

Establishment of a Veterans' Bureau

HEARINGS

BEFORE A

SUBCOMMITTEE OF THE COMMITTEE ON FINANCE UNITED STATES SENATE

SIXTY-SEVENTH CONGRESS

FIRST SESSION

ON

H. R. 6611

**AN ACT TO ESTABLISH IN THE TREASURY DEPARTMENT
A VETERANS' BUREAU AND TO IMPROVE THE FACILITIES
AND SERVICE OF SUCH BUREAU, AND FURTHER TO AMEND
AND MODIFY THE WAR RISK INSURANCE ACT**

—
JULY 11, 1921
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PART 2

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ESTABLISHMENT OF A VETERANS' BUREAU.

MONDAY, JULY 11, 1921.

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

The subcommittee met, pursuant to call, at 10 o'clock a. m., in room 310, Senate Office Building, Washington, D. C., Senator Reed Smoot presiding.

Present: Senators Smoot (chairman), Dillingham, Calder, and Walsh.

Present, also, Hon. Burton E. Sweet, Representative in Congress from Iowa.

Present, also, Col. C. R. Forbes, Director Bureau of War Risk Insurance; Col. Leon Fraser and Mr. J. Milliken, assistant directors, and Mr. Charles F. Cramer, of the War Risk Insurance Bureau.

Senator Smoot. If the committee will come to order we will begin the consideration of this bill, H. R. 6611.

Congressman Sweet, the committee requested that you be here this morning for the purpose of finding out your ideas as to just what object you have in the wording of some portions of this bill, and we want to call your attention to them at this time.

On page 11 of the bill, in section 13, line 25, this provision appears: or by reason of any aggravation of a preexisting injury or disease while in the service of the United States on or after April 6, 1917.

Why do you put that language in the bill? What is your idea?

Mr. SWEET. We endeavored to take care of an aggravation of an existing injury. For instance, we will say a man went into the service, and at the time he went in, of course, he was examined. It may be possible that he had the germs of tuberculosis or something of that kind. It was overlooked at the time, and we felt that the Government should be liable for any aggravation of that disease or of the aggravation of a preexisting injury that was overlooked when the man went into the service. We felt that the Government should not be obligated for a preexisting injury, but should be obligated for the aggravation of that injury while in the service.

Senator Smoot. Is it not the intention that anybody now that has an injury of any kind will not have to demonstrate that it was of service origin, but simply if he has any kind of disease and it is aggravated in any way, he falls under the provisions of this bill? I do not know where the end will be.

Mr. SWEET. According to the wording here it is the aggravation due to his being in the service.

Senator Smoot. He was not supposed to have any disease or injury.

Mr. SWEET. That is true; but I think we ought to take into consideration the fact that in many instances the examination when

they were taken into the service was not as accurate as it might have been, and in many instances young men got into the service who should not have been in the service, but who did render valuable service to the Government, notwithstanding the fact that they were not physically fit. If while in the service there is an aggravation of that preexisting injury or disease, which was not detected at the time that the man entered the service, it seems to me the Government should assume that responsibility.

Senator SMOOT. I do not know who is ever going to decide such a case. It is impossible to decide it. I think the old system of granting relief in the case of any kind of disease or sickness that may follow a man after entering the war should be upon service origin; that if for any reason he contracted the disease while he was in the Army and it was of service origin he ought to be taken care of; but this thing is wide open; there is no limit to it; and from the way you have carried it on here in other places I do not know whether we could get doctors enough to follow them up, and if they did follow them up there is not one case out of a hundred that could ever be stated positively.

Mr. SWEET. Senator, I realize the difficulty of arriving at compensation to be based upon an aggravation of an injury; but, nevertheless, I think there are enough cases that have come up before the department along that line to warrant us in attempting to rate a man upon the aggravation of that injury.

Senator SMOOT. Congressman Sweet, you have had enough to do with pension bills to know that if that provision goes into this law there will be one continual demand every year or every six months, for every soldier thinks his case is an aggravated one. There will be no end to the examinations; there will be no end to the dissatisfaction; there will be no end to the demands for the next 50 years for increases under that provision. I can not see where we will ever get off.

Mr. SWEET. As I said, Senator, I realize that there is a great difficulty in ascertaining the extent of the aggravation, but it seems to me that so many cases have come to the attention of those who are going over the affidavits and other statements made by soldiers that we ought to make some provision there.

Senator SMOOT. You know what we have done in the past in connection with the civil service. We have had special acts for just such cases, and we always passed them up until the time that we passed the service pension bill, and we will pass a service pension bill for these soldiers before many years. I have not any doubt about that any more than I have the fact that we are sitting around this table.

Mr. SWEET. No; that is inevitable in the course of time.

Senator SMOOT. And the time is not very far distant, either. So it does seem to me that you are putting into this law a provision that we all know is going to work havoc, not only to the Government, but there will be nobody who will be satisfied with any award and there will be untold demands for reexamination. I very much prefer in cases that were aggravated and were not of service origin to take care of them by a special act of Congress.

Senator DILLINGHAM. Do you not think, Mr. Sweet, that it will be a direct bid to a certain element of the ex-service men to make claims

that are not in fact based upon merit? Of course, among those men we have all classes, the finest and the strongest and the bravest, and we have other classes that are not of that character. Every time they have a headache or that tired feeling they would try to trace their permanent disability to a condition that existed previous to the war and claim that the present condition resulted from aggravation of the previous condition.

Mr. SWEET. I think in a sense that is true, and, as suggested by Senator Smoot, there is difficulty in arriving at what is an aggravation of an injury or a disease. It is a matter that we gave very careful consideration, but all cases that come up at the present time go before a regular board for the purpose of determining these matters. We felt that cases had come to our knowledge where some relief should be granted to men who had an aggravation of a disease. It seems to me the most potent argument against that is the difficulty in arriving at a proper rating and the fact that there will be, perhaps, innumerable cases coming up, and the fact also that a great many claims will be made that are not good faith claims. Of course, a board will be required to determine all those, but after going over the whole matter and the arrangement that we expect to have when this bureau is properly organized and constituted, it will be left to a board of men, it seems to me, who are aware of the nature of these claims and the manner in which they are usually presented and the class of persons who will present them. It seems to me that it can be properly taken care of.

Senator SMOOT. But this is not settled at one time; this gives the soldier the right to make a demand every 30 days.

Mr. SWEET. Yes; that is true, because he can make his demand for a reexamination and rerating—I do not say within 30 days, but within any reasonable time. Of course, the question of reexamination and rerating will be left largely to the new bureau under proper rules and regulations.

Senator DILLINGHAM. It is a departure from the previous policy of the Government?

Mr. SWEET. Yes; it is a departure from the old pension system; there is no doubt about that.

Senator DILLINGHAM. Have you estimated what the increased cost will be?

Mr. SWEET. No; I have not. It would be a very hard thing to estimate.

Senator DILLINGHAM. Do you not think it will amount to much more than many of our bonus bills?

Mr. SWEET. No; I do not think it will amount to more than our bonus bills.

Senator SMOOT. It would in the end.

Senator DILLINGHAM. I do not see how it can avoid that.

Mr. SWEET. I hardly think it would go to that extent.

Senator DILLINGHAM. Think of the number of men we had in the service. We are opening the door to every one of them to make a claim. They will not all do so, but the temptation we are offering them and the door we are opening to them.

Senator WALSH. I think my colleagues are proceeding upon the theory that a man has got to prove certain things before he comes within this language. First of all a man has to be examined by a

Government official, whom we must assume to be honest, and found to have a disease or injury. Secondly, he must prove that disease or injury was connected with the service. We say further that if that disease or injury is not connected with the service, but he can prove that it was exaggerated or brought on by reason of the service, having had a disease or injury that can be connected with this previous to the service, why should not he have the right to recover and get compensation? You are assuming that the man has not got an injury but is faking one. First of all he must be found to be suffering from a disease or injury in connection with the service.

Senator SMOOT. If he traces it to the service there is not any trouble at all.

Senator WALSH. You yourself, Senator Smoot, gave a perfect illustration in mentioning the other day the case of your son, who had scarlet fever during his youth and who waived his claims against the Government and in a spirit of patriotism sought to get into the service when he was not physically sound. You yourself admitted that that service aggravated and brought back that old trouble.

Senator SMOOT. He is not entitled to any compensation whatever from the Government. Those who did waive claims against the Government—and many of them did—now come back here and, having waived claim, ask that the Government give them compensation. I do not think they have any right to compensation.

Senator WALSH. I do not see any difference in respect to justice and equity in the case of a man getting compensation for an injury or disease contracted in the service to that of a man who got a disease or injury that was exaggerated in the service or who has a recurrence of a former disease or injury.

Mr. SWEET. That was the view of our committee, that we should take care of any aggravation of a disease or injury that could be traced directly to the service.

Senator SMOOT. It is very easy to get affidavits, is it not?

Mr. SWEET. Yes; that is true, Senator, but that is involved in every compensation claim.

Senator SMOOT. There is not an old soldier that ever lived who could not get affidavits here galore as to not only his injury but as to service origin. Thirty or thirty-five years after the war I have seen affidavits here by the thousands that were sent here by the old soldiers that upon their face were not founded upon the truth. I guess you have seen them too.

Mr. SWEET. I have seen many affidavits that I doubted whether or not they expressed the exact truth.

Senator SMOOT. It is like the affidavits we have in connection with these old southern war claims. Many a time I have looked at those claims to ascertain the age of the person at the time the poles were stolen or the hogshead of tobacco taken, and have found that the person was only 3 years old at the time; and yet that person was telling just how many poles of the fence had been burned and how many hogsheads of tobacco had been taken and how many bushels of corn had been destroyed.

Mr. SWEET. Of course, Senator, I have not any objection to your putting in an amendment here that in case an applicant waived any right that he had—

Senator SMOOT. Well, we will do that anyway.

Mr. SWEET. If he went in the service and his injury or disease were known and waived, in that event I would not hesitate to recommend that an amendment of that kind be made to this section, but it seems to me that as the section is written it really ought to stand in equity, to the ex-service men.

Senator WALSH. We have to assume that the officials of the Government and the medical officials will be honest.

Senator SMOOT. Can you tell me how a man who has entered the Army after the signing of the armistice, when there was no haste about getting him into the Army, could have this right?

Mr. SWEET. The number would be comparatively small that entered the Army after the armistice.

Senator SMOOT. A great many of them have entered the Army since the armistice. They have been scouring the country here to keep the number up to 170,000. We have made appropriations sufficient to get a few of them.

Mr. SWEET. Yes; that is true, Senator.

Senator DILLINGHAM. As I understand you, Mr. Sweet, you favor a change in the policy that has heretofore been adopted by the Government in granting original pensions to those who have suffered disability by reason of their military service. That is, for disease or injury received while in the line of duty.

Mr. SWEET. My thought is this: That the Government, by way of compensation should be liable not only for the injury and disease contracted in the service in line of duty, but, in addition to that, it should be liable for an aggravation of a preexisting injury or disease.

In other words, we propose by this bill, if possible, to cover the whole field in an equitable and just manner. I can not see any difference between the proposition that a man is injured in the service or has an aggravation of a preexisting injury. The Government, it seems to me, should be liable not only for the injury sustained while in the service, but if he was admitted into the service with an injury or disease and by reason of the severe service, by reason of not having proper food at times, by reason of the unusual marches that they made, and so forth, if that injury has been aggravated, compensation should be paid for that aggravation, and that, so far as may be, should be determined by the examining boards that award compensation.

Senator DILLINGHAM. You have made yourself very clear, but that is a new policy in the history of legislation in our country?

Mr. SWEET. It is; and I take this position: If we have not done justice to the soldiers of former wars along that line, let us do justice to the boys of the World War.

Senator SMOOT. The next is, on pages 12 and 13, being section 15, amending section 29 of the war-risk insurance act. This is in connection with—

the discharge or dismissal of any person from the military or naval forces on the ground that he is an enemy alien, conscientious objector, or a deserter, or is guilty of mutiny, treason, spying, or any other offense involving moral turpitude, or willful and persistent misconduct shall terminate any insurance granted on the life of any such person under the provisions of Article IV, and shall bar all rights to any compensation under Article III or any insurance under Article IV: *Provided*, That, as to converted insurance, the cash surrender value thereof, if any, on the date of such discharge or dismissal shall be paid the insured, if living, and if dead to the designated beneficiary, and so forth.

Do you think that a spy ought to be paid that? Do you think that a deserter or a person guilty of mutiny or treason ought to be paid that?

Mr. SWEET. You will observe, Senator, we say pay the cash surrender value. The view of the committee on that was this: That this was a property right that he had, and that he was entitled to that just the same as a murderer or anybody else is entitled to his property right and the protection of that right. We also came to the conclusion that those who were dependent upon him and entitled to his property should not be deprived of the cash surrender value of that policy.

Senator DILLINGHAM. You put it on a constitutional right there.

Mr. SWEET. Yes.

Senator WALSH. When did the right to convert insurance first become operative? It first became operative since the signing of the armistice, did it not?

Mr. SWEET. Yes; since the signing of the armistice, or upon discharge from the service.

Col. FORBES. It became operative immediately upon discharge from the service, Senator.

Senator WALSH. So that all of these men, after being discharged as spies or alien enemies, did actually contract with the Government to have their insurance converted?

Mr. SWEET. Not all of them; but some of them did.

Senator WALSH. I mean such as this section applies to.

Mr. SWEET. Yes; such as this section applies to.

Senator WALSH. And your contention is that the Government having entered into a new contract, even after they had been guilty of these offenses, there is a property right vested which we must respect.

Mr. SWEET. There is a property right there which we must respect, and we are looking only to the property right.

Senator WALSH. It is a question of whether there is not a vested property right which constitutionally must be respected.

Mr. SWEET. That is true.

Senator WALSH. I think we all share the lack of sympathy which Senator Smoot gives expression to, but there is a legal question involved.

Senator SMOOT. The next is on page 17, section 21, amending section 313, by adding thereto subsection (2a). Subsection (2a) reads as follows:

The Veterans' Bureau is hereby authorized to pay the beneficiary or other person or persons in whose name an action may have been commenced or prosecuted, and to all witnesses in such action, fees and mileage, the same as is now paid and allowed to witnesses in the United States courts, in going to, remaining at, and returning from place of trial, and without any regard to whether the action, if any, is brought or prosecuted in a court of the United States or some other court.

In all cases of assignment of causes of action under this section, whether the assignment be heretofore or hereafter made, where it shall appear to the director to be to the best interests of the beneficiaries so to do, the director, acting for and in the name of the United States, may assign the cause of action back to the beneficiary or to his personal representatives.

I suppose you remember what the original section of the bill was and the reason for that under the law?

Mr. SWEET. Yes; I do.

Senator SMOOT. And the wording of this is just exactly the opposite of what the Director of the War Risk Bureau maintained was the proper position for the Government to take at that time. What reason did the House have for making this subsection to section 313?

Mr. SWEET. As the Senator has stated, section 313 was divided into two divisions. The first division was as follows:

That if an injury or death for which compensation is payable under this article is caused under circumstances creating a legal liability upon some person other than the United States or the enemy to pay damages therefor, the director, as a condition of payment of compensation by the United States, may require the beneficiary to assign to the United States any right of action he may have to enforce such liability,

and so forth. I am not reading all of section 1. Section 2 is in part as follows:

If an injury or death for which compensation may be payable under this article is caused under circumstances creating a legal liability upon such person, other than the United States or the enemy, to pay damages therefor, then, in order to preserve the right of action, the director may require the conditional beneficiary, at any time after the injury or death, to assign such right of action to the United States,

and so forth. Of course those actions often are prosecuted by the United States.

Senator SMOOT. Under the existing law what has happened that you should add to this bill subsection (2a)?

Mr. SWEET. Nothing has happened except this: When the Government prosecutes a claim and that is in the name of the Government, the party who made the assignment, etc., may be required to go to a certain point or a certain court as a witness. When that party goes there it is in a sense to the benefit of the Government in an adjustment of this matter. So that the person is allowed fees and mileage the same as a witness going there.

Senator WALSH. Under subsection (2a)?

Mr. SWEET. Under subsection (2a); and we have tried to word that very carefully so as not to get into a position where the expenses could run up. We have limited the measure of those expenses by saying, "Fees and mileage, the same as is now paid and allowed to witnesses in the United States courts in going to, remaining at, and returning from place of trial."

Senator DILLINGHAM. It is not that matter that troubles me about this clause. It is not quite clear in my own mind, from a historical standpoint, what this class of cases is that the Government takes over from the man and becomes the owner of to prosecute.

Mr. SWEET. For instance, take the case of a man who is injured in a railway wreck and the Government is paying compensation and he would have a claim of damages against the railroad company. In that instance, of course, the Government should have a right, and does have a right, to step in and adjust that matter.

Senator SMOOT. The law as it exists to-day gives that right. That was discussed for days before we adopted that amendment to the existing law. The payment of the travel pay to witnesses does not bother me.

Mr. SWEET. It is the assignment that you refer to?

Senator SMOOT. Yes.

Mr. SWEET. I would be glad to take that up. The question of assignment is simply this, and it has come up in a very practical way.

For instance, the Government exercises its right and gets the assignment. Then this matter is adjusted and settled between the Government and the man. Then the Government should have the right to assign that back to him, if it so desires. It is inserted here so that the Government has the right of reassignment of the cause of action.

Senator SMOOT. Why does not the Government pay him whatever the suit brings in settlement, whether it be by compromise or whether it be by action in court? Why does he want to reassign it?

Mr. SWEET. Conditions may arise in the settlement of a claim where it would be to the best interests of the Government and to the best interests of the man to reassign the claim.

Senator SMOOT. Why?

Mr. SWEET. For instance, we will say that the Government says for the best interests of the Government it may be just as well for the man to prosecute the claim, or he may desire to prosecute the claim.

Senator SMOOT. Then, the object is to prosecute the claim where he wants to. All the hard cases the Government is to take and all the easy cases the man is to take.

Mr. SWEET. These are all matters of compromise and settlement, especially claims, and this is simply to facilitate the administration of matters of this kind.

Senator SMOOT. It is to give the man the right to make the settlement instead of the Government?

Mr. SWEET. That is it exactly.

Senator WALSH. Take the case of a man who loses a leg in a railroad accident and who at the time is in the service of the country and wearing a uniform. He has a right to demand compensation just the same as if he had been injured in the front line in France?

Mr. SWEET. Yes.

Senator WALSH. Incidentally the Government has a claim, by way of recoupment, against the railroad company because of that loss, and this provides that the Government can bring that suit and get that compensation and recoup itself; but in very many cases the amount that the Government may get is a great deal less than the man himself would get under the general compensation law.

Mr. SWEET. That is true.

Senator SMOOT. That has nothing to do with this; that comes under the existing law; but the change in this is the assignment of these cases. In other words, an individual would have a right to say whether he should prosecute this or whether the Government should prosecute it. In the original law we said that the Government ought to do that, and they are assigned to the Government and the Government carries them through. It is true that the existing law did not provide for the payment of travel pay of witnesses. That ought to go in. I have not any doubt of that. But I do not think that the soldier ought to have the right to say that he shall take it out of the hands of the Government and make a settlement in any way he wishes.

Senator WALSH. If a soldier wants to waive his right under the general compensation law, why should he not do so?

Senator SMOOT. Yes; but this does not provide that.

Mr. SWEET. This is left to the discretion of the director in making the assignment. It is left, so it is just a question of making a proper arrangement to facilitate the administration of the law.

Senator DILLINGHAM. May I ask a question to clear the matter in my own mind? In practice here, we will say, the man is getting certain compensation from the Government. He meets with an accident in a railroad disaster and this suit is brought for the recovery of that amount. The Government steps in and prosecutes it, in the interest of the man. Does the proposition contained in this bill mean that the Government may then make them assign a release to the man for the purpose of getting him added compensation because of the injury which he has received in the railroad wreck, and, in addition to that, for the compensation for the injury which he had received in the service of the Government?

Mr. SWEET. I do not think that necessarily enters into it. It is a question of compromise and settlement of the matter, and under this provision I see nothing prohibitive in that. That is a matter that can be settled between the director and the man.

Senator DILLINGHAM. I am not antagonizing the proposition; I merely want to understand it, and I am asking the question for the sake of getting an explanation of the attitude of the Government toward the man to whom compensation has been granted by the Government, but who has suffered a further injury, as you say, in a railroad wreck and recovery has been made for that under an arrangement between him and the Government.

Col. FORBES. If I may interrupt, Mr. Chairman, I would say that there are about a hundred of these cases now. If the soldier recovers, say, \$50,000 from the railroad company, that is credited back to the United States, and that is the purpose of this assignment.

Senator SMOOT. But providing you do not assign it to him before.

Senator DILLINGHAM. Oh, no.

Senator SMOOT. There is nothing in the wording here to say otherwise or to do otherwise.

Senator WALSH. The difficulty that the committee is having is this: There is nothing in the language here but what would show that the injured party may get his compensation from the Government and also recoup in damages for the injuries received from some outsider, and have both.

Col. FORBES. It might also be said, Senators, that this feature of this amendment is a request from the Treasury and War Departments.

Senator SMOOT. It is not your idea, is it, Mr. Director, that the injured party can enter this suit and get a judgment, we will say, against the railroad company or any other concern for which he had been working when he received this injury, say, of \$10,000 and keep the \$10,000 and draw compensation?

Col. FORBES. No, sir.

Senator SMOOT. Then, you have no objection whatever to making that language plain in the bill?

Col. FORBES. None whatever.

Senator WALSH. Are there any cases where a man is willing to waive his compensation claimed against the Government and take this?

Col. FORBES. Yes, sir.

Senator WALSH. Why not add on page 18, line 10, after the word "representatives" a comma and the following:

Upon waiver by the beneficiary of all claims for compensation against the Government under this act or any amendments thereto.

Col. FORBES. That will be all right. There are about a hundred cases now.

Senator SMOOT. The next, Mr. Sweet, is section 22.

Senator DILLINGHAM. Just one question, Senator Smoot, before you go to that section. Just what does that clause in line 8, on page 18, mean, which states that, "May assign the cause of action back to the beneficiary or to his personal representatives"?

Senator WALSH. It is already assigned to the Government.

Senator DILLINGHAM. I know it is assigned to the Government, but under what conditions would they want the authority to reassign it to the man?

Senator WALSH. At the request of the beneficiary himself.

Senator DILLINGHAM. You mean before it has been brought to a determination?

Senator WALSH. That is it.

Senator SMOOT. The next is section 22, amending section 402 of the war risk insurance act. That is what is known as the "stepmother." We fought that out before on the floor of the Senate. We have had a number of amendments to the bill offered as special bills for that purpose, and they failed in the Senate.

Mr. SWEET. You are referring now to section 22?

Senator SMOOT. Section 22, page 18, amending section 402, which is commonly known as the "stepmother." This very provision was offered as an amendment to the original war risk insurance act. The subcommittee at that time having this under consideration was composed of Senator Williams, of Mississippi, Senator Smith, of Georgia, and myself. Senator Williams was unalterably opposed to this provision. So was Senator Smith. From the cases that were brought before the subcommittee I came to the conclusion that it was a very unwise provision. I think there are 13 or 14 cases in the United States that perhaps ought to be taken care of, but if it is made as wide open as this provision makes it, there will be hundreds and hundreds, if not thousands, of cases where the beneficiary never intended that it should go there, and it would be very unjust.

Senator Williams called attention to a case in his own town where a stepmother had undertaken to claim under a provision of this kind; that is, under the existing law, and found that she could not. She had never taken any notice of the boy at all; had never given him a day's care; in fact, had kicked him out of the home and would never have anything to do with him. But just as soon as there was a chance to get something from the boy she claimed him.

Mr. SWEET. Let me see if the Senator understands this provision as here written. I think it is a little different from the amendment originally proposed. It says:

Where a beneficiary at the time of designation by the insured is within the permitted class.

For instance, the soldier designates his stepmother by name. He is killed. She draws the insurance, we will say, at the rate of \$57.50 per month on a \$10,000 policy.

Senator SMOOT. That is all right. Now go on with the balance of this section.

Mr. SWEET. She marries. It has been held by the Department of Justice that that brings her then technically without the permitted

class. In other words, under the war risk insurance act a step-mother is included within the name "mother," and at the time the policy was written she was in the permitted class. She marries and she is without the permitted class. After she marries she can not draw it. This allows her to continue to draw this insurance, notwithstanding the fact that her act has really taken her out of the permitted class; and the reason that she is allowed to draw this insurance is because the young man designated her as his beneficiary.

Senator SMOOT. Yes; but she marries after the death of the boy.

Mr. SWEET. Yes; she does.

Senator SMOOT. It is just the same under the pension laws. When a woman marries her pension ceases. It has always been that way.

Senator WALSH. Does she marry after the death of the boy?

Senator SMOOT. Yes; after his death.

Senator WALSH. How can the Government change this contractual obligation between parties after death?

Mr. SWEET. I think that it is an absurd decision; but, nevertheless, that is the decision, that after she marries that takes her out of the permitted class; that under the law she is not technically then his stepmother, and, therefore, the payment ceases, so far as she is concerned.

Senator WALSH. Yes; but is it not all before death?

Mr. SWEET. No; it is after the policy is vested, and I think it is an incorrect legal decision; but, nevertheless, it is so.

Let us follow it a little further. Supposing that the designated beneficiary is not in the permitted class. Does the Government cease paying the insurance? It goes to his estate, and going to his estate, it descends, according to the laws of the State of his residence, as personal property.

Senator SMOOT. I think this would, too.

Mr. SWEET. Here is an instance in which instead of the policy being paid to a designated beneficiary at the time it was made, it is changed and will go to those who would inherit his property, the same as in the State of his residence. I say that is wrong and it should be remedied.

Senator SMOOT. Mr. Director, in a case of that kind what was the decision? Did not the decision go further than the Congressman has stated?

Col. FORBES. I believe the mother married before the boy died. Then by the beneficiary named the law establishes the right to the compensation.

Senator WALSH. This all happened before death?

Col. FORBES. Always.

Senator WALSH. And, therefore, the insured had a chance to change his beneficiary and did not do it?

Col. FORBES. That is it exactly.

Senator SMOOT. Mr. Director, in a case like that, where the boy dies, does not that policy go to his estate?

Col. FORBES. Yes.

Mr. SWEET. Mr. Chairman, I shall be glad to look that matter up in order to see if I am correct about it.

Senator SMOOT. If you will, and let us know later, please.

Senator WALSH. We discussed section 4 the other day in the committee and practically came to the conclusion to let it stand as

it is, but I do not believe in having a law which is to be used so popularly as this, written so that it is necessary for one to go to more than one document in order to understand it. Therefore, I feel that the order referred to ought to be printed in the bill.

Mr. SWEET. I may say to you, Senator, that that was one of the most troublesome propositions with which we had to deal, but if you will observe the wording of section 4 you will notice the reference to this order of the Treasury Department is largely descriptive. In other words, it was practically impossible to word the law so that it would cover just what we wanted to include, and this order had been issued making a distribution of the property in connection with the Public Health Service in the manner in which it would be made in case this bill became a law, and it is largely referred to here in a descriptive way. That is the purpose of it. I think it is all right as it stands.

Senator WALSH. I wanted to get your view about that. It is unfortunate that you refer to something that everybody has to go looking for.

Mr. SWEET. I agree with you. We discussed it pro and con and finally solved the situation in that way.

Col. FORBES. By the way, the comptroller has ruled that a decision by the Secretary of the Treasury has the force of law.

Senator WALSH. In connection with section 6, page 6, will you give me your views upon the question of giving suboffices authority to make awards, at least temporarily, Mr. Director?

Col. FORBES. Senator Walsh, the suboffice, as I view it, is one of our avenues of seeking information, and I do not think it would be advisable for a suboffice to handle the adjudication of any claims. But these suboffices would collect all this information to forward directly to the regional office. There would be much duplication of work and many difficulties encountered if everybody were attempting the adjudication of claims, more particularly within a State where there were several suboffices. That would require facsimile copies of all of the correspondence, all of the claimant's case, and inasmuch as there is quite a floating population among some of our people, a man may be here one day and in another suboffice within the same district another day.

Senator WALSH. Yes; I sympathize with your argument. While it would tend to expedite the adjudication of claims, it would tend to promote a wide divergence of judgment and many inequalities, and the standards in any suboffice might just for a case of compensation be entirely different from another.

Col. FORBES. Yes.

Senator WALSH. I appreciate the fact that that is a very serious difficulty. Of course, the thought I have had in mind in suggesting it is the fact that it might expedite the adjudication.

Senator DILLINGHAM. In that connection, just what powers do you understand are given under this section?

Col. FORBES. The powers are entirely within the discretion of the director, and he promulgates the rules and regulations and passes them on to his regional manager.

Senator DILLINGHAM. In other words, he limits the operation of these subagencies?

Col. FORBES. That is discretionary with him.

Senator DILLINGHAM. That is the way I understood it, but I wanted to know how you construed it.

Senator SMOOT. Now, Col. Forbes, if you will take the bill we would like to go over with you the amendments that have been agreed to by the committee, and we would like to have your opinion in relation to them. Begin with section 1.

Senator WALSH. Excuse me for a moment, Mr. Chairman. Mr. Director, I understand that the Federal Board gives the suboffices authority now to settle?

Col. FORBES. They do.

Senator WALSH. How are you going to reconcile that power with the power to prevent suboffices from adjusting compensation in insurance claims?

Col. FORBES. The vocational privileges will be extended to the suboffices, but the information will be gathered and transmitted to the regional offices.

Senator WALSH. So that lines 1 and 2, at the top of page 6, reading, "Except to make compensation and awards and to grant vocational training," are to be changed.

Col. FORBES. Yes; it could be changed.

Senator WALSH. It has worked out pretty well, I believe?

Col. FORBES. Yes.

Senator WALSH. It is pretty hard to determine questions of vocational training from a distance. It is pretty important to have that power on the ground.

Col. FORBES. That could be arranged, of course. But I propose in this suboffices movement that there shall be a certain elasticity to the suboffice operation; that perhaps a suboffice will not always or for any particular length of time be in one subsection of that district. It may be on account of the condition of certain of our men best to move a suboffice from place to place. These cases will come up both for vocational training and compensation, and they are so interrelated that they should operate through those channels back to the regional office. Yet there would be no particular objection to divorcing the vocational feature of this and adjudicating it right in the field.

Senator WALSH. There will be because the law will prevent you from doing it. This law strictly prevents that.

Col. FORBES. I appreciate that, but I say there would be no objection to it if the law permits.

Senator WALSH. You think we could strike out the vocational training provision and safeguard all the interests of the soldier and the Government?

Col. FORBES. I think that is true in so far as the vocational training is concerned.

Senator SMOOT. It seems to me that you are putting an awful power into the hands of the officers of the substations, to say that a man should have additional training.

Senator WALSH. He need not put it in all the offices.

Col. FORBES. I do not propose that there should be someone in the suboffice that would personally have the power to vocationalize a man, but he should have the power, through communication, to recommend his vocational training for immediate action.

Senator SMOOT. But that is not what this exception is; this exception is that he can not grant vocational training and, of course, the process would be that he would write here to the central office and they would grant it. It is just the same as with compensation and insurance.

Col. FORBES. Not to the central office, but to the regional office.

Senator SMOOT. Yes; I meant the regional office.

Col. FORBES. But we could more expeditiously handle a vocational case than we could a compensation case, and the regional director could take quicker action in handling that man.

Senator WALSH. We will take that up later, but I think that is a very serious matter, because I think we are going to have a great deal of difficulty with it.

Senator SMOOT. I will state again, Mr. Director, if you will take a copy of the bill, we will go through it, suggesting the amendments that we have already agreed to as a subcommittee.

In section 1 of the bill the amendments that were suggested by you in lines 6 and 8 we have agreed to. That is, after the word "be," in line 6, we inserted the words "the Director of the Bureau of War Risk Insurance, who shall be appointed"; and then in line 8, after the word "and," we have inserted the word "who."

The question arose as to the salary. The salary to-day is \$7,500 per annum. The House provided \$10,000. Perhaps it would be a delicate thing for you to discuss that question as to whether or not there should be an increase in the salary and the conditions existing in the Treasury to-day.

Col. FORBES. I would like to make some mention on that subject, with your permission. This organization represents a three billion dollar institution. If you are looking for a man to take this job you can not get him at \$7,000 or \$10,000, and the man that takes the job must not have it in his mind to question the salary.

Senator SMOOT. That is true.

Col. FORBES. Because the Government is not paying salaries commensurate with the man's ability to perform the work that they impose upon him. So there is no argument about salary. You fix the salary because the man who takes this job has not got the question of salary in mind.

Senator SMOOT. I think the statement you made is absolutely correct.

Col. FORBES. They are paying men for jobs of this kind \$150,000 a year.

Senator WALSH. One of the difficulties we have, Mr. Director, which you will appreciate, is reconciling this salary with the salaries of the Assistant Secretaries of the Treasury.

Col. FORBES. There is more work in connection with one unit of this war risk than with any duties that I know of imposed upon any Assistant Secretary, except the newly created Undersecretary of the Treasury.

Senator WALSH. What is his salary?

Col. FORBES. \$10,000. And please, gentlemen, do not consider me in the salary question.

Senator SMOOT. The next amendment that we desire to call your attention to is on page 3, in section 4. We have stricken out all of the proviso beginning on line 21, page 3, down to and including line 7, on page 4.

Col. FORBES. In explanation of that I might say that this section provides that we can appoint doctors from civil life, other than Public Health Service doctors, and pay them the same rate of pay as received by Public Health Service commissioned doctors; so that the schedule of salaries is uniform for civilian and Public Health Service doctors. That is the intent of the amendment.

Senator SMOOT. It goes further than that; and this being stricken from the bill will not in any way, shape, or form interfere with your doing that. But we do not want to have the doctors that are going here now to the War Risk Bureau transferred there with the privilege of longevity pay and with commutation of quarters that the Public Health Service has developed lately.

Col. FORBES. They would not get that.

Senator SMOOT. I think they would get it; they would insist upon it; and there is no need of it in here, because salaries are paid from a lump-sum appropriation, and you can do as you please about that. I am frank to say that I hope to see the day when the Public Health Service will be put on a civil basis and not aping the War and Navy in their personnel. When that day comes, perhaps we shall have some kind of service from the Public Health Service.

Senator WALSH. That seems to be the sentiment of this committee, and in addition to what you have said, Senator Smoot, we think this proviso brings in on a different basis the commissioned personnel of the Public Health Service from the personnel of all other departments. If you will observe the first lines in section 4, on page 3, you will notice the words "all personnel," etc. But the proviso says "all commissioned personnel." We feel that there is an attempt here to give some different standing and distinction and privileges to the commissioned personnel of the Public Health Service.

Col. FORBES. There is no reason why it can not be deleted.

Senator SMOOT. I am not going over the amendments that you suggested, because we will save that time.

On page 6, line 4, after the figures "1926," that paragraph stating in reference to the regional offices and suboffices, "that all authority to such offices shall terminate on June 30, 1926," we have inserted the following:

but nothing herein shall prevent the director from terminating any regional or sub-office when in his judgment this may be done without detriment to the administration of this act.

Col. FORBES. That is a perfectly fine suggestion and amendment.

Senator SMOOT. The next is in section 8, page 6, line 13. We will strike out the words "and hereafter."

Senator WALSH. The director ought to state to us what effect that will have in addition to what we think it will have.

Senator SMOOT. I do not think he will have any objection to it when his attention is called to it.

Col. FORBES. What change was that, Mr. Chairman?

Senator SMOOT. In section 8, page 6, line 13, strike out the words "and hereafter," so it will read:

All sums hereafter appropriated for carrying out the provisions of the war risk insurance act and amendments thereto, and to carry out the provisions of the act entitled "An act to provide for vocational rehabilitation and return to civil employ-

ment of disabled persons discharged from the military or naval forces of the United States, and for other purposes," approved June 27, 1918, and amendments thereto, shall, when unexpended, be made available for the veterans' bureau.

Col. FORBES. Well, the word "hereafter," of course, would put the proposition up to Congress to act in all cases.

Senator SMOOT. This is what the words there would mean: We are not making appropriations immediately available that may hereafter be appropriated after this fiscal year. If we did that, you could expend a part of the coming year's appropriations between the time the bill passed and June 30 of the year it passed, and not in the fiscal year. But we allow you that privilege now because of the transfer.

Senator WALSH. And hereafter all appropriations will be made direct to the war risk insurance act. The only possible reason that those words could be included would be if while this act was pending some appropriation went through for some of the old bureaus, then you would have a right to have the words "and hereafter" in there.

Senator SMOOT. On page 8, in line 2, we strike out the words "or private," making it read:

The director shall maintain an inspection service, with authority to examine all facilities and services utilized in carrying out the purpose of this act, and for this purpose may utilize such other Government agencies as may be deemed practicable and necessary.

Why do you want the words "or private" put in there?

Col. FORBES. The private agencies represent, as we see it, the National Tuberculosis Association and other private agencies that are interested in the various scientific elements to our disabled men, such as neuropsychiatric cases.

Senator WALSH. Under the Rockefeller Foundation?

Col. FORBES. Yes; any of these agencies that will help in the betterment of this situation.

Senator SMOOT. Do I understand, Mr. Director, that you want the privilege of utilizing the different departments here, for instance, for the prevention of tuberculosis in the standardization of facilities and services utilized in the hospitals?

Col. FORBES. We required this privilege, as we discussed it with the medical director, more in an advisory capacity than a council capacity, and we get such assistance from them as they are able to render us.

Senator WALSH. You could have that if you did not pay them anything, without this being in the law, but the moment this is in the law it authorizes payment to private individuals.

Col. FORBES. That could be deleted.

Senator SMOOT. In other words, if the words "or private" were left in here, you could give the Interdepartmental Social Hygiene Board \$500,000 a year.

Col. FORBES. Well, I would not.

Senator SMOOT. I do not think you would, but I do not know what demands may be made upon you, so we want to protect you by taking those words out.

After the word "necessary" in line 3, on page 8, we have inserted the following:

The head of the inspection service shall report to the director in the manner the director may prescribe the result of each examination of facilities and services and shall recommend to him methods of standardizing such facilities and services.

Col. FORBES. That is a very acceptable amendment, Mr. Chairman.

Senator SMOOT. On page 8, line 7, after the word "shall," we have inserted the words:

within the limits of appropriations made for carrying out the provisions of this paragraph.

I guess that is what you intended anyhow?

Col. FORBES. That is all right.

Senator SMOOT. On page 8, we have stricken out everything from line 10 down to and including line 19, and have inserted therefor the following:

In the event that there is not sufficient Government hospital and other facilities for the proper medical care and treatment of beneficiaries under this act, and the director deems it necessary and advisable to secure additional Government facilities, he may, within the limits of appropriations made for carrying out the provisions of this paragraph, and with the approval of the Secretary of the Treasury, improve or extend existing Government facilities, or acquire additional facilities by purchase or otherwise. Such new property and structures as may be so improved, extended, or acquired, shall become part of.

Then on page 8, in line 24, strike out the word "would" and insert the word "will," so it will read as follows:

in such a way as will best serve the present emergency.

Col. FORBES. On page 9, lines 3 to 11, inclusive, which you have deleted, affects the questions of practical gifts from States. For instance, I understand that at Creedmore, Long Island, New York State is willing to erect a three-million-dollar institution for the use of men from the State, and the State is willing to give the control of it to the Federal Government. We would pay a rental for it, but they are willing to spend money from their own appropriations for the erection of the institution.

Senator SMOOT. Congress does not want to do that.

Senator CALDER. I am very much interested in that. I do not agree with the Senator on that point. As I understand it, if they erect that building and you take it, they propose charging you a rental?

Col. FORBES. Yes.

Senator CALDER. What is the rental?

Col. FORBES. Ten per cent of the cost.

Senator CALDER. They do not include, of course, in that the charge for the ground or for the approaches or for the sewer connections?

Col. FORBES. No, sir; and nothing for interest.

Senator SMOOT. All the sewer connections are charged. They charge one-tenth of whatever it costs.

Senator CALDER. There are something like 200 acres of ground in the City of New York, and I think if you will figure that out—and I wish you would try to, Col. Forbes, for me anyhow—you will find that will only mean a final cost to the Government of about 7 per cent if you add the cost of the ground and other things that you get with that lease.

Senator SMOOT. I am afraid the provisions in the bill would authorize that anyhow. But, Mr. Director, we have had this very proposition over and over again before the Appropriations Committee, and we have had it on the floor of the Senate and defeated it there. The proposition was this: That they were to erect a building, no

matter what it costs, whether \$3,000,000 or \$5,000,000—they thought it would be about \$3,500,000—and that one-tenth of that would be paid back to the State each year for a period of 10 years. At the end of 10 years the Government would have no right whatever to it. The Government would have to put every facility in the way of necessary equipment for a hospital in there at Government expenses, and at the end of that time all of that was to be left to the hospital.

Col. FORBES. But the Federal Government has the option to purchase, though.

Senator WALSH. At what price?

Senator CALDER. At the actual cost. Col. Forbes, I wish you would have your office look up the exact terms of that proposition, especially as to whether the State of New York will keep the building.

Senator SMOOT. I can give you at my office a copy of the act just exactly as the legislature passed it.

Senator CALDER. I think it is a splendid offer from the State of New York. I think it could be made for 6 or 7 per cent, but I think the Government here at Washington proposed 10 per cent themselves.

Senator WALSH. Senator, there is getting to be a mania for the Government to make contractual leases with private individuals to erect buildings for the Government to rent hereafter. We had exactly the same proposition in connection with the post office in New York City. When it comes to a million-dollar proposition, I believe the Government should buy and invest its own money and assume title to and possession of the property. It is a very short-sighted policy to lease hospitals or post office buildings or anything else for very large sums of money. If it is a little country town in which you want to rent a building for use as a post office, all well and good; but where it comes to a gigantic proposition of millions of dollars, I do not believe the Government should make leases with individuals under such circumstances.

Senator CALDER. I agree with you, but the Government has not been building modern hospitals in New York to take care of our soldiers. We have a place on Staten Island which is hardly fit for human habitation. This proposition was made by the Federal Government to take care of our soldiers.

Senator SMOOT. This is a scheme of Cholmeley-Jones that he intended to go all over the United States.

Senator WALSH. And the scheme is based upon the assumption that Congress will not appropriate money for new buildings, which is a wrong assumption.

Senator CALDER. New York will give to the Federal Government this land for nothing if the Government will build a hospital on it.

Senator WALSH. Senator Smoot, I think the amendment that has been approved gives the director this power. The section says:

In the event that there is not sufficient Government hospitals and other facilities for the proper medical care and treatment of beneficiaries under the act, and the director deems it necessary and advisable to secure additional Government facilities, he may, within the limits of appropriations made for carrying out the provisions of this paragraph, and with the approval of the Secretary of the Treasury, improve or extend existing governmental facilities, or require additional facilities by purchase or otherwise.

Senator SMOOT. Not only that, but on page 8 it says that the director shall make arrangements for the future hospitalization, care, and treatment of these beneficiaries by other means.

Col. FORBES. Our great difficulty in New York is the taking care of and providing for our nervous cases. We have insufficient accommodation in the city of New York for neuropsychiatric cases.

Senator SMOOT. On page 9, line 20, after the word "act," we have inserted the following:

Nothing in this section shall be construed to authorize a travel allowance to clerks or persons for transportation outside of the district in which they are employed.

Col. FORBES. That is all right.

Senator SMOOT. On page 12, line 7, after the word "later," we have inserted:

Provided further. That no applicant, who waived any right to exemption on account of physical disability upon admission into the military or naval forces of the United States, shall be entitled to relief under the provisions of this section.

In section 14, page 12, line 13, after the word "employees," we have inserted, "and the nature of all contracts made under the authority of this act, and the names and principal place of business of the parties thereto."

Col. FORBES. That is all right.

Senator CALDER. What does that mean?

Senator WALSH. That is my amendment to include in the report to Congress not only the names of the employees and their salaries, but the nature of all contracts that they enter into for hospitalization purposes.

Senator SMOOT. On page 16, line 25, after the word "began," we have inserted the words "but not earlier than the date of discharge or resignation."

Col. FORBES. That is all right.

Senator SMOOT. The next is on page 21. After the word "proper," in line 13, we have added the following: "This section shall be deemed to be in effect as of October 6, 1917."

Col. FORBES. That is all right.

Senator SMOOT. The next is on page 23, line 23, after the word "disability" insert:

Provided further, That all premiums, the payment of which when due is waived as above provided, shall bear interest at the rate of 5 per cent compounded annually from the due date of each premium, and if not paid by the insured shall be deducted from the insurance when the same matures either because of permanent total disability or death.

That is all we have in the way of amendments. Is there anything else that you want?

Mr. Director, I have just received a letter here from the Secretary of the Treasury, which I have not had time to read, but I notice a great many suggested amendments.

Have you seen the suggested amendments on the part of the Treasury?

Col. FORBES. Yes, sir; I have.

Senator SMOOT. My letter is dated July 7. This is a little different from yours?

Col. FORBES. It contains much of ours.

Senator SMOOT. The committee will now take a recess until 2.30 o'clock this afternoon, and the meeting will be held in the Finance Committee room in the Capitol.

(Thereupon, at 11.50 o'clock a. m., the committee took a recess until 2.30 o'clock p. m.)

AFTER RECESS.

The subcommittee resumed its session at the expiration of the recess.

Senator SMOOT. Col. Forbes, I wish you would take a copy of the bill H. R. 6611 and make whatever comments on the bill itself, as reported from the House, you desire to make, and if you desire to further discuss the amendments that were agreed to this morning we would be glad to have you do so. Proceed in your own way. As soon as you finish with the bill as we have it now amended I would like to have you take up the amendments that were proposed by the Secretary of the Treasury this morning and state whatever you desire in that connection.

ADDITIONAL STATEMENT OF COL. C. B. FORBES, DIRECTOR BUREAU OF WAR RISK INSURANCE.

Col. FORBES. I will hand you back your original, Mr. Chairman, and say that the first section which has an amendment to the bill is section 13. In that amendment the Secretary's comments simply emphasize the fact that the treatment for the disability must be limited to the line of duty. Otherwise it remains about the same.

Senator SMOOT. So you are in favor of the suggested amendment to section 13 by the Secretary of the Treasury?

Col. FORBES. Yes, sir.

Senator WALSH. The Secretary of the Treasury recommends that the words "by reason of any aggravation of a preexisting injury or disease" be stricken out of section 13 of the bill?

Senator SMOOT. You follow that, Senator, and I will read the proposed amendment.

Senator WALSH. Perhaps if I may have a yes or no answer to my question—

Senator CALDER. What page is that on?

Col. FORBES. Page 11.

Senator WALSH. Is that correct? Is that what his proposal is?

Col. FORBES. Yes, sir.

Senator WALSH. Now, Senator, will you read what the Secretary of the Treasury says about it?

Senator SMOOT (reading):

Section 13 of the bill providing for hospital, dental, medical, surgical, and convalescent care and treatment, etc., to disabled commissioned officers or enlisted men, disabled by reason of any wound or injury received or disease contracted, or by reason of any aggravation of a preexisting injury or disease, without charge if application therefor shall be made within one year from date of discharge or from the date the act goes into effect, is evidently intended to cover only the furnishing of treatment to ex-soldiers for the particular disability incurred in line of duty. However, the effect under the broad language of the section in its present form, as I understand it, will be to eliminate the present requirement that any particular disability must be traceable to service origin or aggravation while in the service. For instance, it is not thought to be the intention of Congress that a man who was disabled in the foot should be given treatment without charge for pneumonia, unless the pneumonia can be traced to

service origin. In order that the intent of Congress as expressed in section 13 of the bill may be clarified, I suggest that it be amended so as to read as follows:

"In addition to the care, treatment, and appliances now authorized by law, said bureau also shall provide without charge therefor hospital, dental, medical, surgical, and convalescent care and treatment and prosthetic appliances for any honorably discharged commissioned officer or enlisted man or any member of the Army Nurse Corps (female) or of the Navy Nurse Corps (female) disabled by reason of any wound or injury received or disease contracted, or by reason of any aggravation of a preexisting injury or disease while in the service of the United States on or after April 6, 1917, provided that the wound or injury received or disease contracted, or aggravation of a preexisting injury or disease, for which such hospital, dental, medical, surgical, and convalescent care and treatment and prosthetic appliances shall be furnished, was incurred in line of duty and not caused by his own willful misconduct: *Provided further*, That application for such care and treatment and appliances provided for in this section shall be made within one year from date of discharge from service or from the date this act goes into effect, whichever is the later."

Col. FORBES. The present act already prescribes that an ex-soldier shall have suffered a disability of not less than 10 per cent before he can receive compensation.

Senator SMOOT. You do not mean that this amendment changes that?

Col. FORBES. No; but the act charges that, and Mr. Mellon's criticism or amendment has the result of modifying the act.

Senator SMOOT. The change in section 13?

Col. FORBES. Yes.

Senator SMOOT. I do not understand that section 13 does that.

Col. FORBES. Oh, yes; it does.

Senator SMOOT. If it does, then it will cost us \$366,000,000 more.

Senator REED. I do not think, Mr. Chairman, there can be much doubt about that if you will just notice the language.

Senator SMOOT. If it does, we certainly want to prevent that.

Senator REED. It provides for certain medical help. Now, we say that in addition to that medical help, which is now limited to people who have received 10 per cent disability—

In addition to the care, treatment, and appliances now authorized by law, said bureau also shall provide, without charge therefor, hospital, dental, medical, surgical, and convalescent care and treatment and prosthetic appliances for any honorably discharged commissioned officer or enlisted man or any member of the Army Nurse Corps (female) or of the Navy Nurse Corps (female) disabled by reason of any wound or injury received or disease contracted.

Senator SMOOT. I guess you are right, Senator. It is in addition to the care, treatment, and appliances now authorized by law.

Col. FORBES. And as provided for in the act.

Senator REED. What about that? I do not want to interrupt the colonel. He was going to tell us his criticism.

Col. FORBES. It is purely a matter, as I see it, of the extent of liberality that Congress would like to extend the ex-soldiers.

Senator SMOOT. I do not think that Mr. Sweet understands that it takes in soldiers with a less disability than 10 per cent.

Col. FORBES. Well, it does.

Senator REED. Do you understand it that way?

Col. FORBES. I do.

Senator SMOOT. You would so interpret it?

Col. FORBES. Yes, sir.

Senator SMOOT. As head of the bureau?

Col. FORBES. I interpret it that way.

Senator SMOOT. Are you in favor of it?

Col. FORBES. As I say, it is a matter that purely should be put up to Congress, just to what extent you desire to be liberal with the ex-soldiers. It is a difficult matter to ask me to pass judgment upon.

Senator SMOOT. Mr. Fidler of the Vocational Board did not so understand it.

Col. FORBES. I so understand it.

Senator REED. Mr. Chairman, let me tell you the rule that lawyers ought to have; that is, whenever a man on the other side of the table sees a certain construction is possible they do not argue whether it is possible or not; they change the language so as to make it clear. That is what we ought to do here.

Col. FORBES. It of course applies more definitely to dental work, and the eye, ear, nose, and throat.

Senator DILLINGHAM. In this particular section only?

Col. FORBES. Yes, sir.

Senator DILLINGHAM. The same principle is carried along in the bill.

Senator WALSH. At the present time only those found to have 10 per cent disability can get care. This bill is designed to allow all those diseased or injured to get medical care and treatment.

Col. FORBES. The next paragraph of the letter of the Secretary explains that.

Senator SMOOT. Read that, please, Senator Dillingham.

Senator DILLINGHAM (reading):

I think the attention of the committee should be drawn to the liberal language of section 13 of the bill, particularly in connection with the authorization to afford treatment, etc., during the year from the date the measure becomes a law. If that section is amended as suggested, it eliminates for one year from date of discharge or from the date the act goes into effect the present requirement that the reduction in earning capacity of the claimant must be rated at 10 per cent or more before any privilege of treatment accrues. This perhaps will largely affect cases involving dental treatment. The director of the bureau expresses the opinion that many men will avail themselves of this provision of the act to secure free dental treatment during the full period of the year. It is impossible to estimate the expenditure that would result from the passage of this section of the bill. The director advises that to date there has been expended approximately \$2,500,000 for dental treatment. I am drawing the committee's attention to these facts in order that it may have full information before it in considering this aspect of the bill.

Senator SMOOT. I will say, Senator Reed, that the committee has not heard this letter read. It came to the committee just before we adjourned this morning; and if the committee desires we will read the whole letter so that it will know just what is in it—or shall we take it up section by section?

Senator REED. If it applies to different sections as you go along; but it is perfectly clear to me that if the committee wants to cut out the 10 per cent men they would have to change this language. I think, however, that the amendment sent over by the Secretary, with all due respect, leaves the bill in rather a cumbrous way. I do not think the language is clear. I think his idea could be made more certain.

Senator DILLINGHAM. There are other provisions of a similar character further on, Senator.

Senator REED. However, I want to say this only lasts for a year. I think that you will find, if you investigate, that a great many men who have been classed as having less than 10 per cent injury have been very seriously injured. I say that without criticizing the bureau. It has had to act very hastily.

I found many complaints—I went through a hospital at St. Louis—of men who insisted that their health had been practically destroyed and that they had gotten a very low rating. Then my attention was called to cases where they claimed the injury was only light where they had a high rating. Those mistakes are bound to happen in the early working out of a bill of this kind, and some of them will never be corrected, I assume.

But I am very sure that a good many of those rulings will be ultimately changed.

Here is a query that presents itself to my mind on this question: If you draw this so that the injury which a man received must be clearly traceable to a casualty of the war, then, whether it is 10 per cent or less, if that injury is traceable to such casualty, why should he not be compensated for it to the extent of being treated for it?

The treatment, as I understand it, is limited to a year's time. I think we would do very much better if we spend what money we are going to spend on the soldiers very liberally on the sick and disabled and not so liberally on the well.

Senator SMOOT. Senator, Mr. Fidler of the Vocational Board came before this committee the other day and informed us that under existing law, with no Sweet bill or anything else added, the number that is taking vocational training will cost the United States \$162,000,000. We appropriated \$65,000,000, so there would be a deficiency of \$97,000,000 there alone. And he advised the committee that every month they are taking in more than 1,500.

Col. FORBES. They have about 86,000 vocationalized now, representing about \$11,000,000 a month.

Senator REED. The men who get this vocational training become, in a measure, self-supporting, providing that the vocational training that is given them is of the right character, and I am assuming that that it is, although I saw some men working out there that were weaving baskets, and I did not think there was much to that. But assuming that it is right and is rightly carried on—and I think if it is not now, it will be—those people become self-supporting, become productive elements of the community. Is not money spent that way in the nature of an investment, a good investment, and does it not bring us back a return?

I do not want to cut down these wounded men. I think we can rewrite that section.

Senator WALSH. We do not pass on them now, Senator, anyway.

Senator SMOOT. I would like to have Col. Forbes make a concise statement, telling the committee his views on section 13.

Senator WALSH. Do I understand that the proviso or provision covering the time for filing applications still remains?

Senator SMOOT. We can put that in afterwards. It was not in the Secretary's report.

Senator WALSH. He intends to have that in?

Senator SMOOT. Col. Forbes says it is satisfactory.

Col. FORBES. In my suggested amendments I made no comment on section 13, believing that that section was a section entirely to be dealt with by the Congress of the United States. It is a question of your policy as to how liberal you should be with the ex-soldier, and not for the director to act or even to comment on that particular section.

Analyzed, it just simply means that as now contained in the proposed bill any ex-soldier can have a disability of less than 10 per cent and receive medical treatment. This relates more to dental work, or the eye, ear, nose, and throat, where, during a period of one year, the claimant can have his dental work or eye, ear, nose, and throat attended to. But, repeating my statement before, my comment is simply that I believe the Congress will decide what should be its policy with regard to the soldier.

Senator REED. Colonel, the language is:

In addition to the care, treatment, and appliances now authorized by law, said bureau also shall provide without charge therefor hospital, dental, medical, surgical, and convalescent care and treatment.

Medical and surgical cover the whole field.

Col. FORBES. In section 13?

Senator REED. Yes.

Col. FORBES. Yes, they do.

Senator REED. You speak of its being chiefly applicable to the eye, ear, nose, and throat.

Col. FORBES. It provides for general treatment, Senator; but the advantage taken of the bill would be for dental work, primarily.

Senator SMOOT. Have you any idea as to what it is going to cost?

Col. FORBES. Nobody has any idea.

Senator SMOOT. Can you give us any estimate?

Col. FORBES. Yes; \$80,000,000 is a rough estimate.

Senator REED. How much?

Col. FORBES. Eighty million dollars for dental work.

Senator WALSH. How much has it been for dental work in the past year?

Col. FORBES. Two and a half millions.

Senator WALSH. Has the dental work been confined entirely to men whose teeth were affected to more than 10 per cent disability?

Col. FORBES. I would like to answer your question in this way, with your permission. I believe that the procedure for carrying on dental work as now prescribed is all wrong.

Senator WALSH. I agree with you.

Col. FORBES. Here is a very, very objectionable feature of the dental program. The dental examiner who examines the teeth is the same man who performs the work, and we are paying dental bills to-day as high as \$300.

Senator DILLINGHAM. For individuals?

Col. FORBES. For individuals.

Senator WALSH. And there have been scandals all over the country in connection with it. It has been proven conclusively that dentists have sent in bills and been paid for work which they never performed.

Col. FORBES. Absolutely. I have stopped the payment of dental bills.

Senator WALSH. And no one has been prosecuted.

Senator REED. Can it be done in the hospital?

Col. FORBES. We propose to do that, to add dental clinics; and I would like to go on record very emphatically, from my own investigation of the cost, that we will do dental work for 50 per cent less than the present schedule of dental prices.

Senator SMOOT. Was this brought about by the Public Health Service having doctors in every little town all over the country and

having somebody send the patients to certain doctors in certain towns and cities?

Col. FORBES. Absolutely. A man assigning an ex-soldier for dental treatment gives the claimant a card to go to a certain dentist, and there is favoritism among those Government officials who are assigning men to dentists.

Senator REED. Who are the Government officials who do that?

Col. FORBES. They are Government employees.

Senator REED. I ought, perhaps, to know them, but I do not know them. If I were a soldier and wanted to get my teeth fixed, and I lived at Kansas City, how would I proceed?

Col. FORBES. You would make your application for compensation in the usual form. You would have a mouth examination——

Senator WALSH. By a public-health dentist?

Col. FORBES. It may be a Public Health doctor or it may be another doctor. You are then sent, after you have completed your application, to an X-ray man who takes an X ray of your mouth.

Senator DILLINGHAM. In what branch of the service is he?

Col. FORBES. He is now operating under the law of April, 1919, under the Secretary of the Treasury——

Senator DILLINGHAM. Before that?

Col. FORBES. Under the Public Health Service. We now have a contract for this X-ray work at the rate of \$3.50 for a complete exposure of the mouth. Theretofore the schedule was \$15.. Three dollars and fifty cents is too much. I will tell you why. X-ray operators pay private practitioners 20 per cent for the business they get, and if we were to make our calculation upon what we are now paying we would be paying 50 cents more per exposure than a private practitioner would pay. There are schedules of prices for dental work. I unfortunately have not one of those schedules here. They are the result of a study among the doctors of the Public Health Service and others. This schedule prescribes what shall be charged for an extraction and for a crown, and for all sorts of work.

I would like to use my own case as an example. In the city of Spokane, Wash., after I returned from the war I found that I required dental treatment. I did not ask the Government to fix my teeth, although I lost some of my teeth in the service, and I have had several very good bridges put in my mouth. For that first work I only paid \$175 to a very reputable and high-class dentist. Now, we are sending our men to get dental treatment, and the man that examines the mouth is the same man who performs the labor.

A man, according to his medical history, when he came into the Army had two teeth missing from the upper set. The doctor said to him, "I will put those two teeth in and the teeth that you lost in the Army; because one treatment is no good without the other."

I can show you dozens of cases where men had seven, or if you please, eight teeth gone, and this examiner and the dentist has put the eight teeth in that were missing, and his medical record will show, before he came into the Army, for which the Government will pay anywhere from \$150 to \$300 for the operation. I say that the schedule of performance for the dental work is absolutely wrong. It is a great injustice to the soldier, to the honest, conscientious soldier, and a double injustice to the Government.

The same thing applies to the X-ray exposures of the mouth.

Senator WALSH. In one city in this country 30 dentists were found and discovered by secret service men to be committing fraud upon the Government.

Col. FORBES. Yes. I have had secret service men in New York.

Senator REED. As I understand you, Colonel, there are Public Health Service representatives all over the United States, and these soldiers who want treatment and have made their application at headquarters are sent to that local Public Health man and he directs them to go to a certain man for treatment?

Col. FORBES. Examination and treatment.

Senator REED. Does he ever treat them himself?

Col. FORBES. No, sir.

Senator REED. Why can not all that work be done in the hospitals?

Col. FORBES. This Sweet bill will give me that authority.

Senator WALSH. You have estimated that the cost of treatment will be \$80,000,000. Is that for teeth alone, or for other treatment?

Col. FORBES. For teeth alone.

Senator REED. Will that be the cost under your plan?

Col. FORBES. No, sir; it would not.

Senator WALSH. How could it possibly increase from two and a half millions to eighty millions?

Col. FORBES. By section 13 any man can go and have that dental treatment.

Senator WALSH. He has to be found to have had something happen to his teeth traceable to the service.

Col. FORBES. But when he had two lower teeth missing when he went into the service and has two upper teeth extracted while he is in the service, he is told that the two will not be of any use unless the entire dental work is done, and the Government pays the bill.

Senator REED. That could be covered by a section in the bill, I should think. Let us reason that out just a moment. A man has two teeth out of his lower jaw and good teeth above. He loses two good teeth from his upper jaw and they are going to be replaced. When they are replaced he will be in just as good condition as he was with the teeth missing from the lower jaw.

Col. FORBES. He will be no worse off than he was; that is true.

Senator REED. Therefore I should think that if this bill provides that they shall receive treatment for injuries incurred in the service, the treatment is limited to the injury incurred in the service. If it is not so drawn, it seems to me the present language means that.

Senator WALSH. Has all the dental work done in the past been done after an examination has shown that the injuries to the teeth amounted to more than 10 per cent disability? Has it been confined entirely to disabilities to the mouth of over 10 per cent?

Col. FORBES. No, sir; some much less than 10 per cent.

Senator WALSH. Then, as a matter of fact, the 10 per cent restriction has amounted to but very little in practical operation?

Col. FORBES. That is correct.

Senator WALSH. And therefore there has been another abuse of the law?

Col. FORBES. Absolutely.

Senator SMOOT. Is there anything else that you desire to say on section 13?

Col. FORBES. No, sir. Section 15 remains the same.

Senator WALSH. I suppose the change there in section 13 does not change the intent?

Col. FORBES. No, sir; it does not change the intent.

Section 15 is not changed, Senator. That remains the same as contained in the Senate bill.

Senator SMOOT. In section 18 the same provision with reference to aggravation occurs. This is the proviso that the Secretary desires to make:

Provided. That for the purposes of this section 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 the date of approval of this act, 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 hereafter is discharged or resigns, shall be held and taken to have been in sound condition when examined, accepted, and enrolled for service.

Senator REED. What section is that, Senator?

Senator SMOOT. Section 18. It is just as we have it here, but this proviso was added to it.

Senator DILLINGHAM. That leaves it applicable to everybody who served as enlisted men.

Senator WALSH. What difference does it make, Mr. Director?

Col. FORBES. It does not make very much difference; but I might add that that was a suggestion from both the Secretary of the Treasury and the Secretary of War that it be inserted.

Senator WALSH. What is the distinction between the two, the one the Secretary of the Treasury suggests and the one that is printed on page 16 of the bill?

Col. FORBES. It is a little more explicit. It is clearer.

Senator WALSH. They both include the men who voluntarily enlisted since November 11, 1918?

Col. FORBES. Yes, sir.

Senator WALSH. The Secretary has not sought by this language to exclude them?

Col. FORBES. No, sir.

Senator SMOOT. This is the same identical amendment that was proposed by the director, and we accepted the House provision instead.

Senator WALSH. Your amendment is broader than the language contained on page 16 of the House bill?

Col. FORBES. Yes, sir; it is broader.

Senator WALSH. And your reason, I believe, was that, as a matter of fact, the War Risk Bureau has been proceeding upon the theory that the war was still on and had been awarding compensation to those who were injured since November 11, 1918?

Col. FORBES. Since the signing of the armistice.

Senator WALSH. The House seeks to make the date for terminating those operations November 11, 1918?

Col. FORBES. Yes, sir.

Senator DILLINGHAM. Under section 18 the present law is changed by the addition of the words "or for an aggravation of a disability existing prior to examination," etc.

Col. FORBES. Of course that word "aggravation" is used very frequently throughout the act, and it is also used in the original act from the time of its creation; that is, after we entered the war. As you understand, the War Risk Insurance was first created for insuring

vessels, cargo, and men on the ships, and it was amended in June and August, 1917, at which time it insured our troops. In the original act the same language is used.

Senator DILLINGHAM. By the addition of these other words, "or for an aggravation of a disability existing prior to examination," have you any idea what the increase in the cost to the Government would be?

Col. FORBES. There will be a reduction, Senator. It will tend to reduce it and not to increase it, because the man is now considered to be sound and in good health.

Senator DILLINGHAM. I do not think I understand you, Colonel. I do not think I grasp the thought that you have.

Col. FORBES. Under the present status of this bill, under the amendment, every one is accepted on the same basis, both the inducted soldier and the volunteer, if you call him a volunteer—the man who enlisted.

Senator WALSH. Do I understand you to say that the present law gives compensation for one injured or suffering from disease that relates back to a former injury or disease prior to enlistment and that has been aggravated by service?

Col. FORBES. Yes, sir.

Senator WALSH. Then all this discussion about this revolutionizing the law has no bearing here?

Col. FORBES. No, if it is provided for in the original act.

Senator DILLINGHAM. Can you refer us to that provision?

Col. FORBES. Yes, sir; section 300 of the original act, the amendment of June 25, 1918, page 50.

Senator DILLINGHAM. I find here on page 59 of the war risk insurance act: "That for death or disability resulting from personal injury suffered or disease contracted in the line of duty, by any commissioned officer or enlisted man," etc. The words "or for an aggravation of a disability existing prior to examination" do not appear in the original section.

Senator SMOOT. No; it is new. I think that must be one of your rulings down there.

Col. FORBES. No; I am sure I have read the original act providing for an aggravation of a disability.

Senator WALSH. Does not section 31, on page 58, contain that language?

That if after induction by the local draft board, but before being accepted and enrolled for active service, the person died or became disabled as a result of disease contracted or injury suffered in the line of duty and not due to his own wilful misconduct involving moral turpitude, or as a result of the aggravation, in the line of duty and not because of his own wilful misconduct involving moral turpitude, etc.

There it is in the amendment that was passed by the Sixty-sixth Congress.

Col. FORBES. That refers to the inducted soldier. The word "aggravation" is used there. I knew I had seen it.

Senator DILLINGHAM. It is not used in section 300.

Senator WALSH. Why should not the volunteer be given more consideration than the inducted soldier? Why should we not be at least as liberal?

Col. FORBES. We should; and this bill puts both types of men on an equality

Senator WALSH. So the draftee has been able to get compensation if he could trace his condition to a disease that he had before he was inducted?

Col. FORBES. Or aggravated by his military service.

Senator WALSH. But the poor volunteer could not?

Col. FORBES. Correct.

Senator WALSH. This is an entirely different thing—"after induction by the local board but before being accepted and enrolled for active service."

Col. FORBES. In that connection it would be well to note that a great many men who were inducted into the service were shortly discharged after they had determined the disability that prevailed before their induction into the service, and thousands of those cases are applying for compensation.

Senator WALSH. Yes; there are a great many of them.

Col. FORBES. There is a case, gentlemen, that will bring this home to you, I am sure. There is a man who was an inmate of an insane asylum in 1915. He had been in the reform school, in feeble-minded homes, and he had been in the hands of civil authorities. He was adjudged insane by competent authority. He escaped from the insane asylum and came into the service. He was in the service a month when he was discharged for insanity, recaptured by the officials of the institution from which he escaped, and we are now paying him \$157 a month. I know that the American Legion and the Veterans of Foreign Wars are not in sympathy with any legislation that would tend to increase this sort of business.

Senator SMOOT. Who put this "aggravation" provision in here?

Col. FORBES. I do not know; it was before my time. We are paying this man, an Italian, \$157 a month. We have cases where men—and this is more with our foreign population—received at the best period of their lives \$50 a month and have had similar experiences to this man's, and we are now paying them \$157 a month.

There is where the great injustice is being done, to my mind, to deserving soldiers. I believe that Congress, when it is considering the ex-soldier, is considering the disabled soldier. I know that is where your hearts are—the ex-soldier, suffering from a disease contracted in the line of duty. But the Bureau of War Risk Insurance is not carrying out to-day what I believe is the intent or the purpose of your legislation, to take care of the most deserving.

We clog up the records by ourselves seeking the same information that the Federal board is seeking. It is a duplication, day after day.

Senator DILLINGHAM. Colonel, before you get away from this, I want to come back to section 300 of the original act. I desire to call your attention to how rigidly that was guarded. I read:

That for death or disability resulting from personal injury suffered, or disease contracted in the line of duty, 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 compensation as hereinafter provided; but no compensation shall be paid if the injury or disease has been caused by his own willful misconduct: *Provided*, That for the purposes of this section said officer, enlisted man, or other member shall be held and taken to have been in sound condition when examined, accepted, and enrolled for service: *Provided further*, That this section, as amended, shall be deemed to become effective as of April 6, 1917.

The only change between that and section 18 of this bill is that after the date April 6, 1917, are inserted the words "or for an aggravation of a disability existing prior to examination"; and yet the provision of the section itself was that every man should be considered sound when he was examined. So it is a departure from the old law.

Col. FORBES. But you have used the proviso there.

Senator WALSH. The proviso was based upon the theory that the ex-service men should not be compelled to go beyond the time of their induction into service. There would be a presumption that at that time they were sound—

Senator DILLINGHAM. I think that section is perfectly clear, that it was not intended to apply to anybody except those who are named there and whose disability came as a result of the war.

Senator WALSH. I see your point, but I think the reason for that was to protect a person from the defense being made by the Government to a claim for compensation that he already had the disease when he was inducted into service.

Col. FORBES. I think, gentlemen, you have a little misunderstanding on that. The original act pays a man for everything and the Sweet bill tightens up on the proposition and only pays him for an aggravation.

Senator CALDER. We think it liberalizes it.

Senator DILLINGHAM. I do not see it that way.

Senator SMOOT. Senator, Sweet did not see it that way. He advocated this morning the idea that we owed it to them, and that is the reason it was inserted.

Col. FORBES. I will ask Mr. Frazer also to comment on that.

Mr. FRAZER. If you will pardon me, I do not think you have quite grasped the point. Originally the act said that everybody was deemed to be sound when accepted for service. Consequently, we paid for three things—first, disease incurred in the service; second, aggravation in the service; and third, in civil life, before he went into the service—

Senator WALSH. What law mentioned aggravation?

Mr. FRAZER. No law. It simply said he was deemed to be sound. Therefore, if he has a 10 per cent disability, we pay.

Senator WALSH. That is not an answer to my question.

Mr. FRAZER. All right, sir. There is no law that says we pay for aggravation.

Senator WALSH. You just make a ruling about it?

Mr. FRAZER. No, sir. You made a law saying he is deemed to be sound; and if he is discharged with a 10 per cent disability we pay. It does not make any difference whether it is an aggravated disability or a contracted disability or—

Senator DILLINGHAM. Whether it existed before the war or was acquired in the war?

Mr. FRAZER. Yes, sir. Now we are going along and proposing an amendment cutting out the presumption of soundness for the future. Having cut out the presumption of soundness for the future, the question arises, Are you not to pay men for aggravation?

Senator DILLINGHAM. You certainly could not do it after November 11, 1918.

Mr. FRAZER. That is for you gentlemen to decide.

Senator CALDER. You insist that it takes it up?

Mr. FRAZER. Yes, sir.

Senator WALSH. I think I see the point. The door is wide open where there was a presumption of soundness. You are always sound under this law.

Mr. FRAZER. Even though you were discharged without any aggravation, we had to pay it. Now we will pay only for aggravation.

Col. FORBES. That is the difference between the Sweet bill and the original act.

Senator DILLINGHAM. Did you hear Mr. Sweet testify this morning about that?

Mr. FRAZER. Yes, sir.

Senator DILLINGHAM. He did not agree with you.

Mr. FRAZER. Yes; I think he did, sir.

Senator SMOOT. He said this morning before the committee——

Col. FORBES. He said he thought he was right, and I said I did not think he was, and he said he would look it up further and let us know.

Senator SMOOT. He admitted this was a sweeping change.

Mr. FRAZER. Was he not speaking of section 13 this morning?

Col. FORBES. He was not speaking of this section; he was speaking of section 13 which abolishes the 10 per cent.

Senator SMOOT. What do you think about changing this bill so as to make it a separate bureau and taking it from under the Treasury Department entirely?

Col. FORBES. I have thought some along that line, too, but I think it is rather late now.

Senator SMOOT. It is not too late if it is going to be of any advantage. It seems to me that that ought to be done.

Col. FORBES. I believe under this program it would work very advantageously, Senator Smoot, provided that the director has enough authority to promulgate such rules and regulations as are necessary, and I am sure that language is contained in the bill to make it a very effective arm of the Government service.

Senator SMOOT. We are not going to rob you of any authority, but why not report direct to the President of the United States?

Senator WALSH. Going through the Secretary of the Treasury does not amount to anything.

Col. FORBES. I frequently write a great many letters that go from my office to the Assistant Secretary of the Treasury. He sends over to me for information, with which the Assistant Secretary is not conversant. He gets many inquiries which he refers to us for reply. We have to send them back again, and they go back and forth and there is a great duplication of work.

Senator SMOOT. I want to wipe out all the "red tape" that is possible. The only question in my mind is this, that to change this bill and make it a separate and distinct bureau of the Government we are taking the Vocational Board, which was a separate and distinct organization, and putting that with the bureau and still leaving it under the Secretary of the Treasury.

Col. FORBES. Of course, that would be much more advantageous, I admit.

Senator SMOOT. It seems to me that would be the only way to do it.

Senator WALSH. That is a very happy thought.

Senator SMOOT. How many letters have I written down to the Secretary of the Treasury which have gone to the Assistant Secretary of the Treasury and over to you, and from you back to the Assistant Secretary of the Treasury and then to the Secretary of the Treasury—

Col. FORBES. They generally go to the Secretary, to the Assistant Secretary, then to me, and from me back to the Assistant and then to the Secretary, and then up here. We have had in our congressional mail perhaps two and a half million letters that came from Congress to the bureau. Since I have been there there have been 37,000 letters received. Many of them are through other channels than direct to me, and I must pass them back through the channels through which they came. That frequently is the reason why you gentlemen do not get your replies promptly. You have written two and a half million letters to us.

Senator SMOOT. Have you anything else to say in relation to the amendment?

Col. FORBES. I have nothing more, Senator.

Senator SMOOT. Now, take up section 16 of the bill. Here is, the suggested amendment by the Secretary. He suggests that section 16 be amended by striking out the words "considered to be in active service," in lines 6 and 7, page 14 of the bill, and inserting in lieu thereof the words "deemed to have the same status as an inducted man not yet accepted and enrolled for active service."

Col. FORBES. That puts in both classes of men.

Senator SMOOT. There is no objection to that at all?

Col. FORBES. No, sir.

Senator SMOOT. The next one is section 18, and that we have discussed. The next is section 24 on page 20 of the bill. It adds a new section to the war risk insurance act to be known as section 406. I think we have changed that, have we not?

Col. FORBES. No, sir.

Senator WALSH. We discussed it.

Senator SMOOT (reading):

Whenever benefits under the United States Government life insurance become or have become payable because of total permanent disability—

Senator WALSH. It is entirely different.

Senator SMOOT. I thought we had agreed to that.

Senator WALSH. No. You did not present any such amendment as that.

Col. FORBES. That is my amendment.

Senator WALSH. This is more red tape. This was presented the other day by this gentleman, and it now comes to us from the Secretary of the Treasury.

Senator SMOOT. The next one is section 27.

Col. FORBES. That is agreed to.

Senator SMOOT. That covers the whole thing.

(Informal discussion took place which the reporter was directed not to record; after which the following proceedings occurred:)

Senator WALSH. I want you to turn to the section of this bill which gives power to officers of the Government to make infractions of rules to the extent of taking three-quarters of their pay. What section is that?

Col. FORBES. Section 11, page 9.

Senator WALSH. I would like to ask you if there is any objection to that section being so changed as to limit the power to inflict penalties for breach of rules to the commission of a second offense.

Col. FORBES. It would be a good idea. I agree to that and would be very glad to see it done.

I want to bring this to your attention. I have received letters from the mothers of ex-soldiers who ask if it is not possible, where a soldier is drawing compensation plus allowances for dependents, for his dependents to receive this compensation?

Senator SMOOT. There will be a row about it if we undertake to put it into law.

Col. FORBES. The mother or the father or the wife very frequently do not get what the law provides they shall have.

Senator SMOOT. It ought to be taken care of, but we can not put it through Congress.

Col. FORBES. Some of these letters are very pathetic.

Senator SMOOT. I know they are.

Col. FORBES. And they come to see me personally.

Senator WALSH. Why not provide that if they do not care for their dependents the compensation will be discontinued?

Senator SMOOT. I do not think we can get it through Congress.

Senator WALSH. Let us try it, anyhow, and we will take it up in executive session.

(Whereupon, at 4.50 o'clock p. m., the subcommittee went into executive session.)