

TO AMEND THE WORLD WAR VETERANS' ACT, 1924

HEARINGS

BEFORE

THE COMMITTEE ON FINANCE UNITED STATES SENATE

SIXTY-NINTH CONGRESS

FIRST SESSION

ON

H. R. 12175

**AN ACT TO AMEND THE WORLD WAR
VETERANS' ACT, 1924**

MAY 24, 25, AND 26, 1926

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TO AMEND THE WORLD WAR VETERANS' ACT, 1924

MONDAY, MAY 24, 1926

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

The committee met, pursuant to the call of the chairman, at 10.30 o'clock a. m., in the committee room, 312 Senate Office Building, Senator Reed Smoot (chairman) presiding.

Present: Senators Smoot (chairman), Curtis, Reed of Pennsylvania, Wadsworth, Shortridge, Simmons, Harrison, King, Bayard, and George.

(The committee had under consideration H. R. 12175, which is here printed in full, as follows:)

[H. R. 12175, Sixty-ninth Congress, first session]

AN ACT To amend the World War veterans' act, 1924

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 10 of the World War veterans' act 1924, approved June 7, 1924, is hereby amended to read as follows:

"Sec. 10. The director, subject to the general directions of the President, shall be responsible for the proper examination, medical care, treatment, hospitalization, dispensary, and convalescent care necessary and reasonable after-care, welfare of, nursing, vocational training, and such other services as may be necessary in the carrying out of the provisions of this act, and for that purpose is hereby authorized, at the direction of the President or with the approval of the head of the department concerned, to utilize the now existing or future facilities of the United States Public Health Service, the War Department, the Navy Department, the Interior Department, the National Home for Disabled Volunteer Soldiers, and such other governmental facilities as may be made available for the purposes set forth in this act; and such governmental agencies are hereby authorized to furnish such facilities, including personnel, equipment, medical, surgical, and hospital services and supplies as the director may deem necessary and advisable in carrying out the provisions of this act, in addition to such governmental facilities as are hereby made available.

"When, in the opinion of the director, the facilities and services utilized for the hospitalization, medical care, and treatment for beneficiaries under this act are unsatisfactory, the director shall make arrangements for the further hospitalization, care, and treatment of such beneficiaries by other means: *Provided*, That the director is hereby authorized to hospitalize women veterans entitled to hospitalization under the provisions of this act and amendments thereto, in other than Government hospitals.

"In the event that there are not sufficient and satisfactory Government hospital and out-patient dispensary facilities for the proper medical care and treatment of beneficiaries under this act, and the director deems it necessary and advisable to improve existing facilities or to secure additional Government facilities, he may, within the limits of appropriations made for carrying out the provisions of this paragraph, alter, improve, or extend existing governmental facilities, or acquire additional facilities by purchase or otherwise: *Provided, however*, That no alteration, improvement, or extension which will materially

increase the bed capacity for patients of any hospital or institution shall be made, nor shall any new facilities be acquired without the approval of the President. Such new property and structures as may be improved, extended, or acquired shall become part of the permanent equipment of the United States Veterans' Bureau or of some one of the now existing agencies of the Government, including the War Department, Navy Department, Interior Department, Treasury Department, the National Home for Disabled Volunteer Soldiers, in such way as will best serve the present emergency, taking into consideration the future services to be rendered the veterans of the World War, including the beneficiaries under this act.

"In the event Government hospital facilities are insufficient or inadequate the director may contract with State, municipal, or, in exceptional cases, with private hospitals for such medical, surgical, and hospital services and supplies as may be required, and such contracts may be made for a period of not exceeding three years and may be for the use of a ward or other hospital unit or on such other basis as may be in the best of the beneficiaries under this act.

"There are hereby permanently transferred to the Veterans' Bureau all hospitals now or formerly under the jurisdiction of the Public Health Service or of the Treasury Department, the operation, management, or control of which have heretofore been transferred by the President to said bureau pursuant to the authority contained in section 9 of the act entitled "An act to establish a Veterans' Bureau and to improve the facilities and service of such bureau and further to amend and modify the war risk insurance act," approved August 9, 1921.

"The President is hereby authorized, in his discretion, to transfer to the jurisdiction of the United States Veterans' Bureau the tuberculosis hospital facilities of the Battle Mountain Sanitarium and the Northwestern Branch of the National Home for Disabled Volunteer Soldiers, and to transfer to the National Home for Disabled Volunteer Soldiers any facilities of the United States Veterans' Bureau not needed for hospital purposes but which are suitable for domiciliary purposes."

Sec. 2. That section 21 of the World War veterans' act, as amended, is hereby amended to read as follows:

Sec. 21. (1) That where any payment under this act is to be made to a minor, other than a person in the military or naval forces of the United States, or to a person mentally incompetent, or under other legal disability adjudged by a court of competent jurisdiction, such payment may be made to the person who is constituted guardian, curator, or conservator by the laws of the State of residence of claimant, or is otherwise legally vested with the care of the claimant or his estate: *Provided*, That where in the opinion of the director any guardian, curator, conservator, or other person is acting as fiduciary in such a number of cases as to make it impracticable to conserve properly the estates or to supervise the persons of the wards, the director is hereby authorized to refuse to make future payments in such number of cases as he may deem proper: *Provided further*, That prior to receipt of notice by the bureau that any such person is under such other legal disability adjudged by some court of competent jurisdiction, payment may be made to such person direct: *Provided further*, That for the purpose of payments of benefits under Title II hereof, where no guardian, curator, or conservator of the person under a legal disability has been appointed under the laws of the State of residence of the claimant, the director shall determine the person who is otherwise legally vested with the care of the claimant or his estate.

(2) Whenever it appears that any guardian, curator, conservator, or other person is not in the opinion of the director properly executing the duties of his trust or has collected or is attempting to collect fees, commissions, or allowances that are inequitable or are in excess of those allowed by law for the duties performed or expenses incurred, or has failed to make such payments as may be necessary for the benefit of the ward or the dependents of the ward, then and in that event the director is hereby empowered by his duly authorized attorney to appear in the court which has appointed such fiduciary and make proper presentation of such matters to the court: *Provided*, That the director in his discretion may suspend payments to any such guardian, curator, conservator, or other person who, in the opinion of the director, is not properly executing the duties of his trust or who shall neglect or refuse, after reasonable notice, to render an account to the director from time to time showing the application of such payments for the benefit of such minor or incompetent beneficiary.

Authority is hereby granted for the payment of any court or other expenses incident to any investigation or court proceeding for the appointment or removal of any guardian, curator, conservator, or other person legally vested with the care

of the claimant or his estate, or in connection with the administration of such estates by such fiduciaries, when such payment is authorized by the director.

(3) All or any part of the compensation or insurance, the payment of which is suspended under section 21 of this act as amended, may, in the discretion of the director, be paid temporarily to the person having custody and control of the incompetent, and all or any part of the compensation of any mentally incompetent inmate of an institution may, in the discretion of the director, be paid to the chief officer of said institution, to be properly accounted for and to be used for the benefit of such incompetent or inmate, or may, in the discretion of the director, be apportioned to wife, child or children, or dependent parents in accordance with regulations: *Provided*, That any part of such compensation or insurance which has not been apportioned may upon order of the director be held in a special account in the Treasury of the United States to the credit of such person, to bear interest at the rate of 4½ per centum compounded annually; such interest to be paid from the appropriation for military and naval compensation.

SEC. 3. That section 26 of the World War veterans' act, 1924, approved June 7, 1924, as amended March 4, 1925, is hereby amended to read as follows:

"SEC. 26. That the amount of the monthly installments of compensation, yearly renewable term insurance, or accrued maintenance and support allowance which has become payable under the provisions of Titles II, III, or IV hereof, but which has not been paid prior to the death of the person entitled to receive the same, may be payable to the personal representatives of such person, or in the absence of a duly appointed legal representative where the combined amounts payable are \$1,000 or less, the director shall allow and pay such sum to such person or persons as would under the laws of the State of residence of the decedent be entitled to his personal property in case of intestacy: *Provided*, That in cases where the estate of the decedent would escheat under the laws of the place of his residence, such installments shall not be paid to the estate of the decedent but shall escheat to the United States and shall be credited to the appropriation from which the original award was made."

SEC. 4. That section 28 of the World War veterans' act, 1924, approved June 7, 1924, is hereby amended to read as follows:

"SEC. 28. There shall be no recovery of payments from any beneficiary who, in the judgment of the director, is without fault on his part, and where, in the judgment of the director, such recovery would defeat the purpose of benefits otherwise authorized or would be against equity and good conscience.

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

SEC. 5. That a new section be added to Title I of the World War veterans' act, 1924, approved June 7, 1924, to be known as section 31, to read as follows:

"SEC. 31. The Veterans' Bureau shall, under regulations to be prescribed by the director, reimburse beneficiaries hospitalized or who have been hospitalized in Veterans' Bureau hospitals for any loss of personal effects heretofore or hereafter sustained by fire while such effects are or were stored in designated locations in Veterans' Bureau hospitals."

SEC. 6. That a new section be added to Title I of the World War veterans' act, 1924, as amended, to be known as section 33, and to read as follows:

"SEC. 33. The director, in his discretion, may provide courses of instruction for the professional personnel of the bureau and may detail employees to attend the same, or to attend professional courses conducted by other than bureau agencies, and such employees in addition to their salaries shall be entitled to the payment of expenses incident to such detail, including transportation: *Provided, however*, That travel or instruction outside the continental limits of the United States shall not be authorized under this section."

SEC. 7. That section 200 of the World War veterans' act, 1924, approved June 7, 1924, as amended, is hereby amended to read as follows:

"SEC. 200. For death or disability resulting from personal injury suffered or disease contracted in the military or naval service on or after April 6, 1917, and before July 2, 1921, or for an aggravation or recurrence of a disability existing prior to examination, acceptance, and enrollment for service, when such aggravation was suffered or contracted in, or such recurrence was caused by, the military or naval service on or after April 6, 1917, and before July 2, 1921, by any commissioned officer or enlisted man, or by any member of the Army Nurse Corps (female), or of the Navy Nurse Corps (female), when employed in the active service under the War Department or Navy Department, the United States

shall pay to such commissioned officer or enlisted man, member of the Army Nurse Corps (female), or of the Navy Nurse Corps (female), or women assigned to the medical department of the United States Army who served in base hospitals overseas, or, in the discretion of the director, separately to his or her dependents, compensation as hereinafter provided; but no compensation shall be paid if the injury, disease, aggravation, or recurrence has been caused by his own willful misconduct: *Provided*, That no person suffering from paralysis, paresis, or blindness shall be denied compensation by reason of willful misconduct, nor shall any person who is helpless or bedridden as a result of any disability be denied compensation by reason of willful misconduct. That for the purposes of this act every such officer, enlisted man, or other member employed in the active service under the War Department or Navy Department who was discharged or who resigned prior to July 2, 1921, and every such officer, enlisted man, or other member employed in the active service under the War Department or Navy Department on or before November 11, 1918, who on or after July 2, 1921, is discharged or resigns, shall be conclusively held and taken to have been in sound condition when examined, accepted, and enrolled for service, except as to defects, disorders, or infirmities made of record in any manner by proper authorities of the United States at the time of, or prior to, inception of active service, to the extent to which any such defect, disorder, or infirmity was so made of record: *Provided*, That an ex-service man who is shown to have or, if deceased, to have had, prior to January 1, 1925, neuropsychiatric disease, an active tuberculosis disease, paralysis agitans, encephalitis lethargica, or amoebic dysentery developing a 10 per centum degree of disability or more in accordance with the provisions of subdivision (4) of section 202 of this act, shall be presumed to have acquired his disability in such service between April 6, 1917, and July 2, 1921, or to have suffered an aggravation of a preexisting neuropsychiatric disease, tuberculosis, paralysis agitans, encephalitis lethargica, or amoebic dysentery in such service between said dates, and said presumption shall be conclusive in cases of active tuberculosis disease, but in all other cases said presumption shall be rebuttable by clear and convincing evidence; but nothing in this proviso shall be construed to prevent a claimant from receiving the benefits of compensation and medical care and treatment for a disability due to these diseases of more than 10 per centum degree (in accordance with the provisions of subdivision (4) of section 202 of this act) on or subsequent to January 1, 1925, if the facts in the case substantiate his claim."

Sec. 8. That paragraph (1) of section 201 of the World War veterans' act, 1924, approved June 7, 1924, be amended, to read as follows:

"(1) If death occur or shall have occurred subsequent to April 6, 1917, and before discharge or resignation from the service, the United States Veterans' Bureau shall pay for burial and funeral expenses and the return of body to his home a sum not to exceed \$100, as may be fixed by regulation. Where a veteran of any war, including those women who served as Army nurses under contracts between April 21, 1898, and February 2, 1901, who was not dishonorably discharged, dies after discharge or resignation from the service and does not leave assets which, in the judgment of the director, should be applied to meet the expenses of burial and funeral and the transportation of the body (the decision of the director to be binding on the General Accounting Office), the United States Veterans' Bureau shall pay the following sums: For a flag to drape the casket, and after burial to be given to the next of kin of the deceased, a sum not exceeding \$7; also, for burial and funeral expenses and the transportation of the body (including preparation of the body) to the place of burial, a sum not exceeding \$100 to cover such items and to be paid to such person or persons as may be fixed by regulations: *Provided*, That when such person dies while receiving from the bureau compensation or vocational training, the above benefits shall be payable in all cases: *Provided further*, That where such person, while receiving from the bureau medical, surgical, or hospital treatment, or vocational training, dies away from home and at the place to which he was ordered by the bureau, or while traveling under orders of the bureau, the above benefits shall be payable in all cases and in addition thereto the actual and necessary cost of the transportation of the body of the person (including preparation of the body) to the place of burial, within the continental limits of the United States, its Territories, or possessions, and including also, in the discretion of the director, the actual and necessary cost of transportation of an attendant: *And provided further*, That no accrued pension, compensation, or insurance due at the time of death shall be deducted from the sum allowed."

Sec. 9. Paragraphs 3, 7, and 10 of section 202 are hereby amended to read as follows:

"Sec. 202. (3) If and while the disability is rated as total and permanent, the rate of compensation shall be \$100 per month: *Provided, however,* That the permanent loss of the use of both feet, or both hands, or of both eyes, or of one foot and one hand, or of one foot and one eye, or of one hand and one eye, or the loss of hearing of both ears, or the organic loss of speech, or becoming permanently helpless or permanently bedridden, shall be deemed to be total permanent disability: *Provided further,* That the compensation for the loss of the use of both eyes, or the organic loss of speech, shall be \$150 per month, and that compensation for the loss of the use of both eyes and one or more limbs, shall be \$200 per month: *Provided further,* That for double total permanent disability the rate of compensation shall be \$200 per month.

"That any ex-service man shown to have a tuberculous disease of compensable degree, and who has been hospitalized for a period of one year, and who, in the judgment of the director will not reach a condition of arrest by further hospitalization, and whose discharge from hospitalization will not be prejudicial to the beneficiary or his family, and who is not, in the judgment of the director, feasible for training, shall, upon his request, be discharged from hospitalization and rated as not less than temporarily totally disabled, said rating to continue for the period of three years: *Provided, however,* That nothing in this subdivision shall deny the beneficiary the right, upon presentation of satisfactory evidence, to be adjudged to be permanently and totally disabled.

"(7) Where any disabled person having neither wife, child, nor dependent parent shall, after July 1, 1924, have been maintained by the bureau for a period or periods amounting to six months in an institution or institutions, and shall be deemed by the director to be insane, the compensation for such person shall thereafter be \$30 per month so long as he shall thereafter be maintained by the bureau in an institution; and such compensation may, in the discretion of the director, be paid to the chief officer of said institution to be used for the benefit of such person: *Provided, however,* That if such person shall recover his reason and shall be discharged from such institution as competent, such additional sum shall be paid him as would equal the total sum by which his compensation has been reduced through the provisions of this subdivision.

"After June 30, 1927, the monthly rate of compensation for all veterans (other than those totally and permanently disabled), who are being maintained by the bureau in an institution of any description, and who are without wife, child, or dependent parents, shall not exceed \$40.

"(10) That all hospital facilities under the control and jurisdiction of the bureau shall be available for every honorably discharged veteran of the Spanish-American War, the Philippine insurrection, the Boxer rebellion, or the World War suffering from neuropsychiatric or tubercular ailments and diseases, paralysis agitans, encephalitis lethargica, or amoebic dysentery, or the loss of sight of both eyes, regardless whether such ailments or diseases are due to military service or otherwise, including traveling expenses as granted to those receiving compensation and hospitalization under this act. The director is further authorized, so far as he shall find that existing Government facilities permit, to furnish out-patient treatment and hospitalization and necessary traveling expenses incident to hospitalization to veterans of any war, military occupation, or military expedition, including those women who served as Army nurses under contracts between April 21, 1898, and February 2, 1901, contract surgeons, and contract dentists, not dishonorably discharged, without regard to the nature or origin of their disabilities: *Provided,* That preference to admission to any Government hospital for hospitalization under the provisions of this subdivision shall be given to those veterans who are financially unable to pay for hospitalization and their necessary traveling expenses: *Provided further,* That where a veteran hospitalized under the authority of this subdivision is financially unable to supply himself with clothing he shall also be furnished with such clothing as the director may deem necessary: *Provided further,* That where a veteran entitled to hospitalization under this subdivision is suffering with a disease or injury necessitating the wearing of a prosthetic appliance and is financially unable to supply himself with same, upon an affidavit to that effect the director is hereby authorized to furnish such appliance and to effect necessary repairs to the same without cost to the veteran: *And provided further,* That the pension of a veteran entitled to hospitalization under this subdivision shall not be subject to deduction, while such veteran is hospitalized in any Government hospital, for board, maintenance, or any other purpose incident to hospitalization: *Provided,* That where any such deductions have heretofore been made, the Director of the United States Veterans' Bureau is hereby authorized and directed, out of any current administra-

tive appropriations, to reimburse such veterans in an amount equal to such deductions: *Provided further*, That the act of May 4, 1898, entitled 'An act making appropriations for the naval service for the fiscal year ending June 30, 1899, and for other purposes,' or any other act, insofar as they are inconsistent with the provisions of this section, be, and they are hereby, modified accordingly."

"In the insular possessions or Territories of the United States the director is further authorized to furnish hospitalization in other than Government hospitals."

Sec. 10. That section 203 of the World War veterans' act, 1924, approved June 7, 1924, is hereby amended to read as follows:

"Sec. 203. That every person applying for or in receipt of compensation for disability under the provisions of this title and every person applying for treatment under the provisions of subdivisions (9) or (10) of section 202 hereof, shall, as frequently and at such times and places as may be reasonably required, submit himself to examination by a medical officer of the United States or by a duly qualified physician designated or approved by the director. He may have a duly qualified physician designated and paid by him present to participate in such examination. For all examinations he shall, in the discretion of the director, be paid his reasonable traveling and other expenses and also a per diem allowance of \$2.65 per day for the period of travel and observation. If he shall neglect or refuse to submit to such examination, or shall in any way obstruct the same, his right to claim compensation under this title shall be suspended until such neglect, refusal, or obstruction ceases. No compensation shall be payable while such neglect, refusal, or obstruction continues, and no compensation shall be payable for the intervening period."

Sec. 11. That section 206 of the World War veterans' act, 1924, approved June 7, 1924, is hereby repealed.

Sec. 12. That section 209 of the World War veterans' act, 1924, approved June 7, 1924, is hereby repealed.

Sec. 13. That section 212 of the World War veterans' act, 1924, approved June 7, 1924, is hereby amended to read as follows:

"Sec. 212. This act is intended to provide a system for the relief of persons who were disabled, and for the dependents of those who died as a result of disability suffered in the military service of the United States between April 6, 1917, and July 2, 1921. For such disabilities and deaths no other pension laws or laws providing for gratuities or payments shall be applicable: *Provided, however*, That the laws relating to the retirement of persons in the regular military or naval service shall not be considered to be laws providing for pensions, gratuities, or payments within the meaning of this section: *And provided further*, That compensation under this title shall not be paid while the person is in receipt of active service or retirement pay, this proviso to be effective as of April 6, 1917. Titles II and IV of this act shall not be applicable to any disability or resultant death in the service if such disability occurred as a result of service prior to April 6, 1917, or after July 2, 1921: *Provided, however*, That the schedule of ratings provided by section 202 (4) of this statute shall be applicable to disabilities occurring as a result of service prior to April 6, 1917, or after July 2, 1921, wherever a person has an accrued right to compensation under section 602 of the World War veterans' act, 1924."

Sec. 14. That section 300 of the World War veterans' act, 1924, approved June 7, 1924, as amended March 4, 1925, is hereby amended to read as follows:

"Sec. 300. In order to give to every commissioned officer and enlisted man and to every member of the Army Nurse Corps (female) and of the Navy Nurse Corps (female) when employed in active service under the War Department or Navy Department protection for themselves and their dependents, the United States, upon application to the bureau and without medical examination, shall grant United States Government life insurance (converted insurance) against the death or total permanent disability of any such person in any multiple of \$500, and not less than \$1,000 or more than \$10,000, upon the payment of the premiums as hereinafter provided. Such insurance must be applied for within one year after enlistment or after entrance into or employment in the active service and before discharge or resignation: *Provided*, That any member of the reserve forces whose application was accepted at a time when he was in attendance at a military or naval training camp or station, and from whom premiums were collected, and who becomes or has become totally or permanently disabled, or dies or has died, shall be deemed to have made valid application therefor. This proviso shall not authorize the granting of more than \$10,000 insurance to any one person: *Provided further*, That each officer and enlisted man of the Coast Guard who is serving on active duty at the time of the passage of this

amendatory act, or who subsequent thereto enters the Coast Guard Service, shall be granted insurance in accordance with the terms of this section upon application within one year of the passage of this amendatory act, or date of enlistment or entry into the Coast Guard, whichever is the later date, and before retirement, discharge, or resignation.

"The insurance shall be payable only to a spouse, child, grandchild, parent, brother, sister, uncle, aunt, nephew, niece, brother-in-law, or sister-in-law, or to any or all of them, and also during total and permanent disability to the injured person.

"Where a beneficiary at the time of designation by the insured is within the permitted class of beneficiaries and is the designated beneficiary at the time of the maturity of the insurance because of the death of the insured, such beneficiary shall be deemed to be within the permitted class even though the status of such beneficiary shall have been changed.

"The United States shall bear the expenses of administration and the excess mortality and disability cost resulting from the hazards of war. The premium rates shall be the net rates based upon the American Experience Table of Mortality and interest at 3½ per centum per annum. This section shall be deemed to be in effect as of June 7, 1924."

Sec. 18. That section 301 of the World War veterans' act, 1924, approved June 7, 1924, as amended March 4, 1925, is hereby amended to read as follows:

"Sec. 301. Except as provided in the second paragraph of this section, not later than July 2, 1927, all term insurance held by persons who were in the military service after April 6, 1917, shall be converted without medical examination into such form or forms of insurance as may be prescribed by regulations and as the insured may request. Regulations shall provide for the right to convert into ordinary life, twenty-payment life, endowment maturing at age sixty-two, five-year level premium term, and into other usual forms of insurance, and for reconversion of any such policies to a higher or lower premium rate in accordance with regulations to be issued by the director, and shall prescribe the time and method of payment of the premiums thereon, but payments of premiums in advance shall not be required for periods of more than one month each, and may be deducted from the pay or deposit of the insured or be otherwise made at his election.

"All term insurance shall cease on July 2, 1927, except when death or total permanent disability shall have occurred before July 2, 1927: *Provided, however,* That the director may by regulation extend the time for the continuing of yearly renewable term insurance and the conversion thereof in any case where on July 2, 1927, conversion of such yearly renewable term insurance is impracticable or impossible due to the mental condition or disappearance of the insured.

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

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

to regulations, the insured shall at all times have the right to change the beneficiary or beneficiaries without the consent of such beneficiary or beneficiaries, but only within the classes herein provided.

"If no beneficiary within the permitted class be designated by the insured as beneficiary for converted insurance granted under the provisions of Article IV of the war risk insurance act, or Title III of this act, either in his lifetime or by his last will and testament, or if the designated beneficiary does not survive the insured, then there shall be paid to the estate of the insured the present value of the remaining unpaid monthly installments; or if the designated beneficiary survives the insured and dies before receiving all of the installments of converted insurance payable and applicable, then there shall be paid to the estate of such beneficiary the present value of the remaining unpaid monthly installments: *Provided*, That no payments shall be made to any estate which under the laws of the residence of the insured or the beneficiary, as the case may be, would escheat, but same shall escheat to the United States and be credited to the United States Government life insurance fund.

"The bureau may make provision in the contract for converted insurance for optional settlements, to be selected by the insured, whereby such insurance may be made payable either in one sum or in installments for thirty-six months or more. The bureau may also include in said contract a provision authorizing the beneficiary to elect to receive payment of the insurance in installments for thirty-six months or more, but only if the insured has not exercised the right of election as hereinbefore provided; and even though the insured may have exercised his right of election the said contract may authorize the beneficiary to elect to receive such insurance in installments spread over a greater period of time than that selected by the insured. This section shall be deemed to be in effect as of June 7, 1924."

Sec. 16. That section 303 of the World War veterans' act, 1924, approved June 7, 1924, and amended March 4, 1925, is hereby amended to read as follows:

"Sec. 303. If no person within the permitted class be designated as beneficiary for yearly renewable term insurance by the insured either in his lifetime or by his last will and testament, or if the designated beneficiary does not survive the insured or survives the insured and dies prior to receiving all of the two hundred and forty installments or all such as are payable and applicable, there shall be paid to the estate of the insured the present value of the monthly installments thereafter payable, said value to be computed as of date of last payment made under any existing award: *Provided*, That all awards of yearly renewable term insurance which are in course of payment on the date of the approval of this act shall continue until the death of the person receiving such payments, or until he forfeits same under the provisions of this act. When any person to whom such insurance is now awarded dies or forfeits his rights to such insurance, then there shall be paid to the estate of the insured the present value of the remaining unpaid monthly installments of the insurance so awarded to such person. For the purpose of this proviso an award shall be deemed to be in the course of payment from the date the right to payment accrued: *Provided further*, That no award of yearly renewable term insurance which has been made to the estate of a last surviving beneficiary shall be affected by this amendment: *Provided further*, That in cases when the estate of an insured would escheat under the laws of the place of his residence the insurance shall not be paid to the estate, but shall escheat to the United States and be credited to the military and naval insurance appropriation. This section shall be deemed to be in effect as of October 6, 1917."

Sec. 17. That section 304 of the World War veterans' act, 1924, approved June 7, 1924, is hereby amended to read as follows:

"Sec. 304. In the event that all provisions of the rules and regulations other than the requirements as to the physical condition of the applicant for insurance have been complied with an application for reinstatement, in whole or in part, of lapsed or canceled yearly renewable term insurance or United States Government life insurance (converted insurance) hereafter made may be approved if made within one year after the passage of this amendatory act or within two years after the date of lapse or cancellation: *Provided*, That the applicant's disability is the result of an injury or disease, or of an aggravation thereof, suffered or contracted in the active military or naval service during the World War: *Provided further*, That the applicant during his lifetime submits proof satisfactory to the director showing that he is not totally and permanently disabled. As a condition, however, to the acceptance of an application for the reinstatement of lapsed or canceled yearly renewable term insurance, where the requirements as

to the physical condition of the applicant have not been complied with, or, for the reinstatement of the United States Government life insurance (converted insurance), the applicant shall be required to pay all the back monthly premiums which would have become payable if such insurance had not lapsed, together with interest at the rate of 5 per centum per annum, compounded annually; on each premium from the date said premium is due by the terms of the policy: *Provided further*, That where within one year of this amendatory act all of the requirements for reinstatement of yearly renewable term insurance under this section are complied with, except the payment of unpaid premiums with interest and proof satisfactory to the director is furnished showing the applicant is unable to pay such premiums with interest or some part thereof, the application may be approved, and the amount of unpaid premiums with interest as provided in this section shall be placed as an interest-bearing indebtedness against the insurance, such indebtedness to bear interest at the rate of 5 per centum per annum, compounded annually, to be deducted in any settlement thereunder: *And provided further*, That no term insurance shall be reinstated after July 2, 1927."

Sec. 18. That section 305 of the World War veterans' act, 1924, approved June 7, 1924, is hereby amended to read as follows:

"Sec. 305. Where any person has heretofore allowed his insurance to lapse, or canceled or reduced all or any part of such insurance, while suffering from a compensable disability for which compensation was not collected and dies or has died, or becomes or has become permanently and totally disabled and at the time of such death or permanent total disability was or is entitled to compensation remaining uncollected, then and in that event so much of his insurance as said uncollected compensation, computed in all cases at the rate provided by section 302 of the war risk insurance act as amended December 24, 1919, would purchase if applied as premiums when due, shall not be considered as lapsed, canceled or reduced; and the United States Veterans' Bureau is hereby authorized and directed to pay to said soldier, or his beneficiaries, as the case may be, the amount of said insurance less the unpaid premiums and interest thereon at 5 per centum per annum compounded annually in installments as provided by law: *Provided*, That insurance revivable under this section by reason of permanent and total disability or by death of the insured, shall be paid only to the insured, his widow, child or children, dependent mother or father, and in the order named unless otherwise designated by the insured during his lifetime or by last will and testament."

Sec. 19. That a new section be added to the World War veterans' act, 1924, approved June 7, 1924, to be known as section 308, to read as follows:

"Sec. 308. Wherever yearly renewable term insurance or United States Government life (converted) insurance lapses or has lapsed for the nonpayment of premiums, and the insured forwards or has forwarded to the United States Veterans' Bureau, not later than the last day of the month following the month for which the unpaid premium is or was due, an amount sufficient to reinstate the insurance under bureau regulations heretofore or hereafter issued, the director of the bureau is hereby authorized and directed to reinstate such insurance whenever it is shown to his satisfaction that the insured was at the time of the making of the remittance in the state of health required by bureau regulations."

Sec. 20. That a new section be added to the World War veterans' act, 1924, approved June 7, 1924, to be known as section 309, and to read as follows:

"Sec. 309. Where any person allowed his insurance to lapse and died prior to collecting the \$60 bonus provided by the act of February 24, 1919 (Fortieth Statutes at Large, page 1151), then and in that event his insurance shall not be considered as lapsed during such period as said uncollected bonus would, if applied to the payment of premiums when due, equal or exceed the same, and the United States Veterans' Bureau is hereby authorized and directed to pay to his beneficiaries under said policy the amount of said insurance, less the premiums and interest thereon at 5 per centum per annum, compounded annually, in installments as provided by law."

Sec. 21. That section 406 of the World War veterans' act, 1924, as amended be further amended to read as follows:

"Sec. 406. That no vocational training shall be granted after June 30, 1926, and no training allowance shall thereafter be paid to any person: *Provided*, That any person who is receiving placement training on June 30, 1926, may be continued in such training to January 1, 1927, and any person receiving educational training in schools or institutions on June 30, 1926, may be continued in training for not more than two years after the passage of this amendatory act, for the purposes of this section the unexpended balance of the appropriation for vocational rehabilitation for the fiscal year, 1926, shall be available."

Sec. 22. That a new section be added to Title V of the World War veterans act, 1924, approved June 7, 1924, to be known as section 506, and to read as follows:

"Sec. 506. The provisions of this title shall be applicable to the administration of this act in the Philippine Islands."

The **CHAIRMAN**. We will ask you, General Hines, if you will give your explanation of the bill.

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

General HINES. This bill, H. R. 12175, is a revision of previous bills introduced and on which hearings were held before the Veterans' Committee of the House. The original program of the American Legion, D. A. V., the Veterans of Foreign Wars, and the Veterans' Bureau when combined in the first bill contemplated an annual expenditure of \$39,000,000. Extensive hearings were held on the program and the bill reported out. A number of the provisions the bureau and the service organizations were not entirely in accord on, and on further consideration the bill was reduced, I think twice, and this bill, on which we are practically in accord, contemplates a total expenditure of \$7,587,725.

Senator HARRISON. How much would the bill have carried if the original ideas of your department were carried through?

General HINES. A little more than this; but I was just going to explain that point, Senator.

The **CHAIRMAN.** Let me understand. The present bill you say, as we are now considering it, carries \$7,000,000?

General HINES. Contemplates for the first year a total expenditure of \$7,587,725.

The **CHAIRMAN.** That is for the first year. And how much for the second year?

General HINES. \$5,206,550 for the second year. But in explanation of that I desire to call the committee's attention to a change in the bureau's rating schedule with reference to tubercular patients, which we feel is much more desirable than the original provision that was in the bill, and which contemplated a cost of \$4,500,000 to \$5,000,000, and that is the one with reference to the rating of tubercular patients.

It was proposed, and the bureau was in agreement with the service organizations, that men who had had tuberculosis and had reached the point of arrest were permanently disabled to a certain degree. We felt to legislate and pay these men a flat rate of \$35 per month was not sound so far as any medical theory was concerned, and that if these men were permanently disabled that the rating schedule based upon the World War veterans' act, should care for them, so the bureau presented to its medical council, which is made up of the leading specialists, including leading specialists on tuberculosis, the question as to whether a man who had had tuberculosis and had reached the point of arrest was permanently disabled, and to what degree. The council considered this matter on two occasions, and on both occasions recommended that the minimum rating for those men should be 25 per cent.

The bureau in presenting its attitude to the committee stated that that was the recommendation of the council, and we concurred in it,

and suggested in lieu of the flat rate of \$35 for these men that the bureau's table of rating be amended in accordance with the best medical advice we could get, and if the ratings varied from 25 to a higher per cent, as we think they will, according to the occupation, why, that that be taken rather than legislate for this particular class of veterans. The bureau felt at that time and feels now that a flat rate for any class or disability would only result in following years in Congress being asked to take in some other class, and that we are on sounder ground when we base all of the disability ratings in accordance with the rating schedule which is prepared in accordance with the World War veterans' act.

Carrying out that thought—and the director of the bureau has authority if the medical council so recommends—we contemplate changing our rating schedule so that the minimum rating instead of the 10 per cent that it now carries will carry a 25 per cent minimum rating.

Senator WADSWORTH. For tubercular cases only?

General HINES. Yes; for tubercular cases only. And that for occupations the variants will be in accordance with the principle of law. We therefore feel that making this change will result in an added expenditure over the present expenditure of a little over \$4,000,000, so that in effect with the changes in the rating schedule by regulations and the changes in this bill the committee should be advised that the total expenditure will run between eleven and twelve million dollars.

Senator WADSWORTH. Do you think that will be a constant figure over a period of years, or are you estimating merely for this year and next year?

General HINES. We feel that the first year will be the maximum. We think that there will be a gradual reduction when we have finally reached the point of not taking on any new claims.

Senator WADSWORTH. Well, will you reach a point where you will not take on new claims?

General HINES. That will depend entirely on Congress with reference to the extension of the time of filing claims.

Senator REED of Pennsylvania. The present law limits the time to five years after the beginning of the disability, is that right?

General HINES. That is right.

Senator REED of Pennsylvania. And that must be before the end of the World War, of course. And the department has discretion to extend that period by two years. If we do not change that by extending the period of limitation of course the number of claims will begin to diminish.

General HINES. We feel that this estimate is a fair and safe estimate. I have a statement prepared in detail giving the cost on each item, and with the permission of the committee I would like to introduce that statement as part of this hearing for the committee's use in referring to the cost of these various items.

The CHAIRMAN. It will be so received and printed at this place in the record.

(The statement presented by General Hines for the record is here printed in full, as follows:)

ESTIMATED COST OF H. R. 12175

MAY 22, 1926.

A review has been made of H. R. 12175, a bill to amend the World War veterans' act of 1924, and, so far as the several provisions are possible of estimate, the following estimated costs are submitted for the first two years:

	First year	Second year
<p>Sec. 10 is amended to provide for the hospitalization of women veterans in other than Government hospitals. Assuming that this provision will be rigidly interpreted to grant contrast hospitalization only where Government hospital facilities are not available, it is estimated that the annual expenditure will approximate.....</p> <p>This estimate is based upon the per cent of men who are hospitalized under sec. 202 (10) to the total male military population, and this per cent is applied to the total of women veterans, which is 34,047.</p>	\$32,000	\$32,000
<p>Sec. 21, concerning guardianship, if carried out in the spirit in which it is intended, presupposes complete investigation of the relationship between the fiduciary and the ward to a very much greater extent than is now done. With some 40,000 wards, equally divided between incompetents and minors, it is apparent that the investigation of each case will make necessary the assignment of additional personnel in the field and central office to carry out this provision. It is impossible to estimate what this cost of additional personnel and travel will be, but it is believed that it will be very appreciable.</p>		
<p>Sec. 23 provides that where the recovery of a payment made from U. S. Government life insurance fund is waived reimbursement for the amount involved will be made from the current appropriation for military and naval insurance. Based upon the experience of the past year, the overpayments of this character which have been waived total 6, averaging \$407. On this basis the annual cost would approximate.....</p>	2,500	2,500
<p>Sec. 31 provides for the reimbursement of beneficiaries for any loss of personal effects by fire while hospitalized in Veterans' Bureau hospitals. This cost will not be material since the fire hazard in veterans' hospitals has been reduced to a minimum, although the retroactive features of this section will apply to one case where the known loss was approximately.....</p>	7,000	7,000
<p>Sec. 33 allows the director at his discretion to provide courses of instruction for professional personnel of the bureau. It is estimated that the cost of this provision will approximate.....</p> <p>This estimate is based upon the experience of the Army in providing instruction in professional courses conducted by agencies outside the War Department.</p>	20,000	20,000
<p>Sec. 200 is amended to provide that women assigned to the Medical Corps of the United States who served in base hospitals overseas can receive all benefits of the World War veterans' act. This cost will not be material if the application of the amendment is limited to nurses' aids, dietitians, technicians, and secretaries assigned to base hospitals overseas in that these groups totaled but 500. Based upon the percentage of total military strength of the Army which is receiving compensation, there results but 25 cases which might reasonably be compensable, which cases if compensated at the average rate would result in an increased annual cost approximating.....</p>	11,300	11,300
<p>Sec. 8, amending sec. 201, provides for the payment of burial expenses for veterans of all wars who die without leaving assets which in the judgment of the director should be applied to meet the expenses of burial, funeral, and transportation: It is believed that the regulations issued by the bureau with reference to the payment of burial expenses will in the end result in few more burial awards than are being paid under the existing law. It is further believed that there will be a material saving in administrative expense, more especially due to the elimination of considerable correspondence between this bureau and the several States and fraternal organizations.</p>		
<p>Sec. 9 amends sec. 202 by providing for the payment of organic loss of speech at the rate of \$150 per month. It is estimated that there are 70 cases of this character which will be affected, who in accordance with the new rating schedule are payable at an average rate of \$25 a month. To pay these cases at the rate of \$150 a month will involve an increased annual cost of approximately.....</p> <p>The above estimated cost does not include any payments under insurance.</p>	105,000	105,000
<p>Sec. 9 further amends sec. 202 to provide that, when a patient has been hospitalized for a period of six months and is deemed by the director to be insane, he shall be paid at the rate of \$30 a month. At present payments are being made at the rate of \$20 a month and very few of these insane patients recover, so that the \$10 additional which it is proposed by this amendment to pay will be an added cost in each case. At present there are approximately 5,665 cases on which compensation has been reduced to \$20 a month. To increase this compensation at the rate of \$10 a month will cost.....</p>	672,000	672,000
<p>Sec. 9 further amends sec. 202 providing for the furnishing of out-patient treatment to veterans of any war, military occupation, and military expedition so far as existing facilities include space, personnel, and equipment, and that none of these facilities will in any way be increased due to this provision, the extension of out-patient treatment will not involve any immediate added cost, although it will make impossible the reduction of out-patient dispensary facilities which will in all probability result if the use of these facilities were continued only for the treatment of service connected disabilities. Should the facilities be expanded to meet the possible increased load of cases which will doubtless apply for treatment under this provision, the added cost will of course be material. This added cost has been estimated at \$261,000 a year.</p>		

	First year	Second year
<p>Sec. 9 further amends sec. 202 to provide that where a veteran is hospitalized under paragraph 10 and is financially unable to supply himself with clothing he shall be furnished such clothing as the director may deem necessary; and, further, that where he is being hospitalized for a disease or injury necessitating the wearing of a prosthetic appliance such appliance shall be supplied, if the veteran is financially unable to supply himself with the same. The maximum cost of the provision for the furnishing of clothing is estimated at \$447,000, although for the purpose of this estimate this figure is discounted by 50 per cent, producing a final estimated figure of approximately.....</p> <p>It is estimated that the furnishing of prosthetic appliances for veterans entitled to hospitalization under sec. 202 (10) will cost approximately.....</p> <p>Sec. 10 amends sec. 203 to provide for a per diem allowance of \$2.65 a day for the period of travel and observation for veterans applying for treatment under the provisions of sec. 202, pars. 9 and 10. From a study of 500 cases paid under the existing law, the average does not exceed \$2.65 a day. Under this amendment the administrative cost will be materially lessened, and it is, therefore, believed that a small saving will be effected.</p> <p>Sec. 11 repeals sec. 206 and sec. 12 repeals sec. 209. The repeal of these sections will make it possible for veterans to file claims at any time and to submit evidence of disability without regard to a time limit. Based upon the experience of claims filed during 1923 and 1924, and using the experience of allowing claims during this period, it is estimated that the cost resulting from this provision for the next two years will be approximately.....</p> <p>There will be an additional cost each year for the cases which will be filed and which will be allowed, although it is expected that the rate of allowance of cases filed at a later date will be materially decreased.</p> <p>Sec. 13 amends sec. 212, providing that the new schedule of disability ratings be used in rating disabilities occurring as a result of service prior to Apr. 6, 1917, or after July 2, 1921, wherever there is an accrued right to compensation under sec. 602 of the World War veterans' act, 1924. It is impossible to estimate the effects of this provision as there are no available figures as to the number of cases where the disability is the result of service prior to Apr. 6, 1917, or after July 2, 1921, where there is an accrued right to compensation.</p> <p>Sec. 14 amends sec. 340 in providing for the issuance of Government life insurance to members of the Coast Guard within one year after entrance into the active service. It is not believed that this provision will involve any cost since the premiums paid will in all probability offset any losses incurred.</p> <p>Sec. 15 amends sec. 301 to provide for a 5-year level premium term policy, and for the reconversion of such policy to a higher or lower premium rate in accordance with regulations to be issued. It is not believed that this provision will involve any additional cost.</p> <p>Sec. 17 amends sec. 304 and provides for the extension of term insurance for one year. The chief effect of the continuation of term insurance will be the cost of the cases revived under sec. 305, assuming the sec. 305 under the present law is not effective for cases dying or becoming permanent total subsequent to July 2, 1924, and further assuming that the application of sec. 305 will not be effective under this provision for cases dying or becoming permanent total subsequent to July 2, 1927. Based upon current experience, the term insurance which might be brought in under sec. 305 by the continuation of term insurance for one year will cost annually, at the rate of \$67.50 a month for \$10,000, approximately \$1,839,540; however, sec. 18 amends sec. 305 by limiting the class of beneficiaries for insurance revived under sec. 305 to widow, child, and parent. It is, therefore, believed that the above estimate of cost due to the continuation of term insurance can be discounted by 45 per cent, with the resultant annual saving of approximately \$827,790. The net cost of the continuation of term insurance for a period of one year would, therefore, be approximately.....</p> <p>If the limitation of the class of beneficiaries to whom insurance revived under sec. 305 can be paid is applicable to payments now in force, it is estimated that there will be an annual saving of approximately \$2,448,000, this saving more than wiping out the estimated cost of the extension of term insurance for a period of one year.</p> <p>Sec. 21 amends sec. 406 to provide for the continuation of 6 months for placement trainees whose courses are not completed prior to July 1, 1926. The estimated cost of this provision is.....</p>	<p>\$220,000</p> <p>16,000</p> <p>671,530</p> <p>1,011,750</p> <p>4,823,995</p>	<p>\$220,000</p> <p>70,000</p> <p>1,782,480</p> <p>1,011,750</p> <p>1,961,020</p>
Estimated net annual costs.....	7,537,726	5,206,550

Certain of these figures differ from those previously submitted on identical items. This difference is the result of the experience under the new rating schedule, or further effects of the act of June 7, 1924, as amended. In considering this cost it is to be borne in mind that the estimated cost of revision of the rating schedule to provide for a minimum rating of 25 per cent for arrested tuberculosis is \$4,318,800. Furthermore, it is estimated that one of the effects of the new rating schedule on all cases will be an increase in disability compensation aggregating in excess of \$5,000,000 a year.

O. W. CLARK.

General HINES. Generally the provisions of this bill meet with the approval of the bureau. I simply wish to call attention, however, to one or two provisions wherein the bureau's recommendations to the Veterans' Committee differ from those of the service organizations, and to simply point out that those differences really are matters of policy that Congress should pass upon rather than the bureau.

We feel particularly strong on one point, and that is any legislation tending to change the provisions of the law with reference to insurance should be most carefully considered, because our insurance policy is one that as we go by from year to year changes become very difficult to put into operation, and they are very far-reaching in effect in so far as costs are concerned.

The first change is in section 10 of the World War veterans' act, which provides general hospitalization for all ex-service men of all wars and all disability where facilities are available and the veteran is in need of hospitalization. The change contemplated provides that where the facilities of the Government will not take care of women veterans entitled to hospitalization under this provision that we be authorized to place them in contract hospitals. We estimate that that cost will run at \$32,000 per annum.

The CHAIRMAN. Well, why is this amendment? It seems to me the original bill covers the whole question.

General HINES. This amendment is necessary, in my judgment, to facilitate the hospitalization of women veterans and give them really equal privileges with those of the male veterans.

The CHAIRMAN. Well, but I mean, the original bill, it seems to me, would give you that power anyhow.

General HINES. No, sir; I have not authority to place any veteran except a veteran with a service-connected disability in a contract institution.

The CHAIRMAN. What do the words "by other means" mean there—

When, in the opinion of the director, the facilities and services utilized for the hospitalization, medical care, and treatment for beneficiaries under this act are unsatisfactory, the director shall make arrangements for the further hospitalization, care, and treatment of such beneficiaries by other means: * * *

Well, the other means would be outside hospitals, would they not?

Senator REED of Pennsylvania. Senator, I think the answer is that this whole section deals with hospitalizing for service disabilities. Then there is another section in the World War veterans' act that allows the director to hospitalize veterans provided he has surplus facilities. We were confronted with the problem of a lot of vacant beds in a lot of these hospitals, with veterans who were hard up becoming in need of hospital treatment, and we provided two years ago that where that condition existed the surplus facilities might be taken advantage of by taking in veterans suffering from disabilities not connected with the service, the theory being that the public was charged with their welfare anyway, that they were charity patients, had to be in some hospitals, and we might as well use these facilities for them.

The CHAIRMAN. Well, it will not hurt anyhow as it is.

General HINES. The committee will probably be interested in knowing to what extent paragraph 10 of section 202, which provides hospitalization for nonservice connected disabilities, has operated up

to date. Since June 7, 1924, to date under this authority there have been 25,178 veterans of all wars since 1897 admitted for treatment in Government hospitals, 4,432 of whom are remaining under treatment at the present time. The average period of hospitalization furnished those patients who have been admitted and discharged from the hospital is 97 days. It has been assumed that the patients now under treatment will have a hospitalization of a similar duration, in which case the approximate cost of the liberalization features of this act, that is, section 10, up to date, is \$8,279,000.

Senator WADSWORTH. When you use the phrase "Government hospitals" do you include the National Soldiers' Home?

General HINES. Hospitals of the National Soldiers' Home.

Senator HARRISON. Well, so far as section 10 then is concerned the bureau and the service organizations are in agreement?

General HINES. Yes, sir.

Senator HARRISON. In other words, they do not ask for more than the bureau approved and what they are getting here?

General HINES. This is really their provision, and we concur in it.

Senator REED of Pennsylvania. Well, there are other changes in section 10 still to be taken up.

General HINES. Yes. But on that particular thing.

Senator HARRISON. Yes, that is what I mean.

General HINES. The next change is really an administrative change. And that has reference to receiving the approval of the President for alterations and extensions of existing facilities. The committee is familiar with the procedure that the bureau goes through in obtaining funds for such additions and alterations. The projects are first submitted to the Director of the Bureau of the Budget, receive the approval of the President, come before the Appropriation Committees, on which hearings are held, and then funds are appropriated. The present procedure requires the director of the bureau to practically go through all that again before he could spend the money that he has obtained in order that the account may pass the accounting office. In other words, the project is proposed by the bureau to the Federal Board of Hospitalization, goes through the Director of the Bureau of the Budget, and receives the President's approval.

I feel that in these minor changes, where there is no material extension of the facilities, that the bureau should have authority to make them in accordance with the program which it has presented and has received the approval of Congress on without having to go through the Director of the Bureau of the Budget and receive the President's specific authority for those minor alterations and changes. So the language has been changed on page 3, line 9, to take out the words "and with the approval of the President," and then the proviso is made:

Provided, however, That no alteration, improvement, or extension which will materially increase the bed capacity for patients of any hospital or institution shall be made, nor shall any new facilities be acquired without the approval of the President.

It relieves the Director of the Bureau of the Budget and the President from acting on those minor alterations and changes.

Senator BAYARD. In other words, it changes you from the detailed item to a lump-sum proposition? Gives you better facilities to take care of it?

General HINES. Well, hardly that. It enables the director without the approval of the Director of the Bureau of the Budget and the President to make minor alterations and additions, but wherever a large project is involved or one that would materially increase the facilities it would require that action.

Senator REED of Pennsylvania. That, of course, will not involve any increase in cost?

General HINES. No, sir. It will simply facilitate Government business.

Senator REED of Pennsylvania. And the last change in section 10 is the provision authorizing the transfer of two of the institutions of the National Homes for Disabled Volunteer Soldiers. Why is that necessary?

General HINES. That change was not made on the recommendation of the bureau. The bureau's attitude on this matter was simply this. The Veterans' Bureau is in the business of hospitalization. The soldiers' home is in the business of domiciliary care, with certain added hospital facilities for their beneficiaries and those that we send there where space is available. The suggestion made to the committee by the bureau was that this change, if placed in the bill, should simply authorize the President in his discretion to transfer from the Veterans' Bureau to the soldiers' home or from the soldiers' home to the Veterans' Bureau any facilities that were no longer needed by either agency. I assume that it is apparent to the committee that as time goes on the Veterans' Bureau problem will approach nearer to that of the Soldiers' Home Board of domiciliary care. There is a difference, manifestly, in the methods of operation of one hospital connected with the soldiers' home as against an institution run strictly as a hospital. We have found some differences in cost between the treatment given the veterans in our own hospitals as against those given in the soldiers' home.

The CHAIRMAN. Which are the highest?

General HINES. The Veterans' Bureau is always the highest.

The CHAIRMAN. I thought it would be.

General HINES. The soldiers' home cost is very much less. The Veterans' Bureau averages \$4 per day as against the soldiers' home cost of \$2.45 per day. I think that cost wherever it has become known has resulted primarily in the feeling on the part of some of the veterans that the care and treatment was different. I feel that the Veterans' Bureau patients receive good treatment in soldiers' home hospitals. I do feel that probably in our hospitals, particularly those that are devoted primarily to tuberculosis or to neuropsychiatric disabilities that we have a greater personnel, and therefore I feel that in some respects they get probably closer attention.

The CHAIRMAN. What does that \$4 per day include?

General HINES. That includes all the overhead, the personnel, the cost of subsistence, heat, light, and it is the total cost chargeable to the patient's per diem.

Senator HARRISON. Well, you have to have a larger personnel.

General HINES. Yes; we do. In my judgment the provision here would be much more satisfactory both to the bureau and to the Soldiers' Home Board if it was left discretionary with the President to transfer those facilities either way. The time is coming when some of the Veterans' Bureau hospitals probably will be available for domi-

ciliary care. The Soldiers' Home Board has had years of experience in that type of attention to veterans. The Veterans' Bureau has had no experience. There can be no question but what they are better able to take that part of the job than we are. We feel that we have devoted more attention to hospitalization, and as time goes on the bureau should be, in my judgment, the best agency for hospital care and treatment. Therefore in handling hospitals we feel that the Veterans' Bureau should handle them, and if there is a provision which will authorize the transfer either way it will be a workable provision and one that I feel the President would only make such transfers when the facts represented to him by the agencies concerned were in agreement.

There is no objection, manifestly, on the part of the bureau, to this provision because it leaves that discretion with the President, but I know of no reason why they should single out any particular institutions for transfer of this kind unless they have reached the conclusion that those institutions are carrying a greater load of Veterans' Bureau patients than they are soldiers' home patients. And that would be so. The bureau is making an expenditure increasing the facilities at Battle Mountain Sanitarium by 156 beds. That procedure is not unusual. We have done that in the case of the soldiers' home hospital at Sawtelle, near Los Angeles, and other places. Wherever those facilities have been increased the Soldiers' Home Board administers the facilities, the bureau making suitable reimbursement for the cost.

The CHAIRMAN. Have there been any criticisms of the soldiers' home management?

General HINES. There has been criticism from time to time, particularly with reference to the soldiers' home hospital at Marion, which is a mental institution.

The CHAIRMAN. Well, that would necessarily be, no matter where located, or who was running it.

General HINES. We made investigations there and have found some deficiencies, but deficiencies which when brought to the attention of the soldiers' home officials, of course, would be corrected just as promptly. I feel that a provision such as I have indicated would be satisfactory and desirable where the two agencies charged with this duty could work together, and when a point is reached the facilities could be interchanged.

The CHAIRMAN. Well, if this amendment was disagreed to no harm would be done to the veterans of the World War, would there?

General HINES. No, sir; I do not think so. We are in working accord with the Soldiers Home Board. I am sure that we could get along without this change.

The CHAIRMAN. I have always thought that the national home has been run in a most excellent manner, administered splendidly, and the cost of the maintenance as low as it could possibly be done, and I have heard very little complaint from the soldiers in those homes.

General HINES. You will find, Mr. Chairman, that wherever there is a difference in cost there is bound to be a feeling on the part of the veteran of the World War that there is a difference in treatment. I know of no way to overcome that. Whether it is real in all cases is doubtful, but nevertheless there is that feeling

that the veterans of the World War have a desire to be hospitalized, of course, in their own institutions. We have never done anything to encourage that. We have done many things to encourage them to feel that they get the same treatment in the Army, Navy, and soldiers home hospitals as they get in our own. The standards of administration are different, necessarily, in those institutions. In the Army and Navy hospitals there is stricter discipline, and that sometimes is resented; not so much recently as originally. We have not had as much complaint about the difference in the soldiers home recently as we had originally, and maybe as time goes on that feeling will disappear. But I know the veterans' organization in asking for these changes has done so because the membership of the organization has indicated that they wished that, and it was based on that feeling.

The CHAIRMAN. If it was done perhaps the old soldiers of the Civil War would object, and perhaps on the same ground.

General HINES. Well, there is some contention from time to time between the soldiers of the Civil War and the soldiers of the last war. They want to be separate. But I can not say to the committee that this is absolutely essential. I think that it is in line with good administration to have a law whereby when facilities are no longer needed by one agency they can be transferred to another agency of the Government.

Senator WADSWORTH. How do the salaries of the medical officers compare in the two institutions?

General HINES. I think the salaries of the medical officers of the soldiers' home are somewhat lower, although recently we had an experience where the Soldiers' Home Board had a medical officer in charge of one of their institutions that we rated very highly, we tried to get him, and we found in that case that they were paying a higher rate—whether it was through our endeavors or not, he finally left the service, and the entire service lost him. But I think on the average that the salaries of the medical officers of the Veterans' Bureau are a little higher.

Senator SHORTRIDGE. Who fixes the salaries, General?

General HINES. The salaries in the Veterans' Bureau are, of course, fixed primarily in this way. We take as a guide the classification act for the departments in the District of Columbia, and we are trying to get all of our personnel in the field, although that act has not been extended to the field, on the same basis, feeling that if the law was suddenly extended to the field we would not want to find out that the salaries were so far out of line as to result in material reduction and lowering of the morale of the organization. So we use the salaries of the classification act for the departments in the District of Columbia as a guide, but in a number of cases we have doctors that are drawing salaries in excess of that salary. The best guide would be to state to the committee that the medical director of the bureau receives \$7,500 a year. The specialists generally run between \$3,800 and \$5,600. And the next class would run from \$3,300 to \$5,000.

Senator SIMMONS. Do they confine their activities entirely to the bureau?

General HINES. In most cases. We have given permission where we have found that it would not interfere with the bureau's work for

dentists and doctors to practice outside of office hours, but those that are on duty in our hospitals are confined practically to their work because most of their institutions are so located that they would be unable to have private practice. In the case of the regional officers, where they obtain our permission, and we are assured that it will not interfere with their work in the regional offices throughout the country they are permitted to practice.

Senator SIMMONS. But only after office hours?

General HINES. Only after office hours. We feel that that is desirable for two reasons. First, in many cases we are able to retain in our service a doctor of a higher degree of professional talent than we would otherwise, because his salary with the bureau is not what he is able to earn. Further, we feel that such a policy enables the doctor to get more practice, keep up with the profession generally, and that is helpful to the service.

Senator CURTIS. What are the average salaries of the doctors in the regional offices?

General HINES. They run about \$4,000, \$4,400.

Senator SIMMONS. What are the office hours?

General HINES. The office hours in the field start at 9 o'clock and run to 4.30, practically the same as the Government service here. In the hospitals they are not restricted to hours. They sometimes have to put in long hours, as you know.

Senator SIMMONS. Do you not have a night shift?

General HINES. Yes; we have officers that are detailed. The officer of the day, and certain officers who are required to be on call. But we feel that men in our hospitals are really there for 24-hour service if needed.

The CHAIRMAN. The next amendment, beginning in line 21, page 5.

General HINES. That entire section has to do with guardianship. This change is made, or all of the changes in this section, if I may speak to the entire section, are made for the purpose of enabling the bureau in cases where we find that the guardians, committees, etc., appointed by the courts are not properly taking care of the funds of their wards, the bureau can not only stop payment, but can set up an agency to take over the duties of those guardians pending the time that the courts will act. This change is rather far-reaching, and places upon the bureau a more definite responsibility than we have had before. Up to the time that the World War veterans' act was enacted the guardianship matters were given consideration simply in the central office. With the establishment of the regional office we set up in each regional office a guardianship officer whose duties comprise those of supervising the care of the wards and the appointment of guardians to take care of mental incompetents, minors of the disabled men who are entitled to compensation. The law was sufficient to do everything except to force the issue when a guardian of record refuses to act.

Senator REED of Pennsylvania. Under the old law you were entitled to suspend payment?

General HINES. Yes.

Senator REED of Pennsylvania. Unless he should file an account with you showing proper application of the allowances?

General HINES. Yes.

Senator REED of Pennsylvania. What more do you need than that?

General HINES. We need just this much more, from our experience—and of course when that provision was written into the law we had very little experience—we find that from experience it requires something more than to stop payment. We stop payment, and that rather works to the detriment of the ward. We have no right to go into court and demand the removal of the guardian and appointment of a guardian. We can go into court and suggest changes, and in most instances the courts comply. We have had cases, however, where not only have the accounts been slow in coming, but we have had cases where prompt action has not been taken. We feel that there should be the discretion given in the opinion of the director to not only stop payments but to insist upon the appointment of another guardian, or to take over those duties until a guardian is appointed by the court.

Senator REED of Pennsylvania. I do not like to see the Veterans' Bureau beginning to perform functions that properly belong to the States, though. State courts properly control this matter.

Senator GEORGE. What will you have, General, if you go into court and ask that another guardian be appointed and the court refuses? Then you simply override the court by your order, that would be the only logical thing.

General HINES. No; we would do this, Senator. We would stop payment, and in lieu of that payment make an institution award or make an award so that the regional guardianship officer would take over those duties in that case simply until the court would act.

Senator GEORGE. Well, the effect of it would be, though, to compel the court to act in accordance with your views?

General HINES. That would be the effect.

Senator GEORGE. I can see your views, and no doubt they are very good.

General HINES. I will state frankly to the committee that the bureau fully appreciates that this is taking on a great responsibility.

Senator GEORGE. I know it is.

General HINES. And we have no desire to supplant the courts, because we have no machinery to set up in their place.

Senator GEORGE. You have got to set up machinery for the appointment of guardians, and regulating of guardians, and auditing their accounts, that is what you come to unless you did feel that you had proper cooperation of the courts.

General HINES. I feel that in 99 cases out of 100 when we make a request of the court it would be confirmed.

Senator GEORGE. I think you are right about that, but you might have a case where you would have quite a serious conflict, so you would have to set up this machinery.

General HINES. But I think only temporarily. I think it would be only temporary, because I think it is hard to conceive that a court is going to continue for any great period to recognize the same conditions that would justify the bureau in taking that action.

Senator GEORGE. I have no objection to your supervisory powers over this fund, and I think it is very well for the bureau to have it because the court can not know how many letters may have been issued to a particular guardian, nor can the court know, except on the accounting, how well it is being administered. You might have

very much better facilities for knowing that, of course. But it seems to me you are going to take on a burden there that will add immensely to your administration.

General HINES. This provision is somewhat broader than the bureau had originally recommended, due to the hearings held before the Veterans' Committee, in which they felt that this was what should be done in order to cure the deficiencies that had been pointed out to them.

Senator REED of Pennsylvania. Is this suggestion the outcome of this Fenning case?

General HINES. Well, it is the outcome of the Fenning case plus other information that the committee has had before them. We have had other instances. I wish to make this clear in the Fenning matter that Mr. Fenning's accounts rendered to the court, as far as the bureau has had any experience, have been absolutely correct. We have had no complaint. As I understand it, his practice of taking on so many wards is really what is in question, and some minor matters between Mr. Fenning and the court. We have felt that the matter of awarding fees was a matter under the existing law clearly under the jurisdiction of the court. But we find throughout the United States the building up of what you might term wholesale guardianships; that is, one man specializing and getting so many cases in which he is committee that there is some doubt in our mind whether he can give proper supervision to the wards.

Senator GEORGE. Well, there are professional guardianships.

General HINES. Yes.

Senator GEORGE. Just as you have the professional bondsmen.

Senator SHORTRIDGE. And professional jurors.

General HINES. In all we have had 39 cases since the veterans' act was enacted where it has been necessary to prosecute guardians or committees for misapplication of funds. We have other cases under consideration now where one man is guardian for as many cases as Mr. Fenning, and we feel that that merits investigation to determine two things, first, whether the funds are properly administered, and, second, whether the guardian is able to properly care for the wards.

Senator SHORTRIDGE. He is guardian of the person and of the estate?

General HINES. Yes. The bureau's policy will be, wherever it is possible, to have the estate handled by trust companies. And the care of the person, that is, the guardianship of the person normally can be, I should think in the case of a minor, with some relative or some member of the family, and then rather limit the number of wards that any man has to look out for in the case of the person.

The CHAIRMAN. It seems to me that it will not be many years, if you take this responsibility, before there will be a resolution either in the House or the Senate demanding an investigation of your acts.

General HINES. I have no doubt. It is a matter that will require great care.

The CHAIRMAN. Well, you may give it all the care in the world, but with the class of people that you are dealing with here, of course you will find somebody to take up that cudgel, and they will want an investigation of you.

General HINES. This provision, of course, does not make it mandatory upon the director. It only makes it discretionary in those cases where the courts do not act.

The CHAIRMAN. I take it that if the present director feels that it is what is right he is going to do it whether it brings an investigation or not.

General HINES. Yes, I do.

Senator REED of Pennsylvania. The next is on page 10.

General HINES. Beginning on line 1 and going to line 10 on page 10. This change would authorize the director to make payments of \$1,000 or less direct to the persons entitled under the State laws rather than to the estates with a view of saving the expense of having letters of administration and things of that kind taken out. We find that in the administration of these small estates, that there is considerable cost, and with the view of saving that we feel that this legislation is necessary to give the director authority to make those payments without the necessity of letters of administration.

Senator SHORTRIDGE. Well, you would have to determine the person or persons to whom under given laws the money was due?

General HINES. We would have to determine that, and, of course, it would differ in the several States.

Senator REED of Pennsylvania. But you practically have to do that same thing wherever you pay death penalties.

General HINES. Yes. We have up to \$500 now.

Senator GEORGE. I think that is a very wise provision. Pretty nearly every State provides similarly for the immediate payment of small estates.

Senator REED of Pennsylvania. Then why does not that appear merely as an amendment of the amount?

Mr. J. O. C. ROBERTS (legislative representative, United States Veterans' Bureau). We are doing that under a ruling of the Comptroller General and not under any specific provision of law.

Senator REED of Pennsylvania. Page 11.

General HINES. Page 11. The committee is familiar with the two forms of insurance, that of term insurance and the converted insurance. The converted insurance is really a trust fund built up for the purpose of redeeming these policies as they fall due. Some cases have occurred where under the provision of section 28 of the World War veterans' act which authorizes the waiving of a recovery of an overpayment or an erroneous payment where the beneficiary is not at fault, waivers have been made and these necessarily affect this fund. The bureau feels that that fund should be maintained intact at all times, and for that purpose this amendment is suggested so that payment will be made back from the current appropriations into that fund. The estimated cost of that provision is \$2,500 a year. So far we have had a total of six cases, averaging \$407. We feel in principle that it is a very important principle, and the cost is very small.

Senator REED of Pennsylvania. The next one is self-explanatory.

General HINES. Yes.

The CHAIRMAN. What is the practice now in the department of reimbursing beneficiaries for losses by fire?

General HINES. We have had no way of doing it. We have had no way of reimbursing them. I think some special bills have been

Senator HARRISON. We had a situation in a hospital in my own town on that proposition.

The CHAIRMAN. Do you carry any insurance?

General HINES. No; we do not carry any insurance on Government hospitals, but they are all fireproof. Most of the fires that we have had to date have occurred in temporary structures, and with these fireproof hospitals the cost of anything of this kind is going to be very small. We estimate it at \$7,000 a year.

Senator GEORGE. You confine it, General, to losses occurring in Veterans' Bureau hospitals?

General HINES. That is right.

Senator WADSWORTH. I notice you confine it to losses resulting from fire alone.

General HINES. Yes. I felt that to include theft there would be rather a broad provision. We would be constantly in the business of investigating thefts.

The CHAIRMAN. Oh, you would never see the end.

General HINES. We take every precaution by providing storerooms and locker rooms, and I could not recommend the reimbursement for theft. The administrative cost would probably be as much as the reimbursement, but together they would be quite an item.

Senator REED of Pennsylvania. At the bottom of page 11, line 24, there is a mistake in that figure, "33," I think, section 33 should read section 32. Just a typographical error.

Mr. ROBERTS. There is a section 32 in the act, but no section 31, as that section was repealed by the amendment of March 4, 1925.

Senator REED of Pennsylvania. If you look in line 9 on the same page you will find it says that a new section is to be added known as section 31. Evidently something occurred in there between those two that has been cut out.

General HINES. The next change is section 33, page 12, from line 1 to line 15. This section would authorize the director to send medical officers to take professional courses of instruction, and we feel that the bureau is in the business of hospitalization on such a large scale that it is absolutely essential that our personnel should at all times keep abreast with the modern methods of medicine, and the only way we could do that is to send a few medical officers each year to these various colleges for post graduate courses. We estimate that the cost of that would not exceed \$20,000 a year, and it would, of course, be limited to a very few cases where men are making special studies.

Senator WADSWORTH. How many medical officers have you in your entire establishment who would be eligible to this?

General HINES. We have 1,300, nearly 1,400. They would not all be eligible to that. I would limit this provision to the higher grades.

Senator WADSWORTH. Yes; but, of course, it does not say so in the language.

General HINES. No; it does not say so.

Senator WADSWORTH. And when you use the phrase "and may detail employees to attend the same," who do you contemplate would fall in that class?

General HINES. That would take in the roentgenologists and those that are in charge of the X ray.

Senator WADSWORTH. They are not actually medical people?

General HINES. They are a part of the medical make-up, but they are not medical officers strictly.

Senator WADSWORTH. Are they included in the 1,300 or 1,400 eligible?

General HINES. No; they would increase that number.

The CHAIRMAN. Well, Mr. Director, this is legislation which, of course, if it were followed by every one of our departments, would be never ending. There is not a year passes but what we are asked by other departments to provide means to send men to conventions all over the world. Now, it has been the policy of late to restrict that a great deal, and it seems to me that a thing like this ought to come in the appropriation. Have it estimated for each year and let the Congress know just who is going and why they are going and where they are going. There would be no objections at all on the part of the Bureau of the Budget or of the Appropriations Committee, I think, to allow a certain number to go, but we would like to know where they were going and what they were going to be paid and what their allowances were and what the reason for it was. I think that this ought to go out and that you ought to have it in every appropriation bill with the full explanation of it.

Senator HARRISON. I do not see how you could work it that way, Senator.

The CHAIRMAN. It is worked that way.

Senator HARRISON. Well, the Agricultural Department sends men to conventions in this country, and that is not carried in the appropriations.

The CHAIRMAN. Oh, yes; it is carried in the appropriation bill every year.

Senator HARRISON. But it does not designate that this particular individual should spend so much money for going there.

The CHAIRMAN. No; because the law provides that they can have so much per diem, and they draw that and no more.

Senator HARRISON. I understand; but here they just pay the actual expenses.

The CHAIRMAN. Yes.

Senator WADSWORTH. There is a provision of the national defense act which authorizes the Secretary of War to detail not to exceed 2 per cent of the officers of the Regular Army to attend technical schools such as the Massachusetts Institute of Technology and various other schools, and I assume that includes medical officers also in medical schools in this country. It has proved very wise, but Congress in drawing that provision was careful in putting a limitation on of 2 per cent. Now, 2 per cent of 1,400 would be 28 officers a year.

General HINES. That would be more than we would want.

Senator WADSWORTH. Such a provision as this would leave the gates wide open—I am not saying that with any reflection on General Hines, but we are presumably legislating for all time, but if we should do this at all we should do it on a parity with the Army.

The CHAIRMAN. No more than that.

General HINES. I endeavored to do exactly as you suggested with the Appropriations Committee, and I found that the door was closed there, that they would not include such a provision. As I understand it, the Public Health Service, and, as the Senator has just said, the other services being practically covered now with such a provision.

The CHAIRMAN. I do not think the Public Health Service is. I think the Army is the only one, and perhaps the Navy.

Senator WADSWORTH. I do not know about the Navy.

The CHAIRMAN. I do not know about the Navy, but in all the other departments they come in every year in their regular appropriation bills and they are there limited as to the amount they can expend. Here there is no limit as to number.

Senator HARRISON. Have you any objection to substituting the 2 per cent suggested by Senator Wadsworth?

The CHAIRMAN. Well, they are paid per diem, you know. They can pay them anything here, run to any expense that they want to in this provision.

Senator WADSWORTH. I think a subcommittee can work that out and present it to the full committee, but I do make that suggestion, that we make a percentage limitation.

General HINES. I would be very glad to have it limited.

Senator REED of Pennsylvania. The next is on page 13.

General HINES. The next provision appearing in lines 8 to 11 on page 13 provides for those women that served overseas with base hospitals. Apparently there were some 500 women that were actually in the service but are not covered by the status of being in the Nurse Corps either in the Army or the Navy, although they rendered very much the same type of service. We feel that there should be a limitation put in there because in addition to the American women that went abroad, which we understand was a total of some 500, that the Army engaged a number of French employees that would probably come in the same class, and I think they should be limited to those that the Medical Department of the Army or Navy would certify as actually going from the United States to our hospitals overseas. That provision was suggested by the auxiliary, I understand, the women's organization, and the bureau feels that there is considerable merit to it. We estimate the cost to be \$11,300 a year.

The next change appears on page 15, lines 18 to 20. This takes in women who served as Army nurses under contract between April 21, 1898, and February 2, 1901. In other words, certain nurses that served in the Philippines during the Philippine insurrection.

Senator WADSWORTH. It covers the funeral expenses of those persons.

General HINES. Yes.

The CHAIRMAN. You have no limit there as to the length of service?

General HINES. Well, yes; it is limited between the dates of April 21, 1898, and February 2, 1901.

The CHAIRMAN. Well, but I mean the time of service. They may have served one day.

General HINES. No, sir.

Senator HARRISON. How many of those nurses are there?

General HINES. We have not been able to get definite data on that, and for that reason we are unable to give the committee a competent estimate.

The CHAIRMAN. While we are on this, Mr. Director, there is a lady here who wants to speak on this.

Senator REED of Pennsylvania. The director has skipped one amendment on page 13, line 21, that looks to me to be important.

What is the effect of changing that so as to make this conclusive presumption of good health cover all sections?

General HINES. I would like to have Mr. Roberts explain the effect of that, if you can, Mr. Roberts.

Senator REED of Pennsylvania. Make it brief, Mr. Roberts.

Mr. ROBERTS. This change is for the purpose of providing service connection of disabilities based on the presumption of soundness, for all purposes rather than for compensation purposes only.

The CHAIRMAN. What amendment are you speaking about?

Mr. ROBERTS. Page 13, line 21, the insertion of the word "act" instead of "section." At the present time it reads that this presumption is only for the purpose of this section that is for the purpose of paying compensation. We also have a provision which permits reinstatement of insurance by men who have service-connected disabilities. This is for the purpose of eliminating the necessity of those men proving service connection under the insurance provisions where their service connection is presumed for compensation purposes.

Senator REED of Pennsylvania. I think it is a consistent thing to do.

General HINES. Section 304 relates to insurance. This section 200 relates to compensation.

The CHAIRMAN. What have you got to say about this? [Addressing Doctor McGee.]

**STATEMENT OF MRS. ANITA NEWCOMB MCGEE, M. D., 1949
BILTMORE STREET, WASHINGTON, D. C.**

Doctor MCGEE. Mr. Chairman, I am Doctor McGee. I was acting surgeon, or contract surgeon, during the Spanish War period on duty directly under the Surgeon General as organizer and superintendent of the Army Nurse Corps, and the inclusion of the nurses in this provision means that those nurses who were enlisted, so far as women were allowed to be enlisted at that time, should have the same benefits as the men with whom they served in the camps and hospitals. Very few would be benefited by the provision regarding the funeral expenses, because I know of only one case so far of a nurse who has died under such circumstances that these payments would be made. The provision on page 13 is much the same as the existing law regarding the funeral expenses.

Senator REED of Pennsylvania. Why is not the existing law adequate? The existing law reads:

person who served honorably as Army nurses for a period of 90 days or more during the Spanish-American War.

Doctor MCGEE. That would include only nurses who were appointed and served continuously 90 days prior to September 10, 1898. The intention was to include those who served also in the Philippine insurrection and the Boxer campaign.

Senator REED of Pennsylvania. You do not object to the 90-day limit?

Doctor MCGEE. Yes; because no men have the 90-day limit. It is discrimination that way, you see. However, the vast majority of the women served more than 90 days, and I doubt very much, in view of the fact that probably there would be only two or three cases

anyhow, whether the 90-day limit is of sufficient importance to be retained in the law.

The CHAIRMAN. I would certainly want a limit.

Senator SHORTRIDGE. You are directing attention to page 15?

The CHAIRMAN. Yes; beginning on line 15 and going down to line 20.

Senator SHORTRIDGE. Does the amendment seek to put the women on a par or level of equality with the men?

The CHAIRMAN. Yes; and that the House provision has done already.

Senator HARRISON. This House provision is satisfactory as it reads now.

Doctor MCGEE. Yes.

Senator HARRISON. And if it is for them it is satisfactory?

Doctor MCGEE. Yes. And the other, on page 17 of the copy that I have, the Spanish War, I can answer any questions there. When I was in the Army I wrote the section of the reorganization bill which was passed February 2, 1901, and which made these nurses a permanent part in the military service, so that those who served after that time in the Philippine insurrection are always classed as veterans without any question about them. The nurses specified in this bill served prior to that law, and that law was based on that service. Those nurses numbered 1,650, but of that number a large proportion have died, and a large proportion would never apply, for reasons needless to go into here, for hospitalization. The number who are now receiving pensions is about 185. So that the number who might apply for hospitalization may be gauged by that as nearly as I can tell you.

If there is any other information you desire, I will be very glad to give it to you.

The CHAIRMAN. Thank you.

STATEMENT OF GEN. FRANK T. HINES (Resumed)

Senator REED of Pennsylvania. The rest is self-evident until we get down to page 17 in this draft.

The CHAIRMAN. Well, what shall we do about that amendment on page 15, lines 18 to 20? There is no limit of service there.

Senator HARRISON. Well, we are not passing on all these now. We are just having them explained.

The CHAIRMAN. All right, proceed!

General HINES. The next two changes, Mr. Chairman, relate to burial expense on the question between the finding of the Director of the Veterans' Bureau and the finding of the Accounting Office. There has been much correspondence on that subject between the bureau and the Comptroller General's office. I have great sympathy with the Comptroller General, and I must say that we have worked in perfect accord, but I do feel that somebody must be made responsible definitely for a finding under this provision as to what assets are to be counted. The bureau makes a finding and it goes to the accounting office and some member of the staff of the Comptroller General differs with our finding of facts. I feel confident that the cost of the administration back and forth on that finding is more

than any expenditure that would be caused by any error made in the Veterans' Bureau by a finding of fact in the first place.

The CHAIRMAN. Well, one man who tries to do his duty is the Comptroller General, and I think that he should not be hamstrung in any way or lariatied out. I think that his organization ought to have full control as to whether the Government is responsible for the account or not.

Senator WADSWORTH. There are certain limitations now, or the Government, or certain portions of it, break down. For example, the Comptroller General has now been demanding for some time that he be allowed to audit the accounts of the customs service; he has been demanding that all the papers be turned over from the custom-house at New York to his office at Washington, and have them all audited before payment can be made and refunds. There is a limit to this thing.

General HINES. Mr. Chairman, I have nothing more to say than to ask that the committee place the responsibility one place or the other. I feel that there is a duplication of effort, a duplication of time, and all of it costs money.

The CHAIRMAN. Well, under the law to-day the Comptroller General is the one that passes upon those things.

General HINES. No; the intention of Congress heretofore with reference to this has been to make the finding of facts rest with the Director of the Veterans' Bureau.

The CHAIRMAN. Well, why should the Veterans' Bureau be any different than any other department?

General HINES. Well, in this particular case it is a question of determining when a man dies whether he has left sufficient assets or whether the bureau is authorized to pay the burial expense. Now we feel that we are in a better position than any other agency, having to take charge of the remains and the effects in many cases, to determine whether the man has left suitable assets, or whether the accounts should be paid.

The CHAIRMAN. It is not the amount that is involved here, it is the principle of the thing that I object to.

General HINES. That is true.

The CHAIRMAN. If the Veterans' Bureau is to have this why not every other department of the Government?

Senator HARRISON. Well, let us leave this open and go ahead.

The CHAIRMAN. All right, go on.

General HINES. The next is a change on page 17 which includes the organic loss of speech, placing those men on a rating of \$150, which is not equal quite to the highest rating of \$200 for the loss of both eyes and a limb. There are a number of very meritorious cases where men have lost speech as a result of actual battle wounds, and this is designed to take care of those cases. It would be rather difficult for the bureau to say to this committee that every case of loss of speech renders all veterans permanently and totally disabled, because many of them may be able to do something else, but they are a very meritorious class of disabilities, and in keeping with the other provisions of the act, which are liberal, I feel that the bureau can act on them.

Senator WADSWORTH. What are they rating now?

General HINES. Well, they would be rated according to the table, as to the degree of disability without considering that simply because a man had lost his speech that he was totally disabled.

The CHAIRMAN. The best man that I ever had work for me was a weaver in a woolen mill, and he was speechless. There is no doubt about it at all. And it seems to me that there is nothing to do with this.

General HINES. The present rating table rates such disabilities from 12 to 44 per cent.

The CHAIRMAN. I think this ought to be amended. I think it ought to be more than a mere loss of speech. That is, if he is shot up some way in his face so he could not speak, or was disfigured, or something of that kind.

Senator REED of Pennsylvania. I do not think it is a disability comparable with the loss of sight. Now there is a serious one on the next page, General. Line 14, page 18.

The CHAIRMAN. In the third line on page 18 are inserted the words "not less than" temporarily totally disabled.

General HINES. The words up above in line 3, page 18, were inserted in the committee. The bureau was not consulted in that.

Senator REED of Pennsylvania. It does not mean anything.

General HINES. It does not mean anything so far as I can see.

The CHAIRMAN. That is what I was going to say. I could not see that.

General HINES. The next change is an important one. The estimated cost of the change the first year is \$671,580. The second year, \$1,182,480. Originally when the World War veterans' act was enacted, after careful consideration, it was felt that \$20 a month paid to a man who had been declared insane and without dependents was sufficient to take care of the man in the institution. The committee had their attention called to the estates which were being built up for mental incompetents, and the question as to what would be the final disposition of such estates was given very careful consideration, and the bureau felt at that time, and feels now, that \$20 is ample. The service organizations had called to their attention some individual cases, I understand, where \$20 has not, in their judgment, been sufficient. I feel that that change should not be made. The bureau stated before the Veterans' Committee that we had found \$20 ample, and that unless it was shown that there were a large number of cases that it would not be desirable to further increase the amount.

I desire to call the committee's attention to the fact that in many of these cases in addition to the compensation payment there is involved insurance payment running as high sometimes as \$57.50 per month. If a change is to be made I would suggest that only in those cases where there is no estate the amount be increased, because if there is a large estate, from \$6,000, say, to \$12,000, in the case of some of these men who have no dependents, it would seem to me that if \$20 is not sufficient that payment could be made from that.

The CHAIRMAN. The committee will stand adjourned until 10 a. m. to-morrow.

(Whereupon, at 12 o'clock noon, an adjournment was taken until 10 o'clock a. m. the next day, Tuesday, May 25, 1926.)



TO AMEND THE WORLD WAR VETERANS' ACT, 1924

TUESDAY, MAY 25, 1926

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

The committee met pursuant to adjournment on yesterday, at 10 o'clock a. m., in the committee room, 312 Senate Office Building, Senator Reed Smoot (chairman) presiding.

Present: Senators Smoot (chairman), McLean, Curtis, Watson, Reed of Pennsylvania, Wadsworth, Shortridge, Simmons, Jones of New Mexico, Bayard, and George.

The CHAIRMAN. General, you may proceed now with the explanation of the bill.

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

General HINES. Mr. Chairman, when the committee adjourned we were considering the amendment on page 18, line 14, changing the amount payable to insane beneficiaries without dependents, an increase from \$20 to \$30 per month. I had just concluded saying that the bureau in its experience had found that the \$20 in the case of a man without dependents had been sufficient.

The change was recommended by the American Legion, and in the hearing before the Veterans' Committee of the House the bureau stated that "Unless it is shown to the committee that many cases are affected and there is a general lack of adequate compensation under the provision then we would not recommend a change."

The CHAIRMAN. What do they do with this \$20 or \$30?

General HINES. It is used entirely to defray the expense of the beneficiary in an institution for personal needs.

Senator WADSWORTH. Pocket money.

General HINES. Pocket money.

Senator REED of Pennsylvania. Clothing and tobacco.

General HINES. Yes; clothing and tobacco and any personal needs of that kind.

The CHAIRMAN. Well, we do not have an allowance of that amount in the hospitals throughout the country.

General HINES. I am not familiar, of course, with the civilian practice or any other practice. That would be rather a difficult thing to determine. But we have felt that \$20, as far as we have any definite information, would be adequate.

The CHAIRMAN. I think it would.

General HINES. In some of these cases in addition to the amount now paid estates previous to the World War veterans' act had accumulated, and there are funds available. But the cases that seemed to cause the Legion to make the recommendation were certain isolated cases where the \$20 would not cover the entire expense and no estate had been built up prior to the World War veterans' act.

Senator REED of Pennsylvania. The history of that, Senator, you will recall, was that we found in 1924 that many insane veterans without any dependents or near relatives were having \$80 a month accumulate for them as long as they were in the hospital, and there was no possibility of their ever using it and no relative that could ever get it, and yet it was going into their estate, and we cut it down then to the \$20.

The CHAIRMAN. Why I questioned the amount of over \$20 is the fact that I was a director in the insane asylum at home for years and years, and I do not know what you are going to do with more than \$20 unless it is some special case.

General HINES. Of course, much depends on the beneficiary himself. If he is able to go out of the institution it would not be difficult to take him out on rides and trips of that kind and readily expend more than that. But the majority of the cases are those that are not in such shape.

The CHAIRMAN. If we are going to put the figure at \$30 let us say that the amount shall be hereafter not to exceed \$30.

General HINES. I would like to call the committee's attention to the fact too that some of these estates, even though this \$20 has been in effect now since the World War veterans' act, or soon after, amount to \$9,000 to \$12,000.

The CHAIRMAN. Why would this not be the best way out of it, by simply saying: "The compensation for such person shall hereafter not exceed \$30 per month"? I do not see how you are going to spend the \$30 on many of them. Of course, in cases where the man can go out on the street and only is insane at certain periods he would use the \$30. But in the case of a man who is insane all the time and does not know anything about what he is doing I do not know what he is going to do with this \$30.

General HINES. Well, in those cases where the man can be taken out they can readily expend that and more than that.

Senator GEORGE. If you do not fix it at a flat sum you just duplicate the work of the bureau, if you leave it not to exceed. It is better to put it at a flat sum, \$20 or \$25, or \$30, or whatever you think.

Senator REED of Pennsylvania. I have never heard of any case where it was not sufficient. Perhaps these gentlemen here who are more familiar with it can tell us something.

General HINES. The Legion have found cases where they have children, and taxes to pay on property, and things of that kind.

Senator REED of Pennsylvania. Well, if they have children they are not within this paragraph at all.

The CHAIRMAN. They are dependents.

Senator REED of Pennsylvania. If they have a wife, child, or dependent parent then this provision does not apply.

Senator GEORGE. Well, there might be cases where they have taxes to pay, there might be a few such cases. I imagine you can find some extreme cases.

The CHAIRMAN. Well, what does he who has no dependents or relatives do with it?

Senator GEORGE. Well, he might have some property that demanded the payment of taxes.

Senator REED of Pennsylvania. I know, but the theory of this is not a fund that would take care of his estate.

Senator GEORGE. That is true, but I imagine you can find some extreme cases.

The CHAIRMAN. That is why I say not to exceed \$30. Not more than \$30 a month.

Senator GEORGE. If you say not to exceed, every man will want to have it at \$30.

The CHAIRMAN. If you put it at \$30 he will get it anyway.

General HINES. The next change is at the bottom of page 18.

Senator McLEAN. Why not split the difference and make it \$25.

The CHAIRMAN. Let us decide on what we are going to do with this \$30 item.

Senator Wadsworth. We are not deciding it now. Let us continue.

Senator REED of Pennsylvania. Let us not decide now.

Senator GEORGE. We are just tentatively discussing it.

General HINES. That is to take care of the balance that is retained in the Treasury to be paid to the man in case he becomes competent again. The reason for striking out the \$60 is that in some of those cases they are not on temporary total, they are on permanent total, in which the difference would be \$80 instead of \$60, so the House committee has amended it to cover that, and any additional sum that would be legally due him would be paid, and I can see no objection to that change.

Senator REED of Pennsylvania. It would come to the same thing.

General HINES. Exactly the same thing, except it would cover the permanent and total as well as the temporary and total disability.

Senator REED of Pennsylvania. The man who is adjudged to be permanently and totally disabled for insanity is not going to get better anyway.

General HINES. Probably not, although there may be exceptions to that.

Senator REED of Pennsylvania. If the diagnosis is right there could not be an exception.

General HINES. If the diagnosis is right; but we, of course, always have the hope that there would be.

Senator REED of Pennsylvania. Why do you cut out the paragraph on top of page 19? It seems to me that is a good paragraph.

General HINES. That paragraph on page 19 was consolidated in section 21 in connection with guardianship.

The change on page 20 contemplates those cases where in the discretion of the bureau our out-patient clinics—that is, the clinics and dispensaries established in regional offices—are able to take care of the man that we take care of at that point rather than going to the expense of sending him to a hospital. Unless the change resulted in an extension of the facilities, the increased cost would not be material at all as long as it is left discretionary with the bureau to do that and no effort made to continue longer than we would normally the existing facilities, the bureau, of course, is in favor of that change.

The wording "incident to hospitalization" was put in the bill by the committee to indicate that travel would only be furnished such claimants when they were coming to hospitals and not to dispensaries.

Senator REED of Pennsylvania. Now, General Hines, that would mean that any veteran, no matter how well able he was to pay for his medical services, would be entitled to go to one of your establishments and get his teeth fixed.

General HINES. No; I would not say that it should go that far.

Senator REED of Pennsylvania. As it reads it would cover that.

General HINES. Of course we would have to draw pretty strict regulations, and without them we would be in exactly the position that I mentioned, we would be in a position of continuing clinics that much longer. There would be no objection to restricting it by language that would prevent a thing of that kind.

The CHAIRMAN. Yes; if we leave it in the way it is here I can not see any reason why the traveling expenses incident to hospitalization may not be to any place that the veteran may want to go.

General HINES. Well, only for hospitalization. That is in the existing law.

The CHAIRMAN. Well I know, but he may want to take a trip, you know, for miles and miles, and there is nothing here to prevent it.

General HINES. Well, the regulations of the bureau of course are drawn so that he is sent to the nearest institution that is capable of taking care of the particular disability.

The CHAIRMAN. Well, we would think that those would be the regulations, but do they always work out that way?

General HINES. The bureau has tried to draw regulations always to cover such things to be in accord with the intent of Congress rather than to extend the intent of Congress. Of course abuses could be made of almost any legislation unless that was done. If you attempt to draw the provision too tight why then undoubtedly certain cases would be barred that the committee undoubtedly would like to take in. Although I can readily see where in cases of hospitalization or general treatment for the large number of beneficiaries that are not service connected, unless it is carefully safeguarded will lead to a large expense.

Senator REED of Pennsylvania. There has been a great kick on that by the medical associations throughout the country, and you can see their reasons for it.

General HINES. Yes, I understand.

Senator WADSWORTH. This amendment as it reads will accord this privilege to Civil War veterans.

General HINES. Yes.

The CHAIRMAN. All wars.

General HINES. All wars. We took out the words "since 1897," and it includes all of them. That is a desirable change from a Government standpoint, because the nearest Government facility would be used instead of being sent longer distances. In other words, a Civil War veteran may be right in the immediate vicinity of our hospital and willing to go there, but under the present law, it is necessary for him to go to a soldier's Home hospital which may be a thousand miles away.

The CHAIRMAN. Do contract surgeons and contract dentists have that right now?

General HINES. No. We include them in the amendment.

The CHAIRMAN. I mean under existing law?

General HINES. No, sir; they have not.

The CHAIRMAN. Well, why should they be given it?

General HINES. Well, we feel that those men rendered service. The reason that they were placed under contract rather than being enlisted was a matter of the administration of the War Department. So far as service to their country goes many of them rendered equal service.

Senator WADSWORTH. There was no provision of law at that time for them in the Army.

General HINES. Yes.

Senator WADSWORTH. And the Army had its dental work done by contract surgeons who were put under military discipline, subjected to Articles of War, and put in uniform and behaved just like officers.

General HINES. I recall that in my service in the Philippines in the early days some of the best doctors we came in contact with were the contract surgeons.

Senator WADSWORTH. In view of the fact that you are suggesting the out-patient treatment, which is the really new and important phase of this paragraph, would you think it still wise to retain the words in lines 4 and 5 on page 20, "military occupation, or military expedition"?

General HINES. Well, I should think that we should have something limiting there. That has been used in the act right from the beginning.

Senator WADSWORTH. Yes, but that is when the act itself only applied to hospitalization. Now we are moving out to out-patient treatment, which of course is greatly broadening it.

General HINES. It is greatly broadening it, but still it is taking in exactly the same personnel. We have always been dealing with the potential load of the forces that have served either in some war or military occupation or expedition.

Senator WADSWORTH. I had not realized that the veterans' relief was to be extended to men who had taken part in what might merely be termed a military expedition not in time of war.

General HINES. Well, it started almost that way. I believe that was in the original World War veterans' act. The danger of changing language of that kind now would be to upset certain relief that is going on.

Senator WADSWORTH. Yes.

Senator BAYARD. As a matter of fact, Senator Wadsworth, is your question not answered by reading the lines at the top of page 4 "including the beneficiaries under this act"? That would include every class of beneficiary. And then it goes on and provides in the next paragraph on page 4 for outside hospitalization. This in a way is a sort of a duplication on page 20 of that preceding paragraph, so that if it includes all classes, is not your question answered, reading the lines on the top of page 4 and the succeeding paragraph?

Senator WADSWORTH. Yes; I see that it is in the law to-day, but I am wondering if we would not meet the situation if we confined the out-patient treatments to the veterans of wars.

Senator BAYARD. But that on page 4 seems to include all classes of beneficiaries for out-patient treatment.

Senator WADSWORTH. For hospitalization.

General HINES. But pardon me, this first provision, appearing on page 4, commencing line 4, applies to service-connected disabilities.

Senator WADSWORTH. Yes.

General HINES. While the other applies to nonservice disabilities, any disability, but with the limit that it must have been in some war, military occupation, or expedition. But the other is unrestricted, if they have the service disability entirely, no matter where they got the service disability.

Senator WADSWORTH. That is very different, though.

General HINES. Yes.

Senator WADSWORTH. Now, then, on page 20 is a wide-open door for any person who has taken part in any military expedition.

General HINES. That is right.

Senator WADSWORTH. At any time in the history of the Government, if he survives, to get out-patient treatment.

General HINES. This, of course, is adding to what Congress has already given hospitalization for, that class that you have just mentioned, out-patient treatment.

Senator WADSWORTH. Yes.

General HINES. And, of course, the theory on which it is based is that some of these men come to our dispensaries. We are not authorized to treat them there.

Senator WADSWORTH. Yes.

General HINES. The only thing we can do then is to send them to a hospital. We have cases where a few days' treatment, coming in each day, at a dispensary, would probably save a trip to a hospital.

Senator WADSWORTH. I like to see men taken care of, of course, but I can not help realizing, and I think you realize, that this is the most generous thing ever done by any Government on earth in the matter of relief.

General HINES. It is. You can readily appreciate that when, as I stated yesterday, so far we have handled under the general hospitalization provision some 25,000 men.

Senator WADSWORTH. Yes, I know, a good many for injuries not service connected.

General HINES. That is right, and have a load in our hospitals of some 4,200 at the present time.

Senator WADSWORTH. Well, that is all right. We have done that with the Civil War veterans for years in the National Soldiers' Home. All they have to do is to present themselves and say they are not able to take care of themselves and they are taken in.

General HINES. Yes.

The CHAIRMAN. How did you arrive at the cost of this provision on page 20? It seems to me that if the whole bill here is to bring about an outlay of \$7,000,000, why this is going to take a great part of it in the next two or three years.

General HINES. No. It is a rather difficult thing to estimate the cost of this. We contemplate, if it becomes a law, to draw rather strict regulations. It is a provision that it is practically impossible to estimate the ultimate cost of.

The CHAIRMAN. Well, you can not draw any kind of a regulation here to prevent them from taking advantage of the law. The law is wide open.

General HINES. Well, this whole provision, Senator, is discretionary in the bureau. It is not a right.

The CHAIRMAN. You know that does not mean anything. If the law says it, and it is left discretionary with you, why, whenever an application is made they will go.

General HINES. Well, no; I would not say in all cases. I try to exercise some judgment on them.

The CHAIRMAN. Well, I know you do; but you know what would happen.

General HINES. But I try to carry out the same intent as I understand it of Congress in dealing liberally, there is no question about that. That has been the interpretation.

The CHAIRMAN. Well, in my opinion you will have to do it. I do not think there will be anything else that you can do. I think you will have to do it.

Senator WADSWORTH. You will have to comply with the spirit of the act.

General HINES. Oh, yes; no question about that.

The CHAIRMAN. Go on with the next, General.

General HINES. Of course, one phase of it, and I think it is a phase that appealed to the Veterans' Committee of the House more than any other, was the fact that the Government has these facilities, they are run regardless of whether we have a half load or a full load, and as long as they exist and we are in the business of hospital treatment, why then we should take care of these men who are unable to take care of themselves and who would become more or less of a charge on some community, whether it is the United States or the local State or city or community.

The CHAIRMAN. But this will mean, however, that the hospitals that you have got now will remain there for the next 50 years?

General HINES. It will, undoubtedly.

The CHAIRMAN. I do not think there will be any decrease in them at all, whereas if this was not in the law there would be a decrease in the number of hospitals.

General HINES. Well, I feel that this particular provision would not have much bearing on the hospitals, but it would on the clinics that are established in the regional offices.

The CHAIRMAN. Yes; and you will find that it will on the hospitals.

Senator WADSWORTH. How are you defining the term "military expedition" now?

General HINES. Do you remember the interpretation, Mr. Roberts?

Mr. ROBERTS. That is defined by the War Department. They have furnished us with a list of what they consider military expeditions, and we have promulgated that in the form of a regulation setting forth exactly what services constitute these military expeditions.

General HINES. With the limiting dates.

Senator WADSWORTH. Do you happen to remember whether they include only expeditions outside of the continental United States?

General HINES. No; they include the Mexican border.

Mr. ROBERTS. Well, they include some of the Indian wars.

General HINES. And they include some of these mobilizations on the Mexican border.

Mr. ROBERTS. Yes; the Mexican border.

The CHAIRMAN. Take up the next amendment, General.

Senator WADSWORTH. Let me make this observation while it is in my mind. If the Government has the facilities, as General Hines describes, I see no real objection to their being used for out-patient treatment, but it would seem to me to simplify the thing and also to bring it down to a perfectly reasonable basis if we in drafting this bill put in a special proviso for out-patient treatment, leaving the language on page 20 just as it is in the present law, but have out-patient treatment put in a proviso and confine that to veterans of wars.

Senator REED of Pennsylvania. That is a very serious question whether we want to give them any right to out-patient treatment at all.

The CHAIRMAN. It is a serious question.

Senator REED of Pennsylvania. There might be certain out-patient treatment allowed in the discretion of the director, but even that I think is dangerous, because that discretion is always crowded a little bit.

General HINES. This whole provision is discretion, but there is a great deal in what the chairman of the committee has said, of course, and there is no use denying it, that the intent of Congress and the people has been to deal liberally with these men, and the cases that are denied the treatment are very few and exceptional, and I think it is the intent of Congress that they should be.

The CHAIRMAN. Well, if you had one of them in some State that you refused, the next thing that would happen would be that you would have a resolution introduced in the Senate for an investigation of the bureau. Now, that is what you would have. And I would not want that responsibility, and I do not know as you want it. But I do not think Congress ought to pass a law here putting responsibility upon the Director of the Bureau that the Congress itself does not know what is going to happen or what is going to be the result of it. And in my opinion I can only repeat what I have said before, that it will be wide open, and whenever you undertake to restrict it by using your discretion in the matter you are going to get into trouble, or any other man who is head of the bureau.

Senator REED of Pennsylvania. Can we not go along with the next one now?

The CHAIRMAN. Yes; let us go on with the other one.

General HINES. The other changes, including the women who served in the Army as nurses, and contract surgeons, are covered by the provisions previously touched upon in the bill.

The next change is, commencing in line 15, page 20, which provides:

That where a veteran hospitalized under the authority of this subdivision is financially unable to supply himself with clothing, he shall also be furnished with such clothing as the Director may deem necessary.

The CHAIRMAN. Well, why put in the proviso and make it retroactive? I have no objection to it dealing with whatever clothing or whatever appliances are necessary in the discretion of the director, but why make this retroactive?

General HINES. Well, this provision is not retroactive.

The CHAIRMAN. It says:

Provided, That where any such deductions have heretofore been made.

General HINES. Oh, you are speaking of the provision farther over.

The CHAIRMAN. Yes; certainly.

General HINES. There are really three sections or three parts to this change. I am speaking now only of the one contained between lines 15 and 22 on page 20.

The CHAIRMAN. Yes.

General HINES. And the committee should understand that this is rather far-reaching. This is to cover men who were hospitalized under the general provisions of the bill, and where they come into the hospital with, say, summer clothing, they have no other clothing, their hospitalization is completed in the winter, and otherwise without that provision they would be discharged perhaps from the hospital in a Palm Beach suit and a straw hat in the middle of the winter.

The CHAIRMAN. Well, unless he had taken his winter clothes with him or he would send for them.

General HINES. Well, he undoubtedly would have none. We have had many cases where they come in without any.

Senator REED of Pennsylvania. This relates particularly to those veterans who are not getting any compensation. A man we will say develops tuberculosis after the five-year period, no connection with the war. He is entitled to be taken into the hospital simply because he is a veteran, but there is no service connection with his disability, and he gets no compensation at all, and some of them are perfect scarecrows, they are utterly without means of any sort. The Red Cross has been providing them with clothing.

The CHAIRMAN. Yes; I have no objection to that part of it.

General HINES. The bureau before the Veterans' Committee indicated that it was rather a dangerous precedent.

The CHAIRMAN. It is.

General HINES. It was costly. We estimate that it would cost \$20,000 a year. But it has great merit. We thought probably that if we could not safeguard such a provision that we could in some way relieve the Red Cross of other duties in our hospitals and ask them to undertake this sort of thing. But the Veterans' Committee felt that it was really our duty, that we were in the best position to handle it, and have passed the bill.

Senator REED of Pennsylvania. But, General Hines, is it not after all just taking it out of one pocket instead of the other, because under the soldiers home act these same men would be entitled to come into the soldiers home and while they were there they would be given clothing, would they not?

General HINES. Yes.

Senator REED of Pennsylvania. So this really allows the Veterans' Bureau to do what the National Soldiers' Home otherwise would do.

General HINES. Yes.

Senator SIMMONS. This would not apply, General, to any veteran who was getting compensation?

General HINES. No, sir. This applies to the general class that are unable to provide for themselves.

Senator GEORGE. General, does this add to the number of your people? Would it require additional personnel to provide men that would have to furnish, and to procure this clothing?

General HINES. No, sir; we do not anticipate an increase of personnel for this purpose. The clothing would be furnished undoubtedly on contract. We would advertise and receive proposals,

and the medical officer in charge of the hospital would be charged with the particular duty of administering it. That would not add to our existing force in the hospital. There would not be any additional personnel for this purpose.

Senator WADSWORTH. Now the next one is to supply appliances.

The CHAIRMAN. Senator Reed said that this only applies to men who had no pension of any kind.

General HINES. That were not in receipt of compensation; yes, sir.

The CHAIRMAN. Or who were not in receipt of compensation. Well, it says here:

And provided further, That the pension of a veteran entitled to hospitalization under this subdivision shall not be subject to deduction.

General HINES. That provision is one which I will speak on in a few minutes, Senator. That has no relation to this, really. It was put in that section of the bill by the committee on the recommendation of some one besides the bureau. And I am going to ask that it either be put in some other form or stricken from the bill. It is a matter that does not primarily belong to the bureau at all. It belongs to the other departments, the Pension Bureau and the War Department and the Navy Department. There is considerable merit in the change, but I think it probably could be placed in some other section, or a separate section not in any way tied to the general provisions of this section.

The next part of the change commencing in part of line 22, on page 20, and ending with line 8 on page 21, pertains to prosthetic appliances. We have found that in the general hospitalization of veterans we will take a man into our hospital and treat him, furnish whatever appliances are needed for his disability, and discharge him from the hospital. Now without the necessity of coming back to the hospital there are times when these appliances require repairs or replacement. The veteran could come back into the hospital and we would take care of him. But outside of the hospital we have no authority to make those expenditures. We feel that the cost of that item would not exceed \$10,000 a year, and it is very worthy. In that class of veterans, although his disability may not be directly chargeable to the service, it incites probably more sympathy from the public than any other type. They attract attention due to their infirmities and disabilities, and the Government is constantly accused of not properly caring for veterans because some of them appear on the streets at times without their equipment in proper shape.

Senator REED of Pennsylvania. How would you define prosthetic appliances?

General HINES. In our definition of that we have only applied it to that apparatus which is used on the body, and has nothing to do with the dental equipment.

Senator REED of Pennsylvania. It would not include a bridge in the teeth?

General HINES. No, sir; it would not include a bridge in the teeth.

Senator REED of Pennsylvania. It would not include spectacles?

General HINES. No, sir. We have defined those as prosthesis, have we not, Mr. Roberts?

Mr. ROBERTS. The dental equipment is defined as a prosthesis. It is in a sense a prosthetic appliance, but in paragraphs 6 and 9 of

section 202 which provide general hospitalization for service connected disabilities in so far as prosthetic appliances are concerned there is a special provision which reads, "including dental appliances." Now that "including dental appliances" is not used in paragraph 10, and we have always ruled that it does not provide for dental appliances for that reason.

The CHAIRMAN. Now, General, I said that this was retroactive. Beginning in line 15 it says:

Provided, That where any such deductions have heretofore been made, the Director of the United States Veterans' Bureau is hereby authorized and directed, out of any current administrative appropriations, to reimburse such veterans in an amount equal to such deductions.

General HINES. Yes.

The CHAIRMAN. That is retroactive.

Senator REED of Pennsylvania. That relates back to deduction as used in line 11 on page 21, does it not?

General HINES. Yes. The next proviso appearing on page 21.

The CHAIRMAN. Well, wait a minute. Does it relate to line 11 or does it relate to the first section of this amendment?

General HINES. We have interpreted that it only applies to the proviso commencing there on line 8 and extending down the rest of page 21 to line 5 on page 22. And that relates to the deduction made in the case of men going into hospitals who are drawing a pension. Veterans of wars, the Spanish-American War, for example, that go into St. Elizabeths Hospital and are in receipt of a pension, part of that pension is deducted and applied for their hospital treatment, hospital care. I think one-sixth, as I recall, is the amount retained. The balance applies on their care. In the case of World War veterans, as the committee knows, no deductions are made. They go into our hospitals and are cared for and they draw their full compensation.

Senator REED of Pennsylvania. The same with Civil War veterans.

General HINES. The same with Civil War veterans. Now, this amendment was put in by the committee. The bureau did not recommend it. And we feel that if the committee is in accord, and this is to remain in the bill, that the Veterans' Bureau should not be called upon to make these reimbursements retroactive payments, but that the department concerned, if the Congress determines that the retroactive payments should be reimbursed, should make the reimbursement.

The CHAIRMAN. We have a pension bill now before the Senate. Why not put this whole thing in the pension bill rather than in the veterans' act?

General HINES. That is properly where it belongs, isn't it?

The CHAIRMAN. Certainly.

Senator JONES of New Mexico. You mean, General Hines, in the matter of those two provisos there?

General HINES. Well, all except one word on line 8; it starts with "and provided further, that," and extends down to line 5 on page 22.

Senator WADSWORTH. May I ask one question in this connection, and probably the answer is obvious, but I want to be perfectly clear about it. In the National Soldiers Home the management in a good many cases, in order to protect the veteran and his pension, withholds from that veteran a portion or all of the pension month by month.

Those cases are ones in which it becomes apparent to the management that the veteran is wasting it—

General HINES. Yes.

Senator WADSWORTH. And letting it go in such fashion as really to injure him and to destroy the usefulness of the pension. Now, in those cases where the management withholds in whole or in part that man's pension month by month, of course when he leaves the institution they turn it over to him as it has accumulated. By any chance would the word "deduction" be construed to include a process of that kind?

General HINES. I doubt it. I think the comptroller would recognize that that is just a retention of the pension and not a deduction actually made.

Senator WADSWORTH. You see it says, "shall not be subject to deduction" for any purpose "incident to hospitalization." I imagine it would not.

General HINES. I doubt it, although there is a chance there. It is certainly a withholding incident to hospitalization.

Senator WADSWORTH. Yes, it is.

Senator GEORGE. That is not a deduction.

General HINES. But the deductions are where definite action has been taken and it is permanent in its effect.

Senator WADSWORTH. Permanent in its effect.

The CHAIRMAN. I doubt that it would be a deduction because of the fact that it has got to be paid back to him.

Senator REED of Pennsylvania. General Hines, clearly the Spanish war veterans are discriminated against as compared with Civil War or World War veterans by this deducting process.

General HINES. Yes. As I said, I think there is great merit in it, but I am wondering if it puts the responsibility for administration where it belongs.

Senator REED of Pennsylvania. Well, now, this accomplishes a double purpose. First it ends that discrimination, and I suppose we all agree that ought to be ended, and then the last proviso operates to appropriate to those men the amounts that the Government has charged them in the past. It occurs to me that we might leave in the provision beginning on line 8, and that we might leave for a pension bill the appropriation to them of the sums that have been collected in the past.

General HINES. I think that would be desirable. The committee can readily understand what it would mean to the director of the bureau. In the first place, this would be an authorization for an appropriation. To get the basic data would require the bureau to go to the departments that have made the deductions and get the data and then appear before the committee and defend the action. The departments concerned, I am sure, are in much better position to do that than I would be. And the Appropriation Committee would probably feel that the proper department should come for the appropriation rather than the bureau.

The CHAIRMAN. I feel that all of that beginning with line 9 down to and including line 5, on page 22, ought to go into the pension bill.

Senator WADSWORTH. Shall we go on to the next?

General HINES. The next change is in line 6, page 22, and the words "or territories" are simply inserted there to cover the Territory of Alaska.

The next changes appear on the same page, commencing with line 24, striking out certain words and inserting a definite per diem. The existing law authorizes the bureau to furnish to a man called for examination to one of our regional offices, or any point where we call him for such examination or observation and treatment, his traveling expenses—that he be given his traveling expenses, transportation, and covering any loss of wages that might result by that man being called away from his work.

We have found in the administration of the act that there are many cases where the determination of a definite loss of wages is very difficult. For instance, suppose a man operating on a farm were called in for examination, it would be hard for him to show a definite loss of wages. The comptroller has felt that the present law requires a definite determination of loss of wages. So it has been suggested that in lieu of that a definite per diem be paid, and this rate given, which amounts to about \$80 a month, the bureau feels is fair, and the administrative cost now necessary to determine an actual loss of wages would be greatly simplified by this per diem, and for that reason we are in favor of it.

Senator REED of Pennsylvania. That is the same rate that he would get if he were hospitalized?

General HINES. Exactly.

The next changes appear on page 23, section 11, commencing in line 11, and also extending over on the other page down to and including line 18. The language stricken out is very important, and covers the limitations placed by Congress on the World War veterans' act. That limitation in which a claim can be filed and evidence presented.

The bureau's position on the sections which are stricken out is simply this, limiting statutes of this kind are solely within the discretion of Congress. Congress has heretofore indicated that they desired limiting dates. And it does not appear to me as Director of the Bureau that I should comment further than to call attention to just the effect of such a change, because if Congress desires to have no limitation of the awarding of compensation or the filing of claim, why then it is the bureau's business to carry out that policy. Heretofore they have had a limiting date on all the legislation, and this is the first time that a change has been indicated. And it is contended, as I understand it, and we must concur in that contention, on the part of the service organizations, that there will always be cases just as meritorious as those that have been filed that with a limiting date would be barred from consideration. They feel that the department should be able to segregate a good claim from a bad one and decide without any limitation. We have found in our experience that in extending the time for filing claim that there has been always a very definite cost attached to those extensions. For instance, the World War veterans' act extended further the filing of claims, and carrying that into effect we have found to be a considerable cost. We estimate therefore that if these two sections are stricken out; that is, sections 206 and 209, that the increase for the first year would probably run as high as \$671,580; the second year, \$1,182,480.

Senator REED of Pennsylvania. Now, is there not some confusion there? Those are exactly the same figures that you gave for the change from \$20 to \$30.

General HINES. Are they exactly the same?

Senator REED of Pennsylvania. Yes; they are the same on the insane men.

General HINES. In the case of the insane men it was \$672,600.

Senator REED of Pennsylvania. The figures as you gave them, and took them down, were for the first year, \$671,580 and for the second, \$1,182,480. Give us the correct figures of that change from \$20 to \$30 in the case of the insane men?

General HINES. \$672,600 both years.

The CHAIRMAN. \$672,000 for both years?

General HINES. Yes, sir.

Senator REED of Pennsylvania. For each year.

General HINES. For each year. Now the next change appears on page 25.

Senator JONES of New Mexico. General Hines, I would like to ask you what would be the effect regarding one phase of section 206 if stricken out. It is required now that the death or disability must have occurred prior to or within one year after discharge or resignation from the service. Now to strike that out would have what effect?

General HINES. Section 206 and section 209 relate to the time in which proof of service connection may be submitted or a claim for benefits may be filed. The limitation now is that the claim must be filed within five years, with the discretion left in the director of extending it for good and sufficient reasons two years further. So in other words, a man who has a disability could file a claim within seven years from the date of his discharge.

Senator JONES of New Mexico. Well now, a claim for what kind of a disability as to the time of its occurrence?

General HINES. For compensation.

Senator WADSWORTH. Service-connected disability.

General HINES. Service connected.

Senator GEORGE. Total or partial?

General HINES. Total or partial.

Senator JONES of New Mexico. But the disability must have originated in the service and be service connected?

General HINES. Yes.

Senator JONES of New Mexico. And striking out this would not change that phase at all?

General HINES. Striking this out would not change that phase at all. It would simply leave without any limitation the date that the veteran could file a claim.

Senator JONES of New Mexico. But the foundation of the claim must have merit.

General HINES. The foundation of the claim must have merit.

Senator JONES of New Mexico. And have occurred in the service.

General HINES. Yes.

Senator REED of Pennsylvania. You see this seven-year statute of limitations is now beginning to come down on the cases. It is seven years from date of discharge. Most of these men, of course, were discharged in the early spring of 1919, and the seven years is just about

expiring now. A man who neglected to file his claim up to this time would be barred by this.

Senator JONES of New Mexico. Now this reads:

That no compensation shall be payable for death or disability which does not occur prior to or within one year after discharge or resignation from the service
* * *

Now that repeal does not relate solely to the time of filing the claim, does it?

General HINES. No; it relates to the type of evidence. In other words, they have to file evidence within the limitation fixed by 206, but it wipes out all the limitations, either of the filing of the claim or the time of gathering the evidence.

Senator JONES of New Mexico. But the effect of this, as you say, is simply to repeal the period of limitation?

General HINES. That is right.

The CHAIRMAN. That is found in section 209, on the next page.

Senator JONES of New Mexico. If that is all, all right.

The CHAIRMAN. But it would cost us each year thereafter, or does the two years you have there wind it up?

General HINES. I think the cost will be continuous, but not so large. I think the cost will be less from year to year. I have some data here, if the committee desires it, showing the claims filed year by year, without burdening the record too much.

Senator WADSWORTH. You mean new claims?

General HINES. Yes; new claims. There is a statement here which I will introduce in the record, if agreeable to the committee, as follows [reading]:

Compensation claims have been filed at the following rate:

To July 1, 1920.....	435, 488
Fiscal year 1921.....	212, 083
Fiscal year 1922.....	191, 018
Fiscal year 1923.....	79, 281
Fiscal year 1924.....	40, 477
Fiscal year 1925.....	43, 001

Based upon the experience of claims filed to date during 1926, it is estimated that approximately 32,600 claims will be filed during the fiscal year 1926.

So you see there is a gradual dropping off as we get further away from the war.

Senator WADSWORTH. What is the total number of claims?

General HINES. I do not know exactly, but I can tell you something over a million claims have been filed, and our experience has indicated that approximately 50 per cent of the claims that are filed are allowed in some form or other; not always as filed.

Senator JONES of New Mexico. General, is it not reasonable to suppose that the large numbers were filed because the period of limitation existed, and perhaps they would not come in so rapidly if the limitation were removed?

General HINES. I think there is something to that, Senator. It may appear remarkable to the committee, but it is true, as I know from experience, that there are veterans in many places to-day who are not familiar with the benefits granted by the World War veterans' act.

The CHAIRMAN. Then they do not go to the movies, but live outside where there is not a newspaper.

General HINES. There are many reasons, but it is a fact.

The next one is on page 25, lines 10 and 11, "This proviso to be effective as of April 6, 1917." The World War veterans' act attempted to correct the question of taking care of men who were really in receipt of service pay but to the extent of only a dollar or three dollars—a very small amount—for example, those men who served in the Naval Reserve. They inserted the word "active" after "service," believing that would correct the situation. But we find that unless this proviso is made effective from the date of the World War veterans' act, April 6, we will not be able to take care of those.

The CHAIRMAN. That date is not the date of the World War veterans' act; that is the date of our entering the war.

General HINES. Yes; that is the date of our entering the war. The World War veterans' act was afterwards. But I mean we are only able to take care of those from June 7, the date of the World War veterans' act.

The next change commences on line 15, page 25, and is designed to provide a method of rating cases where compensation is due, and intended to preserve in the World War veterans' act where certain benefits had been awarded. The World War veterans' act limited the benefits between the dates April 6, 1917, and July 2, 1921, the period of the war, and we are now reviewing cases that come up for rerating that have rights under section 602 of the World War veterans' act, and the question arises as to what table of disability should apply; and this amendment authorizes the bureau to take those cases under the rating built up under section 202, paragraph 4, of the act. It will simplify administration in the handling of these cases.

The next change appears on page 26, line 13, with reference to granting insurance to men now entering the service—this change simply changes the period in which they can apply for insurance from 120 days to one year. This change was not recommended by the bureau, but by the Navy Department, or one of the departments. The bureau feels that no change should be made in the insurance law in that respect, for the reason stated generally yesterday that the fewer changes you make in the law the better off we will be. Mind you, this covers the men who are actually now in the service of the Army or Navy or Marine Corps, and I can not see any sufficient reason why 120 days is not sufficient time for a man to apply for Government insurance if he wants it. Whenever you extend that period you necessarily extend further the chances of taking on a poor risk.

Now, the next proviso commences on line 15, page 26, and is intended to cover officers of the reserve forces who are in training camps, both Army and Navy, who apply for insurance and paid their premiums. We have no way of telling how many cases there are until they come up, as we pull them out of the files; and this proviso makes their application and the payment of premiums an authorized application within the law. I think that is meritorious and that they should have that privilege.

Senator WADSWORTH. Those applications came from men before they received their commissions?

General HINES. Yes; they were in the training camps, and many of them did not receive commissions.

Senator WADSWORTH. It says, "Any member of the reserve forces."

General HINES. This would then cover those men who were in training camps after the war, too.

The CHAIRMAN. I think we have about two or three special bills along that line.

Senator REED of Pennsylvania. I think in that connection it should be explained that there are now perhaps a dozen war-risk insurance claims that should be taken care of in a special bill. I think perhaps an omnibus bill might be passed to take care of them. Senator Curtis has one where the situation is that under the law of Kansas a veteran who left an informal will, a letter, appointing his fiancée as his sole heir, the informal will was not valid under the laws of Kansas. In some of the States it might have been recognized. Senator Edge has a case of a man who kept up his premiums faithfully until his age changed, and then he wrote to the bureau to find out what his new premium rate was. He wrote several times, in fact, and his letters were not answered. It was under the Forbes régime down there, when no letters were ever answered responsively. Then the man died. He was making a reasonable effort to keep up his insurance.

There are several cases along that line that I hope we can take care of by a special bill, perhaps an omnibus pension bill.

Senator WADSWORTH. Are there any in here?

Senator REED of Pennsylvania. Yes; I think several cases would be covered here.

The CHAIRMAN. I think, Senator Reed, this would cover it, and that is what this was put in here for.

Senator REED of Pennsylvania. This would not cover Senator Curtis's case, or Senator Edge's case.

Senator WADSWORTH. General Hines, I am somewhat confused. Just what is the significance of this particular proviso? What provisions are there to-day for a reserve officer who makes application for insurance while he happens to be in a reserve officers' training camp in the summer time?

General HINES. If I may ask you to let Mr. Roberts answer that question, Senator, because he has made a special study of that.

Senator WADSWORTH. Yes.

Mr. ROBERTS. These officers are called into the service for active duty by the War Department. The Comptroller General has ruled that a training period of 15 days or less, can not be considered active service; if the training is for more than 15 days, either at a station or a camp, it will be considered active duty. The insurance provisions provide for insurance for men entering the active service. Consequently, these men, after having been in the service 15 days, have the right to apply for insurance. Those whose period is for less than 15 days, have not the right, under that ruling. The bureau has always taken the position that the period of service did not govern, and that if a man was called into the service actively it was active service for the purpose of granting insurance. We granted insurance to those men on their application, and there is nothing to identify that they made application while they were members of a training camp; consequently, they are paying premiums to-day on the theory that they have insurance. Now, as these men die, and as we make investiga-

tions, we will discover that their applications were made during the time they were in training camps. We now have two or three cases that will come in under a bill such as Senator Reed suggests.

Senator REED of Pennsylvania. What warrant is there for the Comptroller General's ruling? There is nothing in the law to authorize him to rule that way.

Mr. ROBERTS. As you understand, Senator, the Comptroller General suspends payments if he does not approve an award.

Senator REED of Pennsylvania. That is true, but these insurance claims are subject to a suit.

Mr. ROBERTS. But a suit of that sort has never been brought. Until it is brought we will have to suspend payment under the ruling of the Comptroller General.

The CHAIRMAN. Do I understand that if a man serves one day at a training camp he is entitled to make application for insurance?

General HINES. He would be, under this provision.

The CHAIRMAN. If he remained there only one day?

Mr. ROBERTS. He would be under this, if he served only one day, but not under the Comptroller General's ruling. This is a validating statute. It does not apply to applications made in the future.

Senator WADSWORTH. Does the Comptroller General's opinion take care of the future?

General HINES. Yes; sooner or later, unless there is legislation which will validate these cases, we will have a test case in court.

Senator REED of Pennsylvania. This applies to the whole system of insurance. Up to this point we have been considering objections to this whole system of insurance now in effect.

The CHAIRMAN. Yes.

Senator WADSWORTH. Is there any provision in the insurance law making National Guard officers eligible for insurance?

General HINES. Not National Guard officers as such. They have to enter the active military or naval service.

The CHAIRMAN. From line 16, on page 27, that will all go out, down to page 32, line 21.

General HINES. That was passed.

There was a part of the proviso we were considering, on page 27, that is on the second line, beginning with "*Provided further*" that I wanted to speak about. That provides for the officers of the Coast Guard to be taken into the provisions of the insurance act.

Senator WADSWORTH. Is there a reason why they should not be?

General HINES. The principal reason is that they are a part of the Army or the Navy, both in peace and in war they operate very closely with the Navy, and they feel that their claims as such merit the same consideration as the Army and Navy.

Senator WADSWORTH. They regard themselves as an adjunct of the Navy Department?

General HINES. Yes; they regard themselves as an adjunct of the Navy Department.

Senator REED of Pennsylvania. The Senate bill which provides the same as pages 28 to 32 of this bill was reported out yesterday by the House Veterans' Committee, and I am told it will be passed to-day. They have arranged for recognition at noon to-day on that bill.

The CHAIRMAN. So I understand.

General HINES. The next change begins on page 33, commencing on line 19, and that matter has been corrected by a recent decision of the comptroller, just received a few days ago. The purpose of that was to correct what we felt was really an oversight in the law to take care of minors to whom we had not made payments, although a part of an award of insurance had been made and we were retaining the payments until the minor became of age. We submitted the question to the comptroller, and in a decision dated May 20, 1926, the comptroller holds that we can make these payments even though the language of the act of March 4, 1925, which authorizes lump-sum payments, seemed to restrict us. So that there is no necessity for that amendment on page 33 of the bill. If the committee desires, that decision can be entered into the record, but the substance of it has been stated.

On page 34, line 18, the word "amendatory" is inserted, and that, of course, would be to keep the reinstatement provisions in line with the extension of one year granted in the bill which the committee reported a few days ago, and which passed the Senate.

Senator REED of Pennsylvania. That revived the privilege of reinstatement?

General HINES. That is right. In other words, it extends that privilege one year from the date of the amendatory act.

Senator REED of Pennsylvania. What is your opinion as to that?

General HINES. I think it should be put in.

On line 23, there is no reason why the words "provided further" should be in capitals, so far as I can see.

On page 35, on line 11 is a proviso which, in effect, would enable the reinstatement of insurance by the charging of back premiums with 5 per cent interest compounded annually against the face of the policy.

Senator REED of Pennsylvania. That was suggested last year, was it not?

General HINES. Yes, sir. Of course, the bureau has no objection to that if Congress still further desires to extend the benefits of insurance; but it is not sound from insurance principle. In other words, you are granting insurance to men without the payment of premiums, simply by charging the obligations against his policy. And that will, in effect, become quite expensive.

The CHAIRMAN. What would it cost?

General HINES. There is no way of telling, Mr. Chairman, off-hand. The main cost, of course, comes in taking on risks that we would not otherwise probably take.

Now, the next change appears on line 6, page 36, and that, of course, should be in keeping with whatever final bill is passed by the House with reference to the extension of insurance.

Senator REED of Pennsylvania. The House will extend it to July 1, 1927, in the bill reported yesterday.

General HINES. Then this change would be exactly in line with that.

Senator REED of Pennsylvania. It seems reasonable to make it that, because they have been slow in acting on it.

General HINES. Page 36, commencing on line 11, section 305. The section referred to there is the one that authorizes reinstatement of insurance whenever uncollected compensation is sufficient

to pay the premiums, and until reinstated such insurance is the amount of compensation divided by the premium rate. In theory the section means this: That if a man had received his compensation he would have paid his premiums and reinstated his insurance. Now, that section, in operation, is one of the most expensive sections in the insurance act. There could be no doubt but what many of these men are examples of meritorious cases where the Government would desire to have insurance reinstated for the care of their dependents particularly. But in the administration of this act we have found that, due to the wide extension from time to time of the permitted class, that we have established a great incentive for members within the permitted class, not immediately connected with the family of the veteran to make efforts to reinstate his insurance by having the claim for compensation reviewed, and presenting evidence showing that instead of being entitled to 10 per cent disability between certain dates, he was entitled to 15 or 20 per cent disability.

That leaves a certain amount of uncollected compensation due him. That applied would reinstate the insurance. Carrying the thing on through to its final conclusion, it would result probably in a lump-sum payment to the estate or to those relatives. The bureau feels that 305 should be limited to the immediate family of the veteran. In other words, many within the permitted class are now receiving benefits that the veteran himself would not be willing that they should have. So this change on page 37, taken with the change on page 36, contemplates that the claim will be paid solely to the insured, his wife, child or children, and his dependent mother or father, and it wipes out a large permitted class. The saving in such a law, if made retroactive, as we feel it should, will cover any extensions that will be brought about by any further extension of the bill passed by the Senate. We suggest that the word or words on page 37 be inserted to make that read: "Provided, that insurance revived or revivable under this section," etc. In other words, that would then cover the cases of awards that have been made outside of this class.

Senator REED of Pennsylvania. It would enable you to go back and collect?

General HINES. No, sir; we would be unable to collect, but we would accept payments further than to this class.

Senator REED of Pennsylvania. The permitted class goes as far as brothers-in-law and sisters-in-law?

General HINES. Yes, sir.

Senator REED of Pennsylvania. And if, after he has died, they can go back and show that he was a shade more disabled than he was receiving compensation for they can file a claim for increased compensation and revive the insurance.

General HINES. For the information of the committee, I will say that to date lump-sum payments of term insurance under section 303 of the act have resulted in 3,732 awards, the total insurance involved being \$20,273,825.

Insurance has been revived under section 305 in 11,127 cases, the total insurance involved being \$78,684,405.

Senator REED of Pennsylvania. Do you see any objection to the language on line 11 of page 36?

General HINES. That language will cover a decision of the comptroller, where he has held that insurance can not be revived where the beneficiary has canceled or reduced his insurance.

Senator REED of Pennsylvania. I do not see any difference, in principle, between that case and the case where he has merely allowed it to lapse.

General HINES. No; but we feel that since the comptroller has so construed the law we had better insert this language to protect this legislation.

The CHAIRMAN. Now, section 308.

General HINES. Section 308 simply has this effect: The bureau, by regulations, grants a grace period in which premiums can be paid, for 30 days, or 31 days. After that we grant a further period wherein a policy can be reinstated by the payment of one premium and the furnishing of a health certificate. This proviso extends that so that there is no limitation as to the furnishing of the health certificate.

Senator REED of Pennsylvania. It simply adds another month of grace to the grace period you allow.

Mr. ROBERTS. Provided the man pays the premium in the month following the grace period.

Senator REED of Pennsylvania. Why extend that? Had we not better let this stand?

General HINES. That was inserted by the committee without our recommendation about it. The bureau has not made any recommendation about it. It probably covers some meritorious cases, and the question is whether it should be coupled this way, or be in a special bill.

Mr. ROBERTS. One of the cases that this amendment is supposed to take care of was the case of a man who remitted his premium during the month following the grace period, and he was in the required health. He furnished no statement of that sort, and before the statement could be secured from him he was accidentally killed. The contention was made that in view of the fact that the man was in the required state of health and could have furnished the statement or certificate, that the reinstatement should be allowed.

Senator REED of Pennsylvania. I think that should be taken care of by a special bill.

The CHAIRMAN. So do I.

General HINES. The next section is section 309, page 38, line 12. This further extends the provisions of reinstatement of insurance that I have addressed the committee on. And in theory it means that if these men have collected the \$60 bonus they would have reinstated their insurance. The bureau does not feel that we should further extend these provisions.

Senator GEORGE. Would this affect many cases?

General HINES. I do not know how many cases, Senator.

Senator GEORGE. Are there many cases in which the \$60 bonus has not been collected?

General HINES. There may be a number. We have no way of telling. In theory we feel it is not good insurance practice to couple reinstatement of insurance with compensation of this kind.

The next and last change is that with reference to section 406 relative to vocational rehabilitation. The effect of this amendment is to continue in placement training those men now in placement

training, or who will be in placement training on June 30, until January 1, 1927; and to continue in educational training those men who would be in the institutional schools or colleges on June 30, 1926, for a period of not exceeding two years, to complete their courses.

Senator REED of Pennsylvania. It runs into a lot of money?

General HINES. Yes, sir.

The CHAIRMAN. How many extensions have been made before?

General HINES. How many extensions?

The CHAIRMAN. Yes; on this training.

General HINES. I doubt if any extension has been made since the World War veterans' act. That carried forward the period of training to June 30 of this year.

Senator REED of Pennsylvania. It has always been the same?

General HINES. Yes, sir.

The CHAIRMAN. I thought there was one extension.

General HINES. No, sir; I do not recall any.

Senator WADSWORTH. Would this, in effect, continue the educational training until 1928?

General HINES. Yes, sir. The cost, as the Senator suggests, would be considerable.

The bureau feels this way regarding those men who have not completed their training or who have been prevented from completing their training. The theory of the vocational rehabilitation act was to take these men who, through service disabilities were unable to take up again their pre-war occupation, and train them for a new occupation so that they could carry on. Many men went into training, of course, that did not wholly meet the specifications of that act. In other words, the administration of it was generous. There are men who through real service disabilities up to this time have not been able to take up training. That is, their physical condition has not been such as to permit their taking up training. And the bureau has felt that in those cases they should be given the same opportunity as their comrades who have been able to enter training. We do not feel, however, that that should be necessarily an extension of the vocational rehabilitation act, but that the director should be given authority to cover simply the cases where the man had a service disability, that service disability prevents him from taking up his pre-war occupation and it is necessary to train him for a new occupation. We feel that we should take care of that class of men; and we estimate there probably would be 900 or 1,000 of them.

This provision will carry into training, we estimate, approximately 3,000 men, among them who undoubtedly have a very strong moral obligation for the Government to complete what they have started. That is, those men who have undertaken college courses and courses in institutions. Those men in placement training, the policy now is to place them in jobs as rapidly as possible. We have reduced the number since 1923 from 93,000 to 8,000 men; but we will have, on June 30, between three and four thousand men who will be entitled to the provisions of this act.

I have an amendment which the bureau suggested that I believe covers the meritorious cases, and I offer it for the consideration of the committee if they feel that this section should not be continued.

Senator JONES of New Mexico. Is it a substitute for this?

General HINES. Yes, sir.

The CHAIRMAN. Is it a substitute, or an amendment to it?

General HINES. It is a substitute for this provision in this amendment. This is section 406, as follows [reading]:

Notwithstanding the limitation dates in the preceding sections of this title, any person who has entered training under section 400 of this act and whose training shall not have resulted in employability on or before June 30, 1926, and who shall subsequent to June 30, 1926, in the opinion of the director, be in need of additional vocational training to overcome the handicap of an existing service-connected disability not the result of his own willful misconduct which prevents successful employment in any occupation for which he is otherwise qualified and trained, shall be provided with such additional vocational training as may, in the opinion of the director, be necessary to render him employable and shall receive while following such training, the maintenance and support allowance provided by sections 401 and 404 hereof.

Further, any veteran otherwise eligible for training under section 400 who, by reason of a service-connected disability, was unable to enter training on or before June 30, 1925, and who, in the opinion of the director, is in need of vocational rehabilitation to overcome the handicap of an existing service-connected disability not the result of his own willful misconduct, shall be furnished by the bureau, where vocational rehabilitation is feasible, such course of vocational training as the bureau shall prescribe and provide and shall receive while following such training the maintenance and support allowance provided by sections 401 and 404 hereof.

Senator REED of Pennsylvania. Why would not that be broader than this?

General HINES. No, sir; I think that limits it to the actual service disability, and a disability resulting in a service-connected handicap. We have in training now men whose disabilities have disappeared.

The CHAIRMAN. I may not have caught the full import of that amendment. It seemed to me that amendment was very much broader than the amendment here.

General HINES. This amendment is nothing more than I stated. This would limit the training after June 30th to those men who have service disabilities which resulted in a handicap preventing the taking of training, and prevents them from taking up their pre-war occupation.

Senator REED of Pennsylvania. That is the theory of the whole vocational training act.

General HINES. Yes; but there are men now who, if you examine them, have no disability. I would not be in favor of including those men.

The CHAIRMAN. Is there any limitation as to when it shall cease?

General HINES. No; there is no limitation on that.

Senator GEORGE. No fixed date?

General HINES. No, sir.

The CHAIRMAN. Should there not be a fixed date?

General HINES. I did not feel a fixed date was necessary. I felt this was an amendment that would clean up the load; no more men would enter training after this, and it would be a case of cleaning up with these men.

Senator SHORTRIDGE. May I ask this question: This applies to those men who have started training?

General HINES. Yes, sir.

Senator SHORTRIDGE. But those whose training has not been completed?

General HINES. Yes, sir.

Senator **SHORTRIDGE**. And, secondly, those who have not been able to take up training?

General **HINES**. Yes; due to hospitalization, but for no other reason.

The **CHAIRMAN**. Gentlemen, General Wood is here and desires to leave the city, and I want to give him an opportunity to be heard before we adjourn.

Senator **REED** of Pennsylvania. I have here a suggested amendment by Mr. Johnson, of the House committee——

The **CHAIRMAN** (interposing). I would like to have General Wood heard before we adjourn.

Senator **REED** of Pennsylvania. I want to get in this single question. Mr. Johnson, for the House committee, has suggested that we put in a certain amendment, with a provision about the Edward Hines, jr., Hospital, Broadwell, Ill.

Senator **HARRISON**. Mr. Chairman, Congressman Rankin, of my State, is here and wants to say a word.

Representative **RANKIN**. I have one or two short amendments I would like to call your attention to, if the committee desires to hear me at this time.

The **CHAIRMAN**. We will hear you at this time, but I desire to have an opportunity for General Wood to get through before we adjourn, because he wants to leave the city.

STATEMENT OF HON. JOHN ELLIOTT RANKIN, A REPRESENTATIVE FROM THE STATE OF MISSISSIPPI

Representative **RANKIN**. Now, since this Edward Hines matter has come up——

Senator **REED** of Pennsylvania (interposing). It only came up by suggestion of the chairman of the House committee.

Representative **RANKIN**. If the committee treats the subcommittee of the committee of the House with proper courtesy, it will not come up at all. We have a subcommittee of the committee of the House, and we have not made our report to the full committee, and the full committee has not passed on it. And the chairman of the Veterans' Committee to go over the heads of the committee whom he has referred it to, I suggest, would not be a proper thing to suggest if we are not permitted on the floor of the House to offer amendments, to it.

Senator **REED** of Pennsylvania. I do not know anything about that.

Representative **RANKIN**. I know that, Senator, but I happen to be on that subcommittee, and I just dropped in to call your attention to an amendment that Captain Browning, of Tennessee, and I opposed very much, and we were not permitted to oppose it on the floor, because it was brought up under a special rule. And that is the amendment, beginning on page 4, with reference to the guardianship matter. I am glad General Hines is here, because I believe that he will agree with me, largely, in my opposition to this amendment. And my opposition is this: In the first place, the only real serious objections that developed were in the District of Columbia, and if you will take Congressional Record of May 9, you will find that this man Fenning has been getting about \$6,000 a year from the disabled veterans in St. Elizabeths Hospital, without rendering any service whatever to the men concerned.

I make that statement advisedly, and I think the record will show that. And this desire on my part is to correct these abuses here in the District of Columbia. And I think this bill does not go far enough. So far as I am concerned I would make General Hines, or the Director of the Bureau, the guardian of these men, and this does not go far enough for that purpose. We are legislating here not only for the benefit of the veterans, but we are the legislature for the local government of the District of Columbia, but this bill here, in addition to providing for taking care of these men, makes a sweeping stroke at every State code in the Union, and reaches out with the hand of bureaucracy of the National Government and reaches into every court and into every home that is effected in these matters.

Now, the provision, in my judgment, is unnecessary, so far as the State courts are concerned. There are only one or two cases in the State courts where any improper conduct has been brought to the attention of the committee. Those instances can be corrected by bringing that matter to the attention of the authorities in those States. But instead of that, here is a sweeping amendment—it is on page 6 of this bill—a very sweeping amendment which gives power to certain parties in the Veterans' Bureau to reach out and improperly control these guardianships.

Now, not only with respect to the compensation, but I will go a step farther and show you where I think any lawyer will agree with me that it is unconstitutional. Just to take a personal illustration: I carry \$10,000 insurance in the Veterans' Bureau. I have a wife and one child. If I should die my wife would be, so far as that insurance is concerned, under the control of the representative of the bureau, and they could control her action with reference to that insurance, and they have no more right to control that action than an old-line insurance company would have to control the life insurance that is paid by any old-line company.

I think the amendment, so far as the State courts are concerned, is unnecessary. I think it is a reflection on those courts. I think it is an extension of bureaucracy which is unnecessary. I think it is unloading on General Hines a weight of responsibility that I understood he did not want. He certainly is not asking for it. He is not asking for this drastic step. I want to ask the Senate committee to take it up as lawyers, and as responsible representatives of the Government, and investigate it thoroughly.

Senator JONES of New Mexico. You would like to limit this to the District of Columbia?

Representative RANKIN. Limit it to the District of Columbia. General Hines is here, and I will say, with all frankness, that I have the utmost confidence in General Hines, which I think he knows, and I think he will agree with me that it should be limited.

Senator JONES of New Mexico. Then after the word "that" on line 22, you would insert "within the District of Columbia"?

Representative RANKIN. Yes; and strike out the rest of it. Make it cover the District of Columbia. And then you might consider whether or not you could make it more drastic here. Here is where the trouble lies, in the District of Columbia.

The CHAIRMAN. Thank you, Congressman.

Now, General Wood, we will hear you.

STATEMENT OF GEN. GEORGE H. WOOD, PRESIDENT OF THE BOARD OF MANAGERS OF THE NATIONAL MILITARY HOME, DAYTON, OHIO.

General WOOD. Gentlemen of the committee, I will not take much of your time, but in clause 4, page 4, line 23, of the bill now under consideration there is a clause transferring, at the discretion of the President; to the jurisdiction of the Veterans' Bureau the tuberculosis hospital facilities of the Battle Mountain Sanitarium and the North-western Branch of the National Home for Disabled Volunteer Soldiers.

That matter was brought to the attention of the board of managers at their March meeting when all of the members of the board were present, and the following resolution was adopted, which I would like to introduce for the record [reading]:

The provisions of House bill 10240—

Which was the original number of the House bill. [Continuing reading:]

The provisions of House bill 10240, paragraph A-2, authorizing the transfer of the tuberculosis facilities of the Battle Mountain Sanitarium and the North-western Branch of the Veterans' Bureau were discussed, and it was unanimously moved and adopted that:

First. In the judgment of the board the topography of the reservation and grouping of the buildings of the Battle Mountain Sanitarium are such that a transfer of the tuberculosis facilities is impracticable.

Second. It is the opinion of the board that any attempt to operate two institutions under the separate control of different agencies of the Government, having different responsibilities and different modes of administration, on the same reservation is unworkable.

Third. The President of the board is instructed to present the views of the board to the President of the United States and the Congress.

That states the unanimous opinion of the board.

Now, for the purpose of showing you—and I am sorry I have not got enough of these to go around, but I have here a topographic map of the Battle Mountain reservation showing the buildings, and everything else.

Now, gentlemen, this part of the reservation [indicating] is on a hill, probably 250 feet in height, with a plateau on top. There you see that line of contour rather marked, showing the decline around there.

The main building we have here, and we have only one hospital, there is located in the center of the plateau. Right here is the new tuberculosis building that is now being completed. This building is about 120 feet away from this wing of this building. We have a common power house down here; we have common storehouses. The officers' quarters on the place at present are occupied irrespective of whether a man is a tuberculosis doctor or a doctor on our general staff.

There is only one main entrance, a road down here, a road down here to the village of Hot Springs, which lies down there. Anyone, to get into the tuberculosis unit, has to pass through the reservation; and to attempt to separate these two institutions was, in the opinion of the board, something unworkable. If it should suit the convenience or the will of Congress to transfer all our buildings to the War Department, or to the Veterans' Bureau, or to anybody else, that is a matter we leave to your discretion. But the matter of making a separation leaves something which is unworkable.

Now, your operating room is in this building. Your patients will have to be operated on there.

Now, this is the reservation at Milwaukee. The physical difficulty is not as absolutely difficult there as it is at Battle Mountain. The T. B. unit is in here. The most of our doctors' quarters are in this part of the camp. Our operating room is here. The physiotherapy and hydrotherapy and kindred services are over here in the main hospital. The only quarters we have for nurses are over here, so that we have two sets of men with different bosses in the same building, and that would not be an easy proposition. The whole thing has been built up for many years as a concrete whole. Everything has been interlocked, and it has been done in an effort to reduce expenses, and to keep everything down from the standpoint of the Government. We have a central heating station. We have our storehouses and our ice plant and everything else designed to work together as a whole. Now, to split those up between two services would, in the unanimous opinion of the board—and some of the members have been on the board for more than 20 years—produce a condition that would be unworkable, and not to the best interests of the Government.

Senator REED of Pennsylvania. What do you say about that, General Hines?

General HINES. General Wood is right. The bureau has no thought of separating any of these services in the manner indicated. If Battle Mountain Sanitarium is to be used for domiciliary care of veterans and hospitalization combined, then the manager of that institution should run it. Not as a soldiers' home. When it is no longer to be kept as a soldiers' home, it had better be used for hospitalization; then I would advocate transferring it. But I think we all agree that it can not operate with two heads.

Senator WADSWORTH. May I ask what percentage of your population at the northwestern branch at Milwaukee are tubercular, and what percentage are not?

General WOOD. At the northwestern branch, on the 30th of April we had 263 tubercular patients, out of a population at the present time of 1,349.

Senator WADSWORTH. Only about one-sixth of your total population are tubercular patients?

General WOOD. Yes, sir.

Senator WADSWORTH. And this bill proposes to put them under a separate administration?

General WOOD. Yes, sir.

The CHAIRMAN. Is there anything else you wanted to say, General Hines?

General HINES. I just wanted to call the committee's attention to the last amendment, appearing on page 40, and state that the reason for that amendment is that the law of the Philippine Islands requires that the provisions of any act, to become applicable to the Philippine Islands, it must be specifically stated by Congress; and it simply is to cover that point in the Philippine law.

General WOOD. Senator Smoot, I would like to amplify a little bit the answer to Senator Wadsworth's question, if I might be permitted to do so. A year ago we had at the northwestern branch 350 tubercular patients. To-day the number has gone down to

263. As a matter of fact, I might state to the committee that totaling our homes last year at this time we had 1,800 tubercular patients, and this year it has gone down to 1,340.

The CHAIRMAN. Is that due to deaths, or discharges?

General WOOD. Well, home treatment. It looks to us—and in this I speak the opinion of the entire board—it looks to us as if the peak of tubercular and general hospitalization cases has been passed whereas, so far as the N. P. cases are concerned, that is increasing.

Senator WADSWORTH. You mean neuropsychiatric patients?

General WOOD. Yes, sir.

The CHAIRMAN. In the case of the men of the Civil War it reached its peak in 28 years, as I remember it.

General WOOD. Of mental cases?

The CHAIRMAN. Yes; of mental cases.

General WOOD. I could not tell you about that, but I do know that our N. P. buildings are packed and filled up.

Senator REED of Pennsylvania. Now, Mr. Chairman, there remain to be heard Mr. Miller, Mr. Bettelheim, and Mr. Kirby. Mr. Miller represents the American Legion, and Mr. Kirby represents the disabled veterans of the World War, and Mr. Bettelheim represents the veterans of foreign wars. I think we could finish this whole business if we could meet to-morrow morning.

The CHAIRMAN. At 10 o'clock?

Senator REED of Pennsylvania. If that is satisfactory to the committee; yes.

The CHAIRMAN. I am willing to meet at that time.

Senator REED of Pennsylvania. I am anxious that we should hear these gentlemen and get this bill under way, because at the last Congress the bill reached us so late that we just had to go through it and slash mercilessly.

The CHAIRMAN. Without objection, the committee will stand adjourned until 10 o'clock to-morrow.

General HINES. Will the committee desire me to be here, Mr. Chairman?

The CHAIRMAN. I think you had better be here, General, if you can.

General HINES. I can arrange to have a representative here.

(Whereupon, at 12 o'clock noon, on Tuesday, May 25, 1926, the committee adjourned until the following day, Wednesday, May 26, 1926, at 10 o'clock a. m.)

TO AMEND THE WORLD WAR VETERANS' ACT, 1924

WEDNESDAY, MAY 26, 1926

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

The committee met, pursuant to adjournment on yesterday, at 10 o'clock a. m., in the committee room, 312 Senate Office Building, Senator Reed Smoot (chairman) presiding.

Present: Senators Smoot (chairman), Curtis, Reed of Pennsylvania, Wadsworth, Jones of New Mexico, Gerry, Harrison, Bayard, and George.

The CHAIRMAN. The committee will come to order. Mr. Taylor, did you desire to proceed at this time?

STATEMENT OF JOHN THOMAS TAYLOR, CHAIRMAN OF THE NATIONAL LEGISLATIVE COMMITTEE OF THE AMERICAN LEGION

Mr. TAYLOR. Mr. Chairman and gentlemen of the committee, the present bill is very largely based upon the resolutions adopted by the American Legion and the other veterans' organizations, and right after our convention those resolutions were forwarded to you, Mr. Chairman, and I desire at this time to again present them for the purpose of the record.

The CHAIRMAN. They will be inserted at this point.

(The resolutions presented by Mr. Taylor for the record are here printed in full, as follows:)

The following resolutions calling for amendment to the World War veterans' act, 1924, were adopted at the Seventh National Convention of the American Legion, at Omaha, October 5 to 9, 1925:

RATING FOR TUBERCULOSIS

2. Resolution to secure passage of law insuring disability ratings for persons suffering from tuberculosis that has actually been demonstrated to exist to that degree classified as "moderately advanced" so they shall be rated as permanently and totally disabled and when such person has reached that degree classified as "arrested" he shall be rated as permanent partial 50 per cent.

Whereas in cases of tuberculosis, active and arrested, the compensation now allowed by the law and the regulations of the United States Veterans' Bureau is entirely inadequate; and

Whereas we are now informed that the new schedule of ratings as approved by the Director of the United States Veterans' Bureau allows ratings of from temporary partial 10 per cent to temporary partial 33 per cent for arrested tuberculosis; and

Whereas we are informed by competent medical authority that such ratings as are now granted are wholly insufficient to permit a tubercular person the proper peace of mind and to insure the proper nourishment of the body to continue the arrest of the lesion: Now, therefore, be it

Resolved by the American Legion in National Convention assembled, That effort be made to secure the passage of a law by the Congress of the United States insuring the following degrees of disability for persons suffering from tuberculosis, to-wit:

That when tuberculosis has been actually demonstrated to exist to that degree classified as "moderately advanced" the person suffering therefrom shall be rated as *temporarily* and totally disabled and when such person has reached that degree of recovery classified as "arrested" he shall be rated as suffering to a degree of permanent partial 50 per cent.

Resolution No. 299.

PERMANENT AND TOTAL RATINGS

3. To amend the World War veterans' act to provide that whenever any beneficiary under said act has been rated temporarily and totally disabled, and has been and shall be so continuously rated and disabled for a period of 12 months, and has thereafter been found upon examination by competent medical authority to be unable to successfully follow any materially gainful occupation, such beneficiary shall be adjudged permanently and totally disabled, except where an ex-service man enjoys the provisions of section 202, paragraph 3, as amended.

Whereas it is believed that where an ex-service person has for a long time had a rating of temporary total disability and said rating should be made permanent total: Now, therefore, be it

Resolved by the American Legion in Convention assembled, That the war risk insurance act be amended to the effect that whenever any beneficiary under said act has been rated temporarily totally disabled and has been or shall be continuously so rated and so disabled for a period of 12 months, and has been thereafter found upon examination by competent medical authority to be unable to successfully follow any materially gainful occupation, such beneficiary shall be judged permanently and totally disabled, except where an ex-service man enjoys the provisions of section 202, paragraph e, as amended.

Resolution No. 106.

COMPENSATION OF UNMARRIED TUBERCULAR MEN

4. To amend the World War veterans' act to eliminate the reduction of compensation for unmarried beneficiaries of the Veterans' Bureau from \$80 to \$40 per month, effective in 1927.

Whereas compensation of unmarried tubercular beneficiaries of the United States Veterans' Bureau will be reduced from \$80 to \$40 per month in 1927: Therefore be it

Resolved, That delegates of this convention recommend that the national convention of the Legion try to secure the continuance of the present scale of payments to such beneficiaries.

Resolution No. 70.

INCREASE IN INSTITUTIONAL AWARD OF COMPENSATION

5. To amend paragraph 7 of section 202, World War veterans' act, to provide increase in institutional awards from \$20 per month to \$30 per month for insane beneficiaries of the Veterans' Bureau who have been hospitalized for a period of six months or more.

Whereas the Reed-Johnson bill provides for the hospitalization and care of certain of our disabled buddies, whose disability is traceable to their service in the military or naval forces during the World War; and

Whereas a certain sum of money, to-wit, \$20 per month, as an institutional award for each individual patient for his clothing and pocket money; and

Whereas much of the apparel necessary for most of our disabled buddies costs in excess of the institutional award: Now, therefore be it

Resolved, in this convention assembled, That this condition be, through proper channels, brought to the attention of the proper agencies of the national headquarters of the American Legion, urging the institutional award to be raised from \$20 to \$30 per month.

Resolution No. 23.

NO FURTHER RETROACTIVE APPORTIONMENT

6. Recommend amendment to subdivision 12, section 202, World War veterans' act, to provide that no retroactive apportionment shall be made in compensation of beneficiaries where the beneficiary and his wife are not living together and who can show by positive evidence that he has supported the separated dependent or dependents or has furnished them with sums of money equal to or in excess of the additional amounts allowed by apportionment.

Whereas subdivision No. 12 of section 202 of the World War veterans' act provides that where for any reason the disabled man and his wife are not living together, the amount of compensation shall be apportioned; and

Whereas the regulation covering this subdivision provides a retroactive apportionment be made back to the date of separation, which in many cases dates back a number of years, and this works a hardship on the claimant, particularly where he has other dependents and responsibilities, and in cases where he has already given toward the support of his wife, or where his wife is at fault in leaving him: Therefore, be it

Resolved, by the American Legion, National Department, in convention assembled, That subdivision No. 12, section 202, of the World War veterans' act be amended to read that no retroactive apportionment shall be made covering any periods during which the claimant can show by positive evidence that he has supported the separated dependent or dependents, or has furnished them with sums of money equal to or in excess of the amounts by apportionment.

Resolution No. 394.

TIME LIMIT IN DEPENDENCY CLAIMS

7. Recommend amendment of the World War veterans' act so that there shall be no time limit for the filing of dependency claims for the dependents of deceased ex-service men or women.

Whereas the Veterans' Bureau has ruled that the dependents of deceased ex-service men must file their claims for dependency compensation within seven years from date of death of the soldier; and

Whereas this works a hardship upon said dependents who were not aware of their rights or who had endeavored to carry on without Government aid:

It is therefore recommended that the law be changed to read so that there shall be no time limit for the filing of such dependency claims in all death cases.

Resolution No. 328.

PAYMENT OF BACK COMPENSATION

8. Recommendation to amend section 210, World War veterans' act, so as to permit the payment of compensation from the date compensable disability is shown to have begun.

Whereas section 210 of the World War veterans' act provides that no compensation shall be payable for any period more than one year prior to date of claim, and

Whereas this provision is unfair to the veteran who has made an honest effort to rehabilitate himself in spite of his service-connected disabilities, prior to filing claim: Now, therefore, be it

Resolved by the American Legion, in seventh annual convention assembled, do hereby recommend and urge that Congress at its next session so amend section 210, World War veterans' act so as to permit the payment of compensation from the date compensable disability is shown to have begun.

Resolution No. 82.

MISCONDUCT

9. Recommend amendment of section 200, World War veterans' act, in line 17, after the word "misconduct." Recommend change in section 200 to provide alleged willful misconduct shall not bar claimants from benefits of compensation, vocational training, hospitalization, or other provisions of the rehabilitation laws unless a conviction by a court-martial can be shown. This change, if effected, not to apply to the persons listed in section 23 of the World War veterans' act.

Insert in paragraph 200 of the World War veterans' act, after the word "misconduct," in line 17, the following: "No alleged willful misconduct shall bar a claimant from any benefit of compensation, vocational training, or hospitalization or other provisions of the rehabilitation laws, unless a conviction by a court-martial can be shown, and in case of such court-martial conviction, with the exception of the class listed in section 23 if the board of appeals of the Veterans' Bureau shall consider that an injustice has been done, it may in spite of such conviction award any of the above benefits provided the proof otherwise shows that the disability was incurred during the service.

Resolution No. 101.

HOSPITAL PAY IN LIEU OF LOSS OF WAGES

11. Recommend amendment of section 203, World War veterans' act, to provide payment of \$2.65 per day to claimants during period of observation as reimbursement for any losses sustained as wages, commissions, or profits.

Whereas section 203 of the World War veterans' act provides for compensation in lieu of wages during hospitalization; and

Whereas it is difficult to figure compensation upon this basis; Therefore be it Resolved, That section 203 of the World War veterans' act be amended to provide for payment of \$2.65 per day during period of observation as reimbursement for any losses sustained.

Resolution No. 310.

PAYMENT OF SMALL BENEFITS WITHOUT PROBATE PROCEEDINGS

13. Recommend legislation so that the Veterans' Bureau may grant the payment of accrued benefits to the actual bona fide beneficiary where the total of said amount does not exceed \$200 without the necessity of probating the estate.

Whereas the United States Veterans' Bureau makes it compulsory that an estate be probated of every deceased ex-service man who had certain accrued benefits payable to him at the time of death; and

Whereas the cost of probating such estates oftentimes exceeds the amount of the estate; and

Whereas this works a hardship upon the dependents of such deceased ex-service persons;

It is therefore recommended that the United States Veterans' Bureau grant the payment of such accrued benefits to the actual bona fide beneficiary where the total of said amount does not exceed \$200 without the necessity of probating the estate.

Resolution No. 331.

EXTENSION OF TIME LIMIT ON TERM INSURANCE

14. Recommend amendment of section 304 of World War veterans' act so that the director be empowered to grant a five-year level premium term insurance policy.

Whereas section 304 of the World War veterans' act of 1924 provides that "no term insurance shall be reinstated after July 2, 1926; and

Whereas this provision, if carried out, will force many men to convert their Government insurance to small amounts, or in many cases lose their insurance protection entirely: Therefore be it

Resolved by the American Legion, Department of Kansas, That every effort be made to have Congress at its next session repeal the last provision of section 304 of the World War veterans' act of 1924, and further amend the law so as to extend indefinitely the privileges of yearly renewable term insurance; and be it further

Resolved, That in the event the date for conversion can not be extended indefinitely that steps be taken toward the issuance by the Director of the United States Veterans' Bureau of a five-year level premium term insurance policy convertible at any time during the life of such policy to some one of the several forms of Government life insurance now being issued.

Resolution No. 28.

REINSTATEMENT OF INSURANCE AND CONVERSION

15. Recommend an amendment to World War veterans' act to provide for veterans disabled by service-connected disabilities shall be given an opportunity to reinstate their insurance without being required to pay the premiums in arrears with interest and by providing an extension of the time in which Government term insurance must be converted,

Whereas many veterans of the World War with disabilities rated as due to their service by the United States Veterans' Bureau were, because of their disabilities, unable to continue the payment of the premiums necessary to prevent their Government term insurance from lapsing, and the World War veterans' act as amended provides that in order to reinstate their insurance all veterans disabled by service-connected disabilities shall be required to pay all premiums in arrears with interest; and

Whereas veterans who are not disabled and whose insurance has lapsed are permitted to reinstate their insurance upon reexamination and payment of two monthly premiums; and

Whereas many veterans have continued to pay their premiums but are not yet financially able to convert their insurance and will be unable to do so within the time limit fixed by the World War veterans' act, which will result in thousands of men losing their insurance protection before completing their economic adjustment: Now, therefore, be it

Resolved, by the American Legion in national convention assembled, That the Congress of the United States is urged to amend the World War veterans' act by providing for veterans disabled by service-connected disabilities to be given an opportunity to reinstate their insurance without being required to pay the premiums in arrears with interest and by providing an extension of the time in which the Government term insurance must be converted.

Resolution No. 403.

VETERANS' BUREAU MEDICAL CORPS

16. Recommend that the World War veterans' act be amended to provide the establishment of a permanent medical corps in the United States Veterans' Bureau.

Whereas the American Legion in Sixth National Convention assembled, at St. Paul, Minn., went on record in favor of the establishment of a medical corps in the United States Veterans' Bureau and instructed the national legislative committee to urge Congress to so amend the World War veterans' act as to provide for the establishment of such a corps; and

Whereas the national rehabilitation committee and the national legislative committee did prepare a bill which provided for the establishment of a United States Veterans' Bureau Medical Corps; and

Whereas Congress at its last session saw fit to strike out that portion of the bill which provided for the creation of such corps: Now, therefore, be it

Resolved by the American Legion, Department of Kansas, That we do hereby urge the Congress of the United States at its next session to so amend the World War veterans' act so as to adequately provide for the creation of a medical corps in the United States Veterans' Bureau; and be it further

Resolved, That copies of this resolution be sent to the chairman of the national rehabilitation committee, chairman of the national legislative committee, and to the Senators and Representatives in Congress from Kansas, urging them to use every effort to have the provisions of this resolution enacted into law.

Resolution No. 36.

VETERANS' BUREAU CONTROL OF NATIONAL MILITARY HOMES

26. Recommendation was made that steps be taken to secure the transfer of the National Home for Disabled Volunteer Soldiers to the United States Veterans' Bureau.

Whereas many of the national military homes maintained by the United States Government were established shortly after the Civil War; and

Whereas the said national military homes are being managed and governed under legislation enacted to meet the needs and requirements of the said homes at that time; and

Whereas it has become necessary for many veterans of the World War to become inmates of these said homes; and

Whereas through the advice and counsel of the American Legion the United States Veterans' Bureau has become an organization well suited to manage and direct such said national military homes: Now, therefore, be it

Resolved by the Seventh Annual Convention of the American Legion, Department of Indiana, That proper legislation be enacted that will transfer all national military homes to the jurisdiction of the United States Veterans' Bureau; and be it further

Resolved, That this resolution be presented to the 1925 national convention of the American Legion, with the request for its adoption, and those copies be furnished to our Senators and Representatives in Congress, and it shall be the duty of the State adjutant to transmit this resolution to them.

Resolution No. 13.

HOSPITALIZATION FOR SPANISH-AMERICAN WAR NURSES

28. Recommendation was made for an amendment to the World War veterans' act to allow Spanish-American War nurses, contract surgeons, and contract dentists the same hospitalization rights as are accorded to any other veterans of any war or expedition since 1897 under that act.

Whereas the Spanish-American War nurses are not eligible for hospitalization under the World War veterans' act of June 7, 1924, nor as said act has been later amended; and

Whereas there was no fundamental difference in the services they rendered than would they have rendered if there had been Nurses' Corps in 1897-1902: Be it

Resolved, That it is the sense of the American Legion, in national convention assembled, in Omaha, Nebr., October 5 to 9, 1925, that the World War veterans' act should be amended such as to allow Spanish-American War nurses, contract surgeons, and contract dentists the same hospitalization rights as are those accorded to any other veteran of any war or expedition since 1897.

Resolution No. 90.

VETERANS' BUREAU CONTROL OF NATIONAL MILITARY HOMES

30. Recommendation was made that legislation be obtained from Congress transferring the medical service in the National Home for Disabled Volunteer Soldiers to the United States Veterans' Bureau.

Whereas, a large number of World War veterans, suffering from tuberculosis are not hospitalized at National Homes for Disabled Volunteer Soldiers, in hospitals constructed wholly or in part from funds of the United States Veterans' Bureau; and

Whereas the number of such World War veterans either hospitalized or domiciled at these national homes must constantly increase; and

Whereas the American Legion, in national convention assembled, demands the most complete provision for therapeutic training and rehabilitation of World War veterans, hospitalized or domiciled, under any agency of the Government; and while we appreciate the cooperation and service that has been rendered by the National Homes for Disabled Volunteer Soldiers in the medical care of our comrades of the World War; we also recognize that these homes were not primarily designed as hospitals, nor provided with sufficient medical staffs to ad-

minister them in large measure as such. The special burdens that therapeutic training rehabilitation will lay upon the Government to defray its expense, and a medical service to systematically and successfully accomplish its benefits to the disabled call for unification of service, in the interest of both economy and efficiency; and

Whereas such therapeutic training and rehabilitation is a highly specialized field of medical service to which the United States Veterans' Bureau is now committed and in which it has for some years been operating, and in which the bureau has developed many experienced and skillful physicians: Now, therefore, be it

Resolved by the American Legion in national convention assembled, That we instruct our national officers and especially our national chairman of rehabilitation to confer with the National Board of Governors of the National Homes for Disabled Volunteer Soldiers and, assisted by the legislative committee, to obtain from Congress legislation transferring the medical service in all national homes to the United States Veterans' Bureau.

SERVICE CONNECTION ON MEDICAL JUDGMENT REGARDLESS OF ABSENCE OF AFFIRMATIVE EVIDENCE

31. Recommendation was made that the Director of the United States Veterans' Bureau be authorized to grant service incurrence or aggravation for chronic diseases where good medical judgment so dictates, notwithstanding the absence of affirmative evidence.

Whereas many men whose diseases are of a chronic nature have, because of the insidious inception of the diseases, been unable to show by competent evidence the service, origin, or aggravation of their disabilities, and yet in the opinion of the medical authorities it is impossible to state whether such disabilities were incurred in or aggravated by service; Therefore, be it

Resolved, That the Director of the Veterans' Bureau, notwithstanding the absence of affirmative evidence, be authorized to grant service incurrence or aggravation for such disabilities where good medical judgment so dictates.

PERMANENT TOTAL RATINGS FOR MEN UNABLE TO WEAR ARTIFICIAL LIMBS

32. Recommendation was made that a statutory permanent and total disability rating be given amputation cases where the veteran involved, through peculiar circumstances, are unable to wear artificial limbs, by January 1, 1926.

Whereas there are some men who through extenuating circumstances, such as recurring neuromata and other growths, heavy weighted bodies, and other causes, have been unable to wear artificial limbs provided for them; and

Whereas these men can not pursue any occupation have been unable to assume the privileges of vocational training, or having done so were unable to continue; and

Whereas these men are permanently and totally disabled until such time as they are able, if ever, to wear artificial limbs, and their total disability and its permanent nature is recognized by all doctors examining them, both in and out of the United States Veterans' Bureau: Therefore be it

Resolved, That the legion request of Congress legislation to the effect that any man who through peculiar circumstances is unable to wear the limb provided, in lieu of the congenital limb amputated in service, by January 1, 1925, be declared permanently and totally disabled; and be it further.

Resolved, That they draw attention to the fact that practically every case to be affected by such potential legislation is now declared temporarily totally disabled, and the change would permit insurance payments to these men, and that the case of Guiseppi (Joseph) Lambardi, C-120800, be used with the data attached herewith, for the case has been under the constant observation of Dr. Joseph A. Blake, one of the leading surgeons of the United States and the world, since the original amputatory operation was performed by him, and the case is offered as an exhibit in substantiation of a need for the legislation requested.

Resolution No. 43.

EXTENSION OF TIME LIMIT FOR VOCATIONAL TRAINING REHABILITATION

33. Recommended amendment of section 406 of the World War veterans' act to enable men now in training and whose courses can not be completed until June 30, 1926, to complete the training prescribed for them.

Whereas section 406 of the World War veterans' act, 1924, provides that no vocational training shall be granted or continued to any person whatsoever after June 30, 1926, and no training allowance shall thereafter be paid to any person; and

Whereas trainees of the United States Veterans' Bureau now pursuing a course which will not be completed by that date will be compelled to complete the course at their own expense; and

Whereas certain disabled veterans have been examined by the medical officer of the United States Veterans' Bureau and have been rated as having a vocational handicap, and being eligible for training but not feasible in their present physical condition are denied the privilege of vocational training: Now, therefore, be it

Resolved, That the Seventh Annual Convention, Department of Indiana, American Legion, in convention assembled, recommend that section 406 of the World War veterans' act, 1924, be amended in order that the above-mentioned disabled veterans may be afforded the advantage of vocational training; be it further

Resolved, That a copy of this resolution be transmitted to the national rehabilitation committee and the national legislative committee, American Legion, Washington, D. C.

EXTENSION OF VOCATIONAL TRAINING TIME LIMIT

34. Recommended amendment of section 405, World War veterans' act, removing the time limit dates for vocational rehabilitation.

Whereas the door has been closed against opportunity for vocational training as of June 30, 1925, without discrimination; and

Whereas this provision of law operated as a handicap upon men now in process of hospitalization, against men under treatment who were not feasible for training prior to June 30, 1925, and against men who were erroneously rated as having no vocational handicap; and

Whereas any such legislation places a penalty upon prolonged disability and works an injustice upon many veterans: Therefore, be it

Resolved, That section 405 of the World War veterans' act be amended to permit the entry into training of all men now hospitalized, all men declared feasible for training since June 30, 1923, and all men prior to January 1, 1929, are found to have a vocational handicap with further provision for such men as may be hereafter hospitalized; and be it further

Resolved, That the Massachusetts delegation present this resolution for action at the national convention of the American Legion.

Resolution No. 321.

DEPENDENTS OF TRAINEES

35. Recommend an amendment of the World War veterans' act so as to make provision for dependents of trainees other than wife and children.

REMOVE TIME LIMIT FOR CLAIMS

37. Recommend that the World War veterans' act be amended so as to remove all time limits for the filing of claims in or presentation of proof of service connection to the United States Veterans' Bureau.

Whereas the Omaha convention adopted thoughtfully considered resolutions for the relief of the disabled and the mothers of the men killed in action, and these resolutions were incorporated into three bills and introduced in the Senate and in the House of Representatives, the House bills being the Johnson bill, the Fitzgerald bill, and the Green bill; and

Whereas the Johnson bill was rewritten five times prior to its introduction in the House on December 9, 1925, by Chairman Royal C. Johnson of the House

Committee on World War Veterans' Legislation; public hearings were held on January 6 and continued daily until January 29, when a subcommittee of the Veterans' Committee was appointed to draft a committee bill based upon the legion's recommendation and the committee hearings; this committee bill, carrying important amendments to the World War veterans' act, was finally perfected and introduced in the House on March 4, under the number H. R. 10240, and on that day Chairman Johnson introduced House Resolution 169 to provide a rule for the consideration of the Johnson bill; since that time nine weeks have elapsed and the House has taken no action on the bill, although the cost of its provisions was reduced from \$38,000,000 to \$21,000,000 and finally to \$10,000,000 at the instance of House leaders; and

Whereas the Fitzgerald bill was introduced on December 9, 1925, by Representative Fitzgerald of Ohio, under the number H. R. 4548, to provide retirement for the disabled emergency Army officers, and hearings were held upon the bill on January 16, 1926, by a subcommittee of the World War Veterans' Committee of the House; on February 10, the subcommittee reported the measure favorably to the Veterans' Committee, and on February 26 the World War Veterans' Committee voted to favorably report the bill; the bill was favorably reported to the House on March 13, 1926, the committee report being accompanied by a minority report opposing the measure; on March 29, House Resolution 193 was introduced in the House to provide a rule for the consideration of the bill; on May 4, the Rules Committee granted a hearing on House Resolution 193. It will therefore be seen that this bill has been on the House Calendar for nine weeks awaiting action by the House; its cost for the fiscal year 1927 has been officially estimated by the Veterans' Bureau to the Congress at only \$1,335,000, a sum which would not conflict with the economy program; and

Whereas the Mills bill to amend the adjusted compensation act was rewritten twice and introduced on January 7 by Representative Mills, of New York; hearings were held on this measure on January 21 by the Ways and Means Committee of the House, when a subcommittee was appointed to continue hearings and to prepare a committee bill; these hearings were concluded on January 29, at which time the provisions of a subcommittee bill has been determined upon; and the legislative draftsman of the House was instructed to prepare a committee bill; on March 12 the Ways and Means Committee adopted the subcommittee bill, which was introduced on that day by Chairman Green under the number H. R. 10277, and was favorably reported on the next day by the Ways and Means Committee; on March 15, Chairman Green desired to bring the Green bill up for action in the House under suspension of the rules, but the Speaker declined to recognize him for that purpose. Since that time, more than eight weeks ago, the House leaders have refused to allow consideration of the Green bill because of its cost, although on April 12 the Veterans' Bureau officially estimated its total cost at \$14,771,200, of which sum only \$1,141,000 will be payable during the fiscal year 1927, and the remainder spread over the succeeding three years; and

Whereas the total cost of these three measures in their present form is officially estimated by the Veterans' Bureau to the Congress as only \$15,476,000 for the fiscal year ending June 30, 1927, as follows: Johnson bill, \$10,000,000; Fitzgerald bill, \$1,335,000; Green bill, \$4,141,000; total, \$15,476,000.

Whereas the members of the House of Representatives and the Senate desire the opportunity to vote upon these three measures, as an overwhelming majority of both bodies believe their provisions to be just and their enactment both desirable and necessary, in order that injustices in existing law may be eliminated and the hardships resulting from these injustices terminated by congressional action; and

Whereas the House of Representatives has not been allowed to vote upon these measures by the leaders in control of the legislative machinery of the lower body because it is claimed that the expenditure of this \$15,000,000 during the fiscal year 1927 may cause a deficit during that year in view of the reduction in taxes of \$387,000,000 voted by the Congress under the leadership of those in control of that body; and

Whereas it is obvious that the Congress is now considering the adjournment of its present session: Now, therefore, be it

Resolved, That the national executive committee of the American Legion, in meeting assembled at Indianapolis, May 13, 1926, calls the attention of the patriotic men and women of the Nation and the Members of the House of Representatives and the Senate to this situation. The relief provided by these measures will be postponed for at least a year if the Congress neglects to take action upon

them prior to adjournment, although the relief which the enactment of the measures would bring to our disabled soldiers and the mothers of the men killed in action, is pressing and acute. We therefore call upon the leaders in control of this session of Congress to allow immediate action upon these three measures, and in the event that the leaders refuse to allow the House and the Senate the right to vote upon these three bills, we earnestly request the individual Members of the House and the Senate to vote against the adjournment of the present session until the House and Senate leaders extend them the right to vote upon the three bills; and be it further

Resolved, That copies of this resolution be forwarded to each Member of the Senate and the House so that they may be officially informed of the legion's attitude on this legislation.

Mr. TAYLOR. We will to-day present Watson B. Miller, the chairman of our national rehabilitation committee, to discuss the various provisions of this bill. And I would like the committee to know just how the bill was drafted, so far as the Legion was concerned.

We have throughout the country men paralleling the Veterans' Bureau men in the various regional offices, 14 in number. In addition to that we have in each State our rehabilitation committee composed of men who are interested in the welfare of the disabled veteran, and also are professional men. Each year the various departments of the American Legion hold their annual conventions, and those departments discuss the matters affecting the disabled men, and those are brought to our national convention, where they are considered by the rehabilitation committee, of which Mr. Miller is the chairman. As the result of very careful thought and study and the experience gathered throughout the country, the resolutions are finally presented to the convention, and some of them adopted. Using those as a basis we draft our legislation.

Mr. Miller has been chairman of the rehabilitation committee for a number of years, and has worked in perfect harmony with General Hines, as have other Veterans' organizations, so far as attention and care of the disabled is concerned, and has been handling about between 6,500 and 7,500 cases of disabled men every year, so that he is thoroughly familiar with the situation and thoroughly familiar with the needs contained in this legislation. As we originally drafted it and presented it to the House, and through Senator Reed to the Senate, it calls for an appropriation of \$39,000,000. Later it was cut down to \$21,000,000. And that bill was reported favorably by the House committee. As General Hines said yesterday, that has since been cut down to something over \$7,000,000. Last year the legislation reached the Senate in the very closing days, and it was, as we thought, really cut right down to the bone, and we are hoping that this session it will reach the Senate in time for it to be given favorable consideration.

Mr. Miller, will you take up the bill, please?

STATEMENT OF WATSON B. MILLER, CHAIRMAN OF THE NATIONAL REHABILITATION COMMITTEE OF THE AMERICAN LEGION

Mr. MILLER. Mr. Chairman, I think I can conclude in 30 minutes, or a little more. I will sketch rapidly through the proposed amendments, and where there is apparently no additional information that the committee should have from the American Legion I will make no reference.

The first suggested amendment is at the bottom of page 2, which gives the director specific authorization to hospitalize women veterans in other than Government hospitals. The director has a general authorization to contract with State and municipal, or in exceptional cases, with private sanitariums and hospitals, but the Comptroller General has held that the theory of hospitalization is in Government hospitals. We think in the Legion that the theory of coeducational hospitalization for women and men veterans suffering from tuberculosis is a pretty good thing. The atmosphere of the hospital is toned up, there is something more homelike about it, something akin to the atmosphere that you find in a home. But in the case of women suffering from mental disorders we think that the director should certainly have the authority to place them in institutions of a private character where there are approved diagnostic and treatment facilities. The spectacle of a woman veteran, or a woman at all at the best, who is insane is unusually pitiful.

The CHAIRMAN. Have you very many insane women—insane women veterans?

Mr. MILLER. There are something like 1,700 women veterans receiving compensation out of a possible potential load of some 36,000. There were about 36,000 women of military status during the World War. It is difficult to know where they are or where the hospital load is coming from, Mr. Chairman. There have never been more than 350 women veterans hospitalized by the bureau at any one time, and substantially one-third of those are mental sufferers, one-third being afflicted with tuberculosis, and the balance being divided among the general disorders that afflict the human body.

On page 3 reference is made to out-patient dispensary facilities or use of the regional office clinics of the Veterans' Bureau. In some of the States, like the chairman's own State, there are no Veterans' Bureau hospitals, and the suggestion that under wise regulations the director be permitted to use the regional office dispensaries for the treatment of veterans is desirable in the opinion of the Legion. We think it will not add greatly to the cost because it will permit the director to treat a considerable number of veterans and still make it possible for those veterans in many cases to continue their ordinary avocations, making it unnecessary that they be sent long distances to hospitals, and it certainly would take care of a considerable number of indisposed veterans in States where there are no Veterans' Bureau hospitals, such as I said, in the State of Utah.

The CHAIRMAN. I would like to ask General Hines what is the situation that exists to-day in relation to the hospital out in Salt Lake City?

General HINES. As to Salt Lake, the Federal Board of Hospitalization decided that since the facilities at Boise Barracks and Helena, Mont., were made available from the War Department, that there was not a sufficient load to justify a new institution. When the War Department had decided upon their program of selling certain fortifications or certain posts, and we found that either one of these hospitals were withdrawn, that then would be time to take up the matter of building a new hospital for those patients.

Mr. MILLER. Mississippi has a hospital on the Gulf coast for the treatment of mental sufferers but has no institution in the northern part of the State. The regional office could well care for a consider-

able number of men who would otherwise have to go to hospitals. The cost would be very slight. It would only involve the cost of medication, whereas the average cost of treatment in our general hospitals, as has been stated by General Hines, is \$4 per day.

The balance of the material on page 3 is purely administrative. The director seeks to be permitted to make minor alterations in existing plants without having to duplicate effort by going to the President and the Bureau of the Budget, and the Legion thinks that he should be permitted to do so.

The next suggested amendment is that which seeks to provide for the transfer of the tuberculosis facilities of the Battle Mountain Sanitarium and the Northwestern Branch of the National Home for Disabled Volunteer Soldiers to the jurisdiction of the Veterans' Bureau. I will pass that. The proposal has been fully discussed heretofore.

The following suggested amendments to section 21 of the World War veterans' act cover the proposition of extending additional authority to the Director of the Veterans' Bureau in the matter of the administration of the funds of minors and mental incompetents and for their better current general welfare. At the present time, outside of the right to withhold moneys in event reports are not received as required from fiduciaries, the best the bureau can do is to attempt to effect a pleasant cooperative working relationship with the probates, the surrogates, and the fiduciaries themselves.

The Legion would like to see the Veterans' Bureau and the Director of the Veterans' Bureau clothed with the authority in his discretion to step in and look after the current needs of these unfortunate people, if the same are not properly being conserved by those who have been appointed under State laws. The Legion and the other service organizations and the bureau itself are only able to judge for the future by their current experience. We are able to suggest to Congress amendments and clarifications of statutes by virtue of the cases that pass over our desks every day. A considerable number of cases have come to the American Legion where there has been a scandalous misuse of funds and positive ill treatment of little children. We have found small children on whose behalf money was being paid by the Government, in county poor farms and in eleemosynary institutions. There have been a fair number of cases actually coming from the States into my office in Washington. I do not seek to enter a general indictment of either the State courts or the officers appointed under those courts, but I think it would be a wise provision if you clothed the director with discretion in such matters and permit him to interpose if the fiduciary is unable or unwilling to properly care for the fiscal or economic welfare of a child or a mentally incompetent veteran, and administer those payments himself.

Senator WADSWORTH. In other words, you suggest that he be given the power to ignore the fiduciary.

Mr. MILLER. After a due and tactful effort, which he would certainly make, to cooperate with the fiduciary. To force the director to become the administrator of these funds would be an unwise provision. He should have the discretion.

Senator WADSWORTH. Do you think that would result in friction with the State courts?

Mr. MILLER. I think it would entirely depend upon the character of the approach, and I can conceive that it would require a considerable force in the field of rational minded, tactful men. If this were done the women who were attached to the American Legion and the other organizations in auxiliary capacities, would seek to help the bureau in effecting actual contact with children in remote points of the State, for instance, and report to the bureau every so often as to how they were getting along and how they were being treated, and how the funds were being spent.

Senator HARRISON. Well, they do that with respect to the courts now.

Mr. MILLER. Yes.

Senator HARRISON. They try to advise and cooperate.

Mr. MILLER. Yes; that is done both on the part of the bureau and on the part of the service organizations. In some States it is done in one manner and in other States it is done in another. For example, in several of the States the local statutes provide for cooperation between the Federal Government and the service organizations. That is notably true of New Jersey.

Senator GEORGE. Is it your view that the director of the bureau should have and maybe would have more interest in these fiduciaries than the immediate local authority in the community in which they live?

Mr. MILLER. I do not think that you could establish any rule for conclusion on that point. He has a current and progressive and standing interest in them. His interest should not be any greater than the man who is appointed by the State court to look after them, but when that interest on the part of the officer of the court fails, the director should have the right to come in and to right conditions.

Senator GEORGE. Well, will you not necessarily have to set up machinery to handle guardianships in the department over here?

Mr. MILLER. No question about that, sir.

Senator GEORGE. Not a bit in the world. You simply would go into an interminable process.

Mr. MILLER. You would require a somewhat extensive machinery not only for the effecting of the contacts but also for the finance operation which would be involved.

Senator GEORGE. Undoubtedly so.

Senator HARRISON. Well, is there division among the service men with respect to this procedure?

Mr. MILLER. I can not answer that question, Senator Harrison, because the Legion and the bureau itself have been so completely engaged in the past in securing exigent relief for veterans that none of us, and that includes the bureau, know as much about this guardianship situation as we might have if it had become a burning issue with us earlier than it has.

Senator HARRISON. Would the service organizations be satisfied with this suggested amendment that it apply just to the District of Columbia and not to the States generally?

Mr. MILLER. I can not answer that question for the service organizations, but as to myself, and I can speak for the American Legion, there would be no objection on our part in trying it in the District of Columbia where the headquarters of the Veterans' Bureau is located.

On page 11 the suggested amendment at the top of the page seeks to reimburse the United States Government life insurance fund for any overpayments the recovery of which are waived. The desirability of that provision is at once apparent to the members of this committee, I am sure.

The second provision seeks to reimburse beneficiaries for the loss by fire of personal effects when properly stored in hospitals. The entire amount now involved would not be over \$10,000. The principal case involves \$7,000 in Mississippi, and there are two or three minor cases in other hospitals. I am satisfied if you pass this provision that there will be exceptional care exercised in the hospitals in the future, as there has undoubtedly been to some extent in the past to see that these losses do not occur. We are now building hospitals where the fire hazard is minimized.

Senator HARRISON. Well, I have refrained from introducing some private bills to take care of some fellows in the hospital at Gulfport on the theory that we ought to have a general provision like this to cover such cases.

Mr. MILLER. Yes, sir. I suggest, Mr. Chairman, that the prospective expense of this provision would be practically nothing.

On page 12 it is sought to provide the director with discretionary authority to detail from time to time professional personnel of the bureau for receiving instruction, postgraduate work, and that sort of thing. I think I may say that in the past, if I understand the matter correctly, the director has virtually had to operate his classes of instruction to which, from time to time, doctors of the bureau are assigned to do clinical work and to receive last moment instruction from well qualified professional men, under a kind of a cloak of secrecy. I think that under the present circumstances the director is not permitted to conduct schools or to assign men to professional schools conducted by others; is that true, General Hines?

General HINES. Yes.

Senator CURTIS. Well, I want to say that that provision ought to be very carefully safeguarded, because in some of the departments where they have authority to do that now it has been very greatly abused.

The CHAIRMAN. I called attention to that the other day.

Senator CURTIS. I was not here.

Mr. MILLER. Senator Smoot referred to that. It is safeguarded here in the last four lines by providing that this instruction can not be carried on outside of the continental limits of the United States, and you gentlemen know the present Director of the Veterans' Bureau well enough to know that he is not going to run wild in either experiment or expenditure.

Senator HARRISON. Do you not think the suggestion is well made by Senator Wadsworth that we could substitute a provision so as to carry it out along the line that it is being carried out in training officers in the military service, etc., in these schools every year?

Senator WADSWORTH. The national defense act carries a provision whereby it limits it to 2 per cent of the personnel of each branch.

Mr. MILLER. We have 1,400 or 1,500 doctors in the bureau. Two per cent of those doctors would be only 28. Now, we have 50 Veterans' Bureau hospitals.

Senator WADSWORTH. General Hines remarked that that would be sufficient.

Mr. MILLER. I am pleasantly in disagreement with General Hines, as we sometimes are, because our relations are of the most cooperative character, and I do not think, however, that would be enough.

Senator HARRISON. Three or five per cent?

Mr. MILLER. Three or five per cent would be better.

Senator WADSWORTH. Of course there would be a turnover every three or four years, which would result in making it more than 28.

Mr. MILLER. For example, a State tuberculosis society sometimes comes to a Veterans' Bureau hospital to hold its annual meeting. There they go over the cases, the clinical work, pathological work, and they bring their experience and knowledge to these physicians of the Veterans' Bureau who are conducting a continuing proposition. It is the largest medical problem that any nation has ever faced in any time, and it will continue for the next four or five decades undoubtedly. We want to get the best sort of men that can be gotten into the Government service, and one of the ways to get them is to help them to progress themselves in their profession and to keep step.

Senator WADSWORTH. That is the same idea that General Allen has about the Medical Corps in the Army.

Mr. MILLER. Yes, sir; I hope that you will give that section serious consideration, and if you limit the director as to the number of officers he may detail each year I hope you will make it at least 5 per cent, because if you send one T. B. man, say the clinical director, of half of your hospitals one season your 2 per cent would hardly cover it.

General HINES. I might say, Mr. Chairman, if I may interpose right there, the reason I agreed to the 2 per cent was that I felt that these meetings would probably be called by the class of hospital, that is T. B. hospital, and N. P. hospital, and while we have 51 hospitals they are divided up into a division of T. B. and N. P. hospitals, and I felt that 28 of our present number would just about cover any one group.

Mr. MILLER. Well, we also have some 54 regional offices, General Hines, and in your staffs you have a considerable group of T. B. and N. P. men many of whom ought to receive the latest and the best current scientific information.

On page 13, Mr. Chairman, the provision in section 200 seeks to admit to those entitled to compensation for disability incurred in service certain women assigned to the Medical Department of the United States Army who served in base hospitals overseas. I have nothing to add to what has been presented to the committee on that.

The CHAIRMAN. There are about 500 involved, so General Hines stated, as I remember.

Mr. MILLER. I sought to ascertain, Mr. Chairman, from The Adjutant General the number of civilian employees who served under the armed forces and to separate them into men and women groups. Beyond the Medical Department itself, which has kept tolerably accurate records, there is nothing enlightening upon the subject. The emergency was great, field organizations were permitted to hire and discharge at will without keeping permanent records. Many kept records have been boxed up and stored. It is certain that the civilian

employees of the War Department ran into the hundreds of thousands both at home and abroad. And while I want to see everybody taken care of who ought to be taken care of, I think that the committee ought to determine the classifications that it wants to admit to compensation for disability.

The CHAIRMAN. Do you agree with this amendment?

Mr. MILLER. I do not disagree with it, but I am just saying frankly to the chairman that I should think it should be broadened if it is to be put in at all. There are other classes, dietitians, secretaries, physiotherapy aids and reconstruction aids, many of them being women, and all served under conditions of stress.

Senator WADSWORTH. How about telephone operators in France?

Mr. MILLER. And telephone operators were employed in France.

Senator WADSWORTH. Many hundreds of them.

Mr. MILLER. Yes.

The CHAIRMAN. There is an amendment on line 21, page 13.

Mr. MILLER. The substitution of the word "act" is administrative, and has been explained by the Director of the Veterans' Bureau.

On page 15 effort is made to amend section 201 of the World War veterans' act so that women who served as Army nurses under contracts between April 21, 1898, and February 2, 1901, should receive when they die indigent the benefit of the \$100 for burial and \$7 for a flag to drape the casket just as other veterans do. Doctor McGee has explained that situation to the committee.

Roughly, it is that prior to February 2, 1901, women nurses were employed under contract. On February 2, 1901, at the onset of the campaigns in the Orient the nurses received military status. Prior to that they served under contracts. I think there should be no discrimination, and that the committee should favorably consider that section.

Senator WADSWORTH. It was exactly the same kind of service.

Mr. MILLER. It was exactly the same kind of service, Senator.

In lines 23 and 24 on page 15 the director is given a wider authority in the determination as to what assets after death should be excepted from the restriction with reference to indigency in the matter of burials. The director did not say to you yesterday, as I recall it, that the administrative cost as between the Veterans' Bureau and the Comptroller General's office in determining what are and what are not proper assets to be used for the purpose of this section, make up a very costly administrative proposition, and it resolves the bureau into virtually a court of domestic relations. While I am not of the feeling that the Comptroller General is always severe or always wrong, because in my heart I think that many of his decisions are wise, it so happens that a number of those that he has applied to the operation of the laws governing the Veterans' Bureau seemed unsound to us. Not all of them, but some of them. And we thought that the Government would be literally saved a good deal of money if you make complete the authority to the director to determine the application of assets. The director has already a general authority to determine all questions of fact and his authority is made final by the terms of that act, but the Comptroller General does not agree with the terms of the act in determining the application of section 201.

The CHAIRMAN. If that is the case, then he may not agree now as to the decision of the director as being binding.

Mr. MILLER. Every time we write anything of this character we are quite uncertain as to whether or not the Comptroller General will be in agreement.

The CHAIRMAN. Well, I generally stand with the Comptroller General.

Mr. MILLER. And I also. Sometimes he is astonishingly liberal.

The CHAIRMAN. He is about the best fellow that we have got in the Government service.

Mr. MILLER. But we have two or three decisions that work a great hardship on veterans or their beneficiaries.

Senator REED of Pennsylvania. You are not going to put that to a vote, are you, Senator?

The CHAIRMAN. I do not think I have to.

Mr. MILLER. We feel that the comptroller does not attempt to construe law. He says, in effect, "Here is what you can do and here is what you can not do. Here are my reasons. They may be good reasons or bad reasons, but they are, nevertheless, my reasons, and they must prevail."

The CHAIRMAN. Every statement that I have read of his and every decision that he has rendered so far has met with my hearty accord. And I think he followed the law.

Mr. MILLER. If the chairman were not such an exceedingly busy man and so capable a Senator I would like to have private conference with him some time and I think I could show him in a very few minutes where some of the decisions of the Comptroller General, particularly the Carl Hunley decision, on what constitutes a valid application for adjusted compensation are unsound.

The CHAIRMAN. Well, I wish you would call it to my attention.

Mr. MILLER. I will do it.

The CHAIRMAN. I should be very delighted to see it.

Mr. MILLER. It is a very bizarre decision, I think.

The CHAIRMAN. I think you will find out that the Comptroller General has good reason for the decision.

Mr. MILLER. All right, sir. On page 17, gentlemen, what we mean by organic loss of speech is to take care of cases where facial mutilation has taken place. I think there should be a revision of this wording. The function of speech is certainly organic, and when you have lost the ability to speak it must have been an organic loss. What we had in mind, and Mr. Roberts here secured the wording of this from one of the physicians in the Veterans' Bureau, and we thought it was correct—what we had in mind was those gunshot and shrapnel cases where the lower part of the man's face is substantially destroyed.

Senator REED of Pennsylvania. That is, distinguished from the functional loss.

Mr. MILLER. Precisely; yes, sir. And perhaps that is a better way of looking at it. The function as against the organic loss. Perhaps what this really means is that the organ is torn out.

General HINES. That is the interpretation of the doctor.

Senator REED of Pennsylvania. You mean the loss of the organs of speech.

Senator GERRY. Do you not have certain mental conditions where that happens?

Senator REED of Pennsylvania. That would be functional.

General HINES. Yes, in cases of hysteria you do, but that is only of temporary duration. It may occur for a day, and then the next day the man would be perfectly normal in that respect.

The CHAIRMAN. What other construction could be placed upon it other than the loss of the organ?

Mr. MILLER. That was the construction we put upon it.

The CHAIRMAN. It seems to me that that is the only construction you can put on it.

General HINES. The suggestion of this language was so that the wording would cover those cases where the organs were destroyed.

The CHAIRMAN. Yes.

Mr. MILLER. Mr. Chairman, on page 18 the words in capitals, "Not less than" were thought by the committee not to mean anything when that was discussed here day before yesterday.

The CHAIRMAN. Yes, and we struck them out.

Mr. MILLER. And there was an idea that they might be stricken out. This section provides for certain home treatment after discharge from the hospital where the man's physical condition would not be prejudicial to his community or to his family, and the present statute provides for a rating of temporary total disability. The words "not less than" were put in there to provide for the rating of the man permanently or totally disabled or more than temporarily and totally disabled if his condition justified it, during this period of try-out at home.

General HINES. But he would receive that rating regardless of this other provision.

The CHAIRMAN. It seems to me that the construction of those words would be a limitation rather than otherwise.

Mr. MILLER. Very well, gentlemen, I recede without feeling.

The CHAIRMAN. That is the way it looks to me.

Mr. MILLER. At the bottom of page 18—

Senator REED of Pennsylvania. Take line 14 first.

The CHAIRMAN. \$30 and \$20.

Mr. MILLER. Oh, yes, the \$10 raise. We asked for \$40 a month because we had had a considerable number of cases where the \$20 set up by the World War veterans' act was lamentably inadequate. There comes to my mind particularly the case of a man hospitalized by the bureau in an institution in California who was totally and permanently disabled, and by permission of the court his guardian has been taking care of a little sister who was crippled from birth, rickets or some such disease of childhood, and \$20 is entirely inadequate for a case of that kind.

We have a reasonable number of cases where men have to continue payment of taxes on property, and then there are some cases, Senator Reed, in the hospitals, where the men are being maintained where they are insane, but where they are not rated permanently and totally disabled, where their insurance has not matured, and where they must continue the insurance payments or have them waived by the bureau. At the very best it is a charge against the man's pocketbook in one way or another, and \$30 would be very much better to cover the equities in the cases. No objection would be raised by us if you make it discretionary with the director and let him handle the exceptional cases as they come up when they come up.

The CHAIRMAN. I suggested not to exceed that.

Mr. MILLER. Yes, sir; I remember that.

Senator HARRISON. You suggested that it should be not to exceed \$30.

The CHAIRMAN. Yes.

Senator REED of Pennsylvania. Do you know of any other pension law where there is discretion as to the amount? Have we not in all cases fixed the payments absolutely? We have left discretion in the finding of the facts, yes; but is there any case where we have left the amount in anybody's discretion?

Mr. MILLER. I have the pension laws here. There is discretion under the general pension enactments as to fact finding. But the amounts are specific. There is a very great and general discretion evident throughout our entire act.

Senator REED of Pennsylvania. But once the facts are found Congress has provided exactly what should be paid.

Mr. MILLER. If the facts are properly found.

Senator REED of Pennsylvania. Yes.

The CHAIRMAN. But in this case, Senator Reed, it seems to me that many of them could not expend the \$30.

Senator REED of Pennsylvania. I am sure of that.

Mr. MILLER. Oh, a great many of them. Probably the great preponderance. But I wanted to tell Senator Reed, and what is in my mind is that the facts in each individual case, as suggested here, would be found no less certainly, and perhaps more certainly than the facts relating to the degree of a man's disability.

Senator REED of Pennsylvania. I see that all right, but I am wondering about the wisdom and the workability of a scheme which would leave the amount to be paid in the director's discretion without any further rule to guide him.

Mr. MILLER. Well a limit of \$30 would be a safeguard.

Senator REED of Pennsylvania. Well, yes; of course.

The CHAIRMAN. In using these words there is no question but what there will be a saving to the Government, rather than to have it mandatory to pay each \$30.

Senator REED of Pennsylvania. I do not think it ought to be \$30 in all cases.

The CHAIRMAN. I do not either.

Senator REED of Pennsylvania. I am president of an insane hospital, have been for a good many years, and the men in that hospital get along very well on about \$2.50 a month pocket money.

The CHAIRMAN. I was director of our insane hospital at Salt Lake and I do not think they averaged \$5. They were well taken care of.

Mr. MILLER. Unless some outside requirements come in.

Senator REED of Pennsylvania. I can see there are special cases, such as Captain Miller has been speaking of, but it seems to me that if we have the money to devote to the veterans it is much better to give it to those who are sane and conscious of their disability than it is to pile it up in the bank for some fellow who never will know that it is there.

Mr. MILLER. There can not be any question about the correctness of the theory, but we have many men hospitalized in NP. institutions who are not completely insane and who have a good idea of what is going on about them.

At the bottom of page 18 we seek to restore to a man who recovers his reason, and whose compensation has been reduced under the section to \$20 a month, that sum which would have been legally payable to him had he never undergone a mental disability. The director has fully explained that to the committee.

The CHAIRMAN. Lines 3 to 9 on page 19 were consolidated in section 21.

Mr. MILLER. Yes, sir.

And in line 15, page 20, we seek to permit the director to supply necessary clothing to men who are unable to secure clothing in other ways. The director figures the cost of it to be slight, and, as suggested by the chairman of the committee, in many hospitals outside agencies are already doing a pretty good job, but in some cases they are not, and men come into the hospitals badly clothed, and unless something is done for them they will have to go out, when they do get out, just as badly clothed, and in the meantime they will not have much except the convalescent clothing that they are supplied in the hospitals by the Red Cross, which is nothing more or less than a glorified suit of woolen pajamas. Very adequate, but not for street wear.

And practically the same thing applies to prosthetic appliances. The House committee was very sympathetic to the proposition that when a man comes into a hospital and it is necessary to amputate a leg or effect an evulsion he should not be sent beyond the portals of the hospital without something to walk on. The class to which this provision applies would be narrow. It would not be necessary to keep a man's teeth in condition or to keep filling his teeth for life, or supply him with spectacles. It would generally mean artificial limbs.

Again, in line 8, page 21, we have the Curry amendment. Certainly in naval hospitals and in St. Elizabeths, veterans who are pensioned have five-sixths of their pensions taken away for hospital purposes. If a man gets \$12, \$10 is taken; if he gets \$72, five-sixths is taken, without respect to how much it actually costs to take care of the man.

The CHAIRMAN. I understood that we were going to take that first proviso out and put it in the pension bill.

Mr. MILLER. Yes, sir.

The CHAIRMAN. And that is where it belongs.

Senator REED of Pennsylvania. The suggestion was made yesterday that that part of the proviso from lines 8 to 15 be left in this bill, and from line 15 to line 22 be taken out to go into a pension bill. That would correct the law for the future, but it would not make any appropriations to make up for what had been taken in the past.

Mr. MILLER. I talked with a number of men who were in the Spanish war last night and they have been of the opinion that perhaps that retroactive feature might defeat it, so far as this bill is concerned, and I think they would be glad to have done what the Senator has suggested.

The CHAIRMAN. Well, do you think that the first proviso there is necessary?

That the pension of a veteran entitled to hospitalization under this subdivision shall not be subject to deduction while such veteran is hospitalized in any Government hospital, for board, maintenance, or any other purpose incident to hospitalization.

Mr. MILLER. I think it might be confined to the proposition of taking it for the actual expenses of his hospitalization. So far as World War men are concerned, they come into the hospitals, and they receive more money than they might receive on the outside, but your Spanish War or Civil War veteran comes into the Naval Home or St. Elizabeths, and immediately his slender pension is reduced by just so much. I do not think that this wording could be confused with the retention of pension that is carried on from time to time for disciplinary purposes in the soldiers' home.

Senator WADSWORTH. I wish you would think of that in connection with the Veterans' Bureau hospitals some time.

Mr. MILLER. I have not had the courage to do it. I have thought of it many times, but I have not had the courage to do it. We ought to have fair discipline in the interest of cure and any patient who wants to get well will so agree.

Senator REED of Pennsylvania. We made a timid start of that in the act of 1924.

Mr. MILLER. It is still in the bill.

Senator REED of Pennsylvania. We put such a provision in the act, and it is still in the law, that you can withhold a man's compensation if he is interfering with his own recovery by his own actions.

General HINES. Well, that provision, though, is really a forfeiture of his compensation.

Mr. MILLER. That is a forfeiture.

Senator REED of Pennsylvania. Yes.

Mr. MILLER. But it does not go so far as you can go in the soldiers' home under regulation. It is two-thirds of his compensation for a period of three months, as I recall it.

At the bottom of page 22, line 25, we have sought to allow men presenting themselves for examination under orders of the bureau a flat sum of \$2.65 per day in lieu of loss of wages. That roughly figures \$80 a month, which they would receive if they remained in the hospital for an entire month, and is merely administrative. It seeks to cut down the continual and lengthy examination into the proposition as to whether or not a man was receiving wages when he went into the hospital.

The CHAIRMAN. Have you any estimate as to what that provision will cost per annum?

General HINES. We feel that it will save money, Senator.

Mr. MILLER. We figure that it will save money.

The CHAIRMAN. I think you said so the other day.

Mr. MILLER. The theory of the saving is this: The present regulation provides that he shall not receive in excess of \$80 a month. It might mean that a man could get \$15 per day if he remained in for four or five days, if he was making that much money when he went into the hospital.

Senator REED of Pennsylvania. The present law gives the loss of wages incurred in submitting to examination.

Mr. MILLER. It provides for compensation, that is all.

The CHAIRMAN. But not to exceed \$80.

Mr. MILLER. And the \$80 is effected by bureau regulation on theory that \$80 is the amount that a man may receive when he goes into a hospital, provided he is not permanently and totally disabled

and appears in the regulations on the theory that when a man goes into a hospital his earning capacity is reduced to zero, and of course that is the general theory of compensation.

You gentlemen have had fully discussed the proposition of our desire to remove the time limits for the producing of proof of disabilities in the filing of claims.

The CHAIRMAN. The five years with an additional two years.

Mr. MILLER. Yes, sir.

Senator REED of Pennsylvania. I would like to hear you on that.

Mr. MILLER. I would be very glad to speak on that. May I consider first section 206. Beginning with line 11, the statute says:

That no compensation shall be payable for death or disability which does not occur prior to or within one year after discharge or resignation from the service.

And then sets up four or five exceptions.

The first exception is under the provisions of section 200 of the act, which is the presumptive service connection for neuropsychiatric disabilities, tuberculosis, amoebic dysentery, encephalitis, and one or two others.

The second exception is where there is an official record of the injury during service.

The third is at the time of separation from active service.

The next one is:

Where, within one year from the approval of this act, satisfactory evidence is furnished the bureau to establish that the injury was suffered or aggravated during active service.

Now under former statutes the Director of the Veterans' Bureau could extend to a veteran a certificate of injury. He could file that in his archives, and whenever that injury developed a disability he could bring it back to the bureau and that was proof positive that the disability was incurred in the service. Under the World War veterans' act those certificates of disability, and there are hundreds of them out, are not effective as proof of disability. The various circumstances under which a man may file valid proof of a disability, including particularly the last one, which provides that the proof may be filed within one year from the approval of this act, are in such variance with section 209, which provides for the time within which the claim may be filed, that we thought the restrictions could be removed. It would be hard enough if a man comes in ten years after his discharge from the service to effect satisfactory proof of the service connection of his disability. There are a lot of upstanding men who came out of the service and tried to carry on and did carry on and are still carrying on that undoubtedly have some disabilities which it would be possible to connect with the service and should be connected with the service if they were given the right to file the claim and to produce the proof for the consideration of the Director of the Veterans' Bureau.

Senator REED of Pennsylvania. I had the feeling two years ago that when we allowed the five-year presumption for T. B. cases and for insanity that we were going almost to the limit of reason in connecting such disabilities with the service.

Mr. MILLER. Let me say to the Senator, please, if I have not interrupted him, that in the section which provides for the time of filing claim, as the Senator knows, a man may file a claim within

five years after the beginning of the disability. But turning directly back to section 206, he must have had the proof of that disability filed with the bureau within one year after the passage of the World War veterans' act. Now, the two will not hitch. A man may come in 25 years from now, under section 209, and file a claim; but under the reading of section 206 he must have had the proof of the service connection of that disability in the hands of the Director of the Veterans' Bureau by June 7, 1925.

Senator REED of Pennsylvania. Well, that put everybody on notice who had any service injuries to prove them so that he might establish his claim later if disability arose from it.

Mr. MILLER. Senator, a former officer came into my office within the last month. He was a man who, beyond the age of 60, took a machine-gun battalion to France, and served for a long time in the World War, and during his service went over the top several times. He came into my office and said, "I am retired from the Federal civil service, retired on the 15th of April last, and I want you to tell me what converted policy I can buy and still get along on my income from month to month." And he showed me what his income was, and I looked the situation over and I said to him, "You can not buy even the cheapest of the converted policies at age 70. You can not do it. But I am going to apply for maturity of your war time insurance and see what I can do for you. I do not like to see you lose all of that money."

And we examined him and found he was totally disabled, not by virtue of his years, but by virtue of his service, and yet he could not buy the cheapest form of converted policy. He is a member of my post in the Legion. I think there must be a very considerable number of that kind of cases. Here is a man who may not be able to do anything for himself in the future. If you extend the right to file claims and extend the proof, a reasonable number of honest cases will be taken in.

Senator REED of Pennsylvania. I am sure of that, Captain. I am sure there are such cases as you describe. And yet every time we open the door a little further we are opening it for the malingerers who disgrace their comrades. It is those we are trying to shut out.

Mr. MILLER. They must have the proof, however, and the Senator knows it is not an easy thing at this date to set up an effective claim for compensation.

The CHAIRMAN. They are still doing it for the Civil War.

Mr. MILLER. Yes, sir.

May I say to the chairman that an inspection of the earlier hearings on World War veterans' legislation discloses the proposition that he, himself, who is in the Senate, senior to many of the members of this committee, was of the feeling that there should not be too arbitrary a time limit set for the filing of claims for disability compensation, or the production of evidence to sustain these claims.

The CHAIRMAN. Yes; I was at that time a member of the subcommittee that had the legislation in hand.

Mr. MILLER. I am not getting on as rapidly as I had hoped, Mr. Chairman.

On page 25, the new material in lines 10 and 11 seeks to clear up a situation that the committee, in 1924, attempted to take care of. The Comptroller General has held, or did hold in the past, that

retainer pay of \$12 a month for those who came out of the regular service disabled but not so disabled that they could not secure service in the Naval Reserves, was service pay, and for that reason no compensation could be paid.

The CHAIRMAN. That was between April 6 and June 17?

Mr. MILLER. Any period.

The CHAIRMAN. The date of entering the war was April 6, and the veterans' act was on June 17.

Mr. MILLER. The veterans' act was June 7, 1924.

The CHAIRMAN. Was it June 17, or June 7?

Mr. MILLER. It was June 7.

And we, ourselves, did not say that the proviso should be made retroactive, but we now think it should be made retroactive. The committee has had that fully presented, I think.

In line 15, page 25, the director seeks to be permitted by law to apply the new present schedule of ratings to those disabilities that occurred before April 6, 1917, and for periods of enlistment which were initiated after February, 1922. The compensation section of the war risk insurance act provided compensation, in the last proviso of section 300, for that class of cases. Section 212 now provides——

The CHAIRMAN (interposing). Let me ask you in relation to this. That is for disabilities occurring as a result of service prior to April 6, 1917?

Mr. MILLER. Yes, sir. I was starting to say, Senator, that the last proviso, but one, I think, of the compensation section of the old war risk insurance act provided compensation for original disability, or aggravation occurring prior to April 6, 1917, for those who were still in service on April 6, 1917; and it further provided compensation for any person who was disabled in any enlistment that was initiated within six months after the enactment of a certain appropriation bill, which brought that period up to February, 1922, as I recall it.

The CHAIRMAN. What is your estimate of the cost of that provision?

Mr. MILLER. There is no estimate of cost on it, because the men are now rated on a schedule which is not properly in existence, and the director merely seeks to rate them under the present schedule. It may decrease the cost a little in some cases, but it may increase it in others.

General HINES. We estimate that the net increase will be between 2 and 5 per cent, but it has been applied to all other veterans since 1925, and we should be able to apply it to these.

Mr. MILLER. In section 300, page 26, Mr. Chairman, the committee has tentatively decided, on line 13, to leave out the word "year" and retain the words:

one hundred and twenty days after the enlistment or after the entrance into or employment in active service and before discharge or resignation as the time for the making of application for converted insurance.

And beginning on line 15 of that same page we seek to validate the applications of members of the reserve forces who applied for insurance and were granted it. I do not know that General Hines fully explained the purpose of this section. It was initiated within the Veterans' Bureau. It merely seeks to validate certain insurance

policies of men who were in the training camps for 15 days as reserve officers, and were granted the insurance, the officers being under the impression that they had the right to apply for that insurance. And it does not relate back so much to the men who were in the training camps during the war.

The CHAIRMAN. In other words, you agree to strike out the word "year" and let the 120 days apply?

Mr. MILLER. Yes. The one year did not originate with the Legion. It was inserted at the request of a member of the House Veterans' Committee. It was inserted because it was thought that was not time enough. It was not enough in war time, and the committee recognized it was not enough, because it set up automatic insurance for those people who were killed or who became totally and permanently disabled within 120 days and had not applied for insurance.

Senator REED of Pennsylvania. We have passed at least one bill for the benefit of a man who had not heard of the insurance.

The CHAIRMAN. Let me ask the director this: With the word "year" stricken out and the 120 days applying, have you any objections whatever to the proviso beginning on line 15 of page 26?

General HINES. No, sir; we have not, Mr. Chairman, and we feel that the 120 days is sufficient time and that it should remain as it is in the present law.

The CHAIRMAN. But without that amendment you disapproved of it?

General HINES. No, sir; we are in favor of the proviso, but we also recommend that the 120 days remain unchanged.

Mr. MILLER. That, of course, only relates to the insurance which is up to the present time self-sustaining, and much of it is even more than self-sustaining, and we feel that in that event the 120 days would suffice.

The second new proviso in that section seeks to permit members of the Coast Guard to apply for insurance when on active duty, on the theory that they are engaged in a rigorous enterprise, and that they should be allowed to apply for insurance. The amendment came from the Navy Department, I think, or one of the executive departments.

The CHAIRMAN. From the Navy Department.

Mr. MILLER. Yes, sir.

The CHAIRMAN. What is your opinion of that proviso?

Mr. MILLER. I have no objection to it, but I am not so familiar with the number of men involved, nor the hazards of their service.

Senator HARRISON. Are not the members of the Coast Guard largely used in the enforcement of prohibition?

Mr. MILLER. Yes; I think so. But since that came from an executive department, the committee should consider that this is United States Government converted insurance and is sold on actuarial principles, and unless there are some emergencies which we do not now foresee the insurance will be perpetually self-sustaining. There ought not to be any objection to this proposal.

In my copy of the bill section 301 is stricken out.

The CHAIRMAN. That is taken care of in the House. That has already been passed.

Mr. MILLER. Was your bill passed in the Senate, Senator?

Senator REED of Pennsylvania. Yes; that has gone to the printer. We agreed to the House amendments yesterday.

The CHAIRMAN. Now, section 303—

Mr. MILLER (interposing). Yes; I think we can pass section 303 because I think within the last few days the Comptroller General has, in a decision, taken care of that.

The CHAIRMAN. That is, the proposed amendment on page 33, line 19, down to line 23?

Mr. MILLER. Yes, sir.

The CHAIRMAN. That is, strike that out?

Mr. MILLER. Yes, sir.

Mr. Chairman, there are only one or two more provisions of the suggested bill to which I shall make reference; but I do want to call particular attention to section 304, beginning on line 11 of page 34. Section 304, which succeeds the old section 408, relates entirely to disabled veterans. It has not anything to do with the well veterans who are able to look after themselves. Under the present statute a disabled man, disabled as a result of his war service, but not permanent and total, can reinstate his lapsed insurance under two conditions: First, that the application was presented to the bureau prior to the date of January 7, 1925, one year after the passage of the World War veterans' act, and second, providing his policy had not lapsed more than two years. The date of June 7, 1925, is now behind us. Most of these disabled men lapsed their policies for one reason or another when they left the service. Men did not know that they had the right to continue their insurance, because they thought that it was an emergency insurance; and many others, not having been able to place their claims before the bureau, did not have money enough to pay their premiums.

Now, under the terms of the new bill which has just passed, Senator Reed's bill, the term insurance must be converted within a year, or prior, as I understand it, to July 2, 1927. In our rewriting of section 304 we seek to do practically three things: First, give this year after the passage of this amendatory act for these disabled men to attempt to effect reinstatement. And, second, in case these men are able to prove to the director that they can not pay the back premiums, we seek to have those back premiums, with interest as provided by law, made as a charge against the principal sum or the face value of the policy, to be deducted in any settlement thereunder. We have limited that to a year, because we would not want a disabled man, no matter how poor or of how low estate he may be, to come in to-day and effect his insurance, with the accrued benefit to himself, and then let it lapse again, and then have him do the same thing next month, and so on and so on. The whole operation has to be effected within a year, and the whole matter must be taken care of fully prior to the ending of the next fiscal year.

We can not tell how much it is going to cost, because I think we have no way of knowing how many men, disabled as a result of their war service, are actually carrying insurance. We have tried to check it up, and the bureau has tried to help us, but we have no way of running cards for that purpose, and have no check on it. But the director has suggested that other restrictions placed in section 305 of our proposed legislation, which is to restrict the payment of revived insurance to the immediate blood relatives of the man whose

insurance is so revived, would more than cover the assumption of any impaired risks we are discussing immediately.

Now, insurance, Mr. Chairman, was initiated not for me; not for Major Reed or these other men who are around here, who were in the service, but who are well men. We can, most of us, carry our Veterans' Bureau insurance, because it is the cheapest and safest level premium participating policy in the world. There isn't any question about that. But the insurance was set up for men who were to pay a special price for their participation in the war. We ought to care for as many of those men whose position we know and whose disability we know is brought about by their participation in the war—we ought to get back as many of them as we can, because you write insurance for that kind of people. And I hope you will give it very serious consideration.

The CHAIRMAN. Have you any idea what that insurance would cost?

Mr. MILLER. Mr. Chairman, conferences with the director do not indicate what the added cost of section 304 would be, but he and I are both of the opinion that the savings to be effected by section 305, on page 37, would more than offset any maturities that might come within the period where a man must convert, you see. Perhaps I did not make it clear that within a little more than one year these men whom you will let in will have to convert their policies. You will at once say that if they can not pay the premiums to reinstate their lower premium policies they can not pay the premiums for the higher rate policies. We do not know that that is the case. There may be some who can not do it, but there are many who will make a special effort to take care of their dependents. Now, when they get on the converted side, at least for a generation or two there will be no expense to the Government, because the converted insurance is more than self-sustaining. May I say that the record shows that last year the income was \$55,000,000, and the outgo \$14,000,000. The savings in mortality have been so great, and the physical character of the insured has been so good that the bureau has been able to put into one fund, a fund in connection with this class of insurance, a contingent reserve in excess of \$30,000,000. That is undoubtedly done with the feeling that some of the older veterans, in which class I fall, may some time mature their policies by virtue of age alone. Whether that will be done, or not, I do not know. I can not tell. It is a moot question whether any of these men, veterans, who are now carrying insurance, will mature their policies by virtue of age alone. But, at any rate, the converted insurance fund is in splendid shape, and you have a considerable number of men who have lapsed their yearly renewable policies or war-time insurance that will certainly have to get on the converted side or forfeit all insurance. Please give our disabled men this chance.

On page 36, line 11, section 305, the director has explained to you that the Comptroller General has differentiated between canceled or reduced insurance and lapsed insurance. And it seems a little grotesque to me that there should be a distinction against that man who has paid his premiums but who has had finally to throw up his hands, as against a man who did not or did not want to continue his insurance.

On page 37, line 3, is a proviso that was presented and written voluntarily by the organizations. This insurance has been passing, some of it in cash, many time to people who have no interest in the veteran, and who perhaps have never seen him. And while we do not like to write in provisions which would be restrictive in any way, the Legion and the other organizations, the V. F. W., and the Disabled American Veterans, want to be known as honest, and they voluntarily submitted this amendment. There will be a very great saving. As the director says, perhaps enough to offset any expenditure in section 304 between now and the time they have converted the insurance. It should not be retroactive, we think.

Senator HARRISON. That does not apply to a veterans' sister, does it?

Mr. MILLER. It does not apply to a sister, Senator. And it might well be considered whether it should be amended to apply to a brother or a sister. They are close relatives. We thought of that when we wrote it. That will be for the committee to consider.

Senator HARRISON. I know of one case where a sister is dependent on the veteran.

Mr. MILLER. Is the veteran alive?

Senator HARRISON. Yes.

Mr. MILLER. Then this does not apply. It applies to those cases where the relatives come in and revive insurance after death.

On line 15, page 37, there is an additional 30 days, or a month of grace allowed. The provision comes from the Veterans' Bureau, and I have no doubt it is a wise one.

On page 38, beginning with line 12, section 309, I call the attention of the committee that where insurance is revived for the dependents of those who are dead, or those who are permanently and totally disabled, the \$60 bonus must cover the entire insurance. It must revive the entire \$10,000 if \$10,000 was carried. The amendment is eagerly sought by two Members of the lower House. I can not think of more than two cases. I know of two.

The CHAIRMAN. Why not let this go out, and if there are two or three cases, have special bills for them?

Mr. MILLER. The Senator knows how hard and difficult it is to get special bills passed.

Senator REED of Pennsylvania. It is hard to get special bills passed and, then, it is very difficult to say how many cases there are that would be affected. General Hines has said there is a potential 1,000 cases. Your guess is two; and one Member of the House told me he was instrumental in putting this in, and he said there were 58.

Senator GEORGE. Yes; and I have been told 58.

General HINES. We have tried hard to get at it the best we can, but it is very difficult without a thorough review of all the records of the War Department.

Mr. MILLER. I make my guess on this basis—and you have well said it is a guess at best—on the fact that whenever there is any proposed action suggested in Congress, or there is a decision by a district court, or an appellate court, or in the Court of Claims, whenever there is a decision that bears on these veterans' matters, the cases come to our office. After the decision in the training camp case, the Buckenmyer case, you will remember, 600 cases

immediately reached my office; not one was before my office before. A Member initiated this in the House, and there can not be so many—

Senator REED of Pennsylvania (interposing). I reported a special bill for the Committee on Military Affairs that would come within this.

Senator GEORGE. There are some cases that would come within it, of course. I do not know how many there would be. The best information I have been able to get from the House members who have studied it is that they think about 60.

Mr. MILLER. Now, here is a thought: The \$60 bonus would probably pay, in the case of our average young man, the premiums for about 10 months.

Senator GEORGE. Yes.

Mr. MILLER. So the committee must consider that in order for this to be effective at all, the man must have become totally disabled or have died within the 10 months. So there could not be many.

Senator GEORGE. No; there could not be so many.

Mr. MILLER. I hoped to have finished before this.

The proviso on page 39, section 406, beginning on line 10, has been discussed before the committee. The American Legion wrote a provision which was not acceptable to the House committee. The Director of the Veterans' Bureau has submitted one which is entirely satisfactory to the Legion, a more satisfactory provision for the extension of training privileges than occurs in the provision as printed here, which was written by the World War Veterans' Committee of the House.

Senator REED of Pennsylvania. You like the Veterans' Bureau draft better than this?

Mr. MILLER. Yes, sir; I think, in justice to the Government and in justice to all the equities, if you find a man who had disabilities, and whose disabilities originally made him eligible for training, and that man has been taken and given training so as to make him fitted for carrying on some occupation, that the obligation of the Government toward him has substantially expired. Now, we and the director seek to take the cases of men who can not carry on, those in training and not yet entered, whether vocational or academic or professional courses, and to pick up those cases who are eligible but not feasible for training, whose disability still exists. There will not be a great many of those, I think. Our neuropsychic cases, which constitute our largest load now, can not be generally successfully trained, I think. They can be given a little prevocational training in the hospitals, but not a great deal. Many tuberculosis cases, certainly many of those in the hospitals, are unsafe risks for training. I think the cases which the director explained to you day before yesterday, the large group of pulmonary cases, will be taken care of by higher ratings for compensation.

Senator GEORGE. Captain, would you care to say anything on the subject of the arrested tuberculosis men?

Mr. MILLER. Yes; that has been gone into on the House side. Mr. Taylor did not say, but I think he intended to say that we have, as members of this committee, men who are nationally known as experts on tuberculosis, and they have gone before the committees for the last three years, and they have explained that when a man has

suffered a loss of lung tissue, that he has a definite handicap, just as surely as a man has who has suffered the loss of a limb. And largely under the guidance of those gentlemen who are our medical advisers, and who are members of the director's medical council. We have asked and still ask for an adequate rate of compensation for life for arrested cases of tuberculosis.

Senator GEORGE. Yes; but I had reference to the particular complaint that comes from the T. B. cases, who wish the minimum fixed rate to be higher than the director's board has indicated will be fixed.

Mr. MILLER. We have asked each year for a minimum rate of not less than \$50 per month for life. We believe in it, and our medical advisers believe in it. Legislatively it does not seem possible of accomplishment at this session.

Now, of the men who are suffering from tuberculosis, and we have thousands of them, they are the most hopeful and the most cheerful of the patients that we have. They are hopeful of final recovery, and they are lying there now wondering what they are going to be able to do when they get out. Now, if anything can be done for them you ought to clothe the director with authority to extend that help. You have taken care of them so far, and you ought to complete the job. Nobody contends that vocational training is entirely successful. It was a new thing entirely in this country and a new thing everywhere. Nobody had had the experience before it was undertaken here. They did not know of it in the foreign countries any more than we did. In an early day in training there was a reservoir of men to draw from, and many were shot out willy-nilly in order to secure emergency relief, and those are the cases that we hear most about. But when you go into the schools where these men have studied the professions, law, and medicine, and the sciences you will find that, generally speaking, these men have done better than many of the men who were not veterans. Their individual markings are high.

Senator REED of Pennsylvania. They are more mature, and they ought to be.

Mr. MILLER. And they were men who were mentally well equipped also. And then there were a lot of men who came from the trades, and we also got a lot of men who were mentally inferior, and who could not be given successful training at all.

Senator HARRISON. If you have finished your statement, I want to ask you a question or two.

Mr. MILLER. I have about finished, except to make reference to page 40 of the bill. I think it was passed over when the director was on the stand. It calls for the extension of the penal provision of our act or the penal parts of our act to the Philippine Islands. You know the Jones Act—

The CHAIRMAN. That was mentioned yesterday.

General HINES. Yes; I mentioned that.

Mr. MILLER. Very well.

Senator HARRISON. I would like to ask you some few questions.

Mr. MILLER. Yes, Senator.

Senator HARRISON. I understand the veterans' organizations made a recommendation for a \$39,000,000 appropriation?

Mr. MILLER. Yes; in H. R. 4444.

Senator HARRISON. And that was reported out, was it?

Mr. MILLER. No, sir.

Senator HARRISON. The bill, as reported out, carried about \$24,000,000?

Mr. MILLER. About \$21,000,000.

Senator HARRISON. And this bill carries \$7,000,000. Why was it that the committee did not report it out as recommended?

Mr. MILLER. I shall have to answer the Senator solely from hearsay.

Senator HARRISON. You were discussing the amendments that were agreed upon by you and the committee, and I think it is fair that you give to this committee your views why you favored first an appropriation of \$39,000,000, and then there was reported out \$21,000,000, and now why you are satisfied with \$7,000,000?

Mr. MILLER. Senator Harrison, the allied veterans' organizations were in the hope that they could come to Congress this year and clean up with this legislation so that we would not have to come back to you in subsequent years and ask you for money. We wrote such a bill, we thought, and it was written by the veterans' organizations, and the Veterans' Bureau together.

Senator HARRISON. You mean that the Veterans' Bureau was asking for this \$39,000,000 then, and is satisfied with the \$7,000,000 now?

Mr. MILLER. Not in all the cases, but in most of the cases, for example, it was hoped that they could take better care of a greater number of these arrested cases of tuberculosis. And we hoped also, with the knowledge that we now have, to clear up this old incubus of willful misconduct.

Senator REED of Pennsylvania. Which means venereal disease.

Mr. MILLER. Which means venereal disease. We thought what Congress originally meant was matters involving moral turpitude, or cowardice in the face of the enemy, or things of that sort, but in the spring of 1923 Mr. Huddleston, of Alabama, wrote a word, with the best of intent, into the act which changed the course of administration, and the Comptroller General thereafter laid down some restrictive rules. There are things that come in here that make some sections of the World War veterans' act almost unworkable. But the added cost of the original bill is largely in these two matters, coupled with other sections such as the chronic disease section, which made up our extensive bill. I have the first bill here, but it is not before this committee.

Senator HARRISON. Is that what is known as the Johnson bill?

Mr. MILLER. Yes, sir.

Senator HARRISON. Which of the two are the more satisfactory to the organization—

Mr. MILLER (interposing). H. R. 4474.

Senator HARRISON. Why was it the House reversed itself and did not report out the bill?

Mr. MILLER. H. R. 4474 was not reported out by the committee. There were perhaps many things in it that should not have been there. We discussed it in extensive hearings over there for weeks, and we conceded a number of points, but when we produced H. R. 10240, at a cost of \$21,000,000, we were set. It was reported to us that there was objection on the part of the House leaders to the consideration of a bill carrying an appropriation of \$21,000,000.

Senator HARRISON. Was the objection of the House leaders to the bill carrying \$22,000,000 the fact that they did not want to go into that sort of legislation, or was it to cut down appropriations?

Mr. MILLER. Undoubtedly to cut down appropriations.

Senator HARRISON. They had no objection then to the legislation?

Mr. MILLER. The House leaders themselves, so far as I know, had no objection to the provisions about which we are talking. General Hines knows something about it.

General HINES. I think the objection was based primarily on cost. I am not familiar with the final decision on it.

But I would like to call attention to this, that in this bill, while the total cost reported by me was \$7,587,725 for the first year, the committee should consider, in addition to that \$7,000,000, the administrative change in rating tubercular cases, and an additional \$5,478,000, which, in round numbers, makes this \$12,000,000.

The CHAIRMAN. Have you any further suggestions, Captain?

Mr. MILLER. I think that is all. Mr. Chairman. I thank the chair and the members for their interest.

The CHAIRMAN. Mr. Taylor, on what subject do you want the other gentlemen to speak?

Mr. TAYLOR. We have Mr. Kirby, of the Disabled Veterans, and Mr. Bettelhein, of the Veterans of Foreign Wars, whom we desired to have heard.

The CHAIRMAN. Do you want to go into a discussion of items, Mr. Bettelhein?

Mr. BETTELHEIN. For my part I want to make a short statement rather than to reiterate what you have heard already. We are all substantially in agreement.

The CHAIRMAN. There is not much use reiterating it. We have been pretty well over it. But if there are any new suggestions we would be glad to hear you.

Senator GERRY. Mr. Chairman, could we not meet this afternoon?

Senator REED of Pennsylvania. I suggest, Mr. Chairman, that we meet in the Finance Committee room in the Capitol this afternoon.

The CHAIRMAN. Without objection, then, the committee will stand adjourned until 3 o'clock this afternoon in the Finance Committee room in the Capitol.

(Whereupon, at 12 o'clock noon, the committee stood in recess to meet at 3 o'clock p. m. in the committee's hearing room in the Capitol.)

AFTER RECESS

The committee reconvened at 3 o'clock p. m., Wednesday, May 26, 1926, in the hearing room of the Senate Finance Committee in the Capitol.

The CHAIRMAN. The committee will come to order. You may proceed, Mr. Kirby.

**STATEMENT OF THOMAS KIRBY, NATIONAL LEGISLATIVE
CHAIRMAN DISABLED AMERICAN VETERANS, MUNSEY
BUILDING, WASHINGTON, D. C.**

Mr. KIRBY. Mr. Chairman, the Disabled American Veterans appreciate this opportunity to present their views on this legislation, but we find ourselves in substantial agreement with what has been said by the director and the representative of the American Legion, so I will limit myself largely to attempting to stress certain features that might have been overlooked.

Our organization, as you know, is composed exclusively of men disabled, and we have throughout the United States 76 liaison officers who present their views to the chapters, the chapters to the State chapters, the State chapters to the national convention, and in cooperation with the other organizations the original so-called Johnson bill was written.

The feature that I would like to stress about the hospitalization of women veterans is that this has been a problem before the bureau with considerable dissatisfaction among the women veterans, due to the fact that they themselves have no hospital. On the other hand, for the Veterans' Bureau to build a hospital in a given place would be probably unfair to women from other sections of the country. So this proposal here of hospitalizing women in contract hospitals is really a compromise between these two conditions.

The CHAIRMAN. Well, you have no objection to it as we have written it here?

Mr. KIRBY. No, sir; we are for that section.

The second section is the matter of guardianship. There has been so much said recently about conditions in the District of Columbia that it should be stressed that this Fenning situation here is purely an incident in a national condition. It has been developed definitely before the Veterans' Committee of the House that there is a man in San Francisco that has a great number of cases about which complaint was made.

Senator REED of Pennsylvania. Do you remember his name, Mr. Kirby?

Mr. MILLER. His name is Birdsell, and it so happens that the most of his cases are cases of boys living in foreign countries and apparently no relatives, and large estates are being developed.

Mr. KIRBY. These large estates are developing, and should these men die the question would come up, to whom would that money revert? We are only casually interested in that, but there was a discussion in the House committee as to whether it would go to the State of California, through its peculiar laws.

Now while this law may be improved covering guardianships, it is our belief that it is more a matter of administration within the Veterans' Bureau, and, to be fair to General Hines, he said recently that he is now making a survey of the whole situation and believes that he will be able to build up a stronger organization within the bureau that will be able to handle this more satisfactorily.

To be quite frank with you, the Veterans' Bureau has not checked these guardianship matters closely. They have records up there of guardians covering a long term of years when there has not even been a report. There was built up recently, since the Senate investi-

gation, a guardianship service which is purely a skeletonized organization, they have a guardianship officer in each regional office, but the detail work is being left wholly to the service organizations and their auxiliaries, and while most creditable work has been done of a social-service nature, we do not think that any service organization or any combination of service organizations is capable of doing this work as it should be done.

The curve in the Veterans' Bureau will show that the mental cases are on a constant increase. The tubercular cases have started down. So this problem, instead of passing over, is really getting worse, and there should be some action to accord these men a protection that they are absolutely not getting.

I do not think there is a man living who knows the real condition among the insane veterans. Not to be radical about it, but General Hines concedes that his reports are not entirely complete, and none of the service organizations do it. In common with other service organizations we get reports—some of them are almost unbelievable—of abuse of these veterans' funds, and we think that if the Veterans' Bureau will build up a substantial system of guardianship and check these accounts, and then allow the service organizations to do on guardianship just what we do with contact work in the form of our liaison, which acts as a free attorney to the man, we can then go a great ways toward correcting these conditions.

Without entering into the constitutionality of it, it is extremely doubtful if there will not be a strong complaint from the States if you proceed to legislate in Washington here that the State courts can not appoint their guardians and handle it as they see fit.

The CHAIRMAN. You think that this amendment goes just about as far as we can under the Constitution, do you not?

Mr. KIRBY. It is questionable to me whether you can go that far. As a legislative body for the District of Columbia you can try it out here.

The CHAIRMAN. Yes.

Mr. KIRBY. My suggestion to General Hines has been that he call in a committee of representatives of the American Bar Association, and in cooperation with the service organizations and the Veterans' Bureau to attempt to evolve a policy, and he told me only to-day that that suggestion is being acted upon, and I think then that he will be able to make a recommendation that is more substantial than this. In the meantime I think that this plan should be tried out in the District of Columbia.

Senator JONES of New Mexico. But it should be limited to the District?

Mr. KIRBY. To the District for the present, until we find out more about it.

The CHAIRMAN. It is limited in this amendment, Senator.

Senator JONES of New Mexico. Yes.

Mr. KIRBY. The out-patient treatment on page 3 is favored strongly, and a further support of that proposal is the fact that this may result in an actual saving financially to the Government, aside from the convenience to the veteran. If a man having a disability that can be treated in a dispensary comes along he is sent to a hospital. It costs the Government money to keep him at the hospital. Whereas if he were allowed this dispensary treatment, out-patient treatment,

limited absolutely to the existing facilities, not adding to the expense of the bureau, the result of it would be that it would be a saving to the Government.

Senator REED of Pennsylvania. This would give free dental treatment and all that sort of thing to every veteran, would it not?

Mr. KIRBY. No, sir; it would not go that far. You are speaking of the prosthetic appliances, I think?

Senator REED of Pennsylvania. No; I was thinking of the provisions on page 20. I think that is what you meant. I am using the House print.

Mr. KIRBY. Yes. It is also on page 3.

On the matter of the transfer of these soldiers' homes to the Veterans' Bureau, that was not a part of our legislative program, and the view of our organization is that if you go to take these soldiers' homes over that whole sections should be taken over rather than split these homes. At Johnson City, Tenn., you have an ideal situation where the preponderance of patients are World War men, and that hospital might be taken over bodily. But it is extremely doubtful whether the time has arrived in the judgment of our organization where there should be any action on that matter.

The CHAIRMAN. Any amendment to the bill that meets your approval you need not discuss, because we will take it for granted that it does meet with your approval, without saying anything more, unless there is something special you wish to say about it.

Mr. KIRBY. I am passing over the ones, Senator, that we agree to.

The CHAIRMAN. What is the next?

Mr. KIRBY. On page 18, line 14 there seemed to be debate as to the justification of the \$30 a month, and it has been suggested that that might be discretionary with the director, and I think there is a great deal of justice in such a qualification. But we have many apparently justifiable claims for an increase to \$30. A matter that has not been mentioned in the hearings so far is that this money that is allowed these men is used in the form of good medicine by taking these men out for recreation. For instance, at St. Elizabeths they will get up a group of men who are in fairly good shape, and they will take them out for rides through Washington. It is not only recreational to these men, but it is good medicine, and these men are entitled to this money, and I think that in exceptional cases the director should have discretion in increasing that to \$30 rather than being limited absolutely to the \$20, that is, the same to all classes, where some of these men, for instance, have to meet the expense of taxes, which we have had complaints of.

The CHAIRMAN. You have no objection to the amendment that I have proposed, not to exceed \$30, have you?

Mr. KIRBY. Not to exceed \$30.

Senator JONES of New Mexico. Why not put an absolute minimum in there?

Senator REED of Pennsylvania. \$20 is the minimum.

Senator JONES of New Mexico. \$20 was the fixed sum proposed, and then changed to \$30.

The CHAIRMAN. There are cases where \$20 is not enough; so we simply say not to exceed \$30.

Senator JONES of New Mexico. It is a discretionary matter, the whole way through.

Senator REED of Pennsylvania. Senator Jones's idea is that it should be discretionary.

Senator JONES of New Mexico. So that he would not have to fix the amount in each case.

The CHAIRMAN. This is all discretionary with the director.

Senator JONES of New Mexico. I see it is.

Mr. KIRBY. Now, on page 22, at the bottom, this matter of per diem allowance of \$2.65 a day for the period of travel and observation. As has been pointed out, that in itself may result in an actual financial gain or a saving by the bureau. But a class of men that have not been mentioned, that have been extremely troublesome in trying to arrive at a proper figure for them, are the men who are working on a commission basis. If a man is getting so much a week and he spends one week in the hospital they know exactly how much he is entitled to. But if he is a farmer, or if he is working on a constantly changing commission basis, the findings of the bureau may be unfair either to the bureau or to the man; or a man working on a part-time job.

Senator REED of Pennsylvania. So you recommend this change?

Mr. KIRBY. We recommend this change.

Senator REED of Pennsylvania. Experience has shown the justification.

Mr. KIRBY. Experience has shown the justification, and it presents a terrific administrative problem to the bureau.

We favor the absolute wiping out of time limit for filing claims.

The CHAIRMAN. Together with the extension of two years that is provided later in the bill?

Mr. KIRBY. With both limitations removed.

Senator REED of Pennsylvania. An indefinite extension. As it stands, to file a claim any time.

Mr. KIRBY. To file a claim any time in the future. Experience shows, and the reasons are obvious, that as time goes on and the farther we get away from the war the more difficult it is to get through a claim. Now there exists, as has been pointed out, a real considerable number of men, and a high type of men, who have never put in a claim of any sort against the Government, and such a man has gradually gotten to the place where he is trying to get his claim through. Now within the last four days I had a case of an accountant in the same building here in Washington, who had fought this thing off to the limit, and finally feeling he is going to break, he has asked me to get through a claim, and I know that four years ago it would have been easier to prove if he had made a claim. Twenty years from now if a man can prove that he has a service-connected disability we feel that he has the same right to it as the man who came in at once.

On page 35, we have a peculiar interest in this plan to allow the disabled man to reinstate his insurance. These men who are disabled have either had a material reduction in their earning capacity or their earning capacity has been completely wiped out due wholly to their war disability.

We have this peculiar condition in the Veterans' Bureau, this insurance having been instituted essentially for the disabled man. We find the man who is able-bodied comes in and reinstates his insur-

ance on a two months' payment. The disabled man has to pay back all premiums to the day when it first lapsed, and the statistics show that 9 out of 10 of the men who had insurance during the war dropped it. At present of course they are prohibited and they will not be able to reinstate until we change the law, but even if the law were changed the disabled man is not financially able to take up his insurance.

The natural question would be that the man is not an insurable risk. Well, the fact of the matter is he is an insurable risk to this extent, that if two men came in the room now and each would require \$500 to reinstate his insurance, the man who has the \$500 is an insurable risk. The man who has not the \$500 is not an insurable risk according to the law as it exists. We feel that if the Government holds out against the face value of that policy the amount that otherwise the man would have been paid the Government is protected at all times. And a feature of this section that has appealed to us is that we feel that this allowing the disabled man within reasonable limits to reinstate his insurance will postpone this inevitable day, as it seems to be the feeling of veterans. These men are dying off at the rate of 4,212 a year. They are leaving their dependents, and it is a matter of making some provision where they can now reinstate their insurance or reasonably expect that these men will be paupers within a very short time. We feel that of all the insurance provisions that are made that the disabled surely should be given the highest consideration.

Senator JONES of New Mexico. And would you have the same view with respect to all of the permissible beneficiaries, or would you limit that?

Mr. KIRBY. We would be willing to have the limitation which was explained this morning rather than this extended list of eligible beneficiaries. But, as I said, nine out of ten of the men dropped their insurance after the war. The disabled man is extended along and it might take \$400 or \$500 or \$600 to reinstate it. He can not bear that burden. They are dying off in excess of 4,000 a year, and by allowing him to reinstate his insurance you are making at least partial provision for his wife and child.

We are extremely interested in this rehabilitation. We realize that Congress feels, and with considerable justice, that this rehabilitation has not been entirely successful. But it is felt that the load has been dropping off so that now it is reaching the vanishing point, and to have these men who have trained up to a certain point now arbitrarily cut off of rounding off their courses is really junking a lot that they could otherwise capitalize.

But there is one class that is not covered in this proposed amendment in which we have a particular interest, and that is the man who as a result wholly of his war disability has never reached the stage where he is feasible for training. In my visits, I think, and I think the representatives of the other service organizations will agree with me, that one of the sublime features of these disabled men, taking particularly Saranac Lake, N. Y., these men are up there, mostly gone, have been up there for four or five or six years, they have no prospect at all when leaving the hospital of ever being self-supporting in their old occupation, and they are to-day voluntarily taking what might be described as prevocational work. If they hope to be law-

yers, they are trying to read law. If they are going to be auto mechanics, they are reading something on the theory of an automobile engine. But we do not feel that it would be fair to Congress to ask Congress to throw the gates wide open on this rehabilitation. But we do think that if the director's proposal is accepted, and he will reestablish the eligibility of these men, in other words, not be bound by mistakes that have been made in the past by making everybody eligible, but if a man subsequent to the passage of this act proves to the satisfaction of the Veterans' Bureau that he is in fact not capable of returning to his pre-war work, we think that man is entitled to training when the postponement of the start has been due wholly to his physical condition which resulted from the war.

The Veterans' Bureau is to-day better able to handle rehabilitation than it ever has been. There was lots of stumbling around, a lot of mistakes made in the past, but profiting by those mistakes, both in consideration of the actual eligibility of the man, the selection, of course, and the supervision of that, we believe that the men who now take up training and qualify under the strict eligibility that would be established following the adoption of such a rule would probably make as a group the biggest success of any group in the past.

There was discussion here at the close to-day about two amendments that were dropped out in particular. As a matter of fact there were three. We feel that under existing conditions in the Veterans' Bureau the man can not get the proper medical treatment due to the fact that the inducements to the medical division are not sufficient to attract and particularly hold the class of doctors that these men are entitled to. These doctors are quitting the bureau at a rate of about 400 a year, meaning more than 1 every 24 hours.

Now we have the Army and Navy with their separate medical corps. It is a career work. The combined Army and Navy, well and sick, is not as numerous as the beneficiaries of the Veterans' Bureau. And the Army and Navy, and properly, have their medical corps. But in the Veterans' Bureau we have never established any system of service whereby you can attract, and having attracted, hold the standard of men they ought to have, because there is not the inducement for the younger doctor to make a career out of it. That medical corps was dropped from the bill after it was introduced in the House.

A second matter that has been discussed here is the permanent rating for arrested tuberculosis. The service organizations are asking 50 per cent, and General Hines has now adopted in his rating schedule 25 per cent. And that will in a way relieve the situation. But whether it will cure it, we will have to wait for the development of the experience on the new rating table.

There was also developed to-day the matter of this misconduct. Barring possibly the insane and the blind there is not any class of men more pitiable and helpless so far as they themselves are concerned than these so-called misconduct cases. These men are progressively getting worse off. It is not their disease to-day, it is the natural progress of their disease which is slowly leading to the insane asylum.

The CHAIRMAN. It is the same in private life.

Mr. KIRBY. It is the same in private life, yes; but we have attempted and certainly written into the law the principle involved

in thing making exceptions of certain misconduct cases. I brought back with me, as the result of this discussion this morning, some evidence, and I will not take the trouble to read all of it, but I would like to insert it in the record, that was developed at the House hearings. Here is the testimony of Dr. William F. Lorenz, of Wisconsin, an outstanding neurologist, and I specifically asked him this question:

Mr. KIRBY. What percentage of men that now have a mental condition as a result of syphilis do you believe contracted that syphilis in the service, and how many are suffering as a result of aggravation?

Doctor LORENZ. Ninety-nine per cent is aggravation.

Mr. KIRBY. Then there is only 1 per cent of the men that got their syphilis in the service?

Doctor LORENZ. Yes; because you do not get these conditions until 8 or 10 or 12 years after you have had the chancre. A man who has got his syphilis in the service is not going to develop paresis or locomotor ataxia until 1930 or 1932.

That is the statement by an acknowledged authority on that matter, and our contention is that a great deal of this alleged misconduct in the service was really the development as the result of the rigorous military service of a latent condition of these men.

The CHAIRMAN. If those men were involved before they went into the war it would have been found when they were examined. They could not have kept that information away.

Senator REED of Pennsylvania. It could not have been shown without a Wassermann test.

Mr. KIRBY. I am sorry that I did not bring all of Doctor Lorenz's statement with me. I said, "The handicap you are working under, Doctor, was that you were not back to see the loose way in which men were discharged." He said, "I was at both ends. I saw them come in and I saw them come out and," to quote him literally, he said, "neither of them were worth a continental, as an ex-service man can tell you."

Senator REED of Pennsylvania. Well, Mr. Kirby, there was no Wassermann test either on entry into the service or on discharge from it?

Mr. KIRBY. No.

The CHAIRMAN. I know there was in our State.

Senator REED of Pennsylvania. Well, I went through both processes and nobody gave any Wassermann test to me.

The CHAIRMAN. I can show you the reports that were made of the tests that were made in the State of Utah, and I know they were made there all right.

Mr. KIRBY. I can assure you, Senator, that it was the extreme exception then in your State.

Senator REED of Pennsylvania. I agree with Mr. Kirby in regard to the absence of definite information about presence of syphilis at entry and dismissal from the service, but I can not see how it is possible to say that the service causes these tertiary symptoms like paresis, aneurysms, and the other prominent symptoms of syphilis. In most cases those would have occurred if the man had never been in the service.

Senator WADSWORTH. Sooner or later.

Mr. KIRBY. Then you get your aggravation entering into it.

Senator REED of Pennsylvania. Well, but it is humanly impossible to say that the service aggravated it. If the taint was there these symptoms would follow it in all likelihood.

Senator WADSWORTH: The military service may have excluded their appearance, but they would appear eventually.

Mr. KIRBY: Doctor White in another statement I have here is very insistent that syphilis is by no means necessarily acquired in the presumably orthodox way. And that there are naturally innumerable ways in which the disease might be acquired and in which it is not infrequently acquired, so that the decision that because a person has syphilis it has been necessarily due to his willful misconduct, even assuming that the conduct he has in mind is willful, and is misconduct, is not warranted by facts. That is the statement of Dr. W. A. White of St. Elizabeths.

Let me stress this point on the matter of this misconduct. There was no law in the American Army prohibiting a man making himself liable to contracting syphilis in the so-called orthodox way. There was a regulation in the Army that a man had to take a prophylaxis, and if he did not take it he was punished for it, but there was no rule or law in the American Army prohibiting a man from indulging in this particular thing which would justify the prophylaxis. So the punishment was not for the misconduct, so-called, but was for not taking the precaution.

There are two other provisions in this bill as it stands that we would like to call particular attention to that are somewhat along the same lines, and the committee seems to be receptive to them. One is this reimbursement for fire losses. One case that has been constantly referred to is the fire loss in Gulfport, Miss. We had another case at Perryville, Md. Now, in the aggregate this does not amount to enough money to worry the Government, but in each of these cases they were innocent men who were locked up and could not have saved their stuff even if they had seen it when it was being burned. It is in designated places in the bureau hospitals, and we feel that there should be reimbursement. On the other hand, it sometimes could not provide clothing for these indigent veterans, but we feel, as has been pointed out here, that to send a man out in the middle of winter with a Palm Beach suit on, and that is a situation that has been called to our attention, is unfair. We condemn that very strongly.

Our organization feels that all of these laws are necessarily progressive. It has been the history of this legislation from the start. We had hoped this year to get through a bill that would practically clear up all the items that we might want, and while we do not think that this is the ultimate bill, we do think that the passage of this legislation will go a great way toward solving the problems of the disabled.

May I insert in the record these statements by Doctor Lorenz, Doctor Klotz, and Doctor White before the House Committee?

The CHAIRMAN: Yes.

(The three statements presented by Mr. Kirby for the record are here printed in the record in full, as follows:)

STATEMENT BY DR. WILLIAM F. LORENZ, OF WISCONSIN

Mr. KIRBY: Doctor, you were decorated by the Government for conspicuous service, and your service was mostly in personal contact with the men?

Doctor LORENZ: Yes, sir.

Mr. KIRBY: What percentage of men that now have a mental condition as a result of syphilis, do you believe, contracted that syphilis in the service, and how many are suffering as a result of aggravation?

Doctor LORENZ. Ninety-nine per cent is aggravation.

Mr. KIRBY. Then there is only 1 per cent of the men that got their syphilis in the service?

Doctor LORENZ. Yes; because you do not get these conditions until 8 or 10 or 12 years after you have had the chancre. A man who has got his syphilis in the service is not going to develop paresis or locomotor ataxia until 1930 or 1932.

Mr. KIRBY. In other words, less than 1 per cent of the men who have physical and mental disabilities as a result of syphilis got that syphilis as a result of wilful misconduct not in line of duty?

Doctor LORENZ. Absolutely.

Mr. KIRBY. Are those 99 per cent compensable?

Doctor LORENZ. No; not under the ruling of the comptroller.

Mr. KIRBY. In your judgment they should be compensable?

Doctor LORENZ. Yes, sir.

Mr. KIRBY. Then this syphilis and other venereal disease, and these mental disabilities that are showing up now, are not the result of wilful misconduct in the service?

Doctor LORENZ. No, sir.

Mr. KIRBY. They are the result of overwork and aggravation in line of duty?

Doctor LORENZ. Yes, sir. Now, that is, probably; that is, not absolutely; that is, probably.

Mr. KIRBY. That is your judgment?

Doctor LORENZ. And every industrial commission. That with stress and strain of service in a person with latent syphilis it is very probable that such strain and stress hastens and precipitates locomotor ataxia, paresis, and other conditions.

Mr. KIRBY. Doctor, is it true that with a syphilitic condition existing the actual existing condition does not worry you so much as the progressive destructive nature of the disease? In other words, it is what is coming; it is not that the man has syphilis, but it is the fact that he is probably going into paresis or locomotor ataxia?

Doctor LORENZ. Yes, sir; it is the final outcome.

STATEMENT OF DR. WALTER KLOTZ, OF JOHNSON CITY, TENN.

1. In response to the invitation of your committee to submit certain recommendations, pertaining to the subject of compensation ratings for veterans disabled by tuberculosis, I have the honor to submit the following memorandum report:

2. In the case of an amputation, for example, the degree of disability is determinate, once the amputation stump is healed. In the case of tuberculosis, however, we are dealing with a disability which is not determinable, for the reason that tuberculosis is not a self-limiting disease or injury, but a chronic inflammatory condition, which may go on for many years, and may be marked by alternating periods of activity or quiescence. Under the hygienic régime, laid down for patients in tuberculosis hospitals and sanatoriums, marked improvements in general health may be expected. The diseased areas in the lungs become inclosed or surrounded by new scar tissue, and the local symptoms of cough, expectoration, or hemorrhage disappear. In from one to three years under favorable circumstances, the disease becomes "arrested." In other words, to all appearances and as far as medical examinations can determine, the patient is well.

3. If, however, a patient who has completed such a course of treatment and who has been discharged as "arrested" is again placed under unfavorable conditions as to mode of living and subjected to stresses of ordinary life, the disease may again light up or become reactivated and invade new areas of lung tissue. If we trace larger groups of patients who have been discharged as arrested from standard and established institutions we find that only a small proportion of these patients were able to go back to work and continue at work for any continuous period. Many of them suffered from relapse during the first two or three years, some after five or seven years, or even later, and only a portion of them survived the 20 years after discharge. Many of them died as a result of such subsequent relapses. Thus the records of the Trudeau Sanatorium at Saranac Lake, which has been in operation longer than any other in this country, show that of all patients discharged 80 per cent had died of tuberculosis after 20 years. It must be emphasized, however, that not all were discharged as "arrested," a number having failed to remain until treatment was completed.

4. The records of the national sanatorium at Johnson City, Tenn. (Mountain Branch, N. H. D. V. S.) show considerable number of patients who have been readmitted a second, third, or even more times. Some of these did not complete treatment at time of previous discharge, but had been discharged as "Against medical advice," A. W. O. L. or for disciplinary reasons. However, we have met with cases where patients sought readmission who had been discharged as "arrested," who had taken up vocational training or gone back to work and who had suffered relapse of their former tuberculous disease. (These figures for readmission are shown in the attached statistical tabulation.) It is unfortunate that more exact information is not available at the moment as to the various reasons and causes for readmission. This is being made a subject for special study and investigation.

5. The facts cited emphasize the important question of relapse in tuberculosis patients discharged from institutions as arrested. It is this occurrence of relapse that has made the satisfactory reestablishment of the arrested tuberculosis patient such a difficult one. It is a problem that has interested many tuberculosis workers, and its solution has been the subject of numerous discussions and conferences. It has been met with repeatedly, not only in connection with ex-service patients but also in the case of civilians. Up to a certain point the ex-service patient has had an advantage as compared with the civilian patient, in so far as there has been no limit as to the time he may receive treatment and hospital allowances. In case of relapse he can always be readmitted for further treatment, whereas the civilian patient is often forced to leave and discontinue treatment on account of financial considerations or the limit of time that he may remain on account of the limited number of beds, waiting list, or other reasons. However, as far as permanent rehabilitation is concerned, the ex-service man is subject to very similar limitations. If discharged as "arrested," present provisions only allow him compensation for six months after discharge, unless he is taking vocational training.

If the ex-service man disabled by tuberculosis is to receive proper indemnity or protection on account of his tuberculosis disability, present provisions are inadequate. Because he has reached the stage of "arrest," he is by no means restored to a condition of full working capacity or even to training under a full daily schedule.

Unless he continues to live under favorable conditions he is almost certain to suffer relapse. In other words, because he has been discharged from the hospital as "arrested" he has not been restored to the point where he can compete with the full-standard, unhandicapped, nontuberculous individual. He may not reach this point for three years, perhaps not in five years; possibly he may never reach it.

7. It is obviously difficult to arrive at any quantitative estimate of this permanent potential disability. It will naturally differ widely. This makes it difficult also to arrive at any exact amount of compensation that ought to be granted to offset this potential disability. In the case of disabled veterans there must necessarily be one standard for all. Previous social or financial condition can not be considered. It follows necessarily that no matter what amount is determined on, that it will be more than adequate for some, who may be accustomed to a lower scale of living and who may be permanently arrested, while it must necessarily be too low for others whose demands are higher and who at the same time may not reach the same proportion of working capacity or productivity. However, there are a number of statistical data that might offer a basis for a permanent rating that would be adaptable to the average. It has been estimated by different authorities that the average value of the arrested sanatorium patient is about 50 per cent in the labor market. In other words, his productive capacity is about half of what it was before he developed his disability.

8. Insurance actuaries and statisticians estimate that the average expectancy of life of tuberculosis patients discharged from sanatoria is diminished about one-half. Thus Picken, a British insurance actuary, in discussing pensions for tuberculosis British ex-service men, stated that while the expectancy of life for the average age period of men in service was 30 years, it was only 14 years for those discharged from tuberculosis sanatoria as arrested. He is of the opinion therefore, that all tuberculous ex-service men should be granted minimum permanent pension of 50 per cent.

9. Dublin, statistician of the Metropolitan Life Insurance Co., states that on the basis of sanatorium statistics studied by himself, that the death rate among patients discharged as apparently arrested was 8 to 10 times the normal rate

given age in those cases that had been originally classified on admission as moderately advanced, while it was 30 to 40 times the normal for the given age in those classified as far advanced on admission. (Some insurance companies will not insure "arrested" cases of tuberculosis except after a period of years following the point of arrest. Other companies will not accept "arrested" cases of tuberculosis even on a substandard basis.)

10. We can accept it as proven therefore, that the "arrested" tuberculosis patient is very definitely a substandard risk; that he can not under ordinary circumstances resume full-time work for a number of years; that his earning power and working power are reduced; that in order to protect himself against relapse, he must provide himself with better living conditions as to location and character of dwelling, as to food, as to clothing for protection and must choose work under favorable environmental conditions.

11. In the face of such vocational handicap and more or less permanent potential disability, with a very definite risk of relapse during at least 20 years, a permanent rating of at least 50 per cent would be only a fair offset, to the diminished production capacity and diminished expectation of life. There may be serious objections to such a scheme of permanent rating from a social point of view. It may be pleaded that it might lead to a life of idleness and take away the incentive to become physically and industrially rehabilitated; that in some instances the lack of occupation or desire for occupation might lead to such habits as drug addiction. At the same time such indirected or misdirected idleness may be a prolific source of relapse itself.

12. However, as a corollary to what has been stated above, it can not be emphasized enough that the discharged "arrested" tuberculosis ex-service man will need medical supervision and guidance for many years, if not as long as he lives. There should be afforded full provision and facilities for reexaminations in dispensaries and clinics. The man should be followed up by public health visiting nurses. The medical indications of the problem have not been met when the patient leaves the sanatorium. If such educational influences are available for the man and his family after he is discharged, they may help him observe the rules of healthy living, which he is supposed to have learned at the tuberculosis hospitals and some of the sociological errors that have followed other wards may be obviated. The permanent rating compensation will be a useful supplement then to any income the patient may derive after he has reached a degree of physical rehabilitation, that will permit him to follow a useful occupation by enabling to provide more favorable living conditions, necessary in order to maintain life and health.

13. However, it is a question whether a 50 per cent rating would be adequate for the first two or three years after discharge as arrested. A more liberal allowance ought to be granted during this readjustment period while the man is attempting to reestablish himself, provided he is making reasonable efforts to become reestablished. It is to be noted especially that continuation of good health after discharge depends largely upon the man himself.

14. It is realized that with full compensation on an out-patient status and a permanent minimum rating for the completely reestablished case, a very comprehensive system of medical aftercare and nursing supervision ought to be provided. However, a permanent rating would obviate considerable overhead administrative expense, and the money thus saved might well be applied toward furnishing an adequate follow-up nursing service, which would constitute an important factor in the general education of the people in matters of health and home hygiene.

15. It is taken for granted that hospitalization and institutional treatment will be available at any time that serious relapse or reactivation occurs. Hospitalization should be held out as a benefit and privilege and not as a necessary condition for continuance of compensation. But if considered optional, it would under no circumstances be merely a conciliatory provision, with unlimited privilege of furlough or readmission after A. W. O. L. Admission to a tuberculosis hospital or sanatorium should only be on the basis of active treatment, subject to proper medical supervision and control, with conformity to hospital medical regulations and cooperation with the medical staff, along the lines of accepted civilian institutions, that comply with the standards of the American Sanatorium Association. Finally it must be accepted that there have probably been frequent errors in diagnosis in the past, owing to conditions under which examinations were necessarily conducted, and many cases mistaken for tuberculosis were really due to other conditions. Permanent rating should therefore be applied only to those cases where a diagnosis rests upon sound and indubitable

clinical evidence, or to such patients as are under treatment for tuberculosis at or after the date such provisions would become effective.

16. To sum up briefly, a permanent rating should assure prolongation of life, as in most instances it will enable the individual to devote only half the effort to support himself and thereby allow the other half to be devoted toward maintaining life and health.

MEDICAL STATISTICS, NATIONAL SANATORIUM (MOUNTAIN BRANCH, N. H. D. V. S.)

There were 1,497 patients discharged from October 1, 1923, to September 30, 1924. The status on discharge of these 1,497 patients was as follows:

Apparently arrested.....	308
A. W. O. L.....	650
Against medical advice.....	83
Disciplinary reasons.....	37
Transferred to other hospitals.....	101
Transferred to out-patient relief home treatment.....	37
Died.....	70
No tuberculosis.....	61
Maximum benefit or by request N. H. D. V. S. Regulations.....	98
Discharged from Emergency General Order No. 27 cases under regulation 36, United States Veterans' Bureau.....	30
Total.....	1,497

There were 1,497 admissions during this same period. Of these 918 were original admissions and 590 readmissions.

Four hundred and seventy-five were readmitted one time during the year ending September 30.

Ninety-six were readmitted two times during the year ending September 30.

Seventeen were readmitted three times during the year ending September 30.

One was readmitted four times during the year ending September 30.

One was readmitted five times during the year ending September 30.

Of the 590 above patients readmitted during the year ending September 30, 1924, 286 had been readmitted prior to October 1, 1923, as follows:

One hundred and forty-six had been readmitted two times prior to October 1, 1923.

Seventy-six had been readmitted three times prior to October 1, 1923.

Twenty-four had been readmitted four times prior to October 1, 1923.

Twelve had been readmitted five times prior to October 1, 1923.

Twelve had been readmitted six times prior to October 1, 1923.

Twelve had been readmitted seven times prior to October 1, 1923.

Three had been readmitted eight times prior to October 1, 1923.

One had been readmitted nine times prior to October 1, 1923.

The status of these 590 readmitted cases on discharge prior to October 1, 1923, was as follows:

Apparently arrested.....	122
Against medical advice.....	80
A. W. O. L.....	240
Disciplinary reasons.....	38
Transferred to other hospitals or home treatment.....	37
No tuberculosis N. H. D. V. S. Regulations.....	12
Dropped or at request.....	61
Total.....	590

STATEMENT OF DR. WILLIAM A. WHITE, OF ST. ELIZABETHS HOSPITAL, WASHINGTON, D. C.

In the first place, the decision which excludes a patient with general paresis from compensation because paresis is due to the patient's own willful misconduct, is a decision based upon moral grounds—moral grounds, I take it, which have their basis in a theological conception of man's duties and responsibilities. This aspect of the situation I am in no wise competent to discuss. I can say, however, as a student of the activities of the human animal, that the mating instinct may properly be included as an instinct which results in impulses to conduct, which in the true legal sense of the term are irresistible. It is essential in

the nature of things that this should be so. The mating instinct is the strongest instinct that animates the living being. If there were any other instinct that were stronger, the particular animal, or species in whom that was true, would perish from the face of the earth. It is also true of the human animal that this instinct is at its maximum strength at about that time of life when the young man enlists in the military forces, and that it is the function of society and education to help the individual to bring this and other instinctive tendencies into line with social requirements and under his command, so that he may control them, at least under usual circumstances. The fact can not be escaped that the military forces tend to destroy the orderly progress of education and restraint not infrequently because they create or constitute an artificial environment to which the young man has to adapt, and with respect to his sex instincts this environment presents greater difficulties as a rule to that from which he came. The military environment presents no outlet for the sex tendencies in their sublimated forms, which are adequate to prevent the damming up of the mating instinct and its outbreak in types of activity which are often disastrous.

One more reference to the moral situation which I can not avoid making. If by any process of interpretation, right or wrong, the soldier's general paresis can be conceived to be due to his own willful misconduct, by which is meant, I take it, his conduct at the time he acquired syphilis, then is the United States Government so exacting that that conduct can never be forgiven? Does not a life, subsequent to such an act of fate, which is constructive, law-abiding, and worthy in every particular, in any sense condone this offense? When the young boy who subsequently develops paresis acquires his initial lesion, he has forfeited his life. Nature in this respect is implacable. He must die. Is it the policy of the United States Government, in its paternalistic care of the discharged soldier, to add to this death sentence of nature further indignity and hardship?

The decision which deprives the soldier of compensation because of general paresis is, in my opinion, unjust because glaringly at variance, as I understand it, with decisions touching similar situations.

We have a similar situation with reference to cardiac disease due to infection; for example, tonsillitis, which tonsillitis may have antedated the man's entrance into the service, and he may not break down for many years afterwards as a result of cardiac involvement, but the question here is never raised. Why not? It is on all fours with the syphilis question, and who knows, for that matter, whether the tonsillitis was acquired under circumstances of moral turpitude or not? Might not the man have drunk and exposed himself as a result and so acquired his infection? But here the moral issue is not raised.

The difficulty, as I see it, is that the Comptroller General and the general counsel of the Veterans' Bureau have viewed the situation much too simply. Paresis is a syphilitic disease; syphilis is a venereal disease; venereal diseases are due to vice; vice is willful misconduct; therefore paresis is due to willful misconduct; it is just this argument that I believe is fallacious. It is true that paresis is due to syphilis and dependent upon syphilis, but paresis is a particular kind of syphilis. It is syphilis of a particular type of tissue and produces a disease which is unique and different in its clinical manifestations, its course, in its outcome, from other syphilitic diseases. If paresis can be said to be due to syphilis, in accordance with the line of argument suggested, and we stop there, we can not possibly substantiate our position. Whereas syphilis may be a necessary element in the production of paresis, it is perfectly obvious that it can not be the only element. If it were, then every person who had syphilis would, if they lived long enough, develop paresis, and this we know is not the fact; the fact, on the contrary, being that only a relatively small percentage of syphilitics subsequently develop paresis. It becomes, therefore, necessary, if we are to understand this disease, to determine what are the other factors which are involved. What are the factors which determine that syphilis shall take this particular course and develop in this particular way? Here is the crux of the situation. The question that is raised is a scientific and medical question and not a legal, legislative, or administrative question.

In the first instance it is obviously absurd to presume that paresis as a phase of syphilis was in any way determined by the individual's original misconduct. His syphilis may have been the result of that misconduct; but if other factors are essential to determine that syphilis should develop into paresis, then it can not be possibly held that his misconduct had anything whatever to do with the particular turn that his disease was forced by auxiliary factors to make and which resulted in his paresis.

There have been many theories which have been advanced to account for the reasons why syphilis should develop into paresis, and whereas these various

theories, one and all, may not be conclusive in demonstrating what the reason or reasons may be, they seem to me in our present state of knowledge to be conclusive as demonstrating that there are reasons, and my main thesis is that the existence of such reasons can not be properly excluded from the consideration of these cases as to whether or not they are in line of duty. I will briefly suggest some of the theories that have been offered.

A reasonable theory to account for the development of paresis is that there is a special strain of spirochaete, the so-called neurotropic strain, which is specific in its tendency to involve the nervous system. Another theory is that individual susceptibility varies; the capacity to produce antibodies is not the same in every individual. Bolton some years ago advanced the theory that paresis occurs only in those whose cortical organization is defective and who would otherwise develop mental disease, at least probably would have under conditions of stress which would tend toward mental instability. Osnate has shown, after a very careful study, that chronic-cerebral traumata may be precipitating factors in causing paresis to develop in a syphilitic individual. The question of toxemias, the toxic substances of influenza, other infections, and even of alcohol and ether, he thinks cast in a similar manner to trauma, whereas emotional stress and bodily and mental fatigue have been indicated by some writers. (See White, *Outlines of Psychiatry*, 9th ed., p. 144 et seq.)

Mental and emotional exertion has been thought of as possibly entering into the etiology of paresis. In this particular I would refer to the New York State statistics, which show the rate of general paresis per hundred thousand in the urban population to be 8.6 per cent and in the rural population to be 2. In other words, general paresis is more than four times as prevalent in urban than it is in rural population. This I think is significant as bearing upon the question of mental stress. It is also significant because it is in harmony with statistics of other mental diseases which indicate that wherever the mental disease may be conceived to be precipitated by stress the percentage is large in urban populations.

More particularly as bearing upon the question of stress, especially in its military bearings, I would like to cite certain evidence which seems to me to be very suggestive. In the first place, it is well known that the interval between primary infection and the development of paresis varies very greatly. We ordinarily expect at least 10 years to elapse, and not infrequently it is twice that. The main incident of paresis is in the hemidecades from 35 to 40 and from 40 to 45, whereas the initial infection usually occurs in the adolescent period from about 20 to 25 or about 10 to 15 years after the initial infection. Now, it has been noted that under the influence of military life, military stress and war conditions especially, this interval between primary infection and the development of paresis has been materially lowered; in other words, that it tended to develop in the interval from 5 to 10 years—on the average, roughly speaking, 5 to 10 years earlier than it otherwise would. It is significant also with reference to syphilis in general that it has been noticed that among soldiers from the front who were under treatment for any reason evidences of syphilis were present in 20 per cent, while among other soldiers who were under treatment evidences of syphilis were present in only 1.6 per cent, and the conclusion is that old syphilitics are prone to break down under war conditions. (See White and Jelliffe, *Modern Treatment of Nervous and Mental Diseases*, vol. 1, p. 768.)

And finally, bearing upon this general question, I may add that syphilis is by no means necessarily acquired in the presumably orthodox way. In other words, the percentage of so-called innocent syphilis is by no means inconsiderable (see Solomon, *Syphilis of the Innocent*), although, of course, the highest percentage of innocent syphilis is probably in the conjugal partnership of syphilitics and in children who have inherited the disease, but most of us have known the disease to originate innocently in divers and sundry ways. For example, the surgeon may acquire syphilis by infecting his finger during an operation, as may the obstetrician or the doctor performing an autopsy, or the nurse attending a syphilitic patient. The disease may be acquired from a drinking cup that has been used by a person with an infectious disease of the mouth, or by a mother dressing a syphilitic ulcer of her child. There are naturally innumerable ways in which the disease might be acquired and in which it is not infrequently acquired, so that the decision that because a person has syphilis it has been necessarily due to his willful misconduct, even assuming that the conduct that is in mind is willful and is misconduct, is not warranted by the facts.

Mr. KIRBY. That is all I had to say, Mr. Chairman.

The CHAIRMAN. Thank you.

STATEMENT OF CAPT. EDWIN S. BETTELHEIN, JR., CHAIRMAN NATIONAL LEGISLATIVE COMMITTEE, VETERANS OF FOREIGN WARS, 319 METROPOLITAN BANK BUILDING, WASHINGTON, D. C.

Mr. BETTELHEIN. My name is Capt. Edwin S. Bettelheim. I am Chairman of the National Legislative Committee of the Veterans of Foreign Wars.

Mr. Chairman and gentlemen of the committee: First of all I want to express our appreciation at being able to be present here and express our views in behalf of our organization, and secondly, I want to say that my statement here will be extremely short, unless any discussion comes up, because it will only be a matter of going over what Captain Miller, Captain Kirby and General Hines have said.

Originally, some time in October, I think it was, a conference was held in the Veterans Bureau with the Director of the Veterans Bureau and Mr. Roberts and the chairmen of the various legislative committees, and we threshed out our different convention resolutions and decided on a measure which we would suggest to Congress, the result of which has been boiled down to H. R. 12175 and which is now before you. So that whatever Captain Miller has said and whatever Captain Kirby has said, please consider that I have said in behalf of our organization.

We are extremely pleased at the rapidity with which these hearings before this committee are going forward, and we feel sure that it will not be long before the bill will be passed.

In the main our organization is anxious to see the women veterans taken care of as provided in this bill, especially the burial expenses for all of the overseas women and the Spanish War nurses.

We hope that the Curry amendment on page 21 of the bill will receive careful consideration. That takes care of the men in naval hospitals. It is a shame that men who are sent to the naval home in Philadelphia or the naval hospitals should be charged when men going to the Army hospitals are not charged. I understand that might be introduced into a pension bill, but we hope it will be kept in this bill to be sure that the amendment will go through. We do not know whether there is sufficient time for a new pension bill to go through the House, as well as the Senate.

Senator GEORGE. Before you pass off the subject there of the hospitalization for the women, my attention has been drawn to a class of cases—and I confess that I do not know whether there is any other provision under which they could be hospitalized—and that is the women nurses who were called into service at some of the munition plants. For instance, the nitro plant down here in West Virginia. I happen to know because I did introduce and get through the Senate a special relief bill in one case. A lady nurse was designated to go to this hospital during the flu epidemic. She was designated by the Public Health Service. She went and served and subsequently was denied any relief in the nature of compensation or hospitalization. She did not have a military status.

The CHAIRMAN. What wage did she draw during the war?

Senator GEORGE. I have forgotten the wage. But she did draw a wage.

The CHAIRMAN. That is a different situation.

Senator GEORGE. Yes; that is true, but the hospital called for nurses, and called on the Public Health Service; the Public Health Service, in turn, called on the Red Cross to supply those nurses, and they did supply those nurses; and I have the distinct impression that she could not have any hospital treatment at all, and under this bill she could not.

Mr. BETTELHEIN. I do not think so, Senator.

The CHAIRMAN. I do not think she is entitled to it, any more than 10,000 other employees are entitled to it, throughout the United States—yes; more than that.

Senator REED of Pennsylvania. It would depend to some extent on whether they were drawing civilian wages, or Army wages during that time.

The CHAIRMAN. They all drew civilian wages.

Senator GEORGE. She might have for a time, Senator, but when she went down there she did not draw civilian wages. She rather thought she had a military status, but it turned out she did not have it at all.

Mr. BETTELHEIN. Senator, the veterans' organizations have a great deal of sympathy for all of the persons who gave any help during the war in any capacity. But there is a certain line where we, as the representatives of the veterans' organizations, can go, and there is certain work that is our province, and although we have a great deal of sympathy for anybody who gave any service to the Government, and think Congress should take care of them, we can not include—

The CHAIRMAN (interposing). You do not mean that anybody who drew civilian wages should have help from the Government?

Senator REED of Pennsylvania. Take, for instance, the shipyard workers?

Mr. BETTELHEIN. No, sir; we do not come before you saying that. What we say that we have a great deal of sympathy for everybody who gave service to the country during the war. But that is outside of our line of our endeavor.

Senator GEORGE. She did not have a military status, but as I understand she was a nurse down there. She could not go overseas, because she was married, but she went down there in response to this call.

Mr. BETTELHEIN. I have two sisters, Senator, who did practically the same thing. One of them went to the hospital on Staten Island and served there, and one went to Columbia University, to the Signal Corps there, I think, but I do not believe that they have any call on the Government, from any military standpoint, for veterans' relief.

Senator GEORGE. This bill, of course, draws the line on military status.

Mr. BETTELHEIN. Yes, sir; but we do believe that the women who went overseas and became a part of our forces overseas, those women should be given consideration, because they were practically part of the armed forces overseas.

Now, of course, we want to add, Mr. Chairman, especially our indorsement to section 304, the one granting the right to reinstate insurance to disabled men. We hope that the committee will give careful consideration to that, because those men were the men who, I am sure, the Government had in mind when they passed all this

beneficial legislation. A lot of us who probably got out of it well enough to carry on in the ordinary every-day life are more or less satisfied. I know I am, for one, but we hope that in these different provisions that come before you that the disabled man's plight will be given careful consideration. In this instance they have to pay the penalty of having the difference in the amount of premiums deducted from the face value of their policy, but I think they and their beneficiaries should be afforded the same right as I have, or anybody who is in as good health to-day as when discharged from the service.

As to the arrested tuberculosis cases, our organization, as well as the other organizations, are on record with a mandate from our national encampments or conventions asking for a rate as formerly indicated; but I am sure that my organization for one, when I report back to the national encampment, will be willing to accept General Hines's proposal and see how it works out. I am sure that all of the veterans are willing to do their share and see how the proposed or the prospective regulations will work out. We are anxious to have this bill passed with as little controversy as possible.

Now, there is one thing that I do wish to bring to your attention, and that reverts back to the willful misconduct cases. It is rather difficult for us to come before you and plead in behalf of the so-called willful misconduct cases, but there is one phase that a great deal of hardship seems to result and that is this: Under the present law compensation is not denied to those men who have disabilities resulting from willful misconduct if they are suffering from paralysis, paresis, or blindness. Those men are granted a permanent total rating. Now, some of those men are married. Immediately upon their death their widow has to pay the penalty of being cut off entirely—the innocent widow.

Now, we are not going so far as to ask you to cut out the willful misconduct clause just now, although we would be glad to see it because we feel that the conditions—and those who have been seas know that the foreign code and mode of living is entirely different from ours, and after you have been over there for a year you get into their mode of thinking and living.

I want to plead before you for the widows of these men. I took occasion at the noontime to find out how this provision that was introduced into the act granting these men compensation who were totally disabled has so far worked. I find that on April 30, that provision let in 1,040, and it had cost \$919,056.

Senator REED of Pennsylvania. Per year?

Mr. BETTELHEIN. For the 18 months; that is, to April 30. There terminated 278 men, which cost the Government \$130,738. These might be good figures to keep in the record.

On March 31 during a month's time they only increased by 13 men, and during the month's time the men who terminated were 5.

Now, it is figured by the bureau's actuary's department that less than 46 per cent of those men are married. It is figured then that if compensation is granted, if the proviso would be added into this bill to continue compensation to the widows of these men that you have taken care of, it would not cost the Government more than \$54,000 for 18 months, and they are gradually dying-off. I say this with intimate feeling, because there has come to my attention within

the last month or so the case of a poor old widow, and it was not her fault, and she didn't know what it was all about. She knew that her husband had received compensation, and that is all she knew, and when he died she got nothing.

Now, we hope Congress will add in some provision to take care of the widows of these very men they are taking care of now. It was not the widow's fault. I believe, Mr. Chairman, if that was done it would help a great deal.

Mr. Chairman, I said I would not take over 20 minutes, and I see the 20 minutes is up. I thank you very much for your attention.

The CHAIRMAN. We thank you very much for coming in, Mr. Bettelheim.

(Whereupon, at 4 o'clock p. m., the hearings being concluded, the committee went into executive session.)