet and work again; and, besides that, it takes the Veterans' Bureau two months to get the thing straightened out. This compensation is the same compensation that is paid to the dependents of a man who has been killed—\$30 a month for the wife, \$10 for the first child, and \$5 for the second. The director says it will cost about \$4,000,000.

Senator WALSH of Massachusetts. But in the case of the man who is killed, Mr. Taylor, the wife has to show service-connection in order to get it.

Mr. TAYLOR. Certainly; no man who died of a nonservice-connected disability would draw any compensation. You brought that out the other day. That is correct; but I do not think this should be confused with that, Senator.

This dependency compensation is to enable these men to go into hospitals—these men who can not afford to do it. It is to take this man we are talking about—this discontented man, who is drawing no compensation while some one beside him draws compensation—it is to take that discontented man and give him a peaceful frame of mind, to let him know that his family are being taken care of while he is in the hospital, and that will hurry his cure, and get him through the hospital and get him out and on his way again.

Senator WALSH of Massachusetts. Have you thought of the difficulty in doing justice by that large class of men who are suffering with disease that is not connected with the service, who stay at home, do not go to a hospital, who call in a doctor and are treated in their own homes, or who struggle along to work when they really ought to go to a hospital? Is it not an injustice to that group of veterans to deprive their wives and families of this compensation while the man who goes to the hospital gets it?

Mr. TAYLOR. Are you saying that, Senator, because there is lack of beds for them?

Senator WALSH of Massachusetts. Partly because of lack of beds, and partly because of desire to remain at home, and objection to going to a hospital, and trying to be able to carry on somewhat, although they are really incapacitated.

Mr. TAYLOR. The point you bring out, then, is this: If the dependents of a man who is in the hospital draw compensation, why do not the dependents of a man who is not in the hospital draw compensation?

Senator WALSH of Massachusetts. A man who is ill.

Mr. TAYLOR. Yes. Our answer is, first of all, that the man should go to the hospital.

The CHAIRMAN. That is the proper place for him.

Mr. TAYLOR. Second, it is no answer that there are no hospital beds for him. We have been pleading with Congress for years to construct hospitals.

Senator WALSH of Massachusetts. But you have not got them now.

Mr. TAYLOR. Certainly we have not; and we believe that the best way to prevent pensions from coming into existence—and we are interested in preventing pension legislation from coming into existence—is to give these men hospitalization, give them the benefit of the doubt, and give their dependents something to go along on for the few months that they are in the hospital, and get them on their way again. Eighty-nine thousand men in hospitals during a year shows that the men are in the hospital on an average of three months. They would probably get four months' compensation.

Senator WALSH of Massachusetts. What number of men are now deprived of hospitalization under the provision of law that permits hospitalization to veterans who do not show service connection?

Mr. TAYLOR. The Director said the other day 3,500.

Senator WALSH of Massachusetts. Three thousand five hundred are waiting?

Mr. TAYLOR. I think there are more than that, myself.

General HINES. May I answer the question?

Senator WALSH of Massachusetts. Yes, General.

General HINES. Of service-connected cases we have practically none. If we have not beds for them, we have authority to put them in a contract institution. We receive right along, from all our regional offices, reports of men who apply for hospitalization. We have approximately, of the non-service group awaiting hospitalization, 3,500 men.

The CHAIRMAN. All of them nonservice?

General HINES. Nonservice. The present hospital load, speaking in round numbers, is approximately 30,000. Forty-four per cent of those men are noncompensable cases.

I have here a very interesting chart that shows that graphically, probably much quicker than I can explain it to you, giving by hospitals the bed capacity, the number of patients in those hospitals as of April 1, 1930, divided between nonservice and service-connected cases, and the number of vacant beds. Practically that same information is shown here by the bars, the service-connected cases being the dark bars, and the nonservice-connected cases being the green bars, the white bars showing the nonservice-connected cases and the—

Senator WATSON. Why are those dark bars so much farther extended below there?

General HINES. Wherever you see a dark bar that runs close to the total capacity, you can rest assured without looking for the name that that is a hospital for mental or nervous disability, because there is a smaller percentage of men in those hospitals. On the other hand, wherever you see a situation such as represented there, you can nearly always rest assured, without looking at the name, that it is a general hospital, where the majority of the patients are 202 (10) cases, or nonservice. That particular one happens to be our large hospital in Chicago, at Maywood, with a total capacity of 1,007 beds; and 630 of the 962 patients that were in that hospital on that date were noncompensable cases.

Senator BINGHAM. General, if it were known that there were more beds available for the nonservice-connected cases, would not the number of applicants, which you state is now 3,500, go up very rapidly?

General HINES. I think it would, Senator. It depends on other factors, too. We have noticed that the time of the year unemployment and all these factors come into our problem of hospitalization.

Senator WALSH of Massachusetts. Would not the enactment of this provision lead at once to the construction of additional hospitals? Would it not necessitate it?

General HINES. It certainly would.

Senator BINGHAM. General, while we are on this question—if Colonel Taylor will be so kind—as I understand, the present number of beds in the hospitals is sufficient to care for the service-connected cases.

General HINES. More than that.

Senator BINGHAM. More than that, because 44 per cent of the beds in the hospitals now are occupied by nonservice-connected cases?

General HINES. Certainly.

Senator BINGHAM. So that no veteran with a service-connected disability is obliged to wait at all?

General HINES. In some localities, at certain times of the year, we have had men waiting for a certain period; but we can hospitalize them in contract institutions. Many of them wait through preference to get into our own hospitals, and make up a small waiting list in certain localities. The present authorized construction which is going on, which will add approximately 10,000 additional beds, will cover all of those cases.

Senator WALSH of Massachusetts. Will that make the total 40,000?

General HINES. Yes, sir.

Senator BINGHAM. And that will make possible, of course, the taking care of the 3,500 that are now on the waiting list?

General HINES. We feel that it will; but I might point out to the committee that the Congress specifically has not gone on record as constructing for the noncompensable cases. While the law authorizes and directs their hospitalization, the programs of construction so far have been based upon construction for service-connected cases as they now exist, or prospective load that may develop in the future.

Senator WATSON. Will not these new hospitals include all of them?

General HINES. We will take them all in when beds are built.

Senator WALSH of Massachusetts. In your absence, Senator, General Hines testified that ultimately it was his opinion that we would have to have accommodations for 80,000 in the hospitals.

The CHAIRMAN. Proceed.

Senator LA FOLLETTE. Excuse me, Senator Walsh. Does that estimate include the nonservice-connected cases?

Senator WALSH of Massachusetts. Yes.

General HINES. Yes; that does, Senator. That is the peak, which we estimate will be reached in 1965.

Senator BINGHAM. General, as I recollect, you stated that you were advised by a board of medical experts who studied the question that the number of beds needed would be greater than that.

General HINES. Greater than that. They estimated 126,000 men at the peak; but we have based our curve upon our experience up to date, and we feel safe in following it. It certainly will fall somewhere between 80,000 and 126,000.

Mr. TAYLOR. Those points which I have discussed with this committee, Mr. Chairman, I have fixed up in the form of a brief which I wish to leave with each Senator; but there is one other question that I want to take up now, which was touched upon the other day.

The bill as it passed says:

Provided, That compensation shall not be denied any applicant therefor by reason of the injury, disease, aggravation, or recurrence having been caused by his own willful misconduct.

That amendment was put in by Mr. Cochran. It seemed to be pointed out that under "willful misconduct" a man who escaped from a military prison might come under this; an S. I. W. (self-inflicted wound) might come under this.

Gentlemen, that is not so. The term "willful misconduct" is a military term. It has been applied, ever since we have had a military establishment, to one thing—social diseases.

It is a strange thing that the man who is so unfortunate—and I am not talking about peace times; I am talking about war times—that the man who is so unfortunate as to suffer a disease for this infraction of the moral law is the man who is punished not for the commission of the infraction itself, nor for any intercourse he might have with women; that has nothing to do with it. He is not punished for that. He is punished if he is unfortunate enough to have suffered some disease from it. They call it "willful misconduct."

Now, he might have caught a disease from some other infraction. Going up in the line, he might not have taken his blankets with him. He might have been told to leave them behind. He might not have had his slicker. He might have caught pneumonia from that, because back of this originally was the intention to keep a man physically fit to perform the highest type of military service in an engagement. That is why that is in the law—so that the soldier, when it comes time for him to go into battle, will be in a position to do his best—yet he might have caught some disease from some other cause, misconduct but not willful misconduct, because "willful misconduct" is a military term applied to social diseases.

I do not know how many men there are affected by this; not very many, because you gentlemen of this committee have recognized that a man who is totally blind or bed-ridden from a social disease draws compensation. I say to you that when this Government takes a man into the Military Establishment for the purpose of carrying on a war, it guarantees that man against any disease, whether that disease is contracted in this infraction of the moral law or not.

I know it meets with the objection of some people; but this is only one of the moral laws. A soldier can steal to get along; he can kill anybody; he can break any one of the ten commandments he wants to break; but if he breaks this one, and gets caught in it; if he unfortunate—and they recognize it, for they established prophylactic stations everywhere throughout the A. E. F. and in the United States—if he unfortunate, and gets caught at it, he and his dependents must suffer.

The CHAIRMAN. That has been carried in every pension law from the very first up to the present time, and I think it is perfectly right that it should be.

Mr. TAYLOR. I am sorry that I have to disagree with the chairman.

Senator BINGHAM. Colonel, you mentioned the one thing which it seems to me puts a little different aspect on the matter from that which your plea would show, and that is the fact that prophylactic stations were established everywhere.

I remember on a visit to the front in July, 1918, going through Belleau Wood a few hours after the soldiers had gone forward, and the bodies had been carried from the battle field, that the very efficient officers and men of the Sanitary Corps or Medical Corps were establishing prophylactic stations. It was in the orders that these prophylactic stations should be used. It is not because the soldier breaks the moral code; it is not because he has been unlucky in breaking it, as you expressed it, that he suffers. In the great majority of cases, certainly more than 90 per cent of the cases, it is because he failed to carry out the orders in regard to the use of prophylactics which were provided by his Government.

You state that it is the duty of his Government to guarantee him against disease, and to take care of him if he gets disease. On the basis of that it is the business of the man to carry out the orders. Now, where a soldier is suffering due to the fact that he was careless about the use of prophylactics, or he disobeyed orders, or he was ashamed to go to a prophylactic station, it seems to me the argument should be based on a little different basis from that which you have given.

As you know, in the French Army there were no prophylactic stations. The French did not require their men to go to the prophylactic stations; and you might say that a French soldier suffering from any disease, the victim of his own willful misconduct, ought to be compensated just the same as if he had acquired pneumonia at the front, or something of that kind. In our Army, with all the provisions that we made for it, it does seem to me that the thing is on a different basis.

Mr. TAYLOR. Senator, I am glad you brought that out.

When they established those prophylactic stations, they notified the men that they should report to the prophylactic stations, and that that would not be used against them; whereas, as a matter of fact, when men were tried by court for having some venereal disease, the first thing that they produced to prove it was the record of the man's appearance before the prophylactic station; and what happened? After that they did not go to the prophylactic stations.

Senator BINGHAM. Well, Colonel, that may have been true of an outfit with which you were connected. I happened to be obliged to sit on a good many boards that were trying these cases.

Mr. TAYLOR. I acted as prosecuting attorney at Ehrenbreitstein, and that is what they always brought in to me:

Here are all the records of the man appearing before the prophylactic station to help you prove that he has this venereal disease as the result of his own willful misconduct.

Senator BINGHAM. I sat on a good many boards that tried the cases of aviators who, under the orders, had to be taken off flying and sent back for ground duty, and not permitted to fly, because they had acquired a venereal disease; and in not a single one of those cases was the record of the aviator's attendance at a prophylactic station, or the reverse, ever brought up. The only records that were needed, the only records that were produced, were the testimony of the doctor in the case that the reaction was so and so.

Mr. TAYLOR. Well, what I want to do, Senator, is this: I want to establish the fact that the term "willful misconduct" is a military term, and that it goes to the efficiency of the soldier to perform military duty, and that he might have some other disease contracted by his negligence which would have the same result; and that if this term "willful misconduct" as it is in the amendment now would include S. I. W. or deserted men, or men fleeing from prison, then it should be changed simply to cover those men who have suffered this type of disease—I do not know how many are affected by it—so that their dependents, their wives and children, should not be obliged to suffer the disgrace and the misfortune that came out of the soldier's military willful misconduct.

Senator WALSH of Massachusetts. General Hines, is the term "willful misconduct" interpreted by the Veterans' Bureau to mean anything else than a social disease?

General HINES. Yes, sir; it is interpreted in the way I stated to the committee, according to the legal division of the bureau and also the legal division of the War Department.

Senator WALSH of Massachusetts. So, if the amendment is to be applied to social diseases, there ought to be a change in the language?

General HINES. There will have to be a change, and it will have to be specified. As the bill now stands, it is a very broad provision.

Mr. TAYLOR. Thank you very much, Mr. Chairman.

THE AMERICAN LEGION'S STATEMENT ON H. R. 10381

The following testimony was delivered before the Finance Committee of the Senate on May 8, 1930, by John Thomas Taylor, vice chairman, National Legislative Committee, the American Legion, in support of the legion's proposals to amend H. R. 10381, the Johnson bill, as passed by the House of Representatives and now pending before the Finance Committee.

Section numbers referred to apply to sections of the World War veterans' act. It must be stated, in this connection, that the Johnson bill, as passed by the House, contained 47 amendments to the World War veterans' act. The legion desires that the Finance Committee approve the 43 amendments not mentioned in this testimony, and in addition thereto, follow the action suggested by the legion in connection with the amendments enumerated below.

SECTION 5

The first section of H. R. 10381, as reported to the House by the World War veterans' committee on March 10, amended section 5 of the World War veterans' act, to prohibit the Comptroller General from disallowing payments upon disagreement with the Director of the Veterans' Bureau on matters of law or fact involved in the interpretation or application of the World War veterans' act.

This amendment would not interfere, upon a pre-audit or post-audit, with the right of the Comptroller General to disallow expenditures by disbursing officers, not in conformity with the decisions of the director. This amendment by the Veterans' Committee of the House intended that the director shall have the power to review any decision of the Comptroller General heretofore rendered, and, notwithstanding such decision, to pay the claim affected thereby, if he believes it to be payable.

The House of Representatives voted to eliminate this Veterans' Committee amendment from the bill, and so it is not contained in H. R. 10381, now before the Finance Committee.

The legion asks that the Finance Committee restore this amendment to the bill, so that the comptroller will be precluded from rendering decisions of law or fact in disagreement with those of the director, who, under the World War veterans' act, has been empowered to render these decisions.

The legion for many years has asked that the comptroller be prevented from making decisions of law and fact in connection with compensation awards. One of the chief reasons for this has been that the comptroller in many instances

has rendered impotent the laws which the Congress has, after prolonged study, enacted for the relief of veterans. In some instances it has been necessary for the Congress to reenact measures two and three times in order to overcome the comptroller's decisions which had prevented the Congress from achieving the ends it had desired. The legion has not asked that the Comptroller General's right for audit be in any way restricted, but does ask that the director be allowed to interpret the laws which the Congress has enacted for the relief of veterans, in the manner which the Congress itself intended the laws to be administered, and we believe that this result would be accomplished in the amendment proposed by the Veterans' Committee of the House.

The Director of the Veterans' Bureau on May 5 testified concerning two of the amendments proposed in H. R. 10381 which have to do with decisions of the comptroller.

The first amendment proposed was to subdivision 7 of section 202, which would override the comptroller's decision in connection with the \$50 a month arrested-tuberculosis award. The director asked that this proposed amendment be excluded from the Finance Committee's bill, as he evidently concurred in the comptroller's decision which the amendment asks to correct.

The second amendment was that proposed to section 210 of the act, whereby a decision of the director had been overruled by both the comptroller and the Attorney General. The director approved this amendment, which would override the comptroller's decision, because the amendment would save the Government \$42,000,000.

From the foregoing it is seen that the director does not always approve the comptroller's decisions, nor do decisions of the comptroller always tend to save money for the Government.

So far as the legion is concerned, we concur with the director that the amendment to section 210 should be enacted, but we disagree with his opposition to the amendment to subdivision 7 of section 202, which overrides the comptroller's decision in connection with the arrested-tuberculosis award.

Members of the Finance Committee may recall that this decision of the comptroller rescinded benefits which had been granted to hundreds of veterans. It has been the legion's purpose to have these benefits restored to these veterans, but it has not been our purpose to broaden this section so as to allow other classes of veterans, outside of those specifically desired by the Congress to benefit from this law, to come within the provisions of the new amendment.

There is great interest in this amendment in the Western States, where friends of hundreds of victims of tuberculosis, whose cases have become arrested, are greatly interested in seeing that these disabled veterans have their rights restored. The feeling has run high on this particular decision, and the legion strongly urges the Finance Committee to retain this amendment in such form as will restore the rights to those victims of tuberculosis whose payments have been interrupted by the comptroller's decision.

SECTION 19

The House provided in its amendments to section 19 of the act that the period of time under which suits may be brought upon insurance contracts be extended until one year following the approval of this amendatory act. Director Hines in his testimony opposed this amendment.

The legion hopes that the Finance Committee will see fit to include this amendment in its bill, which will allow the continuance of suits on insurance contracts. The legion does not believe that a statute of limitations should be erected against the courts deciding upon a question of whether justice has been accorded a disabled veteran under the law, and for this reason alone would request the extension of the time of limitations under which suits may be brought on insurance contracts. Another matter to consider in this connection is that the insurance was bought and paid for by the veteran, and that in this contractual relation he should not have his rights curtailed, through the setting of an arbitrary date of limitation, after which the question of the right to payment may not be considered by the courts of the land.

SECTION 200

The legion asks for the substitution of the presumptive features of section 200 of its own bill, H. R. 8133, for the presumptive features of section 200 of the Johnson bill, H. R. 10381, as passed by the House of Representatives.

The reasons for this request are fully set forth in a letter I addressed to Representative Edith Nourse Rogers on April 24, when the Johnson bill was under consideration by the House.

I would like to have that letter made a part of this record and I herewith submit it for that purpose. In the meantime I will read to the committee that portion of it which concerns our proposal for section 200.

LETTER TO MRS. ROGERS

I am addressing this letter to you because of the deep and unselfish interest you have consistently displayed since 1917 in the welfare of the World War disabled, and because it has long been recognized that where their interests are concerned, your attitude has been of a strictly nonpartisan character—your desire has been to bring them the greatest possible measure of relief.

The House debate of the past 10 days clearly demonstrates that a crisis now confronts the pending Johnson bill, H. R. 10331, reported by the House Committee on World War Veterans' Legislation, and now being debated by the House. This committee bill contains 25 sections proposing to amend the World War veterans' act, at an annual cost estimated by the Veterans' Bureau at \$89,000,000. The chief cost factor in these 25 sections is contained in section 200, which the Veterans' Bureau estimates alone will cost \$76,000,000 a year for three years.

It would seem that Mr. Hoover's letter of warning that a deficit of \$20,000,000 may be impending, which Mr. Wood read to the House yesterday, has been prompted to some extent by the cost estimates advanced for the Johnson bill, and other legislative proposals in connection with it.

The present acute difficulties of the veterans' legislation have to do, as you are well aware, with this, and other proposed amendments to section 200 of the World War veterans' act. This is the section of the law which creates the presumption of service connection for disabilities arising to a 10 per cent degree prior to certain dates.

The Veterans' Bureau estimates that Mr. Johnson's bill would increase the cost of section 200 by \$76,000,000 a year for three years, through a provision which would make all disabilities developing prior to January 1, 1925, considered of service origin, unless otherwise rebutted.

Mr. Rankin's bill would provide that tubercular, neuropsychiatric and constitutional diseases developing prior to January 1, 1930, would be attributable to the service. The Veterans' Bureau estimates the cost of this proposal at \$44,000,000 a year, and adds that should the Rankin bill be superimposed upon the Johnson bill, that an annual cost of \$31,000,000 would be added to the \$89,000,000 cost of the Johnson Bill, or \$120,000,000 annually, altogether.

For greater clarity, the cost estimates of the various amendments proposed to section 200 are herewith set forth:

Veterans' Bureau cost estimates

H. R. 10381, Johnson bill, sec. 200 (1925 presumptive date).....	\$76,000,000
H. R. 7825, Rankin bill, sec. 200 (1930 presumptive date).....	44,000,000
H. R. 8133, Logson bill, sec. 200 (1925 presumptive date).....	12,500,000
H. R. 10381, amended by H. R. 7825, would be increased by.....	31,000,000

You will see from the foregoing estimates that the cost of the Johnson bill, section 200, exceeds that requested by the Legion by \$64,000,000, while section 200 of the Rankin bill exceeds the Legion's request by \$32,000,000. Also, that the cost of the Johnson bill, section 200, exceeds that of the Rankin bill by \$32,000,000. These cost estimates have been on record for many weeks, and we had assumed that they had been accepted as reasonably accurate estimates of the cost of the proposed measures. However, other estimates and figures have been used during the debate, which are entitled to consideration because of the prominent positions occupied in the House by those who have sponsored them. The inevitable result of these other estimates has been to confuse the Congress and the country, and raise a reasonable doubt as to the accuracy of all the cost estimates submitted.

For instance, Mr. Johnson, during debate, submitted figures from the Pension Bureau which estimate the cost of the Johnson bill at \$319,000,000 annually, and further set forth that should the presumption date of 1925 in the Johnson bill be extended to 1930, the annual cost of the measure would be \$426,000,000.

It should be said in connection with cost estimates that those submitted by the Veterans' Bureau have been based upon claims pending, although the four

days' debate has suggested that these estimates are in fact of a minimum nature, and may in actual practice prove considerably greater. While some feel that the Pension Bureau's estimates on Mr. Johnson's bill are excessive and would not be reached, they have nevertheless been presented to the Congress and the Nation by the chairman of the House Veterans' Committee, and for this reason alone they are entitled to serious consideration.

The estimates given you yesterday by Mr. Wood, the Appropriations Committee chairman, in the time granted him by Mr. Johnson, would indicate that he places great reliance upon the Pension Bureau figures submitted by Mr. Johnson, for Mr. Wood said during the debate:

"If I had the time to go through the various items of this bill, I think I could demonstrate that it would amount to more than \$400,000,000."

As stated earlier in this letter, the Veterans' Bureau has estimated that the 24 sections of the Johnson bill, exclusive of section 200, will entail an annual cost of \$13,000,000. There are many excellent and necessary provisions contained in these 24 sections of Mr. Johnson's measure. The American Legion has for years endeavored to have the Congress enact many of them into law, on the basis that they would not only bring great relief to thousands of veterans but that their enactment would right many injustices now being done our World War disabled. Thousands of the so-called border-line cases would be rectified under their provisions.

I will cite the following of the many noteworthy benefits which these other sections of the Johnson bill would, if enacted into law, bring to the disabled and their dependents:

1. The comptroller would be precluded from making medical decisions, and, in this connection, his influence would be removed from the Veterans' Bureau.

2. Due regard would be given to lay evidence in support of veterans' claims for disability compensation.

3. Those veterans who are hospitalized for nonservice connected disabilities would, where their annual income is less than \$1,000, have disability compensation paid to their dependents in the same amounts as that received by widows and orphans of soldiers killed in the war.

4. The provision which would definitely recognize the disabling effect of battle amputations, by awarding an additional \$25 a month for the loss of a hand or a foot.

5. The removal of the time limit on applications for compensation and the submission of evidence in support of these claims.

These five provisions, alone, would be of tremendous benefit to the disabled, and would, in themselves, bring more relief to the World War Veterans and their dependents than the average of the omnibus bills passed by the House in former years under suspension of the rules.

The American Legion, at its national convention held in Louisville last October, gave serious consideration to the situation confronting our World War disabled, and recommended legislative amendments, which, in their estimation, would solve the most pressing needs of the disabled. These recommendations were incorporated in an omnibus bill introduced in the House by Mr. Johnson on January 7, 1930, under the number H. R. 8133. The most far reaching of these legislative proposals is contained in section 200 of our legion bill, which provided that 20 of the most devastating of the so-called constitutional diseases, would be considered attributable to the service, if developing prior to January 1, 1925, the same date now providing service connection, through presumption for neuropsychiatric disease, tuberculosis, and a few other less prevalent diseases. The Veterans' Bureau estimated that the cost of the legion's section 200 would be \$12,500,000 annually, and benefit approximately 29,000 veterans.

These 20 constitutional diseases were selected with great care by the legion, both because of their disabling effect, and the likelihood that their inception resulted from World War service. Such diseases as obesity and gout, which Mr. Luce pointed out yesterday would be attributed to service under the Johnson and Rankin bills, have been rigidly excluded from the legion bill.

The inclusion of the 20 diseases requested in the legion bill, was advocated by expert medical testimony on each of the diseases in question. This testimony alone extended over several days of the hearings.

So much for the presumptive sections (sec. 200) of the various amendatory measures under consideration.

Now here is a situation which we submit for your consideration—the more important provisions of the other sections of the legion's omnibus bill (H. R. 8133), other than section 200—have been incorporated in the Johnson bill (H. R. 10381) now before the House.

The legion believes that the enactment of relief legislation by the present Congress is imperative. We would view the failure to enact relief legislation as a tragedy, even though that failure were due to the endeavor of friends of the disabled to secure the adoption of amendatory provisions of great benefit and effect, although unlikely to be enacted into law at the present session.

For instance, adoption of the Rankin bill would relieve many thousands of distressing cases, but Mr. Johnson has said the following concerning this:

"In my judgment, he [the President] will veto it, and there will be no legislation at all."

The legion infinitely prefers to achieve a reality for the disabled, rather than lose an impossibility. I am sure that you, of all others, realize that we have to do in this connection with the happiness of tens of thousands of disabled, and in all probability with the lives of many hundreds. Under these circumstances, the chances of failure are too great for the legion to assume responsibility therefor, or become a party thereto.

In view of the foregoing, I feel confident that should you propose an amendment to the pending Johnson bill (H. R. 10381) from the floor of the House, and the House concur therein, for the substitution of section 200 of the legion's bill (H. R. 8133) for section 200 of the Johnson bill, that this action on your part would meet with the approval of the national legion as a whole, for it would seem that the Johnson bill, thus amended, would have an excellent opportunity of final enactment into law.

I am sure that you know that the results attained in this manner would merit the gratitude of the tens of thousands of veterans and their dependents whose disabilities are now unrecognized by their Government, but to whom such a law would bring prompt relief; would, in fact, be a godsend.

The Johnson bill, thus amended, would cost, as estimated by the Veterans' Bureau, less than \$30,000,000 a year. It would not endanger the national finances, and its enactment would carry out the resolutions adopted by the American Legion national convention.

I believe that such a proposal merits frank consideration by the friends of the disabled in the House of Representatives, and I hope that if you concur, you will suggest this solution of the present situation to the Congress.

You will note that our proposal does not request an extension of the date of presumption, but asks that a selected list of 20 so-called constitutional diseases be included in the group entitled to the presumption of service connection, if developed prior to January 1, 1925.

Should you desire the reasons, from a medical standpoint, for the Legion request that these diseases be incorporated within the presumptive provisions of the law, Doctor Shapiro of the Legion's staff, now present, will testify in this connection.

202 (10) DEPENDENCY PAYMENTS

The Legion believes that section 202 (10) of the act, as amended by the Johnson bill, should be approved by the Finance Committee. This amendment authorizes allowances for the dependents of men in hospitals who are suffering from disabilities which have not been connected with the service under the existing law. These proposed dependency allowances would equal those received by widows and orphans of men who died in the service, where the annual income of the veteran so hospitalized is less than \$1,000, the allowances to be paid for two months following discharge from hospitalization.

Some of the reasons why the legion desires the Finance Committee to approve this amendment are as follows:

(a) The veteran population entered the service the finest physical and mental group in the Nation. The unfit physically and mentally had been rigidly excluded. After the war it was found that this veteran group, selected for physical and mental soundness, was developing certain physical and mental disabilities to an alarming extent. All agreed that some of the disabilities, because of their prevalence, must have resulted from service, although in many cases there was no direct evidence of this.

In an effort to render justice under these unusual circumstances, this Senate Committee, after prolonged study, created a legal presumption that if a veteran developed any one of certain specified diseases prior to January 1, 1925, that he had acquired this disease as the result of service.

The purpose of this presumption of service inurrence of disease, was to protect these large groups of veterans and their families in their rights to compensation, by extending them the legal benefit of the doubt that they had actually incurred them as a result of service.

But in doing this the Congress also determined that if a veteran developed one of these diseases at a date immediately following January 1, 1925, that it was not to be presumed he acquired this disease as a result of service, although he still had the right to prove service origin. So those veterans developing these diseases after the date of presumption set by the Congress, have not been benefited by the law, except in hospitalization, although it has been determined through years of testimony on this subject that medical science can not state exactly at what date certain diseases may or may not be possibly attributable to service.

This hospitalization equality, was specified by the Congress at the same time it set the date of January 1, 1925, as a limitation on presumption of service origin.

Although the Congress granted this right, it has failed to give it full effect, because it has not authorized sufficient hospital construction to care for all of those men whose disabilities developed after the presumptive date. The Finance Committee should recognize that the majority of those men in hospitals to-day, whose disabilities have not been connected with the service, are suffering from those specified disabilities which, had they developed prior to a certain date, would have been considered incurred in the service.

In the group granted hospitalization regardless of service connection the Congress assumed a contrary attitude. It did not place this group upon an equality with the so-called presumptive groups, but specified that "the director is further authorized, so far as he shall find that existing Government facilities permit, to furnish hospitalization to veterans without regard to the nature or origin of their disabilities."

The Congress thus expressed its belief that those suffering from presumptive diseases are entitled to the benefit of the doubt concerning their incurrence as a result of their service.

In asking that the Congress extend dependency allowances to the men in hospitals who are not upon a compensation basis, the Legion hopes that the Congress will at least continue its policy of giving the benefit of the doubt to those suffering from the so-called presumptive diseases, through giving to their families an allowance which may enable these veterans to acquire the hospitalization which the Congress intended should be their right.

(b) One of the reasons advanced by General Hines in opposition to this amendment is that he believes it is in the nature of pension, or the entering wedge of pensions, and that the Congress has not yet determined its attitude on pensions to World War veterans suffering from nonservice-connected disability.

The Legion does not believe that payments under such an amendment should be viewed as pensions. Pensions are essentially permanent in their character. Payments provided under this amendment are essentially temporary in character, as they cease two months after the veteran's discharge from hospitalization. They are in the nature of emergency payments to allow a veteran to obtain hospitalization which he might otherwise not accept because of the financial plight in which his family would be left if he ceased to be a wage earner.

So far as such legislation's being the entering wedge for pensions is concerned, it is the opinion of the Legion that legislation of this character will do more to forestall pressure for pension legislation than any other one legislative act the Congress may undertake. There is undoubtedly a Nation-wide demand for some form of protection or compensation for the families of men in hospitals whose disabilities have not been connected with the service under existing law, and the enactment of such an amendment would do much to satisfy this Nation-wide demand.

(c) The director has stated further that to grant this family allowance would discriminate against those men unable to obtain hospitalization because of the lack of hospital beds.

The Legion's answer to this is that it is the duty of the Congress to construct sufficient hospitals to care for these cases, and that the failure in the past of the Congress to provide sufficient hospital beds, should not be used as an argument against the men unable to obtain hospitalization.

In view of the foregoing, the Legion believes that the benefit of the doubt should be extended to these men, at least so far as granting dependency payments to their families is concerned.

The CHAIRMAN. Mr. Thomas Kirby desires now to speak in behalf of the American Disabled Veterans.

STATEMENT OF THOMAS KIRBY, LEGISLATIVE CHAIRMAN DISABLED AMERICAN VETERANS

Senator BARKLEY. How large is your organization, Mr. Kirby?

Mr. KIRBY. I would say about 35,000, exclusively disabled men.

Senator BARCLAY. How many people?

Mr. KIRBY. I am not prepared to say, except to say it extends into every section of America.

Mr. Chairman, this bill is so long, and the committee is so pressed for time, that it is my purpose to concentrate upon three points in the bill rather than go over in detail the various proposals. So far as administrative proposals are concerned, we find ourselves in general agreement with the director. However, the four points upon which I think something more should be brought out are matters of insurance, the uncompensated men, the amputation cases, and misconduct.

In the insurance cases it is impossible now for a man to sue on his insurance contract, due to the time limitation. We feel that Congress should give the men at least one more year. There are two reasons for that. The first is, we find in these suits which the men are bringing against the bureau, the men are winning about one out of two cases, and the ratio is running higher in favor of the men. So we think that that certainly indicates that there is justification for a further extension in justice to the men.

Secondly, we feel, with the highest respect to the administrative officials of the bureau, that if we remove what we might describe as a warning to the bureau, that unless these suits are equitably adjudicated, the man has a recourse to court, and we are liable to find that the bureau will tighten up, so that in the decisions covering the insurance features of the case, that the man will be the loser.

This insurance which the man takes is paid for, and we feel it is distinctly a contract. We feel that if the bureau is so severe in deciding upon a permanent and total rating, that it will act against the insurance as a business, in that the men will lose considerable confidence in the value of the policy.

It was advocated before the House committee and made quite an impression, I think, that there will be written into this law a statutory presumption of permanent total. In other words, if a man has a temporary total rating for six months or a year, he should be assumed and presumed to be permanently and totally disabled, and the insurance should be paid during the totality of his disability. That would be in law the general and permanent total section of the old-line commercial insurance companies, and would do a great deal to clear up this constant controversy that we have over these suits.

However, I think we should be in agreement with the expression of the director in respect to the activities of unscrupulous lawyers in these insurance cases. But I do not think that it is necessary for Congress to change the law in that regard. It is more a matter of conscience and ethics than it is of writing in a prohibition against these lawyers. Certain classes of lawyers have gone into the business. They have communicated with these men, in one case literally overseas, and have convinced these men that they have justification for a suit, and have either threatened suit or entered suit, when, in the judgment of the liaison officers of the service organizations, the man was not able to pay. The answer might be that the lawyer has

nothing to gain and will lose the suit, but one of the horrible features is that these lawyers are able to convince these helpless men, and even their widows. I have a letter from a mother recently who have \$78 I think, to a lawyer, and he had asked her for \$20 more, and she said she did not have \$20, and wanted me to advise whether she should forfeit the money, and that she would forfeit it unless she got \$20 more, and that she did not have it.

I am in agreement with General Hines that the point will soon be reached where it will be a national scandal. We went through the matter of guardianship a few years ago, but the question of insurance has gotten beyond all reason.

I would suggest that the committee, regardless of what it does on this insurance situation, indicate in the report to Congress what would constitute instructions to the director that in case of any unethical conduct or impeachable conduct on the part of the lawyer, that a part of the duty of the bureau should be to call that to the attention of the Attorney General, the American Bar Association, and the Bar Association in the State in which the man is functioning.

I believe that proper pressure will not only break this thing up, but will send some of them to jail.

Senator BINGHAM. What is your objection to putting something in the law which will be a fair warning to any attorneys engaged in the kind of practice which you have just mentioned, that is, getting a few dollars more out of a widow that had nothing more to give? I do not see the objection to putting something in the law which would tend to discourage that.

Mr. KIRBY. I would not go so far as to discourage it, Senator, but I would go so far as to punish it, if possible.

Senator BINGHAM. You can not punish them, unless it is put in the law, can you?

Mr. KIRBY. I agree with you. You ask if it can not be discouraged. I would discourage it through punishment. It so happens that next Monday; that is, Monday the 19th, the legal council of the Veterans' Bureau, composed of the outstanding lawyers of the whole country, acting as a legal committee, in some capacity as the medical council in medical matters, meets in Washington, and I think if that council had indications that Congress would uphold them in some sort of action on this thing, we can break it up. But when you are going to leave that in the law, then a lawyer can go so far in expenses and so far in the matter of lawsuits, I do not know. It is my understanding that when a lawyer on the man's say-so proposes to institute a suit, the proposed law prohibits the lawyer in that regard. Under the law the American Red Cross, the American Legion, and the Veterans of Foreign Wars, and so forth, are prohibited from going into this. Anything otherwise would affect the liaison service from doing such good work. If the man writes and gives the facts, and the lawyer institutes suit on his statement, it may be when the matter is brought into court the picture from the Government's side is entirely different from what the man told his lawyer, but, in the meantime, the veteran is suffering through the expenses charged to him. Furthermore you are congesting the court calendars to the point where we can not get results. There are 150 suits entered in a relatively small city by one man, if my figures are correct. That will give you an idea of that lawyer's business. The director said that there was one lawyer

waiting for the starting of this thing—for it to be opened up—and that he has got 900 suits. I think that will give you some idea as to how they are going after it.

Senator BINGHAM. You have given the matter so much study that I would like to have you suggest a clause that might be inserted whereby we could not only do justice to the men, who through the present limitations are unable to bring suit, but also prevent them from being gouged by ambulance-chasing lawyers.

Mr. KIRBY. Nothing I have said, Senator, is to be construed as an attitude on our part to prevent these men from suing when suit is justified. Our office consistently functions when we have exhausted every other means in the bureau. We have been remarkably successful in our record in advising the men to sue, as to the results achieved by the suit. That does not mean that the man should slap a suit against the Government because he has something against the Government.

Senator BINGHAM. Would it be possible to put in a provision that a suit should only be brought through a reputable service organization?

Mr. KIRBY. I do not think that is practicable. One of the dominant reasons would be the man desires the suit brought in his own home town, his own home district, and it would require the service organizations to set up an enormous legal machinery, which I do not think would be practicable. There are great groups of these men. The files of the Veterans' Bureau are absolutely replete with this stuff. It was only 48 hours ago that the Bar Association disbarred a man in Washington who was extremely prominent in getting men released from St. Elizabeths.

I think the bureau would support the statement that for every 50 that get out, 49 go back.

General HINES. He initiated the action.

Mr. KIRBY. That is purely in connection with the matter of getting men out of St. Elizabeths, and the Veterans' Bureau had adopted the attitude in sending these men to hospitals, without putting the permanent stamp of insanity on them. They have convinced the men that they should stay there. The lawyer finds out they are not permanently and totally disabled, and they get what they can out of the case, and then the man is picked up again.

It is my judgment that it is a question of legal ethics; that is, I mean as to the attitude the man in the profession would take.

Senator BINGHAM. Would it not be possible to put in a clause stating that the matter could only be done on the recommendation of your organization, or some similar organization? That would mean it would be done well, and if you thought there was justification for it, you could then recommend that the lawyer be permitted to try the case?

Mr. KIRBY. It would reach this issue, Senator, I think: It would be a question of convincing the individual veteran of the intent and sincerity and honesty and ability of the liaison service organization, as opposed to a fast-talking lawyer—and these men talk fast. I have in my office a specific case, Senator, which is almost unbelievable, which was brought to the attention of the Attorney General, where one firm of lawyers had forged the name of the national president of the Woman's Auxiliary to these letters, which were sent out broadcast all over the country.

Senator BINGHAM. Do you think that kind of a lawyer is going to be checked or kept down by the ethics of his profession?

Mr. KIRBY. I certainly do, Senator, because as soon as you plaster on him a disbarment he is out.

Senator BINGHAM. That is a little more than an ethical proposition.

Mr. KIRBY. I concede that. We have got to get action. That is a matter in the records of the Veterans' Bureau.

The second subject, Senators, is with regard to a clause in this law to allow men who lost their hands and feet, the amputation cases, battle casualties, limited to the period of hostilities, \$25 a month payment plus the usual compensation. In looking back through these laws, back to the armistice, you will find that class after class has gone forward, the tuberculous, "N. P.," and encephalitis and the various disabilities; and all are receiving that compensation. Take the tuberculous cases, and a man gets \$50 a month for that class alone.

Here is a man who has been hurt. The disabled man is the man who was hit on the line. We have these amputation cases. They drop down to remarkably low ratings, so far as monthly payments are concerned. They have never been recognized as a class. This section of the law is so stringently written that it would limit the time between the beginning of the war and the end of hostilities. In other words, they would be distinctly battle casualties, and who, as a class, have never received the consideration we feel they should receive. That means they get out with a leg off, or an arm off, and would get \$25 in addition to the usual compensation rating.

On the debatable question which has been up here almost since the time the committee started hearings—that is, on the matter of the presumptive clause—section 200: The position of our organization is that a great deal of the trouble to-day in the whole problem of the disabled veteran is the uncompensated man, the man who receives nothing in the way of compensation. They are keeping him out of the hospital. The highest class man refuses to go to the hospital and leave his family alone, and stays until he is beyond recall physically, and all because he can get no financial relief. We are not pretending that we can establish scientifically, medically, that the diseases which are now developing can be traced directly and historically to the war service, but we are contending that something should be done for these men, who are suffering from chronic disabilities, in order to meet this problem. This has been described as pension legislation. It is our honest conviction that there is nothing which will go so far as to delay pension legislation, which we feel, based upon history, is inevitable, as the liberalization of the World War veterans' act, even beyond the limit of scientific support. We feel that the presumptive clause which has been described here of presuming disabilities to 1925 is worthy, but we do not think it goes far enough. I would say to this committee that the largest groups of disabled men to-day are the tuberculous men and the N. P., the mentally and nervously disordered men. This clause will have no bearing on any of these cases, and not one will be affected in any way. It is to take care of these other diseases, but leaves out N. P. and T. B., who to-day constitute two-thirds of those in the hospitals. There are 30,000 men to-day in the hospitals, and of those 30,000, 21,000 are N. P. and T. B. So this proposed presumptive clause which will extend the number of diseases up to 1925 will have no bearing on a single one of these men. One

way to help those men is to extend your presumptive clause from 1925 to 1930. So, while there is a great deal of worth in the proposal to extend the presumptive clause to cover more diseases, it will not reach the man with whom we are having the greatest trouble.

Our proposal is that the bill introduced by Senator Walsh and Congressman Rankin to include the chronic diseases up to 1930 be passed. When we do that, we get rid of the matter discussed awhile ago; that is, dependency matters. If these 20,000 out of 30,000 are covered, the cost of that matter will automatically take care of the dependency matters which were discussed as another part of this bill. In other words, if you presume these men to be included under their service connection, they are also presumed to be entitled to their dependency allowances. My information is that this bill will cost about \$30,000,000, added to the cost of the presumptive clause, as it extends up to 1925.

General HINES. \$31,000,000.

Mr. KIRBY. \$31,000,000. There is nobody who could even presume to speak for the ex-service men for the future. It would be absurd for me, or anyone else, to attempt to speak for all this group of veterans, as to what they will do. But I do think if this presumptive clause is extended to 1930, it will go further toward temporarily quieting the agitation for a bonus than anything you could possibly write into this law.

We have to-day approximately one-half of the men in the hospitals receiving no relief whatever, so far as their family is concerned.

Senator BINGHAM. Is not that because 46 per cent of them are nonservice diseases?

Mr. KIRBY. Exactly, and the purpose of this presumption is to take in all these men, and it will not be done by an extension to 1925. The tuberculous man and the N. P. man will not be affected in the slightest degree by presuming this up to 1925, because they are presumed there now. As the law now stands, the T. B. and N. P. man is so presumed. The purpose of the 1925 presumption, as outlined here, is to take in other diseases on a parity. But by stopping there you will not reach the T. B. or N. P. man, and they represent two out of three cases in the hospitals. While it will do good in cases, it is far from what we desire.

That, in principle, is an answer to the Senator from Connecticut and the Congressman from Mississippi.

Senator BINGHAM. Is it not thoroughly liberal to say that any disease which a man has within five years and nearly two months from the time of the armistice, or not quite five years from the actual termination of the war, that he be given five years' leeway, and say that any illness which he acquired up to five years after the war is virtually presumed to be in a service connection?

Mr. KIRBY. Senator, you have gone a little further, because I think the average discharge was February, 1919, and you have brought it up to the 1st of January, 1925. That is approximately the time.

Senator BINGHAM. It is over five years. The point I am making is this: Have we not been really generous in giving a 5-year margin, and it is not really going beyond what can reasonably be stated, to presume that anything that a man acquires 10 years after the war is in a service connection?

As you know, I am a veteran, and I have the very kindest feeling toward the disabled veterans, and I want to see all veterans get justice. I do not want to see any law passed which will give the possibility of the finger of scorn to be pointed at us by the present or future generations. We have on our books to-day a number of laws which I need not mention, of a controversial character, where there is something in the law which appeals to persons as being unfair, having been put in for some ulterior motive. To be specific, take the one-half of 1 per cent alcoholic provision. Everybody knows 1 per cent alcohol is not intoxicating, but the Congress made it one-half of 1 per cent for certain reasons, and that has done a great deal, in my opinion, to lessen respect for the law.

If it is necessary to take care of the unfortunate, the indigent, and the needy veteran, I believe it should be done. But to say that any disease that a man got up to 10 years after his discharge is due to service connection, it seems to me, is going against the real interest of the veteran in the long run.

Mr. KIRBY. Senator, in a great many cases I absolutely agree with you. I want to put it before you in this connection. If you will presume up to 1925, as you propose in this and as you have in certain of the cases, that certain disabilities arising before 1925 are presumed to be of war origin, is it not true that you have got to presume, to be logical, that if there had been no war there would not have been these diseases? That strengthens your argument, if we will assume anybody who went into the service got tuberculosis between the date of the war and 1925, and that his disease was of war origin, must we not assume that if there was no war, there would not have been these diseases?

Senator BINGHAM. As I say, we have been very generous, and we have given them the benefit of the doubt. If we give them the benefit of the doubt as to five years, must we do it for 10 years or more?

Mr. KIRBY. I think that is true, and you are going to have to give them a pension eventually.

I agree absolutely, Senator, that the Government has been generous. A lot of cases come to us which are horrible, the so-called border-line cases, which are illegal, and, as we know, and as you know from handling claims made upon the State. But the position that Congress is in to-day--and when I say "Congress" I mean the service organizations also, because we are at the crossroads; we are at the crossroads where you have got to turn to the right and extend this presumptive clause, even though it is not scientifically sound, that is, it can not be backed up medically, that is, medically sound; or we must jump into a pension. I mean that the storms and waves of agitation of all organizations with which I am familiar have reached the crest. Frankly, in our organization, we have had a terrible time. I mean, Senator, when you get to the matter of a pension, you are going to presume other disabilities, because you will have a broad disability pension plan, where the men will come in, literally hundreds of thousands of them, where there is no rebuttable clause in it.

One of the weaknesses here in this act is that we have removed the rebuttable clause. We did not want that. We do not attempt to defend a case like this: Where a man is struck by an automobile

last Christmas, and he can say: "I lost these two legs in the Argonne"—and the bureau is stopped. This bill is no child of ours, the way it has come over here.

Senator BINGHAM. Would it not be fair to face the issue clearly, rather than becloud the issue by extending the presumptive date to January 1, 1930, and five years from now we will have to extend it to January 1, 1935, which we will probably have to do?

Mr. KIRBY. I think there was passed recently within the past five days by the House, which I assume the Senate will pass, a bill for the appointment of a joint committee of the Senate and House to meet and study and analyze the problem of the veteran looking toward the adoption of a veteran's policy comparable to the national defense act.

Then all these incongruities, and so forth, in this law will be ironed out. At the end of two years—the committee is supposed to report next January; or assuming they get another year and report in two years, or assuming they get two years and report in three years, I assume that committee will come out with a very substantial plan of veterans' relief, which will wipe out many of these inequalities. The time of the presumptive clause will be over. I say two years definitely, but as a result of the deliberations of that joint committee you are going to have a complete plan of veterans' relief.

Senator BARKLEY. Will your organization and the other organizations of veterans be satisfied to suspend the adoption of legislation this year pending that report?

Mr. KIRBY. We anticipated that, Senator. When our support was asked for the joint committee, we backed it on the distinct understanding that it would have no effect on pending legislation. That is our position. Seventy-two of these sick veterans are dying every day, and if you multiply that by 365, and then multiply that by 3, there is no relief in sight for those men. Relief for these men is imperative.

Just recently I sent a man to the Veterans' Bureau, largely through my own official influence, for the simple reason that the man had come from Anchorage, Alaska, arrived here yesterday, and was broke—and his name is available, if you want it—and I got that man in Walter Reed Hospital, purely because he had not had anything to eat. If you had taken up technically the man's physical disability, he would have stayed out of the hospital. It was only because he had come from Anchorage, Alaska, with tuberculosis, and that he was in the Seventh Infantry, that I was able to influence the bureau. I do not know whether the bureau had the right under the law to do it, but I know the bureau did the decent thing.

If we take three years for this legislation, there are already 6,000 men at Arlington who were in the war—most of them nonservice—and these disabled men need relief, and their children need it.

The proposition is to extend the presumptive clause, so that the children, the veteran, the orphan, and the wife will not turn to a tin-cup proposition.

The fourth particular proposition that I want to discuss, Senators, is this misconduct clause. I am in full agreement with the director that misconduct might be construed as a man escaping from a guard-house and being wounded, and so forth, but that was not the intention we had in attempting liberalization.

The direct results of these venereal diseases are not what we are so much concerned with, but one of the great troubles in the adjudication of the claims in the Veterans' Bureau is that alleged claims of misconduct are constantly creeping into the files. Not in all cases, but in a great many cases, where a man has developed N. P., there is a suggestion of venereal disease, or so-called social disease, and it is very often held against the man. It is a terribly hard law to adjudicate.

The claim is made—and morally I think it is sound—that we should be pretty stringent about misconduct, and Congress has never passed a law to do differently. With all respect to the man who made that contention, the fact is in the law there is a provision covering misconduct as to so-called vicious habits, but this committee itself has already made the law to take care of some of these men. Men may become blind, helpless, or paralyzed, and you wipe misconduct out in that case.

Senator REED. If I may interrupt, that is on the theory that the community is going to have to take charge of that man anyway, and we do it without quibbling. I think that was the thought.

Mr. KIRBY. In order to remove a social menace.

Senator REED. But when we come to the proposition that a man should be paid compensation because of disabilities he incurred, it is not a question of punishment, but awarding him for his misconduct—that is what stuck in my craw.

Mr. KIRBY. I realize that when you get into misconduct a lot of people take the moral stand on it. You have probably seen, Senator, a lot of these cases. They are horrible.

Senator REED. I know that.

Mr. KIRBY. The man who gets syphilis and it gets into his system, he is going into blindness, and going into paresis, and he is going to St. Elizabeths, unless he catches it early and is extremely careful.

Another class of cases of misconduct—misconduct is a red flag; just mention it; and he is out. It is against the man all along. The public is afraid of him, and he is a so-called leper, but we have cases coming along where men apparently contracted this disease through experiments. I have in mind a specific case where a man—and I think it was finally sold to the bureau—was placed in a military detail at an alleged disorderly house in this country, I think outside of Chickamauga, outside of Chattanooga, and that man insists that his venereal disease resulted from his detail to that house. He tells a pretty plausible story. He wants his compensation, and is to-day on the way to St. Elizabeths Insane Asylum.

I had a case of another man, a high class student, a junior in college, who told me, and told me with equally apparent honesty, that he contracted it by getting it off of a coca cola bottle he bought overseas. It did not stick very well, because a doctor told me the best way to cure the disease was to put it on ice.

So you have a lot of cases, and they are very pathetic, and, in our judgment, there should be a more liberal attitude on the part of the bureau toward it.

I am inclined to agree, Senator, that we should not go into these cases and give compensation to men when the disease was contracted, or presumed to be contracted in an unorthodox method, as was

expressed on the part of some one, but there are exceptions to that rule.

The Army never had a rule against a man enjoying that particular pleasure. The Army had a rule: "Go and do it all you want to, but take a prophylactic." There was no moral law in the Army against it.

Getting back to prohibition, Senator, there was no law in the Army which prohibited a man taking a drink. There was a law against giving a man a drink, but offering and taking it were two different things. So that the Army did not turn its back on so-called misconduct. Somebody described it as a very good business in the Army.

Those, generally, Senators, are the points that we wanted to bring out. This bill was discussed for five weeks in the House, and there is very little that I can say except we do say that we sincerely hope this committee will see its way clear to give more time, and we ask no time limit, but, at least, some extension of time in which these men can sue on their insurance, and that there should be a higher compensation for the literal battle casualties, the men hit in line of duty, and are to-day without their legs and arms, limiting it to the time of hostilities, as in the law, and an extension of the presumptive clause to 1930.

Let me call your attention to this fact:

In that presumptive clause, as written, there is a distinctive limitation after three years that it is repealed. I know the usual contention will be made that if you once get it in the law, you will never get it out, but that was done more in order to permit this joint committee plenty of time to pass on it and decide whether it should be continued permanently. The claim that anything that is put in the veterans' act will never be taken out is not sound. This Government promised every man who was disabled during the war a course of rehabilitation that would put him back in his pre-war work, or some work which he could carry on. The law was later repealed. We have cases now. I have in mind a couple of cases up in northern New York who have been continuously totally disabled since the armistice. Should they be recovered, they won't get the vocational training that a man who got a superficial wound during the war will get. Regardless of the merits or demerits of vocational training, I think a thing which comes in under a string does not mean it has to stay. The country is drifting, or, rather, being driven toward a pension, and this, I think, instead of being a pension will be a manner in which we can postpone a pension, which, in the history of the country, is inevitable.

Senator REED. You mean a general pension?

Mr. KIRBY. A disability pension.

The third point we make is some liberalization of the misconduct clause, and in connection with the insurance matter, I would urge, if possible, that the committee find some way, whatever means it can find, to thwart the actions of a lot of unscrupulous lawyers in their cruel injustice in leading these men into filing of the suits, and thus congesting the calendar and costing the bureau much money to defend them.

Senator BARKLEY. Mr. Chairman, it was agreed the other day that we wanted the full committee to hear General Hines, and we also want—

The CHAIRMAN (interposing). Congressman Rankin, do you desire to be heard?

Congressman RANKIN. I suggest we continue the hearing to another date.

The CHAIRMAN. I do not mean now.

Senator HARRISON. Let me ask about the joint committee, when, where it was appointed, and who they are.

Senator REED. The bill has not passed the Senate.

Senator HARRISON. You were right, then, when you said it might be passed in three years.

Mr. KIRBY. What I said was that the committee—I assumed that this session of Congress would authorize the appointment of the joint committee, which must report in one year, according to the resolution passed by the House, but assuming that it is three years before it must report, this prohibition in our presumptive clause stops at three years, on the theory that the joint committee will bring out a permanent policy more substantial than what might be called the makeshift arrangement here.

The CHAIRMAN. I agree with Mr. Kirby that there is a pension coming. There is no doubt about that.

I understand that to-morrow it is impossible for a number of the committee to be present. In fact we have a conference to-morrow.

The committee will adjourn until 2 o'clock Monday afternoon, May 12, 1930,

(Whereupon, at 11.45 o'clock a. m., an adjournment was taken until 2 o'clock p. m. Monday, May 12, 1930.)

TO AMEND THE WORLD WAR VETERANS' ACT OF 1924

MONDAY, MAY 17, 1930

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

The committee met, pursuant to adjournment, at 2 o'clock p. m., in room 312, Senate Office Building, Hon. Reed Smoot presiding.

Present: Senators Smoot (chairman), Reed, Shortridge, Couzens, Greene, Densen, La Follette, Thomas of Idaho, George, Barkley, Thomas of Oklahoma, and Connally.

Present also: Hon. John E. Rankin, a Representative in Congress from the State of Mississippi.

The CHAIRMAN. The committee will come to order. I understand that Congressman Rankin wants to make a statement before the committee.

Mr. RANKIN. Yes, sir.

The CHAIRMAN. You may proceed.

STATEMENT OF HON. JOHN E. RANKIN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MISSISSIPPI

Mr. RANKIN. Mr. Chairman, I desire to direct my remarks largely to section 10, which amends section 200 of the World War veterans' act of 1924.

In the beginning, permit me to say that I agree with the Wood amendment on the proposition of leaving the comptroller in the Veterans' Bureau. When that amendment came up on the floor of the House, sponsored by Mr. Wood, of Indiana, those of us who were ostensibly in the minority agreed to it. I agree with it now.

I desire to say also that there are two amendments adopted that I think ought to be eliminated. In the first place, I think the amendment offered by Mr. Cochran, of Missouri, which denies to the bureau the right to rebut evidence as to the origin of a disability, should not have been adopted. That amendment should be removed.

The amendment offered by Mr. Connery, of Massachusetts, bringing all disabilities up to 1930, was too broad. I thought so at the time, and said so on the floor, and I think it should be eliminated.

When this matter first arose, I introduced the first bill. That is, it was taken up before the committee first, and that was to amend section 200 of the World War veterans' act, as you will observe on page 15, beginning in line 15, with the proviso, going down to and including the word "claim," in line 16 on page 16.

We provided in that bill, as is provided in the Rankin amendment, which Mr. John Thomas Taylor did not seem to know was in the bill

the other day, but which was inserted and is in there now—we provided that those men suffering from tuberculosis, neuropsychiatric diseases and other chronic constitutional diseases prior to January 1930 should be presumed to have received their disabilities in the service. We did that because it was the only way in which we could take care of these men who are now dying at the rate of 72 a day. Many of them are dying for the want of attention. The wives and children of many of them are living upon charity. They served honorably during the World War, and in my humble judgment, especially the tubercular men and the neuropsychiatric men, owe their disabilities to their war services.

Let me now answer the propaganda that has been disseminated throughout the country about the cost of this bill. I see statements in the paper to the effect that it would cost three or four hundred million dollars a year. How any man could ever reach that conclusion by the wildest stretch of imagination is incomprehensible to me. So, in that connection, I just take the figures of the Director of the Veterans' Bureau, as given not only on the witness stand here, but given on the witness stand before the Committee on World War Veterans Affairs in the House.

The CHAIRMAN. The director did say it would cost, probably, \$400,000,000.

Mr. RANKIN. Wait. I am going to show you that he was not talking about this Rankin bill, or the Rankin amendment.

The CHAIRMAN. He was talking about this bill.

Mr. RANKIN. I am speaking of the original bill that I introduced.

The CHAIRMAN. That is a much different proposition.

Mr. RANKIN. I am speaking of the proposition covered by the amendment which we put in in the House. You understand, our proposition was not to go out and take in everybody that had any disability at all, but to take in only those suffering from tuberculosis, neuropsychiatric troubles, nervous and mental diseases, and other chronic constitutional diseases. It would cost, according to the director's figures, between \$42,000,000 and \$44,000,000 a year. That was his statement before the Committee on World War Veterans Affairs. That was his statement here in response to my question the other day.

But while we were holding hearings on this bill, if you will permit me to go back for a minute, all at once it was sidetracked in the committee, and they began hearings on another bill. To my surprise they brought in a bill that provided that all disabilities prior to 1925 should be presumed to be of service origin. To use the very example that its proponents used there, they said a man who went out and stubbed his toe, or even a man who broke his leg in 1924, would come under that provision. They brought that bill to the floor of the House, leaving out these tubercular men, leaving out these neuropsychiatric men, who had broken down since 1925, and it was our duty then to offer such amendments as we could get adopted. They seemed to be bent on passing this bill with that broad base, so, rather than to try to trim it down in the House, I offered this amendment on top of it, which would have brought in only the cases I mentioned, the tubercular cases, the neuropsychiatric cases, and other chronic constitutional diseases up to 1930, and would have entailed an additional cost of \$31,000,000.

Mr. Johnson's bill, up to 1925, would have cost \$76,000,000, and with mine superimposed on it, would have cost \$31,000,000 more, or \$108,000,000 a year; that is, if they used the figures furnished by the Veterans' Bureau. If they had the Johnson bill entirely out, and merely took the provisions of the original Rankin bill, which is supported by the ex-service men from the Lakes to the Gulf, and from ocean to ocean, it would not have cost more than \$44,000,000 a year. That is what we advocate here.

I have only one suggestion to make. I would strike out the word "constitutional" and make it "all chronic diseases." I understand that would make little or no difference in the cost. The reason I do that is because there are a few cases that are said to be chronic that are not constitutional, one of which is phlebitis, and possibly nephritis, and a few other diseases of that kind. I happen to know of one man now who has not walked a step in five or six years, and will never walk again, a man with whom I went to school. My honest judgment is, and the judgment of the local physicians, at my home, who have known him all his life, is that that condition was caused by his drilling for 18 months in the Marine Corps. He has chronic phlebitis and is not drawing a cent from the Government.

Another thing. By the provisions of the present law we are discriminating against the best soldiers we had, and some of the most patriotic men we had. A man came out of the Army. He had gone through the training camps. He had had influenza, and he had taken a shot for everything that the medical profession could possibly think of, it seemed to me. He had gone overseas and stood in the wet trenches and in the cold, under shell fire; he had gone over the top in the face of withering gunfire; he came back here, and when he left the service he said, "Why, I am in as good shape as I ever was. I do not want anything. I am willing, and I am able to support my family." Tens of thousands of them thought they were. Many of them—

Senator THOMAS of Oklahoma. On that point, Mr. Rankin, is it not a fact that many of these boys, when they came back and were about to be discharged, believing that they might be held in hospitals, or held by the Government for a long time, really said that they were all right when, in fact, they knew that they were not all right, in order to get home immediately?

Mr. RANKIN. Certainly.

The CHAIRMAN. An examination ought to have proved that. They were all examined.

Mr. RANKIN. Right there, I beg the Senator's pardon. I was in a battery with 206 young fellows from every State in this Union, and all in the world they did was to strip us. We went through the room, and did not come any closer to the doctor than I am to the stenographer here. He never put his hand on a one of us that I saw. We told him that we were all right. Hundreds of thousands of other fellows got out of the Army in the same way. The examination, when they came to discharge a man was invariably no examination at all. But these fellows came back and undertook to carry on. Many of them had a hacking cough. It is a strange thing to me, but the average man with tuberculosis does not seem it want to admit it. I have noticed that before the war, and I have noticed it since the war.

After 1925 he had to give up. He broke down. There are 18,000 of them now lying flat on their backs, not all of them in hospitals, but thousands of them at home, unable to go to the hospitals. They write to me that they are working and trying to take of their families, because they can not afford to go to a hospital, even if there were hospital room. They broke down after 1925—these tubercular men—and now when they come in we say "you are barred by the statute of limitations, by that arbitrary date of 1925, which we put into the law of 1924."

Not only that, but I do not know of anything that put a greater strain on the nerves of young men than the World War. There was a book recently published by a young German private in the ranks called *All Quiet on the Western Front*. In this book he says that the war destroyed a generation of young men, and the more I see of the young men who went through that conflict the more I am inclined to agree with him. There are 23,000 of these men to-day who are nervous wrecks, many of them crazy, and who are unable to make a living for themselves. My humble judgment is that the majority of them owe that disability to their service in the World War.

I know it was brought out on the floor of the House, and elsewhere, that tuberculosis among these men was not any greater per capita than among the general population, but the man who makes that argument overlooks the fact that these were picked men. They talk about taking men into the Army. They gave you a thorough examination of every kind, and these men that were taken in were picked men. They were sound men.

Senator SHORTRIDGE. Mr. Rankin, I was about to ask that question. You have told us in brief the character of the examination when the boys were discharged.

Mr. RANKIN. Yes, sir.

Senator SHORTRIDGE. What have you to tell us, from your knowledge or observation, as to the examination made when they were taken into the service?

Mr. RANKIN. The only thing I can say, Senator, is as to myself and the few men I saw examined. But they gave us a thorough examination, and in some cases, where there was the slightest doubt, I have seen them examine the same man three or four times. Then when we got to camp, we were reexamined, and I saw many, many men turned back who did not want to go back home, because they found some little defect in their physical makeup.

Senator SHORTRIDGE. Your argument in respect to the comparison of the percentages of those suffering from tuberculosis, for example, who were in the service, and those who were not in the service, is that that fact ought to be considered, namely, that those who went into the service were picked men who were thoroughly examined, and were presumably 100 per cent perfect physically.

Mr. RANKIN. Yes, sir; if you should go out to-day and select the same number of young men, young men who were born, we will say, about 1910, and examine them, and pick them just as they did for the Army, and then wait 15 years and examine them, you would find, in my opinion—and I think the medical profession will bear me out—that there would be a great deal smaller percentage of those men with tuberculosis, or with neuropsychiatric troubles, or heart trouble,

for instance, or rheumatism, paralysis, and other diseases that these soldiers are suffering from, than would be the case with the same number of people just picked up from private life generally.

My idea is to strike from this bill all amendments to section 200, and insert this amendment which I have indicated here. When you do, you will be backed up by the service men in every State in this Union.

Senator THOMAS of Oklahoma. What do you mean by the amendment you have indicated? Do you mean striking out the word "constitutional"?

Mr. RANKIN. Yes. Strike out all this amendment to section 200, and insert this amendment beginning on page 15, line 15, and going down to and including the word "claim" in line 16, page 16. That will take in these men who are suffering from these chronic diseases.

The CHAIRMAN. The House has already passed that.

Mr. RANKIN. Yes. Strike out all but that.

The CHAIRMAN. You mean every amendment on section 200?

Mr. RANKIN. Yes, sir. I am in favor of striking out the entire Johnson bill, so far as section 200 is concerned, for the simple reason that it goes far beyond anything the veterans have asked for. It goes out and picks up every man who has stubbed his toe, every man who has had any disability at all up to 1925, and leaves out the very men for whom the service organizations and the American people are pleading for relief.

The CHAIRMAN. You think that ought to be brought up to January 1, 1930, do you?

Mr. RANKIN. Yes, sir. The reason, Senator, that I say it ought to be brought up to 1930—

The CHAIRMAN. I understood that you said before in relation to it, but I was wondering, now, after the statement you have just made, whether you would insist upon that going in.

Mr. RANKIN. Yes, sir.

The CHAIRMAN. That was all I wanted to know.

Mr. RANKIN. Unless you bring this amendment up to 1930, this presumptive period, you can not take care of these disabled men. If we cut it off at 1925, we will not be doing anything for the tubercular men or the neuropsychiatric men. They were all brought up to that point. Why were they brought up to that point in the beginning? Because the medical profession realized then that these disabilities were growing and developing long years after the war closed.

So far as I am individually concerned, I might say to you what I have said everywhere else. I do not care whether they are disabilities originating in the service or not. I am in favor of taking care of them if they served honorably and are now disabled.

The CHAIRMAN. Then, why have any limit at all?

Mr. RANKIN. There are two reasons why we put the limit at 1930. In the first place, that brings them up to date. In the second place, we have a bill before the Congress to appoint a select committee of five members from the House and five from the Senate to work out a plan for soldiers' relief in the future, and this bill has a life limit of three years. We must work that out within that time. We can not go on always in the haphazard manner we are going now.

The CHAIRMAN. In other words, the proposition is to make a pension bill.

Mr. RANKIN. You mean in this bill?

The CHAIRMAN. No. I mean in the proposed bill you speak of now.

Mr. RANKIN. I rather think that would be the outcome. In that connection I want to answer some of the arguments advanced the other day.

But, getting back to the veterans, you heard Mr. Kirby's statement here. He represents the disabled veterans of the World War. They are 100 per cent for this amendment that I speak of, for the original Rankin bill. I call it that because it happened to bear my name. I was willing to let it go in as an amendment to the other bill. I do not care anything about the pride of authorship. I was willing for it to go in the Johnson bill, and I am willing for you to put in any bill. What we want is relief for these disabled men.

Take the American Legion. I deny that the American Legion are opposed to this proposition to advance this period from 1925 to 1930. I say that they are for it, from end of the country to the other. Take the States that have passed on it since this controversy began. One of them, we find, was the State of Pennsylvania. The State of Pennsylvania held its meeting, took this question up, and unanimously indorsed it.

Senator SHORTRIDGE. You mean as to the time limit?

Mr. RANKIN. Extending this period to 1930. Mr. Pinola, the commander, and Mr. Deighan, the adjutant, have both been to see me, and I asked them if that was the sentiment. They said every American Legion post in Pennsylvania was behind it. Mr. Pinola has said that within the last few days. I have not heard from Mr. Deighan in the last few days, but I'm sure he will say so too.

While this bill was before the House committee, I find that the Department of Mississippi had wired Mr. Taylor and asked that he come before the veterans' committee and support this measure to extend this presumptive period for these unfortunate men to January, 1930. I find here a resolution recently passed by the American Legion of Crawford County, Ill. I also find a statement here that in the case of tuberculosis the extension of the time for service connection until January 1, 1930, originated with area A, rehabilitation committee of the American Legion, composed of the States of Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, and Connecticut. It was also indorsed by 13 other additional States.

Those are the statements that come to me from these disabled veterans themselves. I have had telegrams, and have received some this morning, from two or three different States, asking for this extension. My files are literally teeming with them. That is true of the files of every other Congressman. They urge the advancement of this period to January 1930.

I have a telegram here from Ashland, Ky. Here is one from Chicago, Ill. I find one here from Johnson City, Tenn. I could produce thousands of them if it were necessary to encumber the record, and I defy any man to show any appreciable number of American Legion Posts that have come out in opposition to this extension of time. Everywhere it has been taken up it has been acted upon favorably. The members of the Veterans of Foreign Wars and every other service organization that I know anything about have come out in favor of this extension—men at home, who oppose what they call the bonus, the adjusted compensation; ex-

officers, if you please, who are outraged at the passage of the so-called emergency officers' retirement bill, the effects of which you will find in the Congressional Record of April 10; men who opposed those measures appeal to me and are appealing to other Members of Congress to pass this bill providing for this extension of time for these unfortunate disabled men to January 1, 1930.

Senator REED. Mr. Rankin, there is no question about a good many of them asking it, or a good many of them wanting it, but what can you tell us about the justice of it? Here is what sticks in my mind. Suppose I got tuberculosis in October, 1929. Everybody would know that had nothing to do with my military service. Why should I be entitled to compensation, any more than any other citizen of the United States?

Mr. RANKIN. Senator Reed, I will be glad to answer that from my standpoint. In the first place, I am not going to concede that you contracted it in 1929. The chances are that, as a great many of these men have been, you would have been more or less indisposed ever since you left the service, but have been trying to carry on. Possibly you have had a hacking cough, and other symptoms that finally developed the fact that you had tuberculosis. Therefore, my contention is that at least these neuropsychiatric men and these tubercular men invariably owe their disabilities to the service.

Now then, to go a little further, I want to say to you that these men served, and served honorably. If they had not, they would have been dishonorably discharged. We wait until those who are now sick all die, and when they get up to about 65 or 70 years of age, we pension them by a blanket pension. Why? You pension your old soldiers. We pension our old Confederate soldiers, everyone of them who will take it. Why? Because they are disabled. They are disabled from old age. That is the reason no man to-day dares rise and oppose a pension bill in Congress, or in a State legislature, for these old men, because they know they have passed the day of their earning power. They are disabled from old age. Then, why let these men die of tuberculosis, when they are just as much disabled? Why let this crazy man's children and his wife go without protection, and say to him "If you will just lie there now until you get to be 70 years old, we will take care of you?"

Senator REED. If you will allow an interruption, I think the community owes a duty to any person who is disabled by tuberculosis or insanity, to protect him as long as he lives, but I do not think the duty is any different toward the ordinary citizen of the United States than it is toward a soldier, where there is no connection with the military service. I can see that a man who served a long time at the front, and who has shown instability of mind since then might probably trace back his condition of insanity to his war service. But how in the world can you presume that a man who has spent two or three weeks in the Quartermaster's Department in the United States Army and develops insanity in 1929 can trace it back to his military service?

Mr. RANKIN. Senator, as I said, there are two horns to this dilemma. One is the fact that the disabilities of these men are probably traceable to the service.

Senator REED. Would you think that was so in the case of the emergency officers' retirement bill?

Mr. RANKIN. No; not all of them, judging from the positions some of them held. I want to talk about pensions for just a minute. I want to talk about that emergency officers' retirement act a little later.

Let me repeat. In the first place, there is the idea that the disabilities of these men are probably traceable to the service. In the second place—taking up the pension idea—they are disabled. They served honorably. Somebody has to take care of them. They have rendered their greatest service to the Government, and the Government is the one that should take care of them.

As to the pension proposition, you do not frighten me at all by talking about pensions. When I was a boy I used to hear a great deal about pensions, and I got the idea that a pension was a horrible thing, until I grew up and I saw that it was nothing at all but a matter of justice to the men who served their State or their Government in time of stress. Every law on the statute books that compensates a man who has left the service is a pension law. Do not mistake that. I do not care what anybody representing any organization says. It is a pension. You pay a man compensation. Every man on the compensation roll to-day is drawing a pension. I do not object to it at all. I would rather you would call it a pension.

The CHAIRMAN. A pension may be granted for no service whatever. They did render service. That is the difference between a pension and compensation.

Mr. RANKIN. That would not be the exact difference, because all your Federal soldiers rendered service.

The CHAIRMAN. There is that difference between them.

Mr. RANKIN. The difference between them is this. The only difference I can distinguish is that one of them is permanent and the other is temporary. In other words, a man who is drawing what is called compensation is subject to having his case interfered with at any time. A man who is drawing a pension is on the rolls permanently.

Senator SHORTRIDGE. It is not a question of words, but of fact.

Mr. RANKIN. When I say there is no difference, I mean that when the check gets to the poor fellow over there who needs help, he does not care whether you call it a pension, compensation, or retirement pay.

The CHAIRMAN. Or whether it comes from the State or the Nation.

Mr. RANKIN. Whether it comes from the State, or whether it comes from the Government; just so they get it. It is something to take care of themselves, their wives, and children.

Senator BARKLEY. Mr. Rankin, let me ask you what is the medical opinion as to the length of time during which tuberculosis can develop from any given cause?

Mr. RANKIN. It varies with the number of doctors put on the stand.

Senator BARKLEY. There ought to be somebody of medical opinion with regard to how long an exposure requires to develop into tuberculosis, ought there not?

Mr. RANKIN. Some of them will give you one opinion, and some another. But, from hearing the doctors I have heard testify, my opinion is that it is virtually indefinite. But, of course, the closer you are to the time of exposure, the more likely you are to develop it.

I was talking to a very able physician in the Senate, Senator Hatfield. I do not see him in the room. He said he would like to come before the committee. He talked to me as though he were of the opinion that a vast number of them who broke down, even at this late date, had disabilities which were due to their service in the Army.

Senator THOMAS of Oklahoma. Mr. Rankin, is it not the general opinion among medical men that every person has at some time in his existence had more or less of tubercular trouble?

Mr. RANKIN. I think I have heard that statement, Senator.

The CHAIRMAN. I have heard it contradicted, however, a thousand times, to one who ever made the statement.

Mr. RANKIN. Yes. Frankly, I do not think it is true. I do not think I have ever had tuberculosis.

Senator CONNALLY. Is not tuberculosis more the result of the condition of the system and the lack of vitality that permits the germ to take hold and develop, rather than the presence of the germ?

Mr. RANKIN. Yes, I think so.

The CHAIRMAN. Some of the worst cases of tuberculosis that I know of are those of very healthy men and very healthy women who never had a sick day in their lives until they took it. I have it in my own family, and I know just exactly the situation. They were never sick a day until they were taken with it.

Mr. RANKIN. That is sometimes true, Senator, but in the Army during the World War, almost every soldier had influenza. I do not know how it affected others. The Government does not owe me anything, and I do not expect to ever ask for anything for myself, but I felt the effect of influenza for seven or eight years.

Senator REED. But very nearly every civilian had it. Many of those men would have had the same disease if they had not been in the service.

Mr. RANKIN. But those men in the service who were inclined toward tuberculosis, where they had tuberculosis in their families, or were exposed to it, were weakened by the influenza in the service, and the chances are that many of these thousands of men who now have tuberculosis can trace its origin to the fact that they had influenza, and went through the strenuous service that followed, because just as soon as they were able to go back to work they were put back into the field.

Senator BARKLEY. Has anybody expressed any opinion as to the proportion of men who would have contracted tuberculosis if we had not had a war?

Mr. RANKIN. Yes, but they go on this theory, Senator. They went on to show, before the Veterans' Committee, that this percentage of tubercular men among the soldiers is just about what it is among civilians, but they overlooked the fact that these were picked men. They were the men who were physically fit. They were strong men, in every particular, you might say, when they were taken into the service. When you take the whole population, you take in millions of people who, I suppose, are born with tuberculosis, or who contract it long before they reach the age of maturity.

Speaking of the pension proposition, Senator Reed mentioned this emergency officers' retirement bill. That is one subject on which he and I at one time—and I suppose to-day—thoroughly agree. I think it is the greatest monstrosity, or one of the greatest monstrosities

that ever has been put over on the American Congress or the American people, and I find that the service men throughout the country are revolting against it. Mr. Taylor advocated that, and he opposes this, on the ground that it is a pension.

Senator REED. Mr. Taylor advocated that because the American Legion, in national convention, advocated it.

Mr. RANKIN. Yes; a few of them. It was brought about by a small group of ex-service men who wanted to get this through for their own benefit.

Senator REED. And it was the greatest discrimination against the enlisted man of the Army that was ever put over.

Mr. RANKIN. Absolutely. There is no question about that. Yet it is a pension. Here you are pensioning men up as high as \$350 a month. A man who is 30 per cent disabled is retired, or if he proves later to be 30 per cent disabled, under the law he goes on the pension roll for life, no matter if he gets well. That is a pension. I find in here men from the Quartermaster Corps, and men from the Judge Advocate General's Department. I noticed one man from the Judge Advocate General's Department, drawing \$218 a month, and yet the very men who sponsored that legislation have been the most reluctant to help us take care of these men from the rank and file who are now dying of tuberculosis and neuropsychiatric troubles, cancer, paralysis agitans, and so forth, and who are lying flat on their backs; men who are suffering from phlebitis, nephritis, rheumatism, and other diseases from which they can never recover. For that reason I want to say, as a legionnaire, as a Member of Congress, and as an American, that I can not reconcile such inconsistencies.

You talk about this being a pension, when you put these poor fellows in this condition on the roll. You may call it a pension if you want to, and bring it before the House or the Senate with the word "pension" printed across the front page, and it will pass. Take it to the American people with the word "pension" on it, and they will indorse it. That is my experience, coming from a section of the country where they frowned, until recently, at least, on what they call large pensions. They are unanimously in favor of this extension of time for these unfortunate men who are suffering from these incurable diseases, and who served their country honorably during the World War, many thousands of whom owe their disabilities to that service.

I do not want to take up the time of the committee. I will be glad to answer any questions I can that you care to ask. I came largely because of the misrepresentations that are going through the press to the effect that we are trying to raid the Treasury for three or four hundred millions of dollars a year, when, as a matter of fact, at the outside our bill will cost only about \$44,000,000, and it will take care of those men for whom the American people are now appealing to Congress.

The service men do not ask you to go outside and take in the man who broke his leg last year, or who stubbed his toe. They do not ask you to go out and take in these acute diseases covered by the Johnson bill. They do not ask you to go out and take in those diseases from which a man in all probability will soon recover, or has recovered; but they are asking you to take these men who are suffering from tuberculosis, neuropsychiatric troubles, paralysis agitans, and other

chronic diseases from which they will probably never recover, and if they do recover, even though they call it a pension, under the present law on veterans' compensation, until that law is changed the Veterans' Bureau would have a right to reopen their cases and change it.

Senator SHORTRIDGE. Mr. Rankin, you heard the statement of General Hines in respect of the estimated minimum cost and maximum cost of the bill that was under consideration?

Mr. RANKIN. Yes, sir.

Senator SHORTRIDGE. I have heard your statement, now, giving your estimate, if your views, or the bill in the form in which you suggest it, be adopted. But what have you to say in regard to the estimate of General Hines?

Mr. RANKIN. About running up into the millions?

Senator SHORTRIDGE. Yes. I remember his estimate.

Mr. RANKIN. Into the hundreds of millions.

Senator SHORTRIDGE. I merely wanted to get your view.

Mr. RANKIN. I am not criticising his estimate on that. I am taking his estimate on the bill we have advocated all the time. We had to take this bill, loaded down with these amendments in the House, or send it back to an unfriendly committee. But we had to take this bill and bring it over here and ask you gentlemen to eliminate the objectionable features, or else we had to send it back and leave it there, possibly, for another year, while these men die at the rate of 72 a day. In the estimate, General Hines is taking as a basis the Johnson bill, which covers all disabilities.

Senator BARKLEY. Is the Johnson bill the bill that passed the House, with the amendments that were put in?

Mr. RANKIN. Yes, sir.

Senator BARKLEY. Is there any part of the Johnson bill eliminated?

Mr. RANKIN. No. I do not think they eliminated anything. They just added to it.

Senator SHORTRIDGE. I asked the question in order that we might clear it up for the record.

Mr. RANKIN. The Johnson bill brought all disabilities up to 1925. I engrafted onto that my amendment, which brought these chronic cases up to 1930. Mr. Connery, of Massachusetts, then arose and moved to strike out 1925, and bring all the Johnson cases up to 1930. That is the bill that General Hines estimates would cost several hundred millions of dollars a year. I am not in a position to contradict him, although my opinion is that it would cost \$108,000,000. His estimate was that if they used the figures in the Veterans' Bureau as to the cases that had been filed, the Johnson bill would cost \$76,000,000. With my amendment engrafted onto it, it would cost \$31,000,000 more, making \$108,000,000. But if you use the figures in the Pension Bureau, as I understand it, the Johnson bill would possibly cost a couple of hundred million.

Senator SHORTRIDGE. What was the minimum?

General HINES. May I just interpose? I think I can straighten it out. You are talking about section 200.

Mr. RANKIN. Yes.

General HINES. The estimate on the Rankin bill was correctly given by you as \$42,000,000.

Mr. RANKIN. Yes.

General HINES. And the estimate for the Johnson bill, in connection with section 200, was \$76,000,000.

Mr. RANKIN. Yes.

General HINES. If you add your amendment to the Johnson bill on section 200, you will run it up to \$108,000,000.

Mr. RANKIN. Yes.

General HINES. Now, with the Connery amendment, and no limitation at all, it brought in all disabilities and, in reality, made it a pension measure. Therefore, I took both the Pension Bureau's estimate and the Veterans' Bureau's estimate, and it ran it up to about \$400,000,000.

Mr. RANKIN. There is no conflict between General Hines and myself on the argument I am making, as I understand it, with respect to these figures. If they had just eliminated the Johnson amendment in connection with section 200, and put in my amendment, which confined it to these chronic diseases, it would have been between \$42,000,000 and \$44,000,000.

Senator COUZENS. If we follow your recommendations, then, this bill would cost only about \$44,000,000, is that right?

Mr. RANKIN. Yes.

General HINES. In connection with section 200.

The CHAIRMAN. That is just for one section.

Mr. RANKIN. What does the rest of the bill cost? Let me say another thing, in that connection. It will not cost \$42,000,000, and General Hines will bear me out in this. You must bear in mind that we in the committee minority never saw this bill until we were called to pass upon it. I am not responsible for anything in that bill except what you will find in section 200, and except that I did agree to the Wood amendment, and possibly one or two other minor amendments. But in this bill there is a provision inserted by the author to pay the dependents of those confined to hospitals and uncompensated, around \$30 or \$40 a month.

General HINES. That amounts to \$4,000,000.

Mr. RANKIN. That will amount to \$4,000,000. If my amendment is put in, these men suffering from chronic diseases will draw compensation, and therefore their people will not draw this amount, and it will eliminate anywhere from \$3,000,000 to \$4,000,000 of that expense. So, it will really bring my amendment down a little below \$40,000,000. It will take care of the cases that the American people are asking us to take care of, and that the service organizations are asking us to take care of.

Now, of course, as General Hines intimated, if you take the Johnson bill, and just take all disabilities, you have an entirely different picture. Suppose this were extended to 1931, we will say, and I should go out this summer and have typhoid fever for six or eight weeks, and ultimately recover. It is absurd to think that I would call on the Government, but under the Johnson bill that is what it means. It puts in all acute cases in addition to the chronic ones. There is where we draw the line of distinction between acute troubles, or accidents, and chronic diseases. But if you will narrow this bill down to that original Rankin amendment, and limit it to tuberculosis, neuropsychiatric cases, and other chronic diseases, and carry it up to 1930, you will take care of these men on less than \$40,000,000 a year, and the chances are that many of those men now in hospitals, who

are drawing no compensation, will take their compensation and go home or go to private institutions, and thereby reduce the expense to the Government about \$120 a month.

Senator SHORTRIDGE. For the sake of the record, and for the sake of clearing my own mind, as I understand you, as to those cases or troubles just mentioned by you, they are presumptively attributed to service in the war.

Mr. RANKIN. That is right.

Senator SHORTRIDGE. That is the theory upon which you proceed.

Mr. RANKIN. Yes, sir. If a man develops cancer, or has chronic stomach trouble, or has chronic rheumatism, or paralysis, under my bill he is presumed to have contracted it in the service.

Senator SHORTRIDGE. Those are known as chronic diseases.

Mr. RANKIN. Chronic diseases.

Senator SHORTRIDGE. Not constitutional?

Mr. RANKIN. I would rather strike out the word "constitutional."

Senator SHORTRIDGE. Those terms there are, to some, a little misleading and not clearly understood.

Mr. RANKIN. In the original bill we had both the words "chronic" and "constitutional," but it developed that there were a few cases, such as I have mentioned—nephritis, I think, and phlebitis, and rheumatism—that were chronic, but not constitutional. They represented a small number of cases, possibly, but I thought they ought to be taken care of, even if it cost us a little more money.

Senator SHORTRIDGE. So your bill does not include what are termed "acute cases"?

Mr. RANKIN. No, sir.

Senator SHORTRIDGE. It does not include what are known as acute cases or constitutional cases?

Mr. RANKIN. If a man had an acute trouble in 1926—say, typhoid fever—and it drifted into chronic tuberculosis, he would come under my bill.

I thank the committee for giving me this courteous hearing.

STATEMENT OF EDWIN S. BETTELHEIM, JR., REPRESENTING VETERANS OF FOREIGN WARS OF THE UNITED STATES

The CHAIRMAN. Give your name, position, and whom you represent.

Mr. BETTELHEIM. My name is Edwin S. Bettelheim, jr., I am chairman of the legislative committee of the Veterans of Foreign Wars.

It is not my purpose to go into this bill in detail, but just to mention one or two items. As I do so, my mind goes back a few years to a meeting in this room, when the chairman of this committee mentioned that the time was propitious, or would come within a few years, when we could go before the Congress for what would be an ordinary pension bill.

The CHAIRMAN. I did not say the time was propitious.

Mr. BETTELHEIM. You did not say the time was propitious at that time. You said the time would come. That is what I intended to say. I believe that the time has come.

The Veterans of Foreign Wars believe that the Rankin bill has gone a great way, but they believe that the bill has not gone far enough.

We believe that with all the amendments and all the presumption clauses that are being placed upon the original World War veterans' act, we have nothing more to-day than a pension bill, or almost a pension bill, or a pension situation.

As has been mentioned here, you can call it what you like. Call it a gratuity. Call it a pension. Call it compensation. It is all a gratuity given by this Government to its soldiers or former soldiers for services performed, with the idea of compensating them for disabilities that they may have incurred or that may result from their service.

If it is felt that the word "pension" is not germane to this particular bill, let us call it a "compensation award."

If I may be permitted, I would like to insert in the record an extract from H. R. 9801, which calls it a compensation award. The idea is similar, and is germane.

The CHAIRMAN. You may put it in at this point if you desire. (The statement referred to is as follows:)

EXCERPT FROM H. R. 9801

(Introduced at request of the Veterans of Foreign Wars of United States)

SEC. 215. (a) That all persons who served 90 days or more in the military or naval forces of the United States during the World War and who have been honorably discharged therefrom, or who, having served less than 90 days, were discharged for disability incurred in the service in line of duty and who are not receiving compensation, and who are now or who may hereafter be suffering from any mental or physical disability or disabilities of a permanent character not the result of their own vicious habits which so incapacitates them for the performance of manual labor as to render them unable to earn a support, shall, upon making due proof of the fact, according to such rules and regulations as the bureau may provide, be entitled to receive a compensation award not exceeding \$50 per month and not less than \$10 per month, proportioned to the degree of inability to earn a support, and in determining such inability each and every infirmity shall be duly considered and the aggregate of the disabilities shown shall be rated.

Any veteran who may be entitled to a compensation award under this section, who is now, or hereafter may become, on account of his age or physical or mental disabilities, helpless or blind, or so nearly helpless or blind as to need or require the regular aid and attendance of another person, shall be given the rate of \$72 per month provided such disabilities are not the result of his own vicious habits.

(b) The widow of any veteran who was entitled to compensation award under this section, such widow having married such soldier, sailor, or marine prior to the passage of this act, shall, upon due proof of her husband's death, without proving his death to be the result of his service, be entitled to compensation at the rate of \$30 per month during her widowhood. And this section shall apply to a former widow of any such veteran, such widow having remarried either once or more after the death of the veteran, if it be shown that such subsequent or successive marriage has or have been dissolved, either by the death of the husband or husbands or by divorce on any ground except adultery on the part of the wife, and any such former widow shall be entitled to and be paid a compensation award at the rate of \$30 per month, and any widow or former widow mentioned in this section shall also be paid \$6 per month for each child under 16 years of age of such veteran, and in case there be no widow or one not entitled to compensation under this section the minor children under 16 years of age of such veteran shall be entitled to compensation herein provided for the widow; and in the event of the death or remarriage of the widow or the forfeiture of the widow's title to a compensation award, said compensation shall continue from the date of such death, remarriage, or forfeiture to such child or children of such veteran until the age of 16 years: *Provided*, That in case a minor child is insane, idiotic, or otherwise, helpless the compensation award shall continue during the life of such child or during the period of such disability; that the compensation award herein provided for shall commence from the date of filing application therefor in the bureau, after the approval of this act, and in such form as may be prescribed by the director.

Mr. BETTELHEIM. The idea of this bill is similar to that of the bill introduced by Senator Robsion of Kentucky, known as S. 3488, introduced at our request.

(The bill referred to is as follows:)

[S. 3488, Seventy-first Congress, second session]

A BILL Granting pensions to certain soldiers, sailors, and marines of the World War, to certain widows, minor children, and helpless children of such soldiers, sailors, and marines, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That all persons who entered the service prior to November 11, 1918, and served ninety days or more in the military or naval service of the United States during the World War between April 6, 1917, and July 2, 1921, and who have been honorably discharged therefrom, or who, having served less than ninety days, were discharged for disability incurred in the service in line of duty and who are not receiving compensation, and who are now or who may hereafter be suffering from any mental or physical disability or disabilities of a permanent character not the result of their own vicious habits which so incapacitates them for the performance of manual labor as to render them unable to earn a support, shall, upon making due proof of the fact, according to such rules and regulations as the Secretary of the Interior may provide, be entitled to receive a pension not exceeding \$50 per month and not less than \$10 per month, proportioned to the degree of inability to earn a support, and in determining such inability each and every infirmity shall be duly considered and the aggregate of the disabilities shown shall be rated.

SEC. 2. Any person who may be entitled to a pension under this act on account of his service during the World War, who is now or hereafter may become, on account of his age or physical or mental disabilities, helpless, or blind, or so nearly helpless or blind as to need or require the regular aid and attendance of another person, shall be given the rate of \$72 per month provided such disabilities are not the result of his own vicious habits.

SEC. 3. That no person while maintained as an inmate in an institution under the United States Government or State soldier's homes for a period of more than four months in any one year shall be paid more than \$30 per month under this act.

SEC. 4. The widow of any officer or enlisted man who entered the service prior to November 11, 1918, and served ninety days or more in the Army, Navy, or Marine Corps of the United States during the World War and was honorably discharged from such service, or, regardless of the length of service, was discharged for or died in service of a disability incurred in the service in line of duty, such widow having married such soldier, sailor, or marine prior to the passage of this act, shall, upon due proof of her husband's death, without proving his death to be the result of his service, be placed upon the pension roll at the rate of \$30 per month during her widowhood; and any widow mentioned in this section shall also be paid \$6 per month for each child under 16 years of age of such soldier, sailor, or marine, and in case there be no widow or one not entitled to pension under any law granting additional pensions to minor children the minor children under 16 years of age of such soldier, sailor, or marine, shall be entitled to the pension herein provided for the widow; and in the event of the death or remarriage of the widow or forfeiture of the widow's title to pension the pension shall continue from the date of such death, remarriage, or forfeiture to such child or children of such soldier, sailor, or marine until the age of 16 years: *Provided*, That in case a minor child is insane, idiotic, or otherwise helpless the pension shall continue during the life of such child or during the period of such disability: *Provided further*, That when a pension has been granted to an insane, idiotic, or otherwise helpless child or to a child or children under the age of 16 years, a widow shall not be entitled to a pension under this act until the pension to such child or children terminates unless such child or children be a member or members of her family and cared for by her; and upon the granting of pension to such widow or former widow, payment of pension to such child or children shall cease, and this proviso shall apply to all claims arising under this or any other act.

SEC. 5. That the pension herein provided for shall commence from the date of filing application therefor in the Bureau of Pensions, after the approval of this act, and in such form as may be prescribed by the Secretary of the Interior; and the issue of a check in payment of a pension for which the execution and submission of a voucher was not required shall constitute payment in the event of

the death of the pensioner on or after the last day of the period covered by such check, and it shall not be canceled, but shall become an asset of the estate of the deceased pensioner.

Sec. 6. No claims agent or agency, attorney, or other persons shall contract for, demand, receive, or retain a fee of more than \$10 for service in preparation, presenting, or prosecuting original claims for the pension provided in this act; *Provided*, No fee shall be charged, retained, or paid for any service in connection with claim for increase of pension under this act, which sum shall be paid only on order of the Commissioner of Pensions and under such rules and regulations as he may deem proper to make and any person who shall directly or indirectly otherwise contract for, demand, receive, or retain a fee in excess of \$10 for service in preparing, presenting, or prosecuting any original claim under this act, or shall demand, retain, or receive any fee for services for increase of pension under this act, or who wrongfully withholds from the pensioner or claimant the whole or any part of the pension allowed or due to such pensioner or claimant under this act, shall be guilty of a misdemeanor and upon conviction thereof shall, for each and every offense, be fined not exceeding \$500 or be imprisoned not exceeding one year, or both, in the discretion of the court.

Sec. 7. Nothing contained in this act shall be held to affect or diminish the additional pension to those on the roll designated as the "Army and Navy medal of honor roll" as provided by the act of April 27, 1916, but any pension or increase of pension herein provided for shall be in addition thereto, and no pension or compensation heretofore granted under any act, public or private, shall be reduced by anything contained in this act.

Sec. 8. That all acts and parts of acts in conflict with or inconsistent with the provisions of this act are hereby modified and amended only so far and as to the extent as herein specifically provided and stated.

Mr. BETTELHEIM. The idea is to give to the men who are not able to definitely prove service connection of their disability a moderate pension, or a moderate compensation award ranging from \$10 to \$50 a month, according to the nature of their disability, \$50 being the maximum. It is felt that that is a fair amount. It is something similar to the awards made to the men of the Spanish-American War, and veterans of previous wars.

The CHAIRMAN. What disability do you have in mind for \$10 a month?

Mr. BETTELHEIM. That would be 10 per cent disability. I think the rates under the pension bill are 10 per cent, 25 per cent, a half, three-quarters, and total. I may be a little off on these figures, but there are about five different rates.

The CHAIRMAN. Then, your proposition does not apply to anybody with a disability less than 10 per cent?

Mr. BETTELHEIM. No, sir. As I say, it is a moderate rate. It will take care of the men. It will at least pay their rent. It will at least help them to get along in some moderate way. The men that I represent are men who served overseas during our wars.

Senator SHORTRIDGE. Which wars?

Mr. BETTELHEIM. Any of our wars; all wars.

Senator SHORTRIDGE. Necessarily this would apply to the World War.

Mr. BETTELHEIM. The men now being taken care of are those men who served overseas during the World War.

Senator SHORTRIDGE. Then you go back to the Spanish-American War.

Mr. BETTELHEIM. Yes, sir. We take in any men who served overseas, or on the high seas during any of our wars, campaigns, or expeditions, even such as the Nicaraguan campaign. But this measure applies only to the veterans of the World War.

Senator SHORTRIDGE. I wanted you to state for the record, or explain what men were included in your statement.

Mr. BETTELHEIM. I refer now only to those men who served overseas during the World War, and, of course, all other veterans of the World War.

But when I speak of those men who served overseas, we know that those men were busy prosecuting the war. We know that they did not have any opportunity to form wonderful hospital records for themselves. The men of the National Guard Divisions, men of National Army Divisions and Regulars—men who had a pride in their regiments and in their companies. Before they went overseas they had their pictures taken, and there were rolls of honor and company rosters listing the officers and the men of the different companies. These sent home to parents and friends, showing that these men had a pride in their own outfit. While the war was being prosecuted they were ashamed to be called quitters. They did not want to leave their outfits. They knew that if they went back to a dressing station and finally got back to the hospital, they would be sent to a regulating station and be sent up to some other division or some other regiment. They stuck because they did not want to go into another outfit, and also because they did not want their own comrades to call them quitters.

For a long time the matter of giving a wound chevron to men who were gassed was not recognized. It was not until the war was practically over that a wound chevron was given for being gassed. They called men quitters who tried to go back, because they said they were gassed. I have in mind a man in my outfit who, even after the war was over, kicked a little bog in the ground and let go a supply of mustard gas and burned the whole side of his right leg. That man never got any more than a local dressing.

There are a lot of men who were discharged under circumstances similar to those described by Congressman Rankin. I was one of them. The men in my organization were anxious to get out. They did not know what they were coming to. They did not know that they were going to find an unemployment situation. They were in a hurry to get out and get home. Before they went over, the men were chafing in camp, and were in a hurry to get over. When we got over there, and when the war was over, they were chafing to get out and get home. When they could, they got out of the Army just as quickly as they could. A lot of these men to-day, gentlemen, are suffering from disabilities that they can not prove were of service origin.

The Veterans of Foreign Wars do not lay the blame on the Veterans' Bureau, or the Congress, or anyone else. It is just a situation. Probably it was partly the fault of the men themselves. There are a lot of men who had that same stick-to-itiveness even after the war. I had to go before the bureau the other day and make an appeal in the case of a man who went for eight years without applying for compensation. He thought he could get along. He was an interior decorator in Philadelphia. He knew that if he left that position there were 10 other men waiting to take his job, and he was afraid to go to the hospital. It was not until eight years afterwards that his family physician forced him into the League Island Hospital, and then a few months later he filed his claim for compensation. It is on behalf of

those men that I am appealing to you. There may be a few men among them whose diseases might have cropped up after the service, and might not have anything to do with the service, but there are a great many others who are in a different situation, as you gentlemen know, among your constituents.

Here is Willie Jones, who was a truck driver before the war. He drove the ice cart. He was a husky farmer, or he was something else. He was a hale and hearty man. Yet to-day he is a broken down wreck, walking around the town. People criticize the Government. They criticize the veterans organizations; they criticize the Veterans' Bureau, and they criticize everything. Why? Just because this poor devil can not prove that his present condition is the result of his service, and yet everybody in that community verily believe that his present condition is due to the war and they write to you, and you go before the bureau and attempt to appeal his case, feeling in your heart, as we feel, that this man's disability or condition to-day is due to his service.

Now, why not meet that situation with a moderate compensation award? Let us do away with the necessity of proving service connection for those men who can not do it, and come down to the proposition that Senator Smoot enunciated. As I mentioned some time back, that it is getting close to the time when we ought to take the bull by the horns and say we will give those men a pension—a disability pension.

If you do, it will cost something. It will take in a lot men, admittedly. General Hines has given you the figures, I believe, on the first day of the hearing, so there is no necessity for me going over it. But it will also save a vast amount of administrative costs. You and I and every man who has anything to do with the service men knows that some of the cases reach enormous proportions, and involve a great deal of administrative work. Why is it? It is on account of the necessity of going out and getting affidavits to prove service connection; getting in touch with the family physician; writing to comrades, or the captain, or the first sergeant, and sending those papers to the bureau. Perhaps they do not meet the specifications, or the qualifications. Then the man appeals. The man appeals to the local board. From there he goes to the area board of appeals. He does not get satisfaction there. He appeals to the central office in Washington. There is a long appeal here, and there is a lot of testimony taken, and then he is denied. He can not meet the requirements. What does he do? He writes to you. He writes to us, and asks us to intercede. And so the procession goes on for years and years. All who handle his appeal believe his disability is due to the war, but it is difficult to prove. Let us save administrative cost and grant him a moderate, livable pension.

Mr. Chairman, I believe that I have given you our ideas on that particular phase: There is one further thought that I would like to give to you, and that is this: This proposal that I have set before you also includes the widow, and it takes care of the widow. At the present time, if a veteran is drawing, say, 90 per cent or 80 per cent disability for heart trouble or tuberculosis, and dies of some other disease or disability, both he and his family are cut off under the present law, because it can not be proved that he died of the disability for which he was drawing compensation. He might have

been drawing 100 per cent for himself, and an allowance for his wife and children, but, as the law stands to-day, his widow will get nothing. If this proposal that I have suggested is given consideration, it will grant to the widow of any man who served honorably during the World War, and who has died, or in the future dies, a widow's pension or a widow's compensation award of \$30 a month.

The CHAIRMAN. It is a widow's pension. It is not compensation.

Mr. BETTELHEIM. Yes, sir. It is a widow's pension. That is just what it is. But it will grant to her a gratuity similar to that granted to the man who might have been drawing 20 per cent for a disability, and who dies of that disability. His widow would get the \$30.

The CHAIRMAN. That has never been in any pension law. The widow's pension has never been as much as the soldier's pension.

Mr. BETTELHEIM. No, sir. I think you misunderstood me. The widow's pension is \$30, and the widow's death compensation is \$30. What I mean to bring out—

The CHAIRMAN. Suppose the soldier was drawing \$100, as you stated. I understood you to say that at his death the widow would draw \$100.

Mr. BETTELHEIM. No. She would draw her death compensation. If the veteran was drawing compensation and he died of the disability for which he was drawing compensation, the widow would draw death compensation.

Senator SHORTRIDGE. How much?

The CHAIRMAN. How much?

Mr. BETTELHEIM. \$30.

Senator SHORTRIDGE. And not the amount that her husband was drawing?

Mr. BETTELHEIM. No; not the amount that he drew.

Senator SHORTRIDGE. But upon his death she would draw, as you say, \$30?

Mr. BETTELHEIM. \$30.

Senator REED. She would draw that even if he was getting nothing?

Mr. BETTELHEIM. No; not unless he died of a service-connected disability. As the present law is, he must die of the disability for which he is actually drawing compensation.

Senator REED. Exactly. And, under the present law, if he dies of a service-connected disability the widow gets compensation?

Mr. BETTELHEIM. Yes.

Senator REED. You would change that, and provide that any widow of a service man, no matter what he died of, or whether he was getting compensation before he died, or whether he was not, would receive a pension.

Mr. BETTELHEIM. That is right.

The CHAIRMAN. That is as I understood you.

Mr. BETTELHEIM. But it would also take care of the widow whose husband had been drawing compensation, but who did not die of the disability for which he was drawing compensation.

Senator REED. It would take care of every widow.

Mr. BETTELHEIM. I believe it is the intention of Congress to take care of widows of these veterans.

Senator REED. Would you draw any line as to the veteran's service? If a man spent a week in the Judge Advocate General's Department in Washington, would you pension his widow for life?

Mr. BETTELHEIM. The way the amendment is suggested to you, it would pension the widow of any veteran who served at least 90 days during the World War, or who served overseas.

Senator REED. The one almost necessarily includes the other.

Mr. BETTELHEIM. Except for those few men, as you know, who went overseas in the September automatic replacement draft, who were injured and sent back as casuals, and then might have died of another disability. That is the reason I say "overseas."

There is another point that I trust your committee will take into consideration, and that is the allowance paid to dependents of men receiving hospitalization. I cited the case of a man named Casey. I can mention his last name because there are a lot of Caseys. He was the interior decorator. That man refrained from going to the hospital because he was afraid there would be no money coming in to take care of his family; his wife and three youngsters. If you granted dependency compensation to the dependents of men going into hospitals, you would encourage these men to go to the hospital and get the necessary care and treatment to probably correct their disability, and put them in good health.

Senator REED. That is true of every civilian, too, is it not?

Mr. BETTELHEIM. Yes, but we do not suggest, in this particular instance, giving dependency compensation to the man to keep him in the hospital, or to make him want to stay there himself, while he is getting the allowance for himself, but to encourage him to go to the hospital when he knows that his family will be taken care of. That is the thought in mind for suggesting the allowance for dependents only; not for the man himself when he is in the hospital.

Senator SHORTRIDGE. If he recovers, of course, the compensation ceases?

Mr. BETTELHEIM. Yes, sir. That will not encourage him to stay there, because he will not get anything for himself. He will just be getting \$20 a month, or so much for his wife and children. It will go to her and not to him. I think that is fairly good economics.

The CHAIRMAN. Have you made any estimate as to what your suggestions would cost the Government?

Mr. BETTELHEIM. It is in this bill, Senator, and I believe the director has given you an estimate under that provision.

The CHAIRMAN. About \$400,000,000.

Mr. BETTELHEIM. \$4,000,000, I think.

The CHAIRMAN. \$400,000,000.

Mr. BETTELHEIM. \$4,000,000.

Senator SHORTRIDGE. There is quite a difference between \$4,000,000 and \$400,000,000.

The CHAIRMAN. I am speaking of all of them.

Senator SHORTRIDGE. What would this particular item cost?

Mr. BETTELHEIM. Of course, if these dependents come under the provisions of the Rankin amendment, or come under the provisions of our amendment, they, of course, would not be included. It would only take care of those who are not drawing compensation, so, of course, you can deduct from that those men who are receiving compensation, or would receive compensation under any of these amendments, the Rankin bill, the Connery bill, or the others.

* Senator REED. Captain, just see the train we have followed here. We extended hospitalization privileges in 1924, provided there was

room in the hospitals, to veterans who were suffering from nonservice-connected disabilities, and we did it on the theory that the community was going to have to take care of those men anyway, and it might as well be done in veterans' hospitals if there was room. This is the next step. Having given them that privilege, we are to pay for it by giving compensation, or a maintenance allowance to their relatives when they go in. Practically, you are giving compensation to those veterans for something that has no connection whatever with the war, are you not? And if you do that, why should you not do it to every civilian? There must be thousands of civilians in this country who need treatment and who are afraid to take it because they are afraid of losing their jobs, and afraid their people will be out of support while they are in the hospital. Why should we do it for one and not the other?

Mr. BETTELHEIM. I think your point is very well taken, Senator, if it were not for this fact, that if we could get these men into the hospital now and get them taken care of, it would save a great deal of expense later. If we could have gotten this particular man (Casey) I referred to into the hospital in the early days, we could have gotten him taken care of. It was just the other day that I went up on the appeal in his case, and it stands out in my mind. It was the case of an ulcer that went into a cancer, or the cancer was the sequelle. If we could have gotten that man taken care of, we could have gotten him back to a place where he would probably not have needed future hospitalization, and there would have been a saving to the Government, and we could have saved one man, one producer for this country. We would not have left on the hands of the community—the Federal Government, the State government, or the city government—a widow with three small children. We might have saved that man's life. If we could do that, then I would say, let us discount your suggestion. If we can not do that, your point is well taken. But I believe that that is the excuse and the reason that surmounts your point, which is otherwise well taken.

Senator REED. You do not understand me. My belief is that there is nothing too generous that we can do for the men who suffer from war-time disabilities.

Mr. BETTELHEIM. I know that.

Senator REED. I have never objected to anything that has been proposed for their benefit, or for the benefit of their dependents, but I am blssed if I can see why any citizen of the United States who is suffering from a disability which has no connection with the war should be treated better than some other citizen of the United States in the same circumstances, just because he happens to have been a veteran.

Senator SHORTRIDGE. Perhaps it is because of that very fact, Senator, that we should be a little more—I will not say generous—but should do the thing suggested by the captain; because he was a faithful soldier.

The CHAIRMAN. That comes back to the same ultimate conclusion. There is only one thing to do, and that is to pay them off.

Mr. BETTELHEIM. If I could discount your thought with this thought, Senator Reed, we are working on the premise or the presumption, if you want to call it that, that the best part of these disabilities are due to the man's service. I am thoroughly convinced

that the vast amount of disallowed cases in the bureau are really cases that can be traced to the service. There may be here and there—and undoubtedly there are—men who have no real right to call upon the Government. They creep in anyway. We have men who come to us, who were discharged from the draft. A man who has served overseas does not look with great favor upon a man who was discharged from the draft because of a certain disability. That man may have been in the draft for probably a week or 10 days, and the man who served overseas, or the man who spent a long time in the service, may not feel kindly toward him. But still he gets in, under the present law.

I am trying to advance a plea for the vast majority of men who, we honestly and conscientiously feel, have a just claim. You gentlemen, when you appeal their cases, and go to the bureau for them, as you do, day after day, believe that they have some equity in their cases. If it were not for that, we would not come to you urging the compensation award or pension award, because we believe that their disability is due to service. We believe that the service in the trenches, and sleeping in barns where we had to remove the manure pile before the men could move in, and service in the holds of ships, and even service in camps in the United States, gave rise to many of these disabilities. My division, the Twenty-seventh Division, was in a tented camp from the time we were called by the President until we went overseas in June of 1918. We were in a tented camp, with snow piled up all around our camp. Of course, it made better men, and hardier men of some of us. With others it had just the opposite effect. It is the other poor son-of-a-gun that we are thinking of now.

I believe I have answered your question, Senator, to the best of my ability.

Senator REED. That answers it.

Mr. BETTELHEIM. A few years ago I came before the subcommittee over in the Capitol itself, suggesting a liberalization of the misconduct clause. Without going very much further into that, we still urge that you take into consideration the matter of liberalizing the misconduct clause. We do not want it to go too far, but we ask that it be liberalized in the manner which you deem best.

We also ask consideration of the amputation cases, the cases of those men who lost their limbs as the result of service.

May I, at this point, include our resolution on that subject?

The CHAIRMAN. It will be printed at this point in the record.

(The resolution referred to is as follows:)

RESOLUTION NO. 110—DOUBLE PERMANENT TOTAL DISABILITY

Whereas many service men who during the World War lost one or more limbs or their sight or hearing still carry and always will carry with them the marks of battle fields as a constant reminder of their sacrifice, and such disabilities are visible and render them unemployable in the commercial world to earn a living for their dependents, and these veterans are compelled to undergo undue and unjust hardships: Therefore be it

Resolved by the Thirtieth National Encampment, Veterans of Foreign Wars of the United States, That we do hereby petition the President and Congress of the United States of America to so amend the third proviso of section 202 of the World War veterans' act, 1924, to read as follows:

"If and while the disability is rated as total and permanent, the rate of compensation shall be \$100 per month: *Provided, however*, That the permanent loss of one foot, or one hand, or the loss of hearing of both ears, or the organic loss of

speech shall be deemed to be total and permanent disability: *Provided, further,* That the permanent loss of both feet, or both hands, or both eyes, or of one foot and one hand, or of one foot and one eye, or of one hand and one eye, or becoming permanently helpless, or permanently bedridden, shall be deemed to be double total and permanent disability, and the rate of compensation shall be \$200 per month."

That this section shall be deemed to be in effect as of April 6, 1917, and shall be deemed to be effective for compensation purposes as well as for war-risk insurance: Further be it

Resolved by the Veterans of Foreign Wars of the United States, That a copy of this resolution be forwarded to each and every one of the United States Congressmen who are members of the World War Veterans' Legislative Committee, and urge their support in order to secure the enactment of this much desired and equitable amendment to the law.

Mr. BETTELHEIM. Those are the major points, Mr. Chairman and gentlemen. There is no need of my reiterating what the other representatives of the veterans' organizations have said. There is no need of my reiterating testimony given before the House committee. However, in conclusion I would urge that your committee give consideration to House Joint Resolution 222. It proposes the appointment of a board, consisting of a certain number of Senators and a certain number of Representatives for the purpose of surveying the situation in connection with all veteran legislation. We believe that it will probably help to solve this constant pulling from one side to the other, the Spanish-American War veteran wanting this, and the World War veteran wanting that. It will settle the matter of service connection and nonservice connection. After this committee has spent its time in surveying, I am sure that the burden of the veterans' organizations coming and pleading before you will be lightened, and probably your task will be lightened.

The commander in chief of our organization, Commander Duff, had been making talks before veterans' organizations, luncheon clubs, Kiwanis Clubs and Rotary Clubs throughout the United States on that very survey proposition, and in the House hearings there is a copy of his statement, together with clippings from various papers.

I thank you for the opportunity of expressing our views.

Mr. RANKIN. Mr. Chairman, before you adjourn I wish to state that I did not make myself clear that we are in favor of restoring that rebuttable clause. Also we are in favor of this increase for the amputation cases. I missed that in my statement.

The CHAIRMAN. Are there any other witnesses who want to be heard?

Senator REED. I think we ought to have a fuller attendance before General Hines sums up.

Senator GEORGE. Are there any other witnesses besides General Hines?

The CHAIRMAN. There was a woman here at the last hearing. I told her we would have a hearing at 2 o'clock to-day here. She wanted to be heard, but she has not been here to-day.

General HINES. Mr. Chairman, I shall be very glad to proceed now, or when you have a larger attendance.

(After informal discussion.)

The CHAIRMAN. We will adjourn until 2 o'clock tomorrow afternoon, to meet in the Military Affairs Committee room, in the Capitol.

(Whereupon, at 3.20 o'clock p. m., the committee adjourned to meet to-morrow, Tuesday, May 13, 1930, at 2 o'clock p. m.)

TO AMEND THE WORLD WAR VETERAN'S ACT OF 1924

TUESDAY, MAY 13, 1930

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

The committee met, pursuant to adjournment, at 2 o'clock p. m., in the Military Affairs Committee room, Capitol Building, Hon. Reed Smoot presiding.

Present: Senators Smoot (chairman), Reed, Shortridge, Couzens, Greene, Denceen, La Follette, Thomas of Idaho, Simmons, George, Walsh of Massachusetts, Barkley, Thomas of Oklahoma, and Connally.

Present also: Hon. John E. Rankin, a Representative in Congress from the State of Mississippi.

The CHAIRMAN. The committee will come to order. There is no one else, now, who desires to be heard, with the exception of General Hines, that I am aware of. Do you know of anyone else?

General HINES. No, sir.

Mr. RANKIN. Senator Hatfield, of West Virginia, said he was coming in later and wanted to make a short statement. I do not know what time he is likely to get here.

The CHAIRMAN. General, you may proceed, now. I will say to the Senators that the general has already testified before the committee, and his testimony is printed. I asked him to attend the meetings and rather give a summary of the testimony which was taken here, as he sees it. Any information you can give us along that line, general, we will appreciate.

FURTHER STATEMENT OF FRANK T. HINES, DIRECTOR, UNITED STATES VETERANS' BUREAU

Senator GEORGE. General, before you begin, did you take up this bill, section by section, in your original testimony?

General HINES. Yes, sir.

Senator GEORGE. I will see it in the record. I was not here at the time.

General HINES. Mr. Chairman and gentlemen of the committee, the subcommittee was very patient with me and listened for three full sessions to my testimony. That has all been printed in this document, known as part 1 to H. R. 10381. At this time I would not feel it fair to burden the committee again with any repetition, except to summarize and discuss some of the points that have been made by other witnesses who have testified.

The main points of contention, or rather, differences of opinion, I might say, hinge around a very few sections of this act. The first point is that as to whether it is advisable for the Director of the Veterans' Bureau to have final authority in matters of law, or findings of act, that will be binding upon the Accounting Office and the Comptroller General.

By special authority of law the Director of the Veterans' Bureau is given the right extended to members of the Cabinet, to call upon the Attorney General for opinions, and that right is exercised from time to time by the director. We have found a difference of opinion on points of law between the Comptroller General and the Attorney General when certain findings have gone to the comptroller.

The CHAIRMAN. That same thing applies to nearly all the departments of our Government.

General HINES. Yes; I think it does, sir.

Upon my invitation the comptroller set up in the bureau what is known as a preaudit unit. The purpose of that, and the reason for my request, was because of certain large payments on the adjusted service certificates, and on contracts of insurance. It seemed to me that there should be no question, after a check was issued once, that it would stay issued and that the beneficiary, two or three months later, would not be called upon to make a refund. For that reason I suggested to Judge McCarl that he set up a unit in the bureau himself, and preaudit these accounts before the checks were issued, thereby saving the recall or the difference that might arise when he finally made a postaudit later.

The CHAIRMAN. They were to act under the direction of the comptroller.

General HINES. Yes. They are independent of the bureau. That preaudit has worked satisfactorily so far as I am concerned. We have had some differences of opinion. We have had some delays, but when you consider the number of awards that have gone through and the magnitude of them in dollars and cents, I can not help but feel that the Government's interests have been safeguarded by that procedure, and along with it, any distress that might have been caused by calling upon a beneficiary to refund after payment has been saved in many cases. So, I still feel that that unit is helpful and should be continued.

I feel also that without any further legislation the Comptroller General and the Veterans' Bureau are going to get along and handle the matters just as we are doing now. I think there will be some cases where probably he will differ on what might be termed a legal question, and we will have arguments back and forth, but they are going to be few. So, my stand would be that if by granting the Director of the Veterans' Bureau final authority when his findings are made, that is going to curtail in any way the general accounting act which is applicable to all the departments, I would then suggest to the committee that we leave it alone, and not upset it, feeling that whatever difficulties we have, we will find a solution for them between Judge McCarl's office and my own.

The next point that was touched upon by those who have testified, where they differed with the recommendation that I had made to the subcommittee, had to do with the time of filing suits, and the extension of the time for filing suits against the Government on war-risk insurance.

I feel sure that there must be some misunderstanding relating to the existing rights of the beneficiaries or the claimants, or they would not advocate a further extension.

Let me point out again—and it is a repetition of what is already printed, but in order to make my point I shall do so—that the present law permits a suit within six years of the maturing of the act on which the claimant desires to sue. In other words, if he feels that he was permanently and totally disabled last year, he has six years in which to file his suit. The extension of this provision of law, the statute of limitations, would simply give those who desire to show permanent and total disability back to date of discharge a further opportunity, rather than those whose policies mature, or who think they have matured, as against the bureau's opinion, since discharge. As I pointed out to the subcommittee, with 5,000 suits filed against the Government at this time, and with the feeling on my part that the bureau at all times most certainly will look for a way to grant a meritorious case and mature the policy, I can not go along with those who recommend a further extension of that act. But if the committee disagrees with me and feels that they should give a longer time, then let me suggest to you that we at least cut down the amount of fees that may be paid to attorneys who specialize in this particular activity.

First, I am sure the committee is aware that while it is claimed that this insurance is all paid for, the basis of most of these suits is brought about by the difference between the claimants, or, at least, the attorneys who specialize in that work, and the bureau, that where we have made a finding of permanent and total disability under this insurance, say, in 1924, they feel that we should have made the finding at date of discharge.

Most of these men immediately dropped their insurance when they left the service. Up to that time it was paid for. The premiums were paid, because generally they were deducted from the pay. At that time we had on the books of the Government \$40,000,000,000 worth of Government insurance. The Government's liability under that term insurance now is \$1,300,000,000, that is being liquidated at the rate of about \$125,000,000 a year. That liability is bound to increase by the number of suits that we are losing, that are now filed against the Government. Each one of those suits means, aside from any expense of defending it, \$13,800.

Senator SHORRIDGE. You say there are 5,000 suits now pending?

General HINES. There are now 5,000 cases pending. In order to give the committee a little idea of how the Government is faring in these suits, I desire also to call your attention again to the fact that the Government, in the defense of these suits, not only shares the handicap that commercial insurance companies share, but we also have the additional factors against us of the local community usually being in favor of the veteran, the district attorney not being at all desirous of trying that type of case, and the court and jury unusually sympathetic toward the veteran.

The CHAIRMAN. And the Government can pay it, and it will not hurt them.

General HINES. So that we have found it exceedingly difficult; but the Attorney General is the authority for my saying that so far we have fared very well. But I have a statement here which indicates

that from March 1, 1929, to March 1, 1930, of 690 suits tried the Government won 326 and the plaintiffs 364.

It is rather surprising, however, to note how these suits seemed to congregate in the particular districts where attorneys have made a speciality of filing them against the Government. The fees that we have a record of in the cases that have been tried, indicate that in San Francisco one attorney, over the period that I have just referred to, was successful in obtaining \$26,728.97 in fees. In Portland, Oreg.—

Senator SHORTRIDGE. What is that firm, General? Is it in the record?

General HINES. It is not in the record, and I did not think I would put it in unless you wish to put it in.

Senator SHORTRIDGE. Very well.

General HINES. I can give it to the committee, if you wish. In Portland there was a firm which succeeded in collecting \$23,000 in fees.

Senator SHORTRIDGE. In one year?

General HINES. Yes, sir. One attorney in Denver collected \$10,000. A firm in Kansas City collected \$13,800.

If we are desirous of helping the veterans—and I know that that is the intent of the Congress and the people, and most certainly the intent of those who work with me—I feel that meritorious cases will finally be allowed, and if they do finally go to court, I feel that if these men who represent the veterans really take these cases in the interest of the veterans, we might modify the law, if you feel that a further extension of it is necessary, by reducing the 10 per cent fee to 5 per cent, and see if that makes the business as attractive.

Let me point out to the committee that the Government is at another great disadvantage. The claimant comes into court, and at this time the bureau has admitted that he is permanently and totally disabled. There is no argument about that. The whole thing is going to rest upon whether the claimant and his attorneys, with his witnesses, can convince the court and jury that his condition at the date of discharge was the same as it is now; that is, that he was permanently and totally disabled. If they can do that, then his policy, which lapsed, probably, years before, is still in force and effect. In other words, it is prevented from lapsing if he was permanently and totally disabled at discharge.

Senator SHORTRIDGE. The law so provides.

General HINES. The law so provides. We are unable, of course, in many instances, to follow that veteran to determine what his industrial record might have been between the time that we finally found him totally disabled and matured his insurance and the time when he was discharged, but we usually have some record of his appearance before the bureau, and of his examinations, which clearly indicates, so far as the bureau's examinations are concerned, that he was not permanently and totally disabled, but without an industrial record, and even in some cases where we have found the industrial record to show that the man has carried on to some extent, we have had findings against the Government.

A recent decision of one of the courts brings up a new phase of the problem and makes it still more difficult for the Government. That is a finding on the part of a judge that under the presumptive pro-

visions of the law a man is brought in, so that tuberculosis, which may not have existed at all at discharge, due to the presumptive clause, section 200, is presumed to have existed if he shows up in court with tuberculosis and is permanently and totally disabled. We have had a case decided against us where the presumptive clause was brought in, and there was a finding against the Government that his policy matured at discharge because he had tuberculosis. As a matter of fact, there was no evidence in that case, as I understand it, to show that the man had tuberculosis, but he was brought in under that section, which made it a presumption that he had tuberculosis at the time he was discharged. So, I am sorry that I can not agree with those service organizations which have urged that this law be extended. I think, if you did extend it for another year, the time would come when you would again be requested to extend it further.

Senator SHORTRIDGE. The period now is six years.

General HINES. Yes. It is now six years.

Senator SHORTRIDGE. There are those who ask that it be made seven.

General HINES. They ask that it be made another year, from May 20, 1920. We feel that in meritorious cases the man has had an opportunity, certainly, to file suit against the Government, and that in view of the specialization on the part of a large number of attorneys, and the disadvantage to which the Government is put in the defense of these suits, together with the lack of uniformity on the part of courts and juries, to my mind it presents a most dangerous problem, and one that the Congress, sooner or later, I am afraid, will have to give further consideration to. For that reason I do not recommend a further extension, but in the event the committee should not agree with me, then by all means I recommend that the fees paid to attorneys in this business be reduced from 10 per cent to 5 per cent, so that the business of specializing in this activity will not be as advantageous as it is at the present time.

Gentlemen, the next important section of the act on which there is much difference of opinion is the question as to whether we should extend the presumptive period, first, for disabilities other than those now provided by law—tuberculosis and neuropsychiatric disabilities—up to January 1, 1925.

The second proposition is that of extending all the disabilities up to January 1, 1930. There is one thing that is most certainly apparent in this entire discussion, both before the House committee and before this committee, and it must be apparent to you gentlemen, as it is to me—that is, that the entire veterans' relief problem requires careful study and some overhauling. We are all desirous of taking care of the veterans. I have a feeling that the desire on the part of the people is to take care of all veterans. We started out with the World War compensation act on certain basic principles, particularly that a man would be compensated for his service-connected disability. I might say there that I believe that the original law, in its original form, was very certain and very fair. Distressing cases commenced to arise, and we started to amend the act. We brought in a presumptive clause, to presume that in the cases of certain men who have certain disabilities, those disabilities

were due to service, whether there was evidence of that fact or not. Undoubtedly there was considerable merit to the first presumptive clause, which, as I recall, was two years after discharge. The next was for three years.

Then, when the World War veterans' act was studied by a committee that investigated the bureau in 1923 and 1924, in order to be fair and give every opportunity to those men suffering from tuberculosis and neuropsychiatric disabilities, with respect to which I am sure the committee felt there was great difficulty in proving service connection, it was extended to January 1, 1925.

Manifestly, that left out a number of veterans who feel that their disabilities are just as much due to service as those who have had tuberculosis, or certain mental and nervous disabilities. So, having established that borderline as January 1, 1925, the cases commenced to accumulate which seemed to be meritorious, but where there was a lack of evidence to connect them with the service.

Senator SHOURTRIDGE. What diseases, General, were covered, or fell within that presumption?

General HINES. Active tuberculosis, neuropsychiatric diseases, spinal meningitis, paralysis agitans, encephalitis, lethargica, and amoebic dysentery.

Senator SHOURTRIDGE. Thank you.

General HINES. The presumption for active tuberculosis and spinal meningitis was considered conclusive, while the neuropsychiatric and other diseases just named could be rebutted by evidence showing that other reasons caused the disability, rather than service.

Some of these cases are very distressing. Members of the Congress have been urged to appeal them. The bureau has been appealed to, and while we have very definite, and I think liberal instructions, that wherever there is a doubt, the benefit of the doubt shall be given to the man, nevertheless, there have grown up a number of cases where there is a feeling, undoubtedly, on the part of a large number of the Members of Congress that those men should be taken in under the law. Otherwise they would not have passed this bill.

Senator WALSH of Massachusetts. You mean, now, those men who are suffering from other chronic diseases.

General HINES. Yes, sir; other chronic diseases.

Senator WALSH of Massachusetts. That are not now in the act.

General HINES. Yes, sir; and with respect to which they can not produce evidence showing direct connection with service. I am speaking, first, of the extension up to 1925. Mr. Rankin's bill extended it to 1930.

Mr. RANKIN. Only the chronic cases.

General HINES. But I am speaking first of the extension of those disabilities up to 1925.

Now, there is not any use of any of us for one moment shying at the proposition that if this bill in its present form is passed it is a pension measure dressed up in compensation clothes. Regardless of how we feel about it, or what we desire to do, we can not escape that, because we do know that the best medical advice that we can get, both in this country and abroad, is that we are taking in men whose disabilities are not due to their service. They are holding hearings in Canada on very much the same problem, the question of extension of relief. If we are to do that, my advice has been—and I have offered

it only as advice—that if we are to take in the larger group, then we had better pass legislation that will take in all of them, and not establish greater inequalities. I want it to be understood here that it is the business of the bureau to give our observations, and not to recommend for or against, except where we feel that the provisions should be changed.

There is one justification for bringing the chronic cases up to 1925. You then bring up on a par with the tubercular cases the neuro-psychiatric cases and the few other diseases named certain other chronic disabilities, some of which may reasonably be assumed to be just as meritorious, so far as service is concerned, as the others.

Senator REED. What are some of those diseases? Would that include nephritis?

General HINES. Yes, it would include nephritis. It would include the constitutional diseases that are probably of obscure origin, and long in developing or progressing, such as arthritis and disabilities of the heart, where probably, in the hurry of examining these men, they may have overlooked some man whose service has aggravated the condition of his heart. He was taken in, probably, with heart trouble.

Senator GEORGE. Does it include the kidney diseases generally—diabetes and Bright's disease?

General HINES. Yes. There is a provision here with respect to 1930 that includes them.

Senator REED. Nephritis is Bright's disease. That is what I was asking about.

Senator SHORTRIDGE. If the phrase "chronic cases" were used, as a matter of law, what class of cases would fall within the term "chronic cases"? What variety of cases would that include?

General HINES. We have a list of those cases here.

Senator WALSH of Massachusetts. The particular cases are named in the act. The General refers to them as chronic cases, but they are specifically named in the act. He uses that term to prevent the necessity of enumerating them all each time.

General HINES. I can repeat those here if you wish.

Senator SHORTRIDGE. You need not pause.

General HINES. They are the general chronic constitutional diseases. Some of them are slow in progressing, and might have been masked to such an extent that they would not have been determined.

The CHAIRMAN. And all humankind is subject to them?

General HINES. Of course, something has been said about the examination made of these men when they entered the service. It has been the experience of the bureau that some of those examinations were not very thorough, and it is possible for men to have been taken in whose examination meant very little. We all know the conditions under which certain examinations were made when men went out. They were anxious to get out, it is true, and some of them said there was nothing the matter with them when there might have been something.

But if we are to adhere to the principles of the original act, then we should adhere to service connection. If we are to depart from it, then, when you take service connection out of the World War veterans' act, you, in effect, make it a pension measure.

The CHAIRMAN. Certainly.

General HINES. The danger of doing that is simply this. We have certain standard rates under our pension laws. The rates under the World War veterans' act and under the compensation laws are higher rates, and they were purposely made higher, I believe, because of the feeling on the part of the Congress that they desired to deal liberally with those men whose disabilities were actually due to service. So that if you take service connection out of the act, and, in effect, pass pension legislation, then you are putting these men on a higher scale than those whom you have treated before under pension legislation. The feeling I had was that before we attempted to take in the greater group, before, say, 175,000 or 200,000 men in addition to those now on the rolls are taken in, Congress should determine upon a policy that they will feel sure they can follow to the end.

We are dealing with quite a different problem than we have ever had heretofore. We had 2,000,000 men in the Civil War. We had 400,000 in the Spanish-American War. We are now dealing with a force of 4,500,000 men, and the problem, when the time comes—and I doubt if we are going to avoid the pension issue—is going to be a very large problem, no matter how reasonable the rates may be, or how small they may be. The cost is going to be larger than we have ever encountered heretofore, and it does appear to me that some study of what we are doing for the various veterans, and what we will be able to do with this problem in its entirety, should be made before we go very far in further liberalizing the World War veterans' act, by creating more purely legal presumptions.

There can be no question that there are certain cases that should be taken in, and this bill, in almost its first section, indicating the direction of Congress that certain evidence will be considered, whether it is medical evidence on a medical question or not, will take in those border line cases. Administratively they will come in. The question arises, do you desire to go further than that? Do you desire to take in, in addition to the 10,000, if we say there are 10,000 border-line cases, 200,000 more whose cases, we feel quite certain, are not due to service?

As to costs, we have talked a good deal about the costs of the various amendments. I am afraid the committee may be somewhat confused, and for that reason I would like to refer to that matter at this time. Section 200, as it is in this bill at this time will cost for disability cases only, a minimum of approximately \$111,600,000. A table is given on page 93 of my former testimony showing the total cost with the various items. This table has since been carefully rechecked by the statistical section of the bureau, and some modifications are indicated. These modifications particularly refer to the estimate on section 200 as to disability cases, and as stated, it is believed that the minimum should read \$111,600,000. In addition, of course, there will be certain death compensation claims awarded, by reason of service connection granted under section 10 of the bill amending section 200 of the present act. The approximate cost for these cases will be \$48,700,000. It is now believed that the total cost of the bill will approximate \$189,462,000.

The original Rankin bill—

Senator SHORTRIDGE. The first item is \$111,600,000 yearly.

General HINES. These are all yearly increases, over and above what we are now spending.

Senator SHORTRIDGE. And the \$48,000,000—

General HINES. That is yearly. The total minimum cost of the bill I gave formerly as \$181,040,650. It is now estimated as \$189,402,000. The original Rankin bill was estimated at \$44,000,000 annual increase. If this bill passes, you have immediately set up a new border line, that border line being January 1, 1930. Those cases of tuberculosis, mental, and nervous disabilities, or chronic disabilities that have already arisen between January 1, and the day we are now meeting, are out under this act, so that we have commenced a new border line, which will grow at the rate of approximately 5,000 or more a year, and then, again, Congress will be appealed to to extend it, probably, another five years.

If the Rankin amendment, or the original Rankin bill, is adopted in lieu of the present section 200 of the World War veterans' act, annual cost is approximated at \$44,000,000. Mr. Rankin also proposes further amendment to eliminate the word "constitutional" and provide service connection by presumption for any "chronic" disease. Such an amendment in reality amounts to the substitution of the Johnson bill up to January 1, 1930, since the following is a list of some of the medical conditions considered as "chronic" but not considered as "constitutional":

Pericarditis.
Aricular fibrillation.
Cardiac enlargement
Systolic murmur.
Thrombosis.
Embolism.
Phlebitis.
Varicosities.
Gastritis.
Colitis.
Enteroptosis.
Sprue.
Cirrhosis of liver.
Peritonitis.
Bronchitis.
Bronchiectasis.
Bronchial asthma.

Emphysema.
Pleurisy.
Pneumoconiosis.
Pyogenic infection of kidneys.
Diseases of the bladder.
Diseases of the testes.
Skin diseases.
Acute rheumatic fever.
Syphilis.
Bacillary dysentery.
Myalgia (muscular rheumatism).
Hookworm infestation.
Distomiasis.
Filariasis.
Trichiniasis.
Malaria.

And many surgical conditions.

It was apparently not the intention of the original Johnson bill to include "acute" disabilities, since, in order to be eligible under the bill at this time and receive payments from the effective date of the bill, it would probably be necessary for the veteran to show his disability still present to a compensable degree at the time the bill was passed, as well as showing that it existed to a compensable degree before January 1, 1925. This showing would in itself demonstrate the fact that the "disability" was "chronic." On the other hand, if the claimant could not show that after the passage of the bill he still had a "disability of 10 per cent degree, no payments could be made, even though he might show that he did at one time have a "disability" or more than 10 per cent degree prior to January 1, 1925.

The estimated cost of extending the provisions of section 10 of the original Johnson bill (amending sec. 200, World War veterans' act) to January 1, 1930, was approximately \$108,000,000. If the word "constitutional" is removed from the Rankin bill the probable cost of the same up to January 1, 1930, would be approximately \$108,000,000, or \$64,000,000 more than the cost of the original Rankin amendment.

At any rate, it must be apparent that we are not solving the entire problem, even if we pass this. While we are taking in those cases of the men in our hospitals at this time, we are creating a new border line, and the cases that will occur after that will become more emergent as we go along, and eventually the demand will be made to take those in. Practically every case that was in our hospitals on January 1, 1930, necessarily will become a service-connected case.

There immediately arises, then, the question of hospital construction. It has been indicated here that we should take the dependents of the veterans who are in our hospitals and make an allowance to them. Of course, those cases will be few if this bill is passed, until we go a few years beyond January 1, 1930, because all those men will be service connected, and the dependents will be few until we start to take in others for disabilities that have originated after January 1, 1930. Then that section will become effective.

We have rather felt that the Legion program passed by their national convention, which takes in a number of chronic disabilities and puts them on a parity with the tubercular and neuropsychiatric cases up to January 1, 1925, and which will cost approximately \$12,500,000 for that section, certainly has enough merit in the way of equalizing it with the men that we have already brought in under the presumption clause to justify its passage. If you go further than that, then most certainly you have adopted a pension measure, and even in doing that you are bringing in cases that the best medical advice will tell us are not due to service. They are disabilities that would probably have come along with age in the natural pursuits, if we had never had a war. But I take it that the Congress would rather be on the side of taking in a number of cases that we are doubtful of, rather than keeping out one case that is meritorious. I know that is the attitude of the bureau. So that if that meets with approval—and it would seem to take care of more cases, certainly, than we have on appeal—I feel that that measure would help the situation some, but I still feel that no matter what you do with this bill before you, whether it is the Legion program, the Rankin bill, or the House bill in its present form, the Congress will find it necessary to study this entire problem and adopt a policy dealing equally with all the veterans.

The time is here, as I stated to the subcommittee, when I feel that we are at a rather critical point in handling the veterans' problem. We are being urged toward the construction of hospitals. We are being urged in the line of further compensation, and we know that in almost every step we take—except that of hospitalization—when we take it we create more inequalities, and for that reason it seems to me that we should try to solve this problem once and for all, if it is at all possible—and I believe that it is—on a simple, understandable basis. Congress has endeavored harder than probably any other agency in the world to deal fairly with men and women who have been taken into the military service, and still you are confronted, almost every year, with the problem of taking in a new group, or liberalizing either pensions or compensation of those who are already on the rolls, and it does seem to me that good business would justify a study and the adoption of a national policy in handling this entire problem.

Senator REED. Is there any other country in the world that is as liberal, and has as liberal veterans' relief laws as the United States?

General HINES. No, Senator, there is not; not in any respect. We are far in advance of all the others.

The CHAIRMAN. No other country is in a position to do it.

General HINES. And, of course, we are proud that we can do that, but it is rather interesting to note at this time that in Canada just now, which has a rather close liaison with this country in matters of veterans' relief, they are going through pretty much the same problem that we have here. They are sending me copies of their hearings before a committee of Parliament there that is listening to the service organizations and the bureau of soldiers' reestablishment, as they call it there. In reading the testimony of many of the problems you would think you were reading a hearing of one of the committees of our own Congress. They are having difficulty with exactly the same thing, what to do with the veteran who had honorable service in the World War, but whose disabilities he is unable to show are due to that service. He becomes a problem there just as he does here.

If we are to depart from the fundamental principle of the World War veterans' act, that of service connection, then we should give consideration, I think, to the matter of need. Otherwise, the expenditures, under whatever program you adopt, are going to be so terrific that it will become a question of finding a means of raising revenue to pay for the entire problem. I have the feeling that the veterans themselves who are not in need at this time and who would not forego or lose any of their rights would be glad not to receive compensation, not to receive retired pay as emergency officers, if the provision were written into the law that that would only be paid when there was need for it, feeling that by so doing their Government would be able to spread that money over a greater number of men. We have never taken into account the factor of need, and it has been based sometimes on the ground that it tends to pauperize the veterans. I do not look at it that way. I think the question is solely one of the man who is not in need of help at this time foregoing it in order that the Government's expenditures may carry further than they would otherwise, and I have the feeling that if the veterans were to vote upon that feature themselves they would be glad to see it written into the law.

Senator WALSH of Massachusetts. It would be very difficult, General, would it not, to define a case of need?

General HINES. We felt that you could fix the factor, as we have in our burial provisions, by saying that when the assets are not over a thousand dollars, or something of that kind, it shall be paid. We are administering that feature of the World War veterans' act at this time with little difficulty. Of course, if you attempt to rule out every statement that is furnished, and assume that they are all not furnishing accurate information, then it becomes a terrific administrative problem. But I would rather proceed upon the practice that we do now in the bureau, that when an affidavit is submitted and a statement is given, unless there is evidence otherwise, we accept it as a truthful and correct statement.

Senator WALSH, of Massachusetts. You would, therefore, in any enlargement of the principle of presumption, restrict the application of that principle to some limitations upon financial income of the veteran?

General HINES. That is my feeling; yes, sir. If we are to extend it at all—

Senator WALSH of Massachusetts. Especially if we extent it into the field of nonservice connection.

General HINES. Yes, sir. I have a feeling, gentlemen, that it will undoubtedly be the policy of the Congress to give this entire matter some study, because the inequalities are going to be so apparent that you will feel justified in doing that.

The CHAIRMAN. General, that has never been taken into consideration in the past in a general pension bill.

General HINES. No.

The CHAIRMAN. So, I doubt very much, if we pass a general pension act, whether it will contain any such restriction. In my opinion it will not be many years before we will have a general pension act. It will be a service pension.

Senator WALSH of Massachusetts. Based upon age limitation, I suppose.

The CHAIRMAN. I do not think so.

Senator WALSH of Massachusetts. The first Civil War pensions were based upon age.

The CHAIRMAN. Yes; but that will not be in the present pension law.

General HINES. Whatever system we adopt, whether it has to do with the World War veterans, the Spanish War veterans, or the veterans of other wars, in my view it should be the simplest law that you can write. Our present system, though probably no fault of anyone, has become a rather complicated system of compensation. It is not understood by the public. Only a certain number of the Members of Congress who have given it particular study are familiar with its provisions, and it brings about such slowness in giving relief that it results in criticism. Relief, to be effective, we all know, must be given promptly; whatever it is, whether it is hospitalization or compensation. There are certain things in the existing law that require time to do and do correctly. I think I may safely say that most of the criticism hinges upon that very thing. In trying to comply with the law, and not haphazardly put a man on the rolls, but make sure that he is entitled to it, and that we are not discriminating against the man who has a service-connected disability by putting on one who has not, we take time. That time results in criticism. For that reason, if we are to rewrite the law, I would certainly advocate that it be the simplest law that we can possibly write, and that it be understandable both on the part of the veteran and on the part of those who are interested in the problem.

There is one group of veterans that this bill attempted to take care of. I think that the amendment having to do with the payment of \$25 additional when a man has what was undoubtedly intended to be a battle disability, was not so written that it carries that out in effect. It will bring about, in its present form, a rather unusual situation. For instance, we have a man who probably lost a limb, and by the addition of the \$25 he would draw more than a man whose disability is permanent and total. He may draw \$115, \$90 under the rating schedule and \$25 under this amendment—as against the man who is permanently and totally disabled, drawing \$100. So that that

feature, while it is meritorious and was intended to take care of the amputation cases, as it is now drawn, would work inequalities in the existing schedule of disabilities. I have noted that in my testimony, but I desire to emphasize it here, and to make just one point. That is this. If we are to take in, by extending the presumptive period up to January 1, 1930, a large number of cases that can not be said to be due to service, then we most certainly should do something to reward the men who have battle disabilities. Otherwise you will create an inequality that will be very bad, and it will result in a disadvantage to the actually disabled man who has a disability not gained in camp, but gained on the field of battle.

I wonder sometimes if we give consideration to the fact that out of this total force that we had during the World War only 1,300,000 of them belonged to combat divisions: that is, actually got into combat; 2,086,000 actually got overseas. What I was going to suggest, gentlemen, was simply this. If we are to so liberalize it as to take in these nonservice-connected cases, then most certainly we should consider putting a premium upon those who have actual battle disabilities at this time. That force that served overseas, in action—and they are a small number compared to the total number—should be rewarded so that the inequality will not be so great.

Senator WALSH of Massachusetts. What is that number, approximately?

Senator REED. How many men are drawing compensation to-day?

General HINES. We have 273,638 active disability claims as of March 31, 1930, and we are paying a death compensation for 91,075.

Senator REED. How many of those are due to battle disabilities, approximately?

General HINES. I should say not over 70,000. No, Senator; I would not want to say that, either, because we might be talking about wounded men rather than battle disabilities. So, there is only one safe answer to your question, to avoid being put in the wrong position, and that is to give you the total number that were wounded severely, and by the various degrees, so that you can make some estimate from that. We do know, however, that a certain number of the 273,638 are drawing awards for arrested tuberculosis—some 42,000. We have a large number of tuberculosis cases. They may have contracted tuberculosis overseas. I could insert in the record a statement that would divide those as between wounds, amputations, and other disabilities.

Compensation, active disability awards—Number of disabled veterans showing contributory cause of disability, type and extent of major disability, and amount of monthly payments as of December 31, 1929

NEUROPSYCHIATRIC DISEASES

Contributory cause of disability	Temporary partial		Temporary total		Permanent partial		Permanent total		Double permanent total		No disability statutory awards for arrested tuberculosis		Total	
	Number	Monthly payment	Number	Monthly payment	Number	Monthly payment	Number	Monthly payment	Number	Monthly payment	Number	Monthly payment	Number	Monthly payment
Unclassified.....	4,443	175,834	1,216	96,777	791	31,447	3,600	285,733	3	750			10,043	500,541
Accident, at sea.....	68	2,736	6	465	76	2,725	41	4,070	1	250			192	10,246
Accident, overseas.....	570	22,065	46	4,020	524	19,561	145	13,680					1,285	50,326
Accident in United States or possessions.....	564	23,227	53	4,720	734	26,344	203	19,358	2	500			1,556	74,148
Action at sea.....	8	368			5	164	8	800					21	1,332
Action overseas.....	3,543	137,631	294	25,506	6,385	247,309	1,201	107,943	3	750			11,426	510,321
Action in United States possessions.....	2	58											2	58
Disease at sea.....	586	22,720	81	6,003	209	8,068	350	29,452					1,226	66,863
Disease overseas.....	6,021	222,213	646	53,088	1,602	59,846	3,450	276,768	1	250			11,720	612,765
Disease in United States or possessions.....	7,285	279,733	1,696	87,557	2,758	106,506	8,893	673,762	9	1,970			20,041	1,151,528
Total.....	23,000	886,584	3,438	279,428	13,074	502,080	17,891	1,413,566	19	4,470			57,512	3,086,128

TUBERCULOSIS

Unclassified.....	2,450	\$147,115	1,323	\$121,735	958	\$47,197	2,286	\$237,892	1	\$180	4,508	\$224,094	11,526	\$778,213
Accident, at sea.....	2	134			10	470	3	300			6	300	21	1,204
Accident, overseas.....	23	1,493	19	1,743	61	2,963	30	3,250			35	1,750	168	11,199
Accident in United States or possessions.....	25	1,458	19	1,785	74	3,609	28	3,000			38	1,875	164	11,817
Action at sea.....			1	115			2	200			1	50	4	365
Action overseas.....	551	33,126	282	26,297	1,601	77,418	506	52,583			2,260	112,409	5,202	301,833
Action in United States or possessions.....			1	50									1	50
Disease at sea.....	133	8,042	143	13,088	470	23,226	273	28,120			425	21,114	1,444	93,608
Disease overseas.....	1,534	92,897	883	81,771	3,507	194,279	1,950	201,388	1	200	5,322	264,347	13,657	834,982
Disease in United States or possessions.....	2,217	134,715	1,727	158,695	7,141	353,283	4,742	489,746	2	500	7,808	388,136	23,637	1,525,08
Total.....	6,935	418,960	4,397	405,239	14,283	702,690	9,822	1,016,479	4	860	20,403	1,014,075	55,844	3,538,343

GENERAL MEDICAL AND SURGICAL CONDITIONS

Unclassified	9,453	\$277,800	959	\$88,550	5,559	\$145,655	637	\$72,581	6	\$1,450		16,614	\$596,045
Accident, at sea	131	4,229	17	1,585	1,053	29,661	31	3,500				1,232	39,973
Accident, overseas	1,161	35,046	101	9,277	6,697	177,592	143	16,378	2	270		8,104	238,563
Accident in United States or possessions	1,252	39,520	117	10,739	8,694	230,747	182	21,344	1	200		10,246	302,550
Action at sea	10	378			31	996	2	220				43	1,594
Action overseas	6,657	193,745	464	43,236	41,253	1,229,819	1,134	130,365	4	950		49,512	1,603,114
Action in United States possessions	1	16			6	263							279
Disease at sea	1,099	33,563	94	8,570	1,804	49,704	12	16,733				3,144	100,579
Disease overseas	11,847	348,415	784	72,765	12,479	338,657	1,046	115,295	12	2,950		26,168	878,073
Disease in United States or possessions	15,691	449,591	1,265	118,100	22,763	620,505	2,453	276,856	23	5,600		41,195	1,479,652
Total	45,302	1,387,603	3,801	352,831	100,339	2,823,598	5,775	653,263	48	11,420		156,265	5,228,715

GRAND TOTAL

Unclassified	16,346	\$600,749	3,498	\$307,071	7,298	\$224,299	6,523	\$596,206	10	\$2,380	4,506	\$224,094	38,183	\$1,954,739
Accident, at sea	201	7,069	23	2,050	1,139	32,856	75	7,870	1	250	6	300	1,445	50,625
Accident, overseas	1,754	58,604	166	15,040	7,282	200,116	318	33,306	2	270	35	1,750	9,557	309,088
Accident in United States or possessions	1,841	64,204	189	17,244	9,502	260,790	413	43,702	3	700	38	1,875	11,966	388,515
Action at sea	18	746	1	115	36	1,160	12	1,220			1	50	63	3,291
Action overseas	10,751	369,502	1,040	95,131	49,239	1,554,635	2,843	290,891	7	1,700	2,260	112,409	65,140	2,424,238
Action in United States possessions	3	74			7	313							10	387
Disease at sea	1,818	64,325	318	28,271	2,483	81,018	770	74,305			425	21,114	5,914	269,033
Disease overseas	18,402	663,525	2,313	208,224	18,048	592,892	6,446	582,442	14	3,400	5,322	264,347	51,545	2,325,820
Disease in United States or possessions	24,193	864,339	4,088	364,352	32,662	1,080,299	16,068	1,442,364	34	8,070	7,808	398,136	84,873	4,147,560
Total	76,327	2,693,167	11,736	1,037,496	127,696	4,028,368	33,488	3,083,308	71	16,770	20,403	1,014,075	269,621	11,873,186

TO AMEND THE WORLD WAR VETERANS' ACT OF 1924 167

Compensation—Active disability awards—Number of disabled veterans, showing year of original award by present type of major disability, extent of disability, relative per cent and monthly payment as of March 31, 1930

NEUROPSYCHIATRIC DISEASES

Year of original award	Temporary partial			Temporary total				Permanent partial				
	Number	Per cent of total temporary partial	Per cent of total year	Monthly payments	Number	Per cent of total temporary total	Per cent of total year	Monthly payments	Number	Per cent of total permanent partial	Per cent of total year	Monthly payments
1917	94	0.40	32.06	\$3,664.00	18	0.52	6.14	\$1,477.00	54	6.41	18.43	\$2,177.00
1918	1,774	7.55	38.91	72,021.00	199	5.73	4.36	17,355.00	913	6.89	20.03	37,323.00
1919	8,830	37.58	39.62	346,439.00	821	23.64	3.68	68,794.00	7,456	58.26	33.45	277,067.00
1920	2,238	9.52	33.13	87,038.00	293	8.44	4.34	24,234.00	1,793	13.57	26.61	98,219.00
1921	2,371	10.09	41.19	90,283.00	335	9.65	5.82	27,313.00	934	7.05	16.23	37,192.00
1922	984	4.19	42.41	36,781.00	132	3.80	5.69	10,803.00	320	2.42	13.79	11,906.00
1923	465	1.98	39.37	18,851.00	97	2.79	8.21	7,794.00	173	1.31	14.65	6,562.00
1924	3,523	14.99	39.92	132,657.00	698	20.10	7.91	55,490.00	892	6.73	16.11	32,960.00
1925	744	3.17	33.08	30,896.00	254	7.31	11.29	20,517.00	206	1.55	9.16	7,002.00
1926	593	2.52	43.96	23,369.00	212	6.10	15.71	17,151.00	172	1.20	12.75	5,922.00
1927	674	2.87	55.75	24,141.00	189	5.44	15.63	15,445.00	161	1.22	13.32	4,417.00
1928	717	3.05	64.89	23,860.00	168	4.84	15.20	13,585.00	105	.79	9.50	2,534.00
1929	471	2.00	77.34	13,464.00	57	1.64	9.36	4,620.00	60	.45	9.85	1,531.00
1930	21	.09		578.00					4	.03		106.00
Total	23,499	100.00	40.15	904,042.00	3,473	100.00	5.93	284,868.00	13,243	100.00	22.64	514,060.00

TUBERCULOSIS

1917	50	0.74	6.50	\$3,212.00	32	0.75	4.16	\$3,005.00	161	1.30	7.94	\$6,000.00
1918	604	8.92	9.94	36,661.00	262	6.10	4.31	24,872.00	1,375	11.13	22.63	66,107.00
1919	2,357	34.81	10.37	142,818.00	1,167	27.19	5.14	100,292.00	5,875	47.53	25.85	287,538.00
1920	623	9.20	10.16	38,074.00	352	8.90	6.23	35,373.00	1,434	11.60	23.38	71,205.00
1921	647	9.55	11.09	39,539.00	368	8.57	6.31	33,768.00	1,526	12.34	26.16	75,614.00
1922	214	3.16	12.94	12,896.00	134	3.12	8.10	12,305.00	372	3.01	22.49	18,472.00
1923	100	1.48	14.26	5,871.00	85	1.98	12.13	7,838.00	157	1.27	22.40	7,794.00
1924	1,208	17.84	17.68	73,300.00	893	20.81	13.07	82,429.00	1,067	8.03	15.61	52,879.00
1925	305	4.50	18.17	18,433.00	273	6.36	16.27	24,976.00	181	1.46	10.79	8,861.00
1926	262	3.87	16.76	15,405.00	273	6.36	17.47	25,083.00	159	1.29	10.17	7,712.00

1927	195	2.88	24.01	11,762.00	193	4.50	23.77	17,716.00	46	.37	5.67	2,280.00
1928	150	2.21	24.59	8,883.00	191	4.45	31.31	17,500.00	9	.07	1.47	410.00
1929	56	.83	39.16	2,985.00	39	.91	27.27	3,440.00				
1930	1	.01	100.00	50.00								
Total	6,772	100.00	12.19	400,880.00	4,292	100.00	7.73	397,705.00	12,362	100.00	22.26	606,980.00

GENERAL MEDICAL AND SURGICAL

1917	204	0.43	29.02	\$7,632.00	2.	0.60	3.41	\$2,265.00	423	0.41	60.17	\$14,729.00
1918	3,641	7.59	31.75	121,721.00	343	8.09	2.99	32,523.00	6,773	6.66	59.07	295,997.00
1919	22,409	48.71	24.28	678,441.00	1,577	39.54	1.71	147,868.00	65,745	64.67	71.23	1,958,533.00
1920	3,510	7.32	25.42	118,713.00	398	9.98	2.88	36,918.00	9,001	8.85	65.20	30,477.00
1921	2,611	5.44	34.04	83,101.00	289	7.25	3.77	27,128.00	4,322	4.25	56.34	130,142.00
1922	1,369	2.85	34.43	4,872.00	149	3.74	3.75	13,890.00	2,264	2.23	56.94	64,094.00
1923	890	1.86	33.41	30,609.00	163	2.58	3.86	9,472.00	1,532	1.51	57.51	83,494.00
1924	1,514	3.16	36.65	51,346.00	190	4.51	4.36	16,729.00	2,087	2.06	58.76	59,423.00
1925	1,340	2.79	38.02	43,961.00	174	4.36	4.94	16,147.00	1,813	1.78	51.45	44,125.00
1926	2,161	4.50	46.70	65,943.00	234	5.87	5.06	21,893.00	2,699	1.97	43.23	46,498.00
1927	2,458	5.12	52.91	64,543.00	200	5.02	4.30	18,473.00	1,896	1.87	48.85	39,565.00
1928	3,341	6.96	58.45	76,553.00	203	5.09	3.55	18,821.00	2,104	2.07	36.81	39,578.00
1929	2,431	5.07	58.40	49,039.00	113	2.83	2.71	10,041.00	1,604	1.58	34.53	25,722.00
1930	96	.20	50.79	1,653.00	1	.03	.53	100.00	82	.08	48.08	1,522.00
Total	47,974	100.00	30.06	1,437,830.00	3,988	100.00	2.50	372,195.00	101,688	100.00	63.71	2,456,873.00

GRAND TOTAL

1917	348	0.45	19.72	\$14,508.00	.4	0.63	4.19	\$6,747.00	638	0.50	36.15	\$24,966.00
1918	6,019	7.69	27.23	230,403.00	894	6.84	3.64	74,759.00	9,061	7.12	41.00	312,427.00
1919	33,595	42.94	24.46	1,167,698.00	3,565	30.33	2.00	326,954.00	79,076	63.13	57.59	2,421,168.00
1920	6,371	8.14	23.87	243,822.00	1,073	9.13	4.02	96,525.00	12,233	9.61	45.82	461,901.00
1921	5,629	7.19	29.23	212,923.00	992	8.44	5.15	88,200.00	6,782	5.33	35.21	242,947.00
1922	2,567	3.28	32.29	94,249.00	415	3.53	5.22	37,007.00	2,954	2.32	37.18	94,472.00
1923	1,455	1.86	32.01	55,331.00	285	2.43	6.27	25,634.00	1,862	1.46	40.96	57,824.00
1924	6,245	7.96	31.56	257,303.00	1,771	15.07	8.95	154,395.00	4,056	2.19	28.58	145,342.00
1925	2,389	3.05	32.06	93,298.00	701	5.96	9.41	61,040.00	2,209	1.73	29.53	69,955.00
1926	3,016	3.86	40.00	104,717.00	719	6.12	9.54	64,042.00	2,331	1.83	28.92	60,132.00
1927	3,327	4.25	49.90	100,446.00	582	4.95	8.73	51,634.00	2,105	1.65	31.57	46,272.00
1928	4,206	5.38	56.63	109,296.00	562	4.78	7.56	58,015.00	2,218	1.74	29.85	42,522.00
1929	2,958	3.78	60.18	65,488.00	209	1.78	4.25	17,513.00	1,604	1.31	33.86	27,251.00
1930	118	.15	54.88	2,281.00	1	.01	.47	100.00	96	.08	44.65	1,600.00
Total	78,245	100.00	28.59	2,751,761.00	11,753	100.00	4.30	1,054,786.00	127,278	100.00	46.51	3,986,902.00

Compensation—Active disability awards—Number of disabled veterans, showing year of original award by present type of major disability, extent of disability, relative per cent and monthly payment as of March 31, 1930—Continued

NEUROPSYCHIATRIC DISEASES

Year of original award	Permanent total ¹				Statutory tuberculosis awards—No disability ²				Total			
	Number	Per cent of total permanent total	Per cent of total year	Monthly payment	Number	Per cent of total	Per cent of total year	Monthly payment	Number	Per cent of total	Monthly payment	Average monthly payment
1917	127	0.60	43.35	\$0,660.00					293	0.50	\$16,978.00	\$57.95
1918	1,673	9.14	36.70	132,641.00					4,559	7.79	259,340.00	56.89
1919	5,182	28.31	23.25	412,073.00					22,289	38.09	1,105,463.00	49.59
1920	2,427	13.26	35.92	194,331.00					6,756	11.54	391,822.00	58.00
1921	2,116	11.56	36.78	159,872.00					5,758	9.84	314,360.00	54.61
1922	884	4.83	38.11	66,671.00					2,320	3.96	126,251.00	54.42
1923	446	2.44	37.77	32,695.00					1,181	2.02	65,832.00	55.74
1924	3,711	20.27	42.06	289,840.00					8,824	15.06	519,917.00	57.99
1925	1,045	5.71	46.47	88,175.00					2,290	3.84	147,566.00	65.02
1926	372	2.03	27.58	33,720.00					1,349	2.30	89,162.00	59.42
1927	185	1.01	15.30	17,750.00					1,208	2.07	61,753.00	51.08
1928	115	.63	10.41	10,635.00					1,105	1.89	59,024.00	45.27
1929	21	.12	3.45	1,810.00					609	1.04	20,825.00	34.29
1930									25	.04	686.00	27.44
Total	18,304	100.00	31.28	1,449,973.00					58,524	100.00	3,151,943.00	53.86

TUBERCULOSIS

1917	93	0.95	12.00	\$9,550.00	433	1.94	56.31	\$21,499.00	769	1.39	\$45,346.00	\$58.97
1918	667	6.78	10.90	68,995.00	3,168	14.22	42.14	157,758.00	6,676	10.94	356,393.00	58.66
1919	2,669	27.15	11.74	277,026.00	10,659	47.84	46.90	530,595.00	22,727	40.92	1,347,263.00	59.28
1920	1,269	12.91	20.69	136,675.00	2,425	10.88	39.54	120,569.00	6,133	11.04	395,916.00	64.56
1921	966	9.83	16.56	100,247.00	2,227	10.44	39.88	115,921.00	5,834	10.51	365,098.00	62.58
1922	339	3.45	20.50	35,720.00	595	2.67	35.97	29,565.00	1,654	2.98	108,998.00	65.88
1923	162	1.65	23.11	17,163.00	197	.98	28.10	9,766.00	701	1.26	48,434.00	69.09
1924	1,991	20.26	29.13	207,405.00	1,675	7.52	24.51	83,367.00	6,834	12.31	469,380.00	73.07
1925	664	6.75	39.57	69,250.00	255	1.15	15.20	12,699.00	1,678	3.02	134,225.00	79.99
1926	464	4.72	29.69	48,273.00	405	1.82	25.91	20,068.00	1,563	2.81	118,541.00	74.58
1927	298	3.03	36.70	29,965.00	80	.36	9.85	3,909.00	812	1.46	65,702.00	80.91

1928	210	2.14	34.43	21,135.00	50	.23	8.20	2,453.00	630	1.10	50,490.00	82.75
1929	37	.38	25.88	3,785.00	11	.05	7.60	535.00	143	.26	10,754.00	73.20
1930									1		50.00	
Total	9,829	100.00	17.70	1,019,196.00	22,280	100.00	40.12	1,108,776.00	55,535	100.00	3,544,537.00	63.83

GENERAL MEDICAL AND SURGICAL

1917	52	0.88	7.40	\$5,700.00					703	0.44	\$30,326.00	\$43.14
1918	710	11.93	6.19	77,593.00					11,467	7.18	439,834.00	35.27
1919	2,566	43.13	2.78	292,151.00					92,286	57.84	2,974,993.00	32.23
1920	897	15.08	6.50	101,555.00					13,806	8.65	561,053.00	40.08
1921	449	7.55	5.85	51,490.00					7,671	4.81	291,851.00	38.05
1922	194	3.26	4.88	21,920.00					3,976	2.49	144,305.00	30.22
1923	139	2.34	5.22	15,670.00					2,604	1.67	99,219.00	37.24
1924	340	5.72	8.23	39,915.00					4,131	2.50	167,473.00	40.54
1925	197	3.31	5.59	25,360.00					3,524	2.21	129,596.00	30.73
1926	232	3.90	5.01	27,225.00					4,627	2.90	161,474.00	34.80
1927	90	1.51	1.94	10,733.00					4,646	2.91	133,314.00	23.00
1928	68	1.14	1.19	7,888.00					5,716	3.58	142,840.00	24.90
1929	15	.25	.36	1,790.00					4,163	2.61	86,595.00	20.80
1930									189	.12	3,305.00	17.40
Total	5,949	100.00	3.73	678,980.00					150,579	100.00	5,365,873.00	23.03

GRAND TOTAL

1917	272	0.80	15.41	\$24,910.00	433	1.94	24.53	\$21,499.00	1,765	0.64	\$92,650.00	\$52.00
1918	3,050	8.95	13.80	279,229.00	3,168	14.22	14.33	157,738.00	22,102	8.08	1,054,587.00	47.71
1919	10,417	30.57	7.59	981,250.00	10,650	47.84	7.76	530,595.00	137,312	50.18	5,427,665.00	30.52
1920	4,593	13.48	17.21	426,561.00	2,425	10.88	9.08	129,590.00	26,695	9.75	1,349,401.00	50.55
1921	3,531	10.36	18.33	311,299.00	2,327	10.44	12.08	115,921.00	19,261	7.04	971,300.00	50.43
1922	1,477	4.16	17.82	124,311.00	595	2.67	7.49	29,565.00	7,960	2.90	373,604.00	47.75
1923	747	2.19	16.43	65,528.00	197	.88	4.33	9,708.00	4,546	1.68	213,485.00	46.96
1924	6,042	17.73	30.53	537,160.00	1,675	7.52	8.46	83,367.00	19,789	7.23	1,177,770.00	50.52
1925	1,906	5.59	25.58	182,794.00	255	1.15	3.42	12,680.00	7,451	2.72	411,411.00	55.22
1926	1,068	3.13	14.17	109,218.00	405	1.82	5.37	20,008.00	7,539	2.75	358,177.00	47.51
1927	573	1.68	8.60	58,448.00	80	.36	1.20	3,909.00	6,667	2.44	299,709.00	39.11
1928	393	1.15	5.29	39,058.00	50	.23	.67	2,453.00	7,431	2.72	243,344.00	32.75
1929	73	.21	1.49	7,385.00	11	.05	.22	535.00	4,915	1.80	118,174.00	24.04
1930									215	.08	4,041.00	18.80
Total	34,682	100.00	12.46	3,147,151.00	22,280	100.00	8.14	1,108,776.00	273,638	100.00	12,062,358.00	44.06

¹ Includes double permanent totals.

² Other statutory awards on a temporary or a permanent basis, are carried in items of that status.

Active disability awards—Number of disabled veterans showing classification of major disability, degree of impairment, extent of disability, and amount of monthly payments, as of March 31, 1950

Extent	Degree of impairment	Abnormalities and congenital malformations		Blood and blood-forming organs		Bones and cartilages		Circulatory system		Communicable and infectious diseases		Digestive system	
		Number	Monthly payment	Number	Monthly payment	Number	Monthly payment	Number	Monthly payment	Number	Monthly payment	Number	Monthly payment
Total permanent	<i>Per cent</i>												
Do	10-19	23	\$316			223	\$2,943	2,471	\$37,045	17	\$480	1,158	\$14,410
Do	20-29	13	298	3	68	239	5,623	2,480	65,262	68	1,080	1,465	34,979
Do	30-39	6	192	2	63	104	2,418	1,729	52,722	33	1,126	567	18,439
Do	40-49	6	252			78	3,213	906	30,973	28	1,150	308	14,777
Do	50-59	1	49	7	328	112	5,533	1,108	58,210	38	1,918	779	37,808
Do	60-69	1	76	1	52	48	2,800	406	27,186	17	1,088	197	11,000
Do	70-79	2	154	6	462	86	6,142	406	28,982	18	1,323	245	17,142
Do	80-89					14	1,064	70	5,491	4	349	41	3,284
Do	90-99					1	105	4	349	6	557	3	281
Total		52	1,337	19	973	905	30,910	10,631	316,230	249	2,500	4,843	152,840
Permanent partial													
Do	10-19	295	4,439			1,916	28,963	2,982	44,163	84	1,156	1,100	16,329
Do	20-29	140	3,303	1	25	1,220	29,308	2,762	66,747	41	1,082	854	21,776
Do	30-39	41	1,319	2	70	542	18,377	900	31,000	29	826	564	19,921
Do	40-49	24	1,058			204	13,156	467	19,091	29	1,258	196	8,585
Do	50-59	8	420	3	150	245	12,878	552	28,075	23	1,176	187	9,623
Do	60-69	8	476			179	11,353	161	9,981	6	379	48	2,895
Do	70-79	3	192			124	9,156	111	8,290	13	971	41	2,053
Do	80-89	1	81			57	4,752	16	1,316	3	248	6	490
Do	90-99					11	1,012	1	94	2	190	2	193
Total		520	11,280	6	245	4,508	127,263	8,012	200,657	229	7,306	3,004	82,804
Total temporary	100	8	750	9	890	200	19,277	804	76,014	82	7,855	557	51,701
Permanent total	100	4	400	26	2,650	146	15,340	1,327	134,798	162	18,940	253	23,788
Disability, permanent total	200							1	250			1	250
Grand total		584	13,776	60	4,738	5,858	192,790	20,775	736,939	723	42,800	4,658	13,482

Extent	Degree of impairment	Ear, nose, and throat		Endocrines		Eye and annexa		Genito-urinary system		Hernia		Joints and bursae		Lymphatic system	
		Number	Monthly payment	Number	Monthly payment	Number	Monthly payment	Number	Monthly payment	Number	Monthly payment	Number	Monthly payment	Number	Monthly payment
Total permanent	<i>Per cent</i>														
Do.....	10-19	1,573	\$21,200	434	\$6,300	384	\$4,800	294	\$3,144	238	\$2,982	2,384	\$31,898	8	\$98
Do.....	20-29	1,028	24,082	959	22,691	214	4,976	369	8,134	465	10,894	2,337	54,169	2	37
Do.....	30-39	711	22,965	300	9,831	107	3,376	170	5,315	383	12,902	977	31,259	2	38
Do.....	40-49	551	22,680	87	3,465	87	3,547	104	4,240	140	5,786	588	23,922	1	32
Do.....	50-59	452	22,432	66	3,322	106	5,299	249	11,944	63	3,233	840	40,831	5	239
Do.....	60-69	319	19,170	54	3,394	73	4,292	137	8,045	35	1,562	289	17,098	2	135
Do.....	70-79	205	14,235	280	20,415	70	4,810	167	11,825	3	217	410	28,783	3	176
Do.....	80-89	137	10,685	83	6,431	41	3,364	33	2,468	1	65	87	6,703		
Do.....	90-99	46	3,967	10	890	35	2,961	4	333	1	96	21	1,897		
Total.....		5,023	161,416	2,283	76,639	1,117	37,425	1,527	55,448	1,320	37,739	7,933	236,490	23	774
Permanent partial															
Do.....	10-19	2,006	39,414	154	2,462	810	11,669	625	9,275	441	6,232	10,702	155,298	25	434
Do.....	20-29	1,979	50,044	205	5,227	720	17,573	283	7,075	590	14,802	6,455	154,105	7	269
Do.....	30-39	1,364	48,712	44	1,597	1,115	36,483	113	3,890	395	14,092	2,351	79,556		
Do.....	40-49	965	41,646	12	533	872	37,098	370	15,683	170	7,484	1,473	64,473		
Do.....	50-59	562	31,482	9	455	503	26,149	173	9,070	69	3,684	1,031	54,209	6	300
Do.....	60-69	407	25,623	17	1,087	1,123	68,373	64	3,928	19	1,299	613	40,702		
Do.....	70-79	330	24,262	51	3,825	191	14,042	15	3,330	11	812	458	34,014	1	75
Do.....	80-89	240	20,289	14	1,174	102	8,546	14	1,150	4	327	185	15,447		
Do.....	90-99	86	7,890	2	182	45	4,248	2	180			38	3,519		
Total.....		8,579	287,352	508	16,512	5,481	224,155	1,689	53,561	1,649	48,022	23,336	691,233	39	1,022
Total, temporary	100	131	12,034	224	20,732	75	7,120	229	20,263	51	1,565	803	75,063	6	625
Permanent total	100	323	32,405	245	24,620	713	122,251	324	32,830	49	4,895	1,020	111,028	4	450
Disability, permanent total	200					16	3,620					24	5,800		
Grand total.....		14,046	493,207	3,260	138,533	7,403	394,571	3,700	162,132	3,109	95,811	33,116	1,032,544	72	2,671

Active disability awards—Number of disabled veterans showing classification of major disability, degree of impairment, extent of disability, and amount of monthly payments, as of March 31, 1950—Continued

Extent	Degree of impairment	Muscles, fasciae, tendons, and tendon sheaths		Nervous system		Obstetrical and gynecological conditions		Parasitic diseases		Psychiatric diseases		Respiratory system		Skin and its appendages	
		Number	Monthly payment	Number	Monthly payment	Number	Monthly payment	Number	Monthly payment	Number	Monthly payment	Number	Monthly payment	Number	Monthly payment
Total permanent.....	<i>Per cent</i>	279	\$3,711	1,183	\$17,927			77	\$975	234	\$3,735	4,502	\$55,157	446	5,344
Do.....	10-19	232	5,485	5,727	139,241			94	2,016	1,496	36,331	3,039	66,226	341	7,634
Do.....	20-29	145	4,770	2,082	60,291	2	76	18	587	591	19,458	1,424	44,016	127	4,173
Do.....	30-39	93	3,879	1,595	65,820	1	32	16	657	1,017	40,338	377	15,795	61	2,515
Do.....	40-49	79	4,013	1,608	80,465			87	4,149	1,257	61,667	652	31,699	151	7,157
Do.....	50-59	41	2,454	886	52,759			21	1,261	730	41,839	182	8,982	26	1,557
Do.....	60-69	32	2,327	1,038	72,593	1	69	23	1,653	1,124	76,025	926	66,183	26	1,862
Do.....	70-79	9	734	341	26,569			2	106	257	19,647	145	11,588	7	531
Do.....	80-89	6	543	36	3,253					22	1,856	17	1,539	1	77
Do.....	90-99														
Total.....		916	27,916	14,498	526,909	4	176	328	11,364	6,718	300,494	11,234	301,095	1,196	30,850
Permanent partial.....	10-19	3,523	50,962	1,857	26,799	4	80	27	307	172	2,675	3,931	63,034	6,866	94,850
Do.....	20-29	3,312	77,472	3,034	76,001	1	25	49	1,320	453	11,665	2,070	54,093	3,628	85,422
Do.....	30-39	1,282	43,144	1,536	52,925	1	30	10	340	196	6,958	685	23,669	952	32,045
Do.....	40-49	658	28,259	1,294	54,702	2	85	7	304	265	11,526	212	9,134	361	15,361
Permanent partial.....	50-59	356	18,911	1,334	70,215	2	167	27	1,349	271	14,291	299	15,298	179	9,329
Do.....	60-69	170	10,767	757	48,035			6	368	132	8,353	71	4,407	83	5,214
Do.....	70-79	98	7,187	803	59,538			9	678	218	16,168	298	21,479	41	3,019
Do.....	80-89	30	2,470	319	26,580			1	90	71	5,896	41	3,397	10	796
Do.....	90-99	7	634	53	4,886					5	455	8	734	1	86
Total.....		9,436	239,826	10,957	419,561	10	327	136	4,756	1,783	77,957	7,605	195,176	12,121	246,309
Temporary total.....	100	37	3,462	720	66,393			41	3,883	2,529	197,743	648	69,576	106	9,878
Permanent total.....	100	47	4,850	3,276	352,665	2	200	24	2,500	14,764	1,067,588	586	59,268	36	3,670
Disability, permanent total.....	200			17	4,250					2	456				
No disability.....															
Grand total.....		10,436	276,054	29,463	1,369,178	16	703	529	22,503	25,796	1,644,232	20,073	616,095	13,451	290,758

Extent	Degree of impairment	Tuberculosis		Tumors		Venereal diseases		Miscellaneous		Amputations		Fractures		Total	
		Number	Monthly payment	Number	Monthly payment	Number	Monthly payment	Number	Monthly payment	Number	Monthly payment	Number	Monthly payment	Number	Monthly payment
Total permanent	<i>Per cent</i>	406	\$19,336	30	\$402			67	\$775	14	\$303	24	\$370	16,889	\$233,270
Do.....	10-19	1,164	57,027	33	749	1	\$16	80	1,849	9	216	28	690	22,295	549,582
Do.....	20-29	1,396	69,038	9	290			36	1,187	10	319	15	482	10,946	375,382
Do.....	30-39	281	13,935	1	49	1	36	31	1,264	9	367	14	571	6,533	268,304
Do.....	40-49	91	4,621	19	932	5	239	60	2,910	6	288	15	733	7,946	399,399
Do.....	50-59	580	33,457	2	110	2	114	14	846	13	792	10	565	4,100	241,293
Do.....	60-69	1,478	101,104	6	405	1	78	17	1,144	19	1,367	9	591	6,612	460,098
Do.....	70-79	910	70,787	3	240			10	804	20	1,557	6	458	2,221	172,985
Do.....	80-89	466	40,584	1	90			1	72	11	1,019	2	159	694	69,590
Do.....	90-99														
Total		3,772	400,889	104	3,276	10	483	316	10,851	111	6,119	123	4,610	78,245	2,751,761
Permanent partial		8,405	411,233	82	1,168	1	15	1,213	16,821	1,704	23,328	2,357	32,708	51,809	1,041,777
Do.....	10-19	3,096	151,918	55	1,362			795	18,848	1,076	25,827	1,450	34,152	34,266	909,179
Do.....	20-29	435	21,069	22	760			219	7,331	559	18,715	509	20,215	14,006	491,936
Do.....	30-39	123	6,363	13	572			95	4,024	454	20,190	330	14,194	8,676	275,370
Permanent partial		136	6,970	4	266	5	235	102	5,325	501	27,157	256	13,549	6,873	260,473
Do.....	40-49	54	3,405	6	368			32	2,001	875	55,896	182	11,535	5,041	316,379
Do.....	50-59	75	5,033	4	297			32	2,311	748	54,950	97	6,988	3,792	280,211
Do.....	60-69	21	1,736			1	88	12	1,016	942	79,606	52	4,373	2,142	179,857
Do.....	70-79	7	651	1	91			1	90	305	28,219	15	1,386	592	54,729
Do.....	80-89														
Do.....	90-99														
Total		12,362	606,969	187	4,826	7	338	2,501	57,767	7,155	333,688	5,338	139,100	127,278	3,909,902
Temporary total	100	4,202	397,705	42	3,899	5	475	60	5,458	58	5,405	32	2,872	11,753	1,054,788
Permanent total	100	9,824	1,018,198	93	10,180	23	2,370	161	17,505	549	59,202	31	3,079	34,006	3,129,131
Disability, permanent total	200	5	1,000							10	2,400			76	18,020
No disability		22,289	1,108,776											22,289	1,108,776
Grand total		55,535	3,544,537	429	22,171	45	3,066	3,038	91,581	7,874	407,014	5,524	149,652	273,638	12,062,358

Senator REED. It is scarcely likely that the tuberculosis had its origin in battle.

General HINES. No; not in battle. I would not say that. I mean at the front.

Senator REED. The medical testimony given us at the veterans inquiry in 1923 was that the effect of gas was rather to prevent tuberculosis than to cause it.

General HINES. We have had a study made of the effect of gas, in conjunction with the Army, and while it is not completed, we feel that although the statement you have made is correct, Senator, that it would probably, under certain circumstances, prevent tuberculosis, nevertheless there is a certain injury to the tissue of the upper air passages and of the lungs which might make a man susceptible to the infection to a greater degree than a man who had not been gassed.

Senator REED. So, some of the gas cases may have developed tuberculosis as a result.

General HINES. Yes. Some of them may have.

Senator SHORTRIDGE. General, under the present law, those suffering from disabilities incident to service on the battle field receive larger consideration, do they not?

General HINES. Not always. We have men who have gunshot wounds that would probably receive, under our rating table, less than a man with arrested tuberculosis. In other words, the statutory award for arrested tuberculosis is \$50. The compensation table takes into account the factor of a man's pre-war occupation, before he went into the service. That element might reduce it to the point where, due to his pre-war occupation, he would receive less than \$50. You probably recall the example I gave of two men who had an amputation at the middle thigh. One was a bookkeeper before he went into the service and the other was a structural-iron worker. The bookkeeper, due to his pre-war occupation, and the variant being lower than the variant for the structural iron-worker, would receive \$39 a month, while the structural-iron worker, who has a greater industrial handicap, would receive \$89 a month, under the compensation table. That table is built up with those factors—the degree of injury in the part of the body impaired, and the pre-war vocational handicap that he suffers as a result of that disease for injury.

Senator SHORTRIDGE. But under the law you take those things into consideration.

General HINES. Yes, sir.

Senator SHORTRIDGE. There is no question that that is the just and right thing to do, is there? Would anyone question the wisdom or justice of that?

General HINES. There seems to be some question as to the wisdom of taking the average impairment rather than the individual impairment, but after very careful study on the part of the committee that reported out that bill, it was felt that the average impairment was the fairest basis. It follows more nearly the theory of compensation.

Senator WALSH of Massachusetts. They do not get compensation for gunshot wounds that do not produce disabilities. There are a number of veterans who have gunshot wounds who do not get \$1 out of the Public Treasury. In fact, I know a case where men have gunshot wounds and have other disabilities, and are not able to

connect them with the gunshot wounds, and they do not get a dollar.

Senator SHORTRIDGE. In that actual or hypothetical case, which the general gave, of the bookkeeper and the structural iron worker, with like physical misfortune, the two men would be left afterwards in a very different and unequal condition.

Mr. WALSH of Massachusetts. I know a case where a man has a gunshot wound in the face, and one of his eyes is affected very badly, but because it is not the other eye, he can not connect it with the wound, and he has not been able to produce medical testimony sufficient to trace the affliction of his eye to the wound he received.

General HINES. It is quite apparent, gentlemen, that if the proposition suggested by the Legion, that the chronic disabilities only be brought up to January 1, 1925, is adopted, you will not reach the group of men in the tubercular hospitals, and neuropsychiatric hospitals that have been making the great appeal, and upon which the Rankin bill was based, because those men, in nearly every case, I think, in the hospitals, have disabilities, but they originated after January 1, 1925.

I desire also to call your attention to the fact that by administrative rules in the bureau and by bureau regulations, while the law has fixed the date for connecting tuberculosis at January 1, 1925, in reality they are given another year, because if we discover a man with far advanced tuberculosis, for example, if we discover that in the fall of 1925, the rating boards are permitted, and, of course, they would presume, that a man with far advanced tuberculosis had had it some months previously. So, by these standards, we have really extended that presumptive clause almost another year when cases are brought in. But if the limiting date is fixed at January 1, 1925, then, of course, you are not taking care of those cases which Congressman Rankin called to your attention, and which are the basis, really, of his bill. His bill does this: It brings up the chronic constitutional diseases on a parity with those brought in under the original presumption, and then extends to 1930 the presumption clause for those men and also for those who have tuberculosis, neuropsychiatric diseases, and the other conditions now presumptively connected if shown before January 1, 1925.

Senator WALSH of Massachusetts. That presumptive clause, and the fixing of the date as of 1925, does not mean that the veteran himself filed an application prior to that time. It means, does it not, that if he can furnish evidence that he had the disease prior to 1925, he comes within the presumptive provision?

General HINES. Yes, sir. That is correct—either 1925 or 1930, depending on which bill you are discussing.

Senator SHORTRIDGE. I am glad you cleared that up for the record.

General HINES. Many of the men who have been brought in under existing law filed their application after January 1, 1925.

Senator WALSH of Massachusetts. But he must go back to a date prior to January, 1925, to prove the possession of the disease.

General HINES. Yes.

Now, to mention the matter of misconduct disabilities upon which Senator Connally has touched, that is a matter that has been of considerable concern in the bureau among the rating boards and appeal boards. They have been concerned with the question of whether or not there is some discrimination, and whether or not we are dealing

properly with the problem when we take in men whose disabilities, such as paralysis, paresis, and blindness, are due to misconduct disabilities, but we do not take them in until they are helpless. Then we pay them compensation. The thought has been suggested that it would be desirable that those men be taken care of earlier. But as soon as you approach the problem from that direction you immediately strike the proposition that Senator Reed mentioned the other day, of rewarding a man for misconduct. You can not escape it.

Senator REED. When you talk about taking care of them earlier, you do not mean that they are not taken care of in hospitals?

General HINES. No. They can go in under section 202 (10) anywhere if facilities are available and they need hospital care.

Senator REED. But they are not compensated for their syphilis?

General HINES. No.

Senator GEORGE. General, there is a vast difference, I assume you recognize, between an intentionally inflicted injury and one that simply results incidentally from misconduct.

General HINES. Yes, indeed.

Senator GEORGE. Where the injury is intentionally inflicted, of course, there ought not to be any relaxation of the rule. But otherwise there seems to me to be a good deal of reason in saying that where the injury is not the proximate, natural, and ordinary consequence of misconduct, we might take a different attitude toward it. I imagine that is what Senator Connally has in mind. I think that is what the majority of those who would like to see some relaxation have in mind.

The CHAIRMAN. Senator, how could you differentiate between the two?

Senator GEORGE. Oh, very well.

General HINES. The section of the bill now, Senator, is so broadly drawn that it will take in the self-inflicted as well as the others.

Senator SHORTRIDGE. What do you mean by "self-inflicted"?

Senator GEORGE. Suppose a man shot off his foot. That is an intentional injury.

Senator WALSH of Massachusetts. Everybody agrees that that should go out. There is no dispute about that.

Senator GEORGE. Certainly.

General HINES. Undoubtedly the author of the amendment intended to take in social diseases. There is no question about it. There can not be any question about it.

The CHAIRMAN. That is the object of it.

General HINES. It makes it so broad that it takes them all in unless it is modified. But even in the case of disabilities originating that way, as soon as you take them in you then, apparently, are rewarding men for at least neglect.

Senator CONNALLY. I do not want to agree to that kind of a doctrine, that you are rewarding them for it at all.

Senator GEORGE. No, general. You are simply not permitting the indiscretion and digression, and even offenses, to operate as a bar to those men where it is not the proximate cause. You are familiar with the general insurance laws, of course.

General HINES. Certainly.

Senator GEORGE. There is a wide distinction.

Senator REED. Senator George, that is not the question. We might as well use plain language.

Senator SHORTRIDGE. Let us speak out plainly.

Senator REED. Yes; we will get to the point more quickly. The presence of syphilis is no bar to the payment of compensation for a service-connected disability. If the man has been disabled by his service, the mere fact that he incidentally also is syphilitic is no bar to his receiving compensation.

Senator GEORGE. I understand that.

Senator REED. The problem is whether we shall compensate him, or pay him money in addition to the hospital service that he now gets, because, as a result of his syphilis, he is disabled from work.

Senator SHORTRIDGE. Let me ask the general this question. Under the present law a soldier over in France, we will say, was guilty of what we are pleased to call misconduct. He contracts this disease. What relief does the Government now afford him, if any?

General HINES. He is afforded hospitalization and treatment at any time that a bed is available for him, and he needs hospital care. When that misconduct disability—assuming that it is syphilis—reaches the point where he is paralyzed or blind, or has paresis, then he can draw compensation if the condition is directly or presumptively service connected.

Senator SHORTRIDGE. Then the Government does take care of such a case.

Senator WALSH of Massachusetts. When he is completely incapacitated.

General HINES. There is this feature that we should not lose sight of, and I wish to say to Senator Connally that so far as I am concerned this matter of misconduct disabilities and compensation is a matter for the Congress. It is not a question of the bureau opposing it, because I am only following the policy that you have so far announced in connection with those disabilities.

The CHAIRMAN. And that has been the policy in every pension bill since the first one we passed.

Senator CONNALLY. That is no argument for it, because it has never been done before.

The CHAIRMAN. I think the results have proven satisfactory, and I never shall encourage it, and shall never give a reward for it if I can help it.

General HINES. There is this feature that we should not lose sight of, and that is that if a man shows up with arthritis, and there is a record in his medical history of a social disease, that case is a little more difficult to handle than an arthritis case where there has been no social disease disability, simply because the medical men know perfectly well that the large majority of arthritis cases come from that source.

Senator REED. From venereal diseases?

General HINES. From venereal diseases. Therefore, they naturally in the first instance look to that as the cause, and the man is under somewhat of a handicap in establishing his service connection for arthritis if there is a history of venereal disease.

Senator CONNALLY. In that instance, instead of rewarding him, you are penalizing him.

The CHAIRMAN. Not if he can prove his innocence.

Senator CONNALLY. You have a prima facie case against him.

Senator GEORGE. That was the class of cases to which I had reference.

General HINES. Those cases would be in here, under H. R. 10381 as it passed the House, because that is a chronic constitutional disability and because the misconduct clause is removed. Now, we must give consideration to the fact that during the war something like 357,000 men were treated in our hospitals for venereal diseases.

Senator REED. About 7 per cent.

General HINES. Yes. So that you can get some idea from that number as to the probable number that would be taken in if you adopted this principle.

The CHAIRMAN. Was there a greater percentage in Europe, or overseas, than in this country?

General HINES. No. That was the total number.

Doctor McDERMOTT. There was a larger percentage within the Continental limits of the United States.

Senator REED. Does not the civilian population of the United States assay about 7 per cent venereal disease?

Doctor McDERMOTT. Slightly under 10 per cent.

Senator SHORTRIDGE. It may not be necessary for others to have you repeat, but I want to understand finally what now is done with a young man who is guilty of this so-called—and perhaps actual—misconduct, or violation of rules, and who is suffering from venereal disease.

General HINES. Nothing until he becomes blind, paralyzed, paretic, helpless, or bedridden except to treat him in the hospital; if a bed is available and he needs hospital treatment.

Senator SHORTRIDGE. He may go to the hospital and there receive treatment.

General HINES. Yes, sir; if he needs such treatment and a bed is available.

Senator CONNALLY. I want to ask the General a question on that. When they do go to the hospital, they only give them this course, which takes about two or three weeks, does it not?

General HINES. It depends entirely on what the infection is, but they are kept there until they are cured.

Senator CONNALLY. I want to take issue with you. I had a case about a month ago where they said they had taken him and put him through, and that he was through so far as they could do anything with him. He had to go out and stay about two or three months, and then come back and take another shot.

General HINES. I do not know just what type of disability it was.

Senator CONNALLY. He was out at Walter Reed.

General HINES. They may treat them a little differently in that hospital than we do in our hospitals, with that particular disability, but I know that in our hospitals we have wards that are usually isolated.

Senator CONNALLY. I am not criticizing.

General HINES. The men are taken care of until it is safe for them to leave.

Senator CONNALLY. If you take those cases and put them in a hospital and keep them there continually until they are cured, it would be a different proposition, but I do not agree with the doctrine

of the strict rule. Here is a poor devil who went into the Army. He was removed from all the refining influences of his home and family and society. Everybody who has been around the Army knows what happens. The boy who got infected was just one. The other fellow was lucky and did not. I do not think a great Government ought to permit those soldiers to go around as public charges with this loathsome disease, without compensating them, because of this indiscretion.

The CHAIRMAN. Why not compensate all of them that go around with this loathsome disease?

Senator CONNALLY. All soldiers?

The CHAIRMAN. No; everybody.

Senator CONNALLY. I do not agree with the Senator's viewpoint about that. The Army, instead of penalizing them during the war, set up a medical agency and said "It is wrong for you to run around, but if you do run around, you come up here and take this antiseptic treatment, and there will be no questions asked. It is all right." That was more or less a tacit invitation for those soldiers to indulge their bestial instincts, and, of course, they did. Of course, some of them got stung.

General HINES. Of course, the theory of that, Senator, was to maintain the forces as effectively as they could.

Senator CONNALLY. I understand. It is a good purpose.

General HINES. Even in time of peace, the Regular Army has the same rule.

Senator CONNALLY. I approve it. I think they ought to give them all sorts of vaccinations, and so forth.

Senator SHORTRIDGE. When a man is totally disabled through this disease, as I understand, he is then taken care of permanently.

General HINES. Yes.

Senator WALSH of Massachusetts. And compensated.

Senator SHORTRIDGE. And compensated.

General HINES. Yes.

Senator SHORTRIDGE. Then, under the present law, we do have regard for him, and, in a sense, notwithstanding the original proximate cause of his trouble—

General HINES. I think, Senator, the only point we might be criticised for on the present policy is the question of whether we take the case soon enough. I think the feeling on the part of those who advocate extension is that in those cases—syphilitic cases—where we know the final result, we ought to take those men in sooner.

The CHAIRMAN. How do you know, General?

General HINES. Of course, we do not always know.

The CHAIRMAN. Of course you do not.

General HINES. Our hospitals are open, but I believe there is a feeling on the part of a number that those men are charges upon certain communities earlier than when they get on our rolls. Whether that is so or not, we can not tell.

The CHAIRMAN. But, General, they can make application. They can come in at any time whenever they feel like it, but they do not want to do it until it develops so that they feel it is necessary.

General HINES. Then, there is the factor that we mentioned the other day, of course, in that many of them have families. They try to carry on as long as they can, and then break down. The question of the family immediately comes up in all these problems.

The CHAIRMAN. Certainly.

Senator SHORTRIDGE. Is it generally understood that they have this right or privilege?

General HINES. Oh, yes.

Senator SHORTRIDGE. It is generally understood?

General HINES. It is very well understood. The service organizations are familiar with it, and, of course, they keep them posted.

Senator CONNALLY. When a man goes to a hospital he gets no compensation, his family is helpless, and that deters him from going, does it not?

General HINES. If he gets to the point where it has developed to the point where he is blind, or has paralysis, or paresis—

Senator CONNALLY. Of course, if he is dead, he gets something, probably, but as a matter of fact, until he does get blind or helpless, he is deterred from going to the hospital with no compensation, on account of his family, and the need for him at home to provide for them. Is that not true?

General HINES. That is right.

Senator CONNALLY. Is it true that the United States is the only great Government that raises this objection on account of these diseases?

General HINES. No. It is my understanding that they all raise it. Doctor Cooley, you had some data on that.

Doctor COOLEY. It is my understanding that it is done with every Government.

Senator SHORTRIDGE. I do not quite understand the force of the answer.

The CHAIRMAN. Every Government takes it into consideration the same as we do.

Mr. RANKIN. It was stated before the Veterans' Committee in the House that we were the only country which excluded it.

Doctor COOLEY. I think that is wrong.

Senator WALSH of Massachusetts. The fact that a man has a social disease does not of itself prevent him from getting compensation.

General HINES. No, sir.

Senator WALSH of Massachusetts. If he can show some other disease that can be connected with service.

General HINES. That is correct, Senator.

Senator WALSH of Massachusetts. Therefore, this question arises only in those cases where a veteran petitions for compensation, and he is examined, and you find the only disease from which he is suffering is traceable to the social disease.

General HINES. That is correct.

Senator WALSH of Massachusetts. And it is only in those cases that you deny compensation?

General HINES. That is correct.

Senator WALSH of Massachusetts. But a man may have a social disease and get compensation because he has some other disease that is traceable to the service.

General HINES. I think possibly the arthritis cases are the most striking example of that.

Senator GEORGE. General, I do not understand the rule to be just as Senator Walsh states it. If he has arthritis which might have arisen from some other cause, but he is not able to show any other

cause, and it does appear that he has a venereal disease which also might have produced it, he has a very difficult case.

General HINES. As I stated before, Senator, I feel that he has a more difficult case than the man who has never had a social disease.

Senator GEORGE. He has a rather impossible case, has he not?

General HINES. No. I know of cases that have been connected. I would not say it is impossible. I would say it is a much more difficult case than the case of a man who has a clear record. I think that is the fairest way to put it.

Doctor COOLEY. I do not think it would be fair to the physicians to state that they approach a case of arthritis with the assumption or the preconception that it is of syphilitic origin. They approach that case with the idea of making an impartial investigation into its character. If there is a history of syphilis, Wassermann tests are taken to eliminate syphilis. But they do not approach it with the preconception that it is syphilitic in origin.

Senator GEORGE. I know, Doctor; but if you do not find any other cause, you attribute it to that.

Doctor COOLEY. If you have the history, you can not eliminate it.

General HINES. I may have overlooked some points, but in closing I only desire to say this, that in approaching this problem, and in making recommendations on these bills, it has been the feeling on the part of the bureau that if there is any doubt on the part of Congress that there are men who have service-connected disabilities, and we are not connecting them with service, it might be a reasonable thing to set up a special board and give them authority similar to the authority given to a court to finally settle these cases. If you depart from the underlying principles of the World War veterans' act, then most certainly you will have adopted an entirely new system from that with which we started, to take care of the World War veterans. It would appear to me to be the part of wisdom not to take in such a large group of these cases that the Congress would then find it so difficult later to bring about a system of caring for the veterans of the World War, finally, that would result in a large number of veterans of that war being placed upon the rolls—either compensation, or pension, or whatever it may be—at such rates that inequalities would be apparent. It appears to me that we ought to take in at this time, at least until such a study is made, those groups of disabilities where there is reasonable medical opinion that their disabilities might be due to service.

Senator CONNALLY. May I ask you one other question, General? Under this class of cases that come under the heading of willful misconduct, what other cases are included than those just mentioned under the head of social diseases?

General HINES. Under this broad provision, a man who—

Senator CONNALLY. I am speaking of the situation at present. What cases are excluded because of willful misconduct other than the sexual cases? If a man shoots his foot off, and they can prove he did it purposely, that is excluded.

General HINES. That is the group; also a man who was injured as the result of trying to escape, or something of that kind.

Senator CONNALLY. Suppose a man got drunk and got in the way of an automobile, and it ran over him during the war. That would be willful misconduct, would it not?

General HINES. It would not be in line of duty. It might not be willful misconduct, but it would not be in line of duty.

Senator CONNALLY. I was just trying to arrive at the boundary line.

Senator SHORTRIDGE. Would such a suggested case entitle the man to any relief? Suppose a man over in France did get slightly "over-seas" and was injured. Would you regard that resultant injury to him as the result of his misconduct?

General HINES. Not necessarily.

Senator SHORTRIDGE. And exclude him from relief?

General HINES. He would be excluded if it were decided that the disability resulted from misconduct.

Senator SIMMONS. General, of course, the term "in line of duty" is a very broad one.

General HINES. Yes.

Senator SIMMONS. Do you mean to say that if a soldier is accidentally run over by an automobile and injured when he is off duty, we will say, he would not be entitled to compensation?

General HINES. He would be paid; but this was the case of a man who was intoxicated, off on a drunk, and who was hit by an automobile.

Senator SIMMONS. You would not allow it to him just because of his misconduct?

General HINES. It would really be misconduct; yes, sir. But a man who was injured accidentally, whether he was on pass or on leave, would come in.

Senator CONNALLY. General, do you favor extending the time of the presumptive period at all for these psychiatric cases and tubercular cases? I was not here the other day, and I was sorry I missed your testimony.

General HINES. The bureau has not felt that we should extend the time of those, but we do feel that if you are to equalize, then you should bring certain other chronic disabilities up to 1925. We do not believe that you can justify a further extension of tuberculosis or neuropsychiatric disabilities to 1930, because the best medical advice we can get indicates that even the presumptive period now is way beyond medical judgment. So, the bureau has not felt that until Congress has had an opportunity to study the whole question, that we ought to recommend any extension of the presumptive period.

Senator GEORGE. General, let me ask you one question. Not having had the advantage of your earlier testimony, I take it that you indicated that this first section of this bill relating to lay testimony or evidence is not wholly objectionable to the bureau if properly circumscribed and restricted.

General HINES. No, sir. We feel that it is not necessary, but we do think it is a more clear definition of the intent of Congress that we should take lay evidence, or medical evidence, than we have ever had before. We have always adhered to considering all evidence, lay or medical, but on a medical question, if we had medical evidence we would consider the medical evidence as of the greater weight.

Senator GEORGE. You understand this bill, however, to somewhat broaden that.

General HINES. It does.

Senator GEORGE. And that necessarily would liberalize the administration of the act.

General HINES. Yes, sir; it would.

Senator CONNALLY. Is it the purpose to have these other witnesses heard sometime?

The CHAIRMAN. They have all been heard.

General HINES. I have some doctors here, if you wish to ask questions of any of them.

The CHAIRMAN. I do not know of any.

Senator CONNALLY. Did they cover this social matter? Did these doctors cover that?

General HINES. I believe so, at least in part.

Senator CONNALLY. I would like to hear from Doctor McDermott on that, if it will not take up too much time.

The CHAIRMAN. If the doctor wants to talk.

Senator CONNALLY. I do not know whether he wants to or not.

General HINES. I will say for the doctor that he is free to state whatever he wants to state on the question, and I will be glad if he can enlighten the committee.

STATEMENT OF DR. BERNARD A. McDERMOTT, MEDICAL MEMBER OF ADJUDICATION SERVICE, VETERANS' BUREAU

Senator CONNALLY. I do not know that I know enough about this matter to interrogate you, but you heard my questions of the general. I am interested in this particular phase that has to do with the social evil, and what I think is the penalization of a man because he happened to have suffered a disability of that kind. I want to ask you if the effects of that sort of contagion are easily traceable. Is it not a fact that if a man is suffering from a venereal disease, although he has other ailments, if you are not able to differentiate between them, the fact that he has that disease operates usually as an absolute bar to his getting any compensation? You can just take that as a starter, and testify as you please.

Doctor McDERMOTT. In direct answer to your question, Senator, I will say that it does not act as an absolute bar, but I would have to be frank in saying that with the evidence of any social disease present in a case, it very frequently is a considerable obstacle in determining just how much of his disability may be due to the venereal cause, or to some other nonmanifest or obscure cause, or a manifest and coincident cause.

In connection with the question of these so-called misconduct diseases, I had prepared just a little memorandum, merely from the standpoint of the difficulties that we, as Government physicians are called upon to decide.

There is not any question of the prevalence of venereal diseases throughout the length and breadth of the land. There is not any question as to the incidence of the disease in military service. A number of causes, of course, are advanced as to why the diseases are so prevalent.

The CHAIRMAN. Doctor, is there a greater percentage in civil life than in Army life?

Doctor McDERMOTT. According to statistics, Mr. Chairman, I believe it is approximately 10 per cent.

The CHAIRMAN. In the Army?

Doctor McDERMOTT. No; in civil life.

Senator SHORTRIDGE. Considering the total population?

Doctor McDERMOTT. The total population. The incidence of venereal diseases during the World War period, taken in the time from April, 1917, to December, 1919, as shown in the medical history of the war from the Surgeon General's office, discloses that approximately something over 357,000 cases were admitted for treatment of actual venereal disease.

Senator CONNALLY. That is all kinds of disease.

Doctor McDERMOTT. That comprises syphilis, gonorrhoea, and chancroid. The incidence of disease was greater within the continental limits of the United States than in the American Expeditionary Forces.

Senator SHORTRIDGE. Measured by percentages.

Doctor McDERMOTT. Measured by percentages.

Senator SHORTRIDGE. You state that 10 per cent of the total population is suffering from those diseases. What are the percentages of those in the service in continental United States, or abroad?

Doctor McDERMOTT. Taking the percentage, Senator, of those in the military service, it would be approximately 8 per cent of the entire enlisted and commissioned personnel.

Senator SHORTRIDGE. What was the percentage of the soldiers who went overseas that suffered from those diseases just mentioned—the percentage of the total number who went overseas—if the records disclose it?

Doctor McDERMOTT. Senator, I have not those figures with me, but I can get them and insert them in the record.

The CHAIRMAN. You know approximately what it is.

Doctor McDERMOTT. In the total of enlisted and commissioned personnel, it was approximately 8 per cent.

General HINES. About 7 per cent overseas.

Senator SHORTRIDGE. The general suggests about 7 per cent of those who went overseas suffered from those mentioned diseases.

Doctor McDERMOTT. The total of all, overseas and in America?

Senator SHORTRIDGE. First give us those overseas.

Doctor McDERMOTT. I really can not give you the exact figures. of course, in considering the residual disabilities incident to the diseases, we have to consider that a great many of those have cleared up, for the reason that chancroid is a disease that does not usually leave any sequellae.

Senator SHORTRIDGE. You mean aftereffects?

Doctor McDERMOTT. Aftereffects.

Senator SHORTRIDGE. In our language.

Doctor McDERMOTT. The great majority of the gonorrhoeal cases, if they received treatment—and I believe most of them did in service—cleared up, but with the syphilitic cases, in contradistinction to the other two venereal diseases, syphilis being systemic, in that it tends to invade the entire system and not remain localized to the genital regions, that disease of course will not clear up without very active and very intensive treatment. It tends to run a more or less slow and insidious course, and undermine the general health and well being of the individual gradually. History, I think, will show that many cases received partial treatment, treatment which was, for the time

being, sufficient to keep the active devastating effects of the disease in abeyance. Medical history is replete with cases wherein the individual feels that the beneficent effects from a few courses of treatment make him secure, and that he is entirely well, and yet our medical statistics go on to show that after the lapse of 15 or 20 years there is this sudden break in health, and it then is practically in the incurable stage.

The problem, as we see it, is one that we are called upon many times to face, in extending service connection—

The CHAIRMAN. Before you leave that, let me ask you a question. Have you kept the statistics showing the percentage of soldiers from each of the States of the Union?

Doctor McDERMOTT. I do not know, Senator, that that is available, but I imagine that the Surgeon General's office could give us a fair estimate of that. I do not know that they could be given under such captions, but they could be given under the various outfits in which they served.

Doctor COOLEY. The Surgeon General's statistics will show it by States.

The CHAIRMAN. What I would like to know is whether there are such statistics by States.

Doctor McDERMOTT. I am not sure, Senator.

The CHAIRMAN. I can assure you of one thing, and that is that there never was such a percentage as 8 per cent in the State of Utah, nor 1 per cent.

Senator SHORTRIDGE. I do not know how it would be in Texas, or Georgia, or California, but I think we will measure up just about as good as Utah.

The CHAIRMAN. That is all right. I am only saying that there would not be 1 per cent in the State of Utah, and I say it without a moment's hesitation.

Senator SHORTRIDGE. All sort of inferences could be drawn from your statement, which might be the subject of resentment from other States.

The CHAIRMAN. They can resent it if they want to.

Senator CONNALLY. I make no pretenses about my State. I am sure it did its duty in any part of the military service.

The CHAIRMAN. Proceed, Doctor.

Doctor McDERMOTT. The purpose of the bill now before the committee is to equalize the benefits to a very large class of really disabled veterans within the financial ability of the Government to do so, by presuming that a large number of diseases are due to service if shown to have existed prior to January 1, 1925, or January 1, 1930. I would like to say here that in speaking of the matters concerning the social diseases, I am simply doing that from the standpoint of a physician in the Government who is frequently called upon by members of the Congress and others interested in their respective constituents, to extend some measure of relief to individuals who are suffering from some phase of these social diseases.

Senator LA FOLLETTE. Doctor, may I ask you a question there? In view of the fact that compensation is finally extended in these syphilitic cases when total disability has been arrived at, what, in your judgment as a physician, and in view of your experience in this work, would you say of the possibility of reaching these cases in time

to give them some benefit and prevent them from becoming totally disabled if this clause were liberalized in such a way that men could obtain compensation, and therefore feel freer to go into the hospitals and take an extensive course of treatment?

Doctor McDERMOTT. That is just what I would like to lead up to, Senator, if I may.

The CHAIRMAN. They can go to a hospital any time they desire.

Senator LA FOLLETTE. They can not go in if their families are starving while they are there.

Doctor McDERMOTT. I would like to say that I am not here as an intercessor for a premium to be placed upon vice, nor as a proponent for Government concurrence in evil acts. I merely wish to call the attention of the committee to a few facts regarding a class of ex-service men that is not covered in the proposed bill, and who will continue to present a pathetic appeal to you and to the bureau if nothing is done for them.

If the purpose of the present committee hearing is to end discrimination, and by law and upon legal premises establish justice, then it would seem that there is a large class up to the present time left out and still to be done a legal injustice; namely, the unfortunate veterans suffering from so-called misconduct diseases. These veterans responded with equal alacrity to the mandate of the Congress when the call to arms went forth. From the farm, the shop, the factory, the mill, the office—yea, even from the school, they came forth in the mighty assemblage of the man power of the Nation.

To-day a committee of Congress is in session to consider some measure of relief from a grateful Government for those showing disabilities directly or presumptively residual to war.

There are certain inconsistencies that are presented as arguments to the various appellate agencies of the bureau. They reach the very desk of the director. Members of Congress and influential individuals from all over the States come, and they intercede in behalf of these cases. There is a certain amount of professional confidence that has to be adhered to, in that frequently we can not state just why we can not extend some measure of relief from the generous appropriations that Congress is making for veterans' relief. As has been stated to me on a number of occasions by gentlemen of the Congress, "Well, how can I tell the folks back home that this man has syphilis? I simply can not tell them. What excuse can I give them?" That is one of the difficulties. It is one of the things that we will always have to face.

The other situation is the one that Senator La Follette brings out—a very apparent inconsistency. That is this: After the individual has gotten to the point where he is practically reduced to an inert mass by paralysis, or reduced to an irrational being by paresis, we then make a gesture of humanitarianism, and we take him into the hospital and give him compensation.

Senator CONNALLY. We will not help him while he is alive, but we will bury him.

Doctor McDERMOTT. The real point that I would argue would be from a humanitarian standpoint. That is, if it were possible to so extend some measure of medical relief to these individuals who are known to have the disease, and to make facilities of treatment available to them without necessitating hospitalization, I should think that

a great deal could be accomplished along the lines that the various States and municipalities are doing in the establishment of their free clinics for the treatment of these venereal diseases. It is only in certain cases that it is necessary to hospitalize them. I think it would tend to offset the question of breaking employment and increasing the economic burden involved in asking a man to go to a hospital if we could establish treatment for these cases in our regional offices.

Senator SHORTRIDGE. If you could arrest the disease, you would not only benefit the man, but ultimately save the Government money.

Doctor McDERMOTT. That is the point.

I should be very glad to answer any questions.

Senator CONNALLY. Let me ask you if it is not true that in many stages of this disease it could be treated at home, and the man could go ahead and pursue his occupation and simply take treatments without going to the hospital, and without taking him away from his family, and it could be done quite as effectively as hospital treatment, could it not?

Doctor McDERMOTT. I think in many cases that should be done.

Senator CONNALLY. That is the way they do it in civil life. They get a doctor, and he gives them treatment over a long period.

Doctor McDERMOTT. The great difficulty, as I see it, is that the bureau's hands are tied in further liberalizing the situation.

Senator CONNALLY. Exactly. But we are here to untie them if we can.

Mr. RANKIN. Doctor, if this presumptive period is extended, these men would be put on the roll and would get an average of \$43 a month, would they not? Is that not right, General Hines?

General HINES. Yes.

Doctor McDERMOTT. What do you mean?

Mr. RANKIN. The presumptive period for all these men.

Doctor McDERMOTT. I really do not know anything about it.

Mr. RANKIN. I will say for the record that that was the statement of General Hines before the House committee.

The CHAIRMAN. That is another question, is it not?

Mr. RANKIN. It costs \$120 a month to hospitalize one of these men, does it not?

Doctor McDERMOTT. I believe so.

General HINES. I will state that that is correct.

Mr. RANKIN. So, by refusing to put these men suffering from these chronic diseases, including the men you refer to, on the roll, and forcing them to go to the hospital, instead of paying them \$43 a month, you spend \$120 a month, do you not?

Doctor McDERMOTT. I would like to have the general explain that.

General HINES. That is not correct. By the time these men go to the hospital, they have to go to the hospital, and therefore by connecting the disease with service you make the cost \$80, \$90, or \$100 compensation plus \$120 for hospitalization. I would like to touch upon one point or suggestion Doctor McDermott made. It seems very plausible, but we should keep in mind that if we attempt to give out-patient relief to men suffering from social diseases, such as he is suggesting, most certainly, then, we should extend out-patient relief to all other men of the World War, and that becomes a much

greater problem than the problem of hospitalizing all veterans of the World War. So, we ought to give some consideration to the question of whether we are prepared to set up clinics to take care of the entire potential load of the World War veterans. We have not gone quite so far in that direction with any of them up to this time, except the service-connected cases. We have out-patient clinics for the service-connected cases, but we have not extended those to the nonservice-connected cases.

The CHAIRMAN. General, supposing a soldier contracted syphilis in 1924. The war was over then, for six years. He contracts that disease. Can he go to the hospital?

General HINES. Yes, sir. No matter when he contracts it—

The CHAIRMAN. No matter when he contracts it, whether it was in the service or not?

General HINES. That applies to veterans of all wars, regardless of disabilities. The only restriction is as to whether a bed is available or not.

Senator COUZENS. In that connection, General, based upon the statement you have just made, would it be more economical to proceed along those lines than to take care of them after they become totally disabled?

General HINES. I doubt it, Senator, although it would be difficult to say offhand. But it seems to me that the number of men we would have to treat would be many more than finally reach our hospitals, because I have a feeling that a number of them now are taking advantage of the free clinics in communities wherever there are free clinics, and until we are prepared to treat all veterans alike, in out-patient treatment of that character, that would seem to be the proper place for that to be done. But the question of paying them compensation, it seems to me, rests entirely upon the question of whether we again wish to depart from the principle of service-connected disabilities. Congress put into the present law the provision for taking care of them and paying them compensation, clearly on the proposition that they would be a charge upon some community. The Federal Government, having the facilities, is probably best able to take charge of them.

A question was asked about percentages, and I thought I could probably find the answer to that.

Senator CONNALLY. Before you get to that, I would like to ask about a statement you made a while ago. I do not quite agree with your statement there that if you give these cases out-patient treatment, you would have to treat all veterans of the war. That would mean a veteran of the war that contracted an illness any time. These are only cases where this thing was contracted during service. You are already compensating everybody else. You are already compensating the service-connected cases.

General HINES. How are we going to determine when they did contract it?

Senator CONNALLY. You determine it in the case of everything else.

General HINES. I think we would have greater difficulty.

Senator CONNALLY. You determine when a man gets tuberculosis, or psychiatric trouble, and every other ailment on earth.

General HINES. Of course, if they contracted this disability in service, the record we would have would be where they were treated in hospitals. We would have that.

Senator CONNALLY. They might not have been treated.

General HINES. In the case of a man who was not treated, we would have great difficulty in showing when it was contracted.

Senator CONNALLY. Let me ask the doctor a question there. Has not medical science got this thing down to the point where you can examine a man and determine approximately when he contracted it?

Doctor McDERMOTT. You are speaking of syphilis?

Senator CONNALLY. Yes.

Doctor McDERMOTT. The history is a very important factor, Senator, in determining the onset of the disease. It is true that we divide it into the primary, secondary, and tertiary stages, but we sometimes run across a case of what we call precocious syphilis, where the period of consecutiveness does not prevail, and it will run almost from the primary into the tertiary stage. We find that because of the opprobrium attached to these diseases, our medical histories and our medical examinations, perhaps, are not as complete as they might have been during service. I think it is a fact that if any soldier ever admitted that he had a venereal disease he would probably be scanned a little more carefully than if he denied ever having had a venereal disease.

Senator CONNALLY. You have records of 330,000.

Doctor McDERMOTT. Three hundred fifty-seven thousand, nine hundred sixty-nine treated primarily for social disease and 383,706 cases in which primary treatment was for another disease but where a venereal disease was also present.

Senator CONNALLY. That shows that many were actually treated. You would have records of those. You would know whether those particular ones got it during service or not?

Doctor McDERMOTT. My idea, from the humanitarian standpoint, in contradistinction to all other diseases, is this, that we are dealing with a very insidious and subtle foe. It is readily communicable. A syphilitic may act as a prey on many an innocent individual. For example, I know in my own State that according to statistics instituted some years ago by the board of health, a surprising and amazing number of syphilitics were working in lunch houses and in restaurants. We do not know just when we are brushing elbows with them.

Senator SHORTRIDGE. Doctor, is not this a fact, scientifically, that that disease may be communicated without sexual intercourse?

Doctor McDERMOTT. Yes. That is one of the reasons that led to the campaign for the eradication of the old community towel and the old community glass—that and tuberculosis. The same thing applied, of course, to syphilis. The knife, fork, spoon, cup, saucer, and so forth, are vehicles of conveyance.

Senator CONNALLY. It is an infection that gets into the blood and goes all through the body.

Doctor McDERMOTT. My real thought in the matter was that because of its dire possibilities, and its subtle and insidious workings in conveying it to the public in general, that in the case of the soldier it would be well to bring it before the Congress for consideration as to whether they should leave it up to the various municipal or State

health departments, or private individuals to look after. It is a problem that certainly demands a very high toll annually, from the standpoint of health.

Senator CONNALLY. Let me ask you, Doctor, if, in the Army, the cook had syphilis and communicated it in some way to the men of his mess, under this law, they could not get any compensation, could they?

Doctor McDERMOTT. No; they could not. Incidentally, I do not know whether the committee knows it or not, but this is a fact, that a soldier in the service whose wife may have had syphilis and may have communicated it to him is marked "misconduct," and he falls under this same stigma.

The CHAIRMAN. There are very few of those. You need not worry about them.

Doctor McDERMOTT. I do not know how many there are, but I know those cases do occur, and are not as infrequent as you might suppose.

Senator CONNALLY. A man frequently gets it from somebody else's wife.

General HINES. Bearing upon the question Senator Connally asked me, I notice that Colonel Ayres, the statistician of the War Department, whose work is taken as an authority on data of all kinds in connection with the war, says here on page 130 of his book that of each 100 cases of venereal disease recorded in the United States, 96 of them were contracted before entering the Army. Ninety-six cases out of every 100 were contracted before they entered the Army, and only four afterwards.

Mr. RANKIN. In connection with the question asked by Senator La Follette a while ago, and the question I asked Doctor McDermott, if these 18,000 tubercular men and these 23,000 neuropsychiatric men who would come under the provisions of this amendment of mine were put on the roll by this bill, they would draw, on the average, \$43 a month, would they not, from the Government?

General HINES. When they are out of the hospital.

Mr. RANKIN. Yes. They all have the right, under the present law, to go to a hospital.

General HINES. Yes.

Mr. RANKIN. If they do go to the hospital now, it will cost the Government an additional \$120 a month. So, if they are given compensation and permitted to stay at home, instead of costing the Government \$120 a month, it will only cost \$43.

General HINES. That is not correct, Congressman. If these men are in the hospital now, they are in the hospital because they need hospital treatment, and it will cost us \$120 per man per month, plus whatever compensation they get while they are in the hospital. If you give them compensation, instead of getting \$43 a month, which is the average of the compensation paid, they will draw temporary-total, or \$80, \$90, or \$100 or more a month, when they are in the hospital, so that would not be exactly right. If they are out of the hospital, and so far recovered that they can leave the hospital, they would draw whatever compensation their disability entitles them to, and, on the average, it would be \$13.

Senator GEORGE. General, can you approximate the number of cases where compensation might be otherwise allowed if it were not

for this wilful misconduct provision in the law? In other words, how many—

General HINES. At one time we made an estimate, Senator, but that would be somewhat out of date. I recall that during the investigation we estimated that about 8,000 of those cases would then be compensable, but I have an idea there would be many more at this time.

Senator GEORGE. You think it would show an increase?

General HINES. Yes. I can look that up.

Senator GEORGE. No. I thought perhaps you had that information.

General HINES. I recall the figure of 8,000 quite distinctly, because we discussed the matter at that time at quite some length, in connection with the matter of the revision of the World War veterans' act.

STATEMENT OF DOCTOR McDERMOTT IN CONTINUANCE OF HIS TESTIMONY

Doctor McDERMOTT. The purpose of the bill now before the committee is to equalize benefits to a very large class of really disabled veterans within the financial ability of the Government to do so, by presuming that a large number of diseases are due to service if shown to have existed prior to January 1, 1925. I am not here as intercessor for a premium to be placed upon vice, not as a proponent for Government concurrence in evil acts. I merely wish to call the attention of the committee to a few facts regarding a class of ex-service men which is not covered in the proposed bill, and which will continue to present a pathetic appeal to you, and to the bureau, if nothing is done for them.

If the purpose of the present committee hearing is to end discrimination, and by law and upon legal premises establish justice, then it would seem that there is a large class up to the present time left out and still to be done a legal injustice; namely, the unfortunate veterans suffering from so-called misconduct diseases. These veterans responded with equal alacrity to the mandate of the Congress when the call to arms went forth. From the farm, the shop, the factory, the mill, the office; yea, even from the school, they came forth in the mighty assemblage of the man power of the Nation.

To-day a committee of that Congress is in session to consider some measure of relief from a grateful Government for those showing disabilities directly or presumptively residual to war. Since it is apparently the purpose of this Congress, more than any other yet assembled, to study and discuss in detail the various problems arising from the wounds of war, and how best to establish equality among those who served, it will not seem amiss to mention a few facts regarding the so-called misconduct disease class. I propose to deal only with facts and let you gentlemen draw your own conclusions, and in doing so I submit that the Government is not charged with the duty of administering moral law but no one disputes its right to grant mercy and clemency when the Government chooses to extend same.

Very likely some of you gentlemen in the remote past have stood before the bar of justice to intercede for some unfortunate accused. You were inspired to take this stand, no doubt, because of certain

circumstances in an individual case. You argued, you pleaded, and perhaps obtained judicial clemency, if not an entire acquittal. In times more recent many of you have come to intercede before the Veterans' Bureau for some of these unfortunate veterans, only to find the bureau's hands were tied by the restrictions of present laws before which no amount of pleading availed, and you were left to explain as best you could to the anxious dependents at home why relief could not be granted. The service organizations have had the same trouble, and last, but not least, the director, and all claims and rating agencies of the bureau. I would therefore bring to your mind that the law as it now stands, even with all the generous amendments passed by the lower House and those being considered by you here, will not affect this class of veteran, and you, the service organizations, and the bureau will still be unable to explain why certain poor unfortunates at home can not get some relief when the public knows full well the service rendered, the hardships endured, and the numerous appropriations annually expended for veteran relief.

It would seem proper therefore to first ask the question: Why is this class of disabled veterans deprived of the Government's beneficent legislation? We all appreciate that this question affords splendid opportunity for the moralist or the rigoristic type of individual who, like the Pharisee of old, lives by his own strict code of ethics and thanks his God that he is not like the rest of men, extortioners, and adulterers, and scorns in his self-approved righteousness the poor unfortunate sinful creature who stands afar off striking his breast in his contrition of soul and asks mercy for his offenses. Yet after all, the moralists may have been heard, we would still have before us the charity and compassion for the unfortunate exemplified by the lowly Nazarene during the years of the active ministry of His life. There is no need to recount the parables depicting His consideration for the poor and unfortunate.

The origin of one of the so-called misconduct diseases is lost in antiquity and among others there is expressed the opinion that perhaps some of the cases of so-called leprosy spoken of in biblical times were in reality cases of syphilis. We are all familiar with the gospel of the lepers made clean. Christ could afford to brook human criticism when he extended clemency and pardon to the woman taken in adultery. Can not this Nation justify its stand in recognizing its debt for service rendered in the early vigor and flower of manhood by those unfortunates by extending to them some measure of clemency? Argue as we will against it, there is only one answer as to why this class of ex-service men have heretofore been left out of some measure of relief by the Government, and that answer is purely on moral grounds, because it has always been considered against public policy to consider them within the law. As previously stated, I submit that the Government is not charged with the duty of administering moral law, and if it is, then there are many reasons that might be advanced to show that some of the diseases now in the bureau also have no moral support for relief. There is no need to discuss the origin of the primal instinct of sex, nor the many phases of rule of life recommended for its proper sublimation and control. Chief among these are the guiding influences of home, proper environment, and discretion in the choice of associates. The presumption of soundness applies in that when this class answered the call of mobilization they were equal with

their associate buddies morally and physically. With the removal of the guiding home influences and surroundings, the mustering into camps, the new contacts, the complete change of daily routine, the lack of wholesome amusement facilities in camp until late in the war, all tended to produce a psychological change in the rookie.

It is well known that with the official mobilization of troops there was also established, contiguous to every camp, a nonofficial mobilization of harlots, here and abroad, and the recognition by this Government of this factor and the inherent sex-impulse factor, not only in this but every war, led to the establishment of the prophylactic stations which at all costs had to be open 24 hours of every day during the World War. As a result nowhere can there be found anything official in the rules governing warfare which makes sex gratification a subject of criticism or misconduct, unless the soldier failed to submit to prophylactic treatment following exposure. In spite of this safeguard and the widespread dissemination of knowledge on the subject statistics show that of all admitted to hospitals during the period of hostilities during the late war approximately 10 per cent were for venereal treatments. Unfortunately there are no statistics as to the number who did not need to go to the hospital because of successful prophylactic treatment, but the total number of prophylactic treatments was overwhelming as is well known to all those who served.

A marked legal inconsistency in connection with this problem as applied to the present law is as follows:

Congress has created a conclusive presumption of soundness by law, which is "theoretically" supposed to apply to all disabilities. In other words, if a veteran before service was wounded in a pistol battle with a policeman, and as a result had a suppurating leg for some time which finally closed over just before he was drafted, and was not noted by the examining authorities, he is entitled to a conclusive presumption of soundness, and even though the wound may have reopened and broken down the day following his acceptance for active duty and after being examined, he would be paid full compensation for the condition. Further, it would be held to have been incurred in line of duty. Likewise, a veteran might have been addicted to alcoholism, or other social excesses, which reduced his vitality markedly before he entered the service, so that soon after being examined and accepted he broke down with tuberculosis, nephritis, or some other chronic disease. In his case, too, the law conclusively presumes him to have been sound, and the Government will pay full compensation for whatever disability arose during service.

In the case of a claimant suffering from venereal infection prior to service, an entire different rule is applied because of the construction of the law made by the Comptroller General. On the one hand, in his case we attempt to bar him from showing that his disability was incurred before service through the conclusive presumption, and thereby ipso facto make it appear in the record that it was incurred during service as a result of willful misconduct. On the other hand, if he attempts to prove that he had the condition before service we throw down the bar and immediately say to him from a legal standpoint that since he admits he had it before service he must prove conclusively an aggravation of the condition during service. This it is impossible to do in most cases, and yet as a matter of fact it is well

known that violent exercise will cause a recurrence of certain venereal conditions quicker than anything else. Therefore, there is, under the construction of the present law, a marked discrimination against all of these veterans. As has been stated, if 96 per cent of the recorded venereal disease cases during service were found to have existed prior to enlistment, under the existing law as interpreted, all of these would be out and would have to show an aggravation of the condition. On the other hand, if statistics based on history should show that 96 per cent of all cases of tuberculosis existed prior to enlistment, nevertheless the entire 96 per cent would be paid full compensation so long as there was no notation of the condition when the veteran entered service.

There is inconsistency shown when the Government permits a great list of diseases as named in this bill as due to service, when as a matter of fact no one will ever know nor can one ever rebut the presumption granted even though it may be shown that the original cause of the lowered bodily resistance which may have induced some chronic disease later was due to venereal infection from treatment therefor. On the other hand, if the original infection and its residuals remain entirely venereal in its clinical aspects and disabilities there is not only no presumption to be indulged in, but the veteran can not even get compensation or treatment, which, if granted him, might tend to offset the hopeless paralysis, paresis, or blindness, which the present law demands must be shown before we extend the presumption of service connection. The inconsistency of the present law regarding these unfortunates is shown in the refusal to recognize direct or presumptive service incurrence until they become paralyzed, parietic, or blind. This inconsistency is more apparent when we bear in mind that the War Department although not condoning illicit intercourse, nevertheless does award care and treatment should social disease be contracted or aggravated in service.

The question naturally arises when in the course of events this class of veterans were discharged from service, why the same attitude of the Government in regard to treatment should not have been continued. Again, while veterans suffering from social diseases, if honorably discharged, are theoretically entitled to hospital treatment under section 202, subdivision (10), of the World War veterans' act, irrespective of when the disease was incurred, yet they do not receive it for the following reason: If the claimant has syphilis in any other than a parietic or paralyzed stage he is medically held not to need hospital treatment and can not get into the hospital because his disease does not confine him to bed, and he can be treated outside of a hospital just as well. But if the disease is not held to be of service origin (as it is not because of the misconduct element even though shown on The Adjutant General's report) he can not get either outpatient treatment in a bureau regional office or private care at the expense of the bureau. Likewise, in cases of recurrent gonorrhoea or residual arthritis resulting therefrom, unless the veteran is actually in such physical shape that he should be a bed case, he can not go to a Government hospital, as he is held not in need of hospital treatment as required by section 202 of the World War veterans' act.

Syphilis is prevalent throughout the world; no age is exempt, and statistics show that 20 per cent of hospital patients give clinical history of infection, while approximately 10 per cent present clinical

evidence of its existence. The problem from the standpoint of health, from the humanitarian standpoint, would therefore seem to be a national one, and while the Federal Government up to the present time has apparently not manifested any direct responsibility or concern in dealing with the eradication or control of this great menace to the social and economic well-being of the Nation, there would seem to be a tendency in that direction, as evidenced by the recognition by a number of the sovereign States comprising the Union in their solicitude for the happiness, well-being, and public morale of their respective constituents by the establishment of free clinics for the treatment of those suffering from these diseases, and the dissemination of instruction by literature and lecture for the prevention thereof.

Just as educational and treatment campaigns instituted some 30 years ago by physicians against the "great white plague" that was decimating the health, happiness, and life of so many of the citizenry of the Republic were eventually taken up and fostered by individual and State aid, resulted in relegating this dread reaper from first to sixth place in its toll of human life, may we not anticipate a great measure of relief from the present ravages of social diseases were the Government to launch an earnest campaign toward its eradication or control? Who could estimate the beneficent influences of such legislation by this Congress in the lives of the present childhood of the Nation and countless thousands yet unborn?

I have stated, and no doubt many of you gentlemen are aware, of the institution of free clinics in your respective commonwealths for the treatment and control of these diseases, and the question is presented for your consideration as to whether you can conscientiously relegate to the various health municipalities and State boards of health the veterans suffering of these diseases wherein it is shown that such diseases were acquired during Federal war-time service.

No one disputes the right of a legislature to grant mercy and clemency. Can not the Federal Government undertake a thorough and open-minded consideration toward granting some measure of relief to those poor veterans who were no more vicious but more unfortunate only than their buddies, by salvaging them from the effects of a disease insidious in development, yet drastically devastating in its results if early care and treatment is neglected. Why do we withhold help until they become helpless and hopeless, a total economic loss, a burden to themselves, to their friends, and the community at large?

Until the opprobrium is lifted medical examinations will continue to be incomplete because of inaccurate histories on the part of the victim to tell the truth even when compensation is not involved for fear he will be considered an outcast in the eyes of society, and he will continue perhaps, through erroneous diagnoses or a lack thereof, to unwittingly or unknowingly continue a menace that will show its contamination and stigmata in innocent generations yet unborn. And how about the aged dependents, mothers and fathers, wives and children of these veterans? Even granting the stain of opprobrium to the man himself, it is not he alone who pays the penalty, but those whom he loves. Certainly, they are not morally to blame, yet must they needs bear the mental anguish, perhaps actual clinical disease, as well as the stigma and shame and the economic loss, and this applies whether a veteran was married when he went to war or has

taken a family obligation since. In either event we can not escape the fact from a study of the problem that there are many innocent who will suffer.

As previously stated, no one disputes the right of a legislature to grant mercy and clemency, and furthermore no one disputes the right of an executive to grant it. If there is a provision entered in this bill to in some measure take care of these unfortunate victims, the President, acting in the capacity of commander in chief, will be enabled to extend relief and remit the punishment, the same as he can now do by law in court-martial cases. And please bear in mind, not a single one of these men were discharged by court-martial because of these offenses.

(Senator Connally asked that the following also be incorporated in the record:)

MAY 16, 1930.

Hon. TOM CONNALLY,
United States Senate, Washington, D. C.

MY DEAR SENATOR CONNALLY: In accordance with my conversation with you this morning, and at the request of the director, I am transmitting herewith copy of a memorandum prepared by the medical service of the Veterans' Bureau which outlines their views on the question of dispensary treatment of venereal disease.

I believe you already have Doctor McDermott's statement and the director felt that in considering that statement you should also be advised of the official viewpoint of the bureau's medical service.

Very truly yours,

A. D. HILLER,
Assistant to the Director.

MAY 16, 1930.

The MEDICAL DIRECTOR:

The war risk insurance act, as amended by the act of October 6, 1917, provided in section 300 thereof that no compensation shall be paid for injury or disease that has been caused by his (the veteran's) own willful misconduct.

This principle remained unmodified until in the World War veterans' act, June 7, 1924, there was inserted in section 200 as the first proviso, the following: "That no person suffering from paralysis, paresis, or blindness, or from constitutional lues requiring hospitalization, as the result of disease, shall be denied compensation while a patient in a United States Veterans' Bureau hospital by reason of willful misconduct."

Following this, in the act of March 4, 1925, the foregoing proviso, which had restricted compensation awards to veterans suffering from the specified conditions only while they were hospitalized in a United States veterans' hospital, was amended to provide: "That no person suffering from paralysis, paresis, or blindness shall be denied compensation by reason of willful misconduct nor shall any person who is helpless or bedridden, as a result of any disability, be denied compensation by reason of willful misconduct." It will be noted that the provision for the payment of compensation to veterans suffering from "constitutional lues" was canceled in this provision of the act of March 4, 1925.

At the present time, therefore, under the provisions of the World War veterans' act, January 7, 1924, as amended, the general inhibition against the payment of compensation for disability due to conditions arising from the veteran's willful misconduct can be waived only where the veteran is suffering from paralysis, paresis, or blindness, or when he is helpless or bedridden. Consequently, the disability of a veteran suffering from a venereal disease of any stage or type which was not expressed as paralysis, paresis, blindness, or being helpless or bedridden, could not be connected with the military service, and hence could not be awarded compensation. Such veteran is, however, entitled to treatment in a Government hospital, under the provisions of section 202 (10), World War veterans' act. The said section 202 (10) does not provide for out-patient treatment of veterans with nonservice-connected conditions. If the said section were amended to provide for out-patient treatment of veterans suffering from venereal diseases not requiring hospitalization, it is evident that this would be a discrimination

against all other potential beneficiaries under section 202 (10) who are suffering from all other diseases. And, if it is contemplated to amend section 202 (10) to authorize out-patient treatment for the veterans of all wars, occupations and expeditions, or even for only veterans of the World War, a very considerable augmentation of expenditures, necessitated by increases of personnel, equipment, and supplies, must be anticipated. The Congress has heretofore consistently rejected proposals to authorize out-patient treatment under 202 (10).

There is another phase of this matter which, it is thought, has not been sufficiently kept in mind, viz, that even if a veteran can not secure treatment from the Federal Government under the provisions of the statutes governing the operation of the United States Veterans' Bureau, he is, nevertheless, not totally deprived of treatment opportunities, even if he is not financially in a position to employ a private physician. For these veterans still have their rights as citizens of their respective States.

With particular reference to the opportunities afforded for venereal diseases, attention is invited to the accompanying publication of the United States Public Health Service, Hospitals and Dispensaries for Treatment of Venereal Diseases, reprint No. —, July 20, 1927, from which it is evident that there are a large number of clinics throughout the United States which will provide treatment for venereal diseases, as a public-health measure.

When venereal diseases are required to be reported by the State health laws, this bureau cooperates, and by reporting these patients insures their treatment. And even if the State laws do not require the reporting of these communicable diseases, it is the practice of physicians in bureau stations to refer these patients to State or city clinics where they can get treatment. Finally, it may be explained that where a beneficiary under treatment for a service-connected disease has a concurrent venereal infection which is held to be aggravating the disability from the service-connected disease, the bureau treats the associated venereal diseases, either by in-patient or out-patient service, as indicated.

WINTHROP ADAMS.

STATEMENT OF SENATOR H. D. HATFIELD OF WEST VIRGINIA

Senator HATFIELD. Mr. Chairman, how any expert in the medical profession can testify as to the time when a tubercular infection actually started and how long it remained dormant in the human system before developing into active tuberculosis is beyond my comprehension as a physician, in view of the history of this disease as described by nearly every author dealing with this subject.

I quote from a Textbook of Medicine by American Authors, edited by Dr. Russell L. Cecil (associate editor, Dr. Foster Kennedy), which incorporates in its text the views of some of the most outstanding specialists on the subject of tuberculosis:

Tuberculosis is almost unique among infections, in that it has, properly speaking, no period of incubation. Infection of the body is accomplished, and the anatomic marks of infection come into being and many remain indefinitely long (for months, years, or a natural lifetime) and the body meanwhile never exhibits symptoms of disease. On the other hand, it is certain that, when active tuberculosis does make its appearance, in the vast majority of instances it is an expression of an infection that originated a comparatively long time previously (weeks, months, or even years before), and during all this time has resided in the body in a state of clinical quiescence; that is, without noticeable effect on the body economy.

It is largely a matter of resistance of the body, from a standpoint of health, that continuously prevents death from a latent infection of tuberculosis. Wholesome food, healthful surroundings, and mental contentment play an important part in maintaining the resistance of the human body of any individual so infected and these elements are also the surest guarantee against such infection. There is no doubt in my mind that a majority of the veterans who have developed active tuberculosis since the World War really contracted this disease

during their service. In a large number of these cases there was no outward manifestations during and immediately following their service, such as temperature, cough, lung irritation, and so forth, because the body resistance was capable of overcoming and controlling the growth of this tubercular infection, isolating it in the body for the time being by surrounding the involvement with a wall of tissue and organic material built up by nature. In these cases the infection has remained dormant until that period in the veteran's life was reached when his resistance was not as great as it had formerly been due to the lack of proper surroundings and food, or because he was subjected to long and arduous labor for the support of his family, bringing about a lowering of his resistance when the break comes and the active process of this latent tubercular condition develops and becomes an outspoken tubercular manifestation.

I quote from a Textbook of Medicine by American Authors, published in 1927, again:

Environment factors comprise all postnatal personal experiences that can be shown to have an influence on the manner in which the body receives the tubercle bacilli and on the course of whatever tubercules may be established.

There is no other infection that reacts so definitely and yet so delicately to outside or environmental influences. It can be stated almost as an axiom that both morbidity and mortality curves of tuberculosis for a community will run parallel with the curves for disease and death in general; which means that where the general standards of public health and hygiene are low; there is much tuberculosis and many deaths from it, and *visa versa*.

Active tuberculosis is a disease of every age, with its death rate highest in the fifth decade among city-dwelling males, and lowest in the second half of the first decade. But it is probable that more first outbreaks of the disease occur in the third and fourth decade of life than at any other period; that is, the breakdown from active tuberculosis is most likely to come not at the age of diminished vigor, but at the time of the greatest stress of environment.

I desire to mention particularly at this point that more first outbreaks of the disease occur in the third and fourth decade. It was in exactly this period of life from which the military forces were collected. In other words, it would be between 20 and 40 years. The average age of the drafted man was 23 years and a point that should not be overlooked in the discussion of this matter is that a comparison of diseases among civilians is opposite of the soldiers due to the fact that the soldier was a picked man in the service and was compelled to undergo strict examinations and was rejected if his health was not good. It follows that these young men at the height of their physical manhood were probably better able to temporarily resist these infections, even though they were subject to the rigors of military life, exposure, separation from family, changed food, and a routine to which they were entirely unfamiliar.

There can be no justifiable contention made from medical history that the presumptive period of tuberculosis if extended to January 1, 1930, would be more than conservative in time as to the period of incubation between the initial invasion and the time of its outward manifestation.

In many cases veterans with infections hitherto inactive will suffer the ravages of the dreaded white plague known as tuberculosis long after 1930 if the limitation is extended to this period.

The same can be said of many of the diseases known and designated as neuropsychiatric as well as other pathologies of the body due to lack of proper metabolism, resulting in chronic forms of diseases,

which possibly never take unto themselves or at least seldom, acute manifestations. The neuropsychiatric and other mental conditions differ widely as to cause. Many of the neuropsychiatric conditions are due to ordinary infection, such as the bacteria of influenza and many other bacteria responsible for acute diseases, such as pneumonia, bronchitis, and so forth. Following up its primary infection as a secondary condition involving membranes of the brain which more or less extends into the superficial brain structures causing encephalitis which may be mild in its local manifestation, resulting only in annoying headache. The infection, however, continues to exist, ultimately involving the normal nerve and brain substances, resulting first in an infiltration or swelling of these tissues, and the displacement of these normal substances capable of producing reaction to motion, sensation, and thinking, displacing them by way of new growths, destroying or wiping out their normal substance and reducing to a minimum these sensory and motor impulses that were in the normal state an integral part of the thinking and acting of the individual. The primary infection, finally resulting in tremor of the extremities, ultimately interfering with locomotion, such as is witnessed in paralysis agitans, a disease brought about in many instances by depression, emotion, physical exhaustion, and injuries. Also acute infections may precede the onset of the disease and result in its cause.

In part, I again quote from the Textbook of Medicine by American Authors, taken from the section on nervous diseases edited by Dr. Foster Kennedy, professor of neurology at Cornell University and head of the neurological department of Bellevue Hospital, New York City, his description of the symptoms indicating how this disease manifests itself:

The onset of the disease is insidious, and, as a rule, progress is slow and gradual. The first symptom may be a fine rythmical tremor of the hands or fingers, which is at first slight and inconstant, but soon becomes permanent and continues during rest.

This proves conclusively that paralysis agitans and other kindred morbidities which are frequent terminal manifestations found in the World War veteran are due to infectious processes which in all probability can be reasonably presumed to be traceable to one of the infections heretofore referred to as being primarily the cause of these maladies and many others of the central nervous system found in the soldier.

I quote again from the same authority:

The syndrome is a frequent sequel of encephalitis lethargia, referable to a localization of the inflammatory processes in the corpus striatum and subjacent structures.

Considering the presumptive period in the beginning of the administration of the World War veterans act of 1924, and the suggested amendments in H. R. 10381 extending this period, it is inconceivable to conclude as a matter of justice and equity to the veteran, that neuropsychiatric diseases, the seeds of which were planted while the veteran was in the service of the Government, should be limited to 1925 as the outside presumption during which disease could develop from an exposure that the soldier was subjected to during his service in the war, as it is not in harmony with the conclusions of authors in dealing with this subject of paralysis agitans and kindred diseases.

The same conclusion will be controlling in a great majority of nervous and mental maladies to which the World War veteran is heir.

As supportive of this statement, I quote again from that section of the Textbook on Medicine, by American authors, dealing with diseases of the nervous system in which he states:

The course of the disease is slowly progressive, but the patient may live for many years; when the infection appears in young adults it may persist for two or even three decades, but the condition is incurable.

With these facts submitted to your honorable committee, attested by authorities in the profession of medicine, whose reputations are beyond question, and taking into consideration again that these unfortunate men who fall by the wayside, stricken by disease contracted primarily in the service of their country, I feel certain you will give this matter the favorable consideration it merits. Whether the Congress of the United States is willing to be liberal in extending the presumptive period to the first of this year or not, in the final analysis these veterans will necessarily have to be supported by some branch of this Government. It may be in many instances, city, county or State, but whatever division of Government takes care of them. This responsibility rests upon society in the final analysis. The cost will necessarily have to be borne by the public, and why should it not be by the largest unit of Government, for the reason that these veterans gave their services unflinchingly when their country needed them. These men were not members of military establishments in any city, county or State, but were soldiers of the United States and should be taken care of by the Federal Government. They are entitled, therefore, Mr. Chairman, to the benefit of every doubt, and surely there should be no question so far as extending the presumptive period from 1925 to January 1, 1930. You have a preponderance of evidence, conclusive in its proof, that even if the presumptive period is extended to January 1, 1930, it will leave many of those who contracted these ills while in the service of the Government to be provided for in the future.

I am firmly convinced that as a matter of equity there is justification for a presumptive extension to the first of this year for all chronic disabilities. It is most imperative, however, as a matter of justice, that this Congress should at least extend the presumptive period of tuberculosis and neuropsychiatric diseases to January 1, 1930, because of their more rapid progress to the end than the ordinary chronic maladies from a medical viewpoint.

The time has arrived that a solution should be worked out looking to the relief of all veteran problems as near as is humanly possible. We should not be unmindful of the condition of our noncompensable veterans. They are now dying according to Veterans' Bureau statistics at the rate of 73 per day or 25,000 a year, which to me and no doubt to your honorable committee is a most urgent problem and should have the most serious consideration by Congress at this session.

In West Virginia we have a hospital waiting list numbering approximately a hundred, and many of these unfortunate men have died waiting for admission to and treatment in hospitals. Some of them have been on the waiting list for more than a year and only recently

I came in contact with a veteran who was suffering from a exophthalmic goiter and had been sent to a neuropsychiatric hospital located at Chillicothe, Ohio, where, in my judgment, he should have gone to a surgical institution and there prepared for an operation with the hope of eradicating the disease, which is the only method known to the profession that relieves this condition.

I wish to thank the committee for permitting me to add my testimony, with the hope that it might shed some light upon this subject, because of my training in the profession, which extends over a period of more than 35 years.

The CHAIRMAN. The committee will stand adjourned.

(Whereupon, at 4.15 o'clock p. m., the committee adjourned.)