

Calendar No. 387.

65th CONGRESS, }
2d Session. }

SENATE.

{ REPORT
No. 428.

WAR-RISK INSURANCE.

MAY 6, 1918.—Ordered to be printed.

Mr. WILLIAMS, from the Committee on Finance, submitted the following

REPORT.

[To accompany S. 4482.]

Your committee, having had under consideration Senate bill 4482, beg leave to report it and to recommend its passage, with the following amendments:

On page 1, line 11, strike out the word "armed" and substitute the word "native," and in the same line after the word "guard" strike out the words "of the Navy" and insert the words "and band;"

On page 6, at the end of line 23, strike out the numerals "\$47.50" and insert in lieu thereof "\$42.50"; and

On page 9, following the subdivision "(g)" insert a new subdivision, to be marked "(h)," and to read as follows:

(h) To an injured person who is totally disabled and in addition so helpless as to be in constant need of a nurse or attendant, such additional sum shall be paid, but not exceeding \$20 per month, as the director may deem reasonable: *Provided, however,* That for the loss of both feet or both hands or both eyes, or for becoming totally blind or helpless and permanently bedridden from causes occurring in the line of duty in the service of the United States, the rate of compensation shall be \$100 per month: *Provided further,* That no allowance shall be made for nurse or attendant.

On page 10, line 13, change the period after the word "paid" into a semicolon, and insert the following language:

and in that event the amount of the monthly installments shall be apportioned between them as may be provided by regulation.

On page 10, line 14, strike out the word "seventeen" and substitute the word "fourteen," and in line 3, page 11, strike out the word "seventeen" and insert in lieu thereof "fourteen," and amend section 16 of the act, so that it shall read as follows:

Sec. 16. That this act shall take effect upon and from the date of its passage, except that sections one to five, both inclusive, shall take effect upon the first day of July nineteen hundred and eighteen.

This bill is a consolidation of House bill 11520 and House bill 11569, with some omissions and additions, and embodies in the opinion of your committee, the desirable features of both bills, and leaves out certain provisions in both bills which in the opinion of your committee, were either undesirable or unnecessary.

The differences between Senate bill 4482 and the present law are as follows:

Section 200 of the present law reads as follows:

SEC. 200. That the provisions of this article shall apply to all enlisted men in the military or naval forces of the United States.

As amended by Senate bill 4482, the following is added after the words "United States," namely, "except the Philippine Scouts, the insular force of the Navy, and the Samoan native guard and band"; so that as amended the section will read:

SEC. 200. That the provisions of this article shall apply to all enlisted men in the military or naval forces of the United States, except the Philippine Scouts, the insular force of the Navy, and the Samoan native guard and band.

Subdivision c of section 301 of the present law which reads as follows: "If there is a widow and two children, \$47.50, with \$5 for each additional child up to two" is amended by Senate bill 4482 by striking out the figures "47.50" and inserting in lieu thereof "42.50"; so that as amended the subdivision will read as follows:

(c) If there is a widow and two children, \$42.50, with \$5 for each additional child up to two.

This is as originally intended, and the figures stricken out was a mistake.

Subdivision (g) of the present law is amended by striking out the word "widowed" before the word "mother"; so that the subdivision as amended will read:

(g) If he has a mother dependent on him for support, then in addition to the above amounts, \$10.

Under the provisions of Senate bill 4482 a new subdivision is added to section 302 of the present law, to be marked (h), which reads as follows:

(h) To an injured person who is totally disabled and in addition so helpless as to be in constant need of a nurse or attendant, such additional sum shall be paid, but not exceeding \$20 per month, as the director may deem reasonable: *Provided, however,* That for the loss of both feet or both hands or both eyes, or for becoming totally blind or helpless and permanently bedridden from causes occurring in the line of duty in the service of the United States, the rate of compensation shall be \$100 per month: *Provided further,* That no allowance shall be made for nurse or attendant.

This provision is in the existing law and was omitted by mistake in drafting S. 4482.

In the last three lines of section 401 of the present law the following language occurs, which was left out of Senate bill 4482, namely:

and in that event the amount of the monthly installments shall be apportioned between them as may be provided by regulation.

The committee are of the opinion that this language should be restored to the end of section 401 as proposed to be amended by

section 14 of Senate bill 4482; so that the last proviso of the section will read as follows:

Provided, however, That no more than two hundred and forty of such monthly installments, including those received by such person during his total and permanent disability, shall be so paid; and in that event the amount of the monthly installments shall be apportioned between them as may be provided by regulation.

The reasons for the action of the committee will be found in the hearings before the subcommittee of the Committee on Finance on the two House bills (H. R. 11520 and H. R. 11659) which are published as an appendix hereto, and embodied in the hearing will be found the two House bills themselves, also House bill 11245, which was reported to the Senate, without amendment.

Senate bill 4482 will, in our opinion, by its additions clarify existing law, simplify administration, and avoid some errors of commission.

APPENDIX.

WAR-RISK INSURANCE.

Hearing before the subcommittee of the Committee on Finance, United States Senate, Thursday, April 25, 1918; on the bill H. R. 11245, to amend an act entitled "An act to authorize the establishment of the Bureau of War-Risk Insurance in the Treasury Department, approved September second, nineteen hundred and fourteen, and an act in amendment thereto, approved October sixth, nineteen hundred and seventeen," and a bill H. R. 11520, to amend an act entitled "An act to authorize the establishment of the Bureau of War-Risk Insurance in the Treasury Department, approved September second, nineteen hundred and fourteen, as amended"; and a bill (H. R. 11659) to amend an act entitled "An act to authorize the establishment of a Bureau of War-Risk Insurance in the Treasury Department," approved September second, nineteen hundred and fourteen, as amended.

The bills are as follows:

[H. R. 11245, Sixty-fifth Congress, second session.]

AN ACT To amend an act entitled "An act to authorize the establishment of a Bureau of War Risk Insurance in the Treasury Department," approved September second, nineteen hundred and fourteen, and an act in amendment thereto, approved October sixth, nineteen hundred and seventeen.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section thirteen, article one, of the act approved October sixth, nineteen hundred and seventeen, entitled "An act to authorize the establishment of a Bureau of War Risk Insurance in the Treasury Department," be, and is hereby, amended by striking out the following words in the last sentence: "to regulate the matter of compensation, if any, but in no case to exceed ten per centum, to be paid to claim agents and attorneys for services in connection with any of the matters provided for in articles two, three, and four," and insert at the end of the sentence the following words: "*Provided, however,* That payment to any attorney or agent for such assistance as may be required in the preparation and execution of the necessary papers shall not exceed \$3 in any one case: *And provided further,* That no claim agent or attorney shall be recognized in the presentation or adjudication of claims under articles two, three, and four, except that in the event of disagreement as to a claim under the contract of insurance between the bureau and any beneficiary or beneficiaries thereunder, an action on the claim may be brought against the United States in the district court of the United States in and for the district in which such beneficiaries or any one of them resides and that whenever judgment shall be rendered in an action brought pursuant to this provision, the court, as part of its judgment, shall determine and allow such reasonable attorney's fees, not to exceed five per centum of the amount recovered, to be paid by the claimant in behalf of whom such proceedings were instituted, to his attorney.

"Any person who shall directly or indirectly solicit, contract for, charge, or receive, or who shall attempt to solicit, contract for, charge, or receive, any fee or compensation except as herein provided, shall be guilty of a misdemeanor, and for each and every offense shall be punishable by a fine of not more than \$500 or by imprisonment at hard labor for not more than two years, or by both such fine and imprisonment," so that the section as amended shall read as follows:

"SEC. 13. That the director, subject to the general direction of the Secretary of the Treasury, shall administer, execute, and enforce the provisions of this act, and for that purpose have full power and authority to make rules and regulations, not inconsistent with the provisions of this act, necessary or appropriate to carry out its purposes, and shall decide all questions arising under the act, except as otherwise provided in section five. Whenever under any provision or provisions of the act regulations are directed or authorized to be made, such regulations, unless the context otherwise requires, shall or may be made by the director, subject to the general direction of the Secretary of the Treasury. The director shall adopt reasonable and proper rules to

govern the procedure of the divisions and to regulate and provide for the nature and extent of the proofs and evidence and the method of taking and furnishing the same in order to establish the right to benefits of allowance, allotment, compensation, or insurance provided for in this act, the forms of application of those claiming to be entitled to such benefits, the methods of making investigations and medical examinations, and the manner and form of adjudications and awards: *Provided, however,* That payment to any attorney or agent for such assistance as may be required in the preparation and execution of the necessary papers shall not exceed \$3 in any one case: *And provided further,* That no claim agent or attorney shall be recognized in the presentation or adjudication of claims under articles two, three, and four, except that in the event of disagreement as to a claim under the contract of insurance between the bureau and any beneficiary or beneficiaries thereunder an action on the claim may be brought against the United States in the district court of the United States in and for the district in which such beneficiaries or any one of them resides, and that whenever judgment shall be rendered in an action brought pursuant to this provision the court, as part of its judgment, shall determine and allow such reasonable attorney's fees, not to exceed five per centum of the amount recovered, to be paid by the claimant in behalf of whom such proceedings were instituted to his attorney, said fee to be paid out of the payments to be made to the beneficiary under the judgment rendered at a rate not exceeding one-tenth of each of such payments until paid.

"Any person who shall, directly or indirectly, solicit, contract for, charge, or receive, or who shall attempt to solicit, contract for, charge, or receive any fee or compensation, except as herein provided, shall be guilty of a misdemeanor, and for each and every offense shall be punishable by a fine of not more than \$500 or by imprisonment at hard labor for not more than two years, or by both such fine and imprisonment."

SEC. 2. That Article IV of said act, approved October sixth, nineteen hundred and seventeen, entitled "An act to authorize the establishment of a Bureau of War Risk Insurance in the Treasury Department," is hereby amended by striking out section four hundred and five thereof.

Passed the House of Representatives April 17, 1918.

Attest:

SOUTH TRIMBLE,
Clerk.

[H. R. 11520, Sixty-fifth Congress, Second Session.]

A BILL To amend an act entitled "An act to authorize the establishment of a Bureau of War Risk Insurance in the Treasury Department," approved September second, nineteen hundred and fourteen, as amended.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section two hundred of the act entitled "An act to authorize the establishment of a Bureau of War Risk Insurance in the Treasury Department," approved September second, nineteen hundred and fourteen, as amended, is hereby amended to read as follows:

"SEC. 200. That the provisions of this article shall apply to all enlisted men in the military or naval forces of the United States, except the Philippine Scouts, the insular force of the Navy, and the Samoan armed guard of the Navy."

SEC. 2. That the second and third paragraphs of section two hundred and one of such act are hereby amended to read as follows:

"The monthly compulsory allotment shall be \$15. For a wife living separate and apart from her husband under court order or written agreement or for a former wife divorced the monthly compulsory allotment shall not exceed the amount specified in the court order, decree, or written agreement to be paid to her, and for an illegitimate child, to whose support the father has been judicially ordered or decreed to contribute, it shall not exceed the amount fixed in the order or decree.

"If there is a compulsory allotment for a wife or child, a former wife divorced who has not remarried and to whom alimony has been decreed shall not be entitled to a compulsory allotment but shall be entitled to a family allowance."

SEC. 3. That the third and fourth paragraphs of section two hundred and four of such act are hereby amended to read as follows:

"Class A: In the case of a man—

"(a) If there is a wife but no child, \$15;

"(b) If there is a wife and one child, \$25;

"(c) If there is a wife and two children, \$32.50; with \$5 per month additional for each additional child;

"(d) If there is no wife, but one child, \$5;

"(e) If there is no wife, but two children, \$12.50;

"(f) If there is no wife, but three children, \$20;

"(g) If there is no wife, but four children, \$30, with \$5 per month additional for each additional child;

"(h) If there is a former wife divorced who has not remarried and to whom alimony has been decreed, \$15.

"Class B: In the case of a man or woman—

"(a) If there is one parent, \$10;

"(b) If there are two parents, \$20;

"(c) If there is a grandchild, brother, sister, or additional parent, \$5 for each.

"In the case of a woman, the family allowances for a husband and children shall be in the same amounts, respectively, as are payable, in the case of a man, to a wife and children, provided she makes a voluntary allotment of \$15 as a basis therefor, and provided further, that dependency exists as required in section two hundred and six."

SEC. 4. That section two hundred and six of such Act is hereby amended to read as follows:

"SEC. 206. That family allowances to members of Class B shall be paid only if and while the members are dependent in whole or in part on the enlisted man and then only if and while the enlisted man makes a monthly allotment of his pay for such members in the following amounts:

"(a) If an enlisted man is not making a compulsory allotment for Class A the allotment for Class B required as a condition to the family allowance shall be \$15;

"(b) If an enlisted man is making a compulsory allotment for Class A the additional allotment for Class B required as a condition to the family allowance shall be \$5, or if a woman is making an allotment of \$15 for a dependent husband or child the additional allotment for the other members of Class B required as a condition to the family allowance shall be \$5."

SEC. 5. That section two hundred and ten of such Act is hereby amended to read as follows:

"SEC. 210. That upon receipt of any application for family allowance the commissioner shall make all proper investigations and shall make an award, on the basis of which award the amount of the allotments to be made by the man shall be certified to the War Department or Navy Department, as may be proper. Whenever the commissioner shall have reason to believe that an allowance has been improperly made or that the conditions have changed, he shall investigate or reinvestigate and may modify the award. The amount of each monthly allotment and allowance shall be determined according to the conditions existing on the first day of the month."

SEC. 6. That this act shall take effect on the first day of July, nineteen hundred and eighteen.

[H. R. 11659, Sixty-fifth Congress, second session.]

A BILL To amend an act entitled "An act to authorize the establishment of a Bureau of War Risk Insurance in the Treasury Department," approved September second, nineteen hundred and fourteen, as amended.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subdivision (4) of section twenty-two of the act entitled "An act to authorize the establishment of a Bureau of War Risk Insurance in the Treasury Department," approved September second, nineteen hundred and fourteen, as amended, relating to the definition of the term "parent," is hereby amended to read as follows:

"(4) The term 'parent' includes a father, mother, grandfather, grandmother, father through adoption, mother through adoption, stepfather, and stepmother, either of the person in the service or of the spouse. For the purposes of Article IV only, the term 'parent' shall include also a person who, at any time preceding October sixth, nineteen hundred and seventeen, or the insured's enlistment or entrance into or employment in active service in the military or naval forces, has stood in loco parentis to the insured for a period of not less than five years."

SEC. 2. That subdivision (6) of section twenty-two of said act is hereby amended to read as follows:

"(6) The term 'commissioned officer' includes a warrant officer, but includes only an officer in active service in the military or naval forces of the United States: *Provided*, That cadets, United States Army; midshipmen, United States Navy; cadets, United States Coast Guard; and cadet engineers, United States Coast Guard, shall be deemed to be commissioned officers in active service in the military or naval forces of the United States."

SEC. 3. That the cadets, United States Army; midshipmen, United States Navy; cadets, United States Coast Guard Academy; and cadet engineers, United States Coast Guard, who are deemed by subdivision (6) of section twenty-two of the act approved September second, nineteen hundred and fourteen, as amended, to be commissioned officers in active service in the military or naval forces of the United States at the time of the approval of this act may apply for insurance at any time within one hundred and twenty days thereafter and while in such service.

SEC. 4. That section twenty-three of said act is hereby amended to read as follows:

"SEC. 23. That when, by the terms of Articles III and IV, any payment is to be made to a minor, other than a person who is or has been in the military or naval forces of the United States, or to a person mentally incompetent, such payment shall be made to the person who is constituted guardian or curator by the laws of the State of residence of the claimant, but when, by the terms of Article II, payment is to be made to such a minor or mental incompetent, such payment shall be made to the person who is constituted guardian or curator by the laws of the State of residence of the claimant or, if there is no guardian or curator, to some person who is otherwise legally vested with the responsibility or care of the claimant and who is, in the opinion of the bureau, a suitable person to receive such payment."

SEC. 5. That a new section is hereby added to said act to be known as section twenty-seven and to read as follows:

"SEC. 27. That whoever shall obtain or receive any money, check, allotment, family allowance, compensation, or insurance under Articles II, III, or IV of this act, without being entitled thereto, with intent to defraud the United States or any person in the military or naval forces of the United States, shall be punished by a fine of not more than \$2,000, or by imprisonment for not more than one year, or both."

SEC. 6. That a new section is hereby added to said act to be known as section twenty-eight and to read as follows:

"SEC. 28. That the allotments and family allowances, compensation, and insurance payable under Articles II, III, and IV, respectively, shall not be assignable, shall not be subject to the claims of creditors of any person to whom an award is made under Articles II, III, or IV, and shall be exempt from all taxation: *Provided*, That such allotments and family allowances, compensation, and insurance shall be subject to any claims which the United States may have, under Articles II, III, and IV, against the person on whose account the allotments and family allowances, compensation, or insurance is payable."

SEC. 7. That a new section is hereby added to said act to be known as section twenty-nine and to read as follows:

"SEC. 29. That the discharge or dismissal of any person from the military or naval forces on the ground that he is an enemy alien or a conscientious objector shall terminate any insurance granted on the life of such person under the provisions of Article IV, and shall bar all rights to any compensation under Article III or any insurance under Article IV."

SEC. 8. That a new section is hereby added to said act, to be known as section thirty, and to read as follows:

"SEC. 30. That this act may be cited as the War-Risk Insurance Act."

SEC. 9. That section three hundred of said act is hereby amended to read as follows:

"SEC. 300. That for death or disability resulting from personal injury suffered or disease contracted in the service by any commissioned officer or enlisted man or by any member of the Army Nurse Corps (female) or of the Navy Nurse Corps (female) when employed in the active service under the War Department or Navy Department, the United States shall pay compensation as hereinafter provided; but no compensation shall be paid if the injury or disease has been caused by his own willful misconduct."

SEC. 10. That section three hundred and one of said act is hereby amended to read as follows:

"SEC. 301. That if death results from injury—

"If the deceased leaves a widow or child, or if he leaves a mother or father either or both dependent upon him for support, the monthly compensation shall be the following amounts:

"(a) If there is a widow but no child, \$25.

"(b) If there is a widow and one child, \$35.

"(c) If there is a widow and two children, \$42.50, with \$5 for each additional child up to two.

"(d) If there is no widow, but one child, \$20.

"(e) If there is no widow, but two children, \$30.

"(f) If there is no widow, but three children, \$40, with \$5 for each additional child up to two.

"(g) If there is a dependent mother or dependent father, \$20, or both, \$30. The amount payable under this subdivision shall not exceed the difference between the total amount payable to the widow and children and the sum of \$75. This compensation shall be payable for the death of but one child, and no compensation for the death of a child shall be payable if the dependent mother is in receipt of compensation under the provisions of this article for the death of her husband. Such compensation shall be payable whether the dependency of the father or mother or both arises before or after the death of the person, but no compensation shall be payable if the dependency arises more than five years after the death of the person.

"If the death occurs before discharge or resignation from service, the United States shall pay for burial expenses and the return of the body to his home a sum not to exceed \$100, as may be fixed by regulations.

"The payment of compensation to a widow shall continue until her death or remarriage.

"The payment of compensation to or for a child shall continue until such child reaches the age of eighteen years or marries, or if such child be incapable, because of insanity, idiocy, or being otherwise permanently helpless, then during such incapacity.

"Whenever the compensation payable to or for the benefit of any person under the provisions of this section is terminated by the happening of the contingency upon which it is limited, the compensation thereafter for the remaining beneficiary or beneficiaries, if any, shall be the amount which would have been payable to them if they had been the sole original beneficiaries.

"As between the widow and the children not in her custody and as between children, the amount of the compensation shall be apportioned as may be prescribed by regulation.

"The term 'widow' as used in this section shall not include one who shall have married the deceased later than ten years after the time of injury, and shall include a widower whenever his condition is such that, if the deceased person were living, he would have been dependent upon her for support."

SEC. 11. That subdivision (1) of section three hundred and two of said act is hereby amended to read as follows:

"(1) If and while the disability is total, the monthly compensation shall be the following amounts:

"(a) If the disabled person has neither wife nor child living, \$30.

"(b) If he has a wife but no child living, \$45.

"(c) If he has a wife and one child living, \$55.

"(d) If he has a wife and two children living, \$65.

"(e) If he has a wife and three or more children living, \$75.

"(f) If he has no wife but one child living, \$40, with \$10 for each additional child up to two.

"(g) If he has a mother or father, either or both dependent on him for support then in addition to the above amounts, \$10 for each.

"(h) If he is totally disabled and in addition so helpless as to be in constant need of a nurse or attendant, such additional sum shall be paid, but not exceeding \$20 per month, as the director may deem reasonable: *Provided, however,* That for the loss of both feet or both hands or both eyes, or for becoming totally blind or becoming helpless and permanently bedridden the amount of compensation shall be \$100 per month: *Provided further,* That where the amount of compensation is \$100 per month no allowance shall be made for a nurse or attendant."

SEC. 12. That subdivision (4) of section three hundred and two is hereby amended to read as follows:

"(4) The amount of each monthly payment shall be determined according to the conditions existing on the first day of the month."

SEC. 13. That two new subdivisions are hereby added to section three hundred and two of said act, to be known as subdivisions (5) and (6), respectively, and to read as follows:

"(5) Where the disabled person and his wife are not living together or where the children are not in the custody of the disabled person the amount of the compensation shall be apportioned as may be prescribed by regulations.

"(6) The term 'wife' as used in this section shall include 'husband' if the husband is dependent upon the wife for support."

SEC. 14. That where section three hundred and one and section three hundred and two of said act are amended by striking out the provisions that a mother is entitled to compensation only when she is widowed and substitute provisions are included to the effect that compensation is payable to a dependent mother or dependent father, such substitute provisions shall be deemed to be in effect as of October sixth, nineteen hundred and seventeen.

SEC. 15. That section three hundred and eleven of said act is hereby repealed.

SEC. 16. That section three hundred and thirteen of said act is hereby amended to read as follows:

"SEC. 313. (1) That if an injury or death for which compensation is payable under this article is caused under circumstances creating a legal liability upon some person to pay damages therefor, the director, as a condition to payment of compensation by the United States, shall require the beneficiary to assign to the United States any right of action he may have to enforce such liability of such other person, or if it appears to be for the best interests of the beneficiary the director may require him to prosecute the said action in his own name, subject to regulations. The director may require such assignment or prosecution at any time after the injury or death, and the failure on the part of the beneficiary to so assign or to prosecute said cause of action in his own name within a reasonable time, to be fixed by the director, shall bar any right to compensation on account of the same injury or death. The cause of action so assigned to the United States may be prosecuted or compromised by the director, and any money realized or collected thereon, less the reasonable expenses of such realization or collection, shall be placed to the credit of the military and naval compensation appropriation. If the amount placed to the credit of such appropriation in such case is in excess of the amount of the award of compensation, if any, such excess shall be paid to the beneficiary after any compensation award for the same injury or death is made.

"If a beneficiary or conditional beneficiary shall have recovered, as a result of a suit brought by him or on his behalf, or as a result of a settlement made by him or on his behalf, any money or other property in satisfaction of the liability of such other person, such money or other property so recovered shall be credited upon any compensation payable or which may become payable to such beneficiary or conditional beneficiary by the United States on account of the same injury or death.

"(2) If an injury or death for which compensation may be payable under this article is caused under circumstances creating a legal liability upon some person to pay damages therefor, then, in order to preserve the right of action, the director may require the conditional beneficiary at any time after the injury or death, to assign such right of action to the United States, or, if it appears to be for the best interests of such conditional beneficiary, to prosecute the said cause of action in his own name, subject to regulations. The failure on the part of the beneficiary to so assign or to prosecute the said cause of action in his own name within a reasonable time, to be fixed by the director, shall bar any right to compensation on account of the same injury or death. The cause of action so assigned may be prosecuted or compromised by the director, and any money realized or collected thereon, less the reasonable expenses of such realization or collection, shall be paid to such beneficiary, and be credited upon any future compensation which may become payable to such beneficiary by the United States on account of the same injury or death.

"(3) The bureau shall make all necessary regulations for carrying out the purposes of this section. For the purposes of computation only under this section, the total amount of compensation due any beneficiary shall be deemed to be equivalent to a lump sum equal to the present value of all future payments of compensation computed as of the date of the award of compensation at four per centum true discount compounded annually. The probability of the beneficiary's death before the expiration of the period during which he is entitled to compensation shall be determined according to the American Experience Table of Mortality.

"A conditional beneficiary is any person who may become entitled to compensation under this article on or after the death of the injured person."

SEC. 17. That section four hundred and one of said act is hereby amended to read as follows:

"SEC. 401. That such insurance must be applied for within one hundred and twenty days after enlistment or after entrance into or employment in the active service and before discharge or resignation, except that those persons who are in the active war service at the time of the publication of the terms and conditions of such contract of insurance may apply at any time within one hundred and twenty days thereafter and while in such service. Any person in the active service on or after the sixth day of April, nineteen hundred and seventeen, who, while in such service and before the expiration of one hundred and twenty days from and after such publication, becomes or has become totally and permanently disabled or dies, or has died, without having applied for insurance, shall be deemed to have applied for and to have been granted insurance payable to such person during his life in monthly installments of \$25 each. If he shall die either before he shall have received any of such monthly installments or before he shall have received two hundred and forty of such monthly installments, then \$25 per month shall be paid to his widow from the time of his death and during her widowhood, or if there is no widow surviving him, then to his child or children,

or if there is no child surviving him, then to his mother, or if there is no mother surviving him, then to his father, if and while they survive him: *Provided, however,* That not more than two hundred and forty of such monthly installments, including those received by such person during his total and permanent disability, shall be so paid. The amount of the monthly installments shall be apportioned between children as may be provided by regulations."

Sec. 18. That section seventeen of this act amending the automatic insurance provisions of section four hundred and one of the act approved September second, nineteen hundred and fourteen, as amended, shall be deemed to be in effect as of October sixth, nineteen hundred and seventeen: *Provided,* That nothing herein shall be construed to interfere with the payment of monthly installments, authorized to be made under the provisions of said section four hundred and one as originally enacted, for the months up to and including June, nineteen hundred and eighteen: *Provided further,* That all awards of automatic insurance under the provisions of such section four hundred and one as originally enacted shall be revised as of the first day of July, nineteen hundred and sixteen, in accordance with the provisions of said section four hundred and one as amended by section seventeen of this act.

Sec. 19. That section four hundred and two of said act is hereby amended to read as follows:

"SEC. 402. That the director, subject to the general direction of the Secretary of the Treasury, shall promptly determine upon and publish the full and exact terms and conditions of such contract of insurance. The insurance shall be payable only to a spouse, child, grandchild, parent, brother, or sister, and also during total and permanent disability to the injured person, or to any or all of them. The insurance shall be payable in two hundred and forty equal monthly installments. 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 three and one-half 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 of such insurance 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, either in his lifetime or by his last will and testament, or if the designated beneficiary does not survive the insured, the insurance shall be payable to such person or persons within the permitted class of beneficiaries as would under the laws of the State of the residence of the insured be entitled to his personal property in case of intestacy. If no such person survive the insured, then there shall be paid to the estate of the insured an amount equal to the reserve value, if any, of the insurance at the time of his death, calculated on the basis of the American Experience Table of Mortality and three and one-half per centum interest in full of all obligations under the contract of insurance."

Present: Hon. John Sharp Williams (chairman) presiding; Smith (of Georgia), and Smoot.

There were also present: Hon. Thomas B. Love, Assistant Secretary of the Treasury; Dr. Samuel McC. Lindsay, advisor; Maj. S. H. Wolfe, Quartermaster Corps; N. T. Dowling, Capt. J. J. Crowley, and George C. Beach.

The CHAIRMAN. The subcommittee will now proceed to the consideration of the bills (H. R. 11245 and H. R. 11520) relating to war-risk insurance.

Mr. Love has a statement which he has made in writing, and which I will read before we put him on the stand and let it appear in the record. I will ask you, Mr. Love, by whom was this paper drawn?

Mr. LOVE. It was drawn by the chief counsel of the War-Risk Bureau.

The CHAIRMAN. What is his name?

Mr. LOVE. His name is Mr. Shepherd.

The CHAIRMAN. The paper is drawn up by Mr. Shepherd, chief counsel of the War-Risk Bureau, and is as follows:

"APRIL 23, 1918.

"Memorandum for Secretary Love. In re the bill to amend Article II.

"1. In the matter of the amendment to section 200:

"The effect of the amendment to this Section is to exclude the Philippine Scouts, the insular force of the Navy, and the Samoan Armed Guard of the Navy, from the

benefits of the family allowances. It does not interfere with their right to make an allotment of pay through the ordinary allotment system operated by the War Department and Navy Department, respectively, but it does prevent any family allowance being paid to the families of these men.

"The exclusion of the enlisted men named is a question of policy on which the Treasury Department has no settled views and in which the Treasury Department has acquiesced in any suggestions or recommendations made by the War Department and Navy Department, respectively. The merits of this exclusion and the principal reasons underlying it are therefore matters on which the War Department and Navy Department can speak with more definiteness and more conviction.

"2. In the matter of the amendment to the second and third paragraphs of section 201:

"The effect of this amendment is to change the basis of the compulsory allotments from a sliding scale to a fixed sum. It proposes to fix the compulsory allotment at \$15 regardless of the size of the enlisted man's family and regardless of the pay which he receives. For the great majority of enlisted men this does not cause a change in the present allotment, for \$15 is the minimum fixed in the law for any enlisted man, and for a \$30 man (\$15 being one-half his pay) is the maximum, so that as far as the present law is concerned the compulsory allotment for the great mass of enlisted men whose pay is \$30 a month is in fact \$15. It is on this basis that the decision was reached to make the compulsory allotment for all enlisted men \$15. The reasons for making this a flat allotment are administrative.

"At the present time with the allotment fixed on a sliding scale (variable according to the size of the family and the amount of the monthly pay) there is, or may be, a corresponding change in the allotment for every change in pay status or family conditions. The paper work involved in these changes is excessive. In the first place, there must be an appropriate change made in the pay roll of the commander of the organization to which the enlisted man is attached and notification must then come to the bureau as to the change which has occurred. For this notification to pass through the military channels and to be received, carded, indexed, and acted upon in the bureau involves a considerable length of time and much clerical work.

"Not only does it cause delay but it is a frequent source of error. It often happens that the organization commander does not make the proper change on the pay roll and it may result in such cases that the bureau is paying either more or less than should be paid. To check up and correct these errors entails a further expenditure of time and effort and with this additional task imposed on the bureau there is necessarily additional delay involved.

"If the allotment be placed on a flat basis there will be no change occasioned by the change in pay status or family allowance. The only thing necessary for the organization commander to know in such cases will be whether the man is subject to the compulsory allotment or not. If he is, the allotment is \$15. If not, no compulsory checkage of pay is made. The checkage of pay once having been made on the pay roll and the proper forms having been submitted to the bureau and awards having been made thereon, the checkage of pay will continue and the awards will be kept in force until notice is received that the compulsory allotment is discontinued.

"Of course it must be remembered that in exceptional cases, such as for a former wife divorced, or for an illegitimate child, either of whom has been awarded less than \$15 per month alimony or support, the compulsory allotment will not exceed the amount so awarded. This may result in a compulsory allotment of less than \$15, but except in these cases the flat sum will prevail.

"3. In the matter of section 206 (see section 4).

"The effect of the amendment to section 206, like the amendments to section 201, is to change the basis of the voluntary allotments from a sliding scale to a fixed sum. The fixed sum is \$15, regardless of the man's pay and regardless of the number of his dependents. The fixed sum of \$15 will be the amount of the allotment in all cases where the enlisted man has no compulsory allotment (that is, has no class A dependents). If, however, he has both class A and class B (that is, if he has a wife and children and also a father or mother dependent upon him), then a reduction is made in the additional amount necessary to secure the family allowance for class B. His compulsory allotment for class A is still \$15 because they have, under this act, a prior right to support from him. But in view of the increased burden on him the additional amount necessary for class B is cut down to a flat sum of \$5.

"This gives the net result that where an enlisted man has dependents either in class A or in class B but not in both, his allotment (compulsory or voluntary, as the case may be) is \$15. But if he has dependents in class A and class B his allotments (compulsory and voluntary) amount to \$20.

"The effect of these amendments to section 206 does not in any way change the law with reference to the great mass of enlisted men whose pay is \$30 a month, for

under the act \$15 is the minimum and maximum of the allotment for class B (in cases where there is no allotment for class A). Also under the Treasury decision made in pursuance of the last paragraph of section 206, an automatic exemption is granted for any excess allotment for class B over and above \$5 where the enlisted man is making a compulsory allotment for class A.

"It may be said, therefore, that under the present law the great majority of enlisted men are allotting \$15 for class A and \$5 for class B when the two classes are taken separately and are allotting \$15 for class A and \$5 for class B where the two classes are taken together. In this respect the proposed amendments do not change the law.

"It must be frankly stated, however, that the proposed amendments do change the law with reference to the requirements made of enlisted men who draw an increasing rate of pay.

"For example: If an enlisted man with \$50 monthly pay has a wife and child, his compulsory allotment under the present law is \$25. Under the proposed amendment, however, it is the flat sum of \$15. Similarly, if the same man has a dependent mother in addition to the wife and child, then, in addition to his compulsory allotment of \$25 under the present law he must allot an additional sum of one-seventh of his pay (or a fraction over \$7) for his mother, making a total of thirty-two dollars and some cents for the two classes together. Under the proposed amendment his allotment for the two classes together would be \$20.

"Attention is called to the fact that though the basis of the allotments is changed there is no change in the scale of family allowances. They remain as they are now set out in section 204, with the addition of one item, namely, that an enlisted woman may secure a family allowance for her dependent husband"—

That is something that we did not think of. It seems to me there are a few cases where a woman has a dependent husband—

"There are very few of such cases. The small increase in the amount to be paid from the family allowance appropriation will therefore be, in view of the other sums, practically negligible.

"To sum up the result under these amendments to sections 201 and 206, it may be said that the amount to be paid out by the Government (taking the pay of the man himself and the amount of the family allowance to be sent to his dependents) is not altered. The only change is as to the amount which must be withdrawn from the man's pay and added to the family allowance to be included in the check sent to the dependents. Under the amendments the amount thus withdrawn from the pay of the man will be reduced, but the amount retained by the man will be correspondingly increased. This amount is subject to his disposal, and may, if he so desires, be transmitted for the support of his dependents. Thus it will probably be true that in the majority of cases the total sum finally reaching the families will not be materially affected, though the methods by which this total sum is transmitted to them will be different. The change as above indicated will eliminate one of the most prolific causes of confusion, delay, and error with which the bureau has to contend.

"4. In the matter of the amendment to section 210:

"The effect of this amendment is to provide that the amount of each monthly allotment and allowance shall be determined according to the conditions existing on the 1st day of the month. Under the present law every time there is a change in pay or family conditions either of which involves a change in the allotment or family allowance, necessary readjustment of the allotment and family allowance must be made as of the date on which the change occurred. From an administrative point of view this involves a heavy amount of work, inasmuch as every change within a month has to be prorated and a fractional award made. By enacting the proposed amendment fractional awards and the prorating computations will be eliminated and all awards will be made on a full monthly basis.

"5. It is proposed to make this act effective as of July 1. This is necessary so that adequate time will be available for giving notice to the field forces and for making the necessary readjustments in the Allotment and Allowance Division preparatory to changing the allotment awards. The clerical work involved will be tremendous until the readjustment is completed.

"GENERAL COUNSEL."

Now, Mr. Love, take the Sims bill to guide you, and call attention to each change that the bureau recommends, and explain why the change is recommended.

STATEMENT OF HON. THOMAS B. LOVE, ASSISTANT SECRETARY OF THE TREASURY.

Mr. LOVE. Mr. Chairman, the question of amendments to this War Risk Insurance act has been brought to the attention of the Treasury Department from the Bureau of War Risk Insurance, and also from the reference to it of a number of bills introduced

in the House and Senate proposing various amendments. We have given all these matters very careful consideration, and the changes in the law which we think advisable are represented in three bills, first, the bill which has passed the House relating to claim agents and attorneys—

The CHAIRMAN. I do not think there will be any trouble about that. Let us confine ourselves in this hearing to this particular matter.

Mr. LOVE. I only want to get the situation straight in your mind. The second bill is the one concerning which you have just read the memorandum, which is confined to allowances and allotments, and our reason for putting that subject in a separate bill is that we thought it was more urgent and ought to be expedited, and the third is a bill representing all of the other amendments to the law we think advisable, aside from those in the other two bills. This last bill was sent to Chairman Simmons of the Senate Committee on Finance and to Chairman Sims of the House Committee on Interstate and Foreign Commerce on yesterday. It was introduced by Congressman Sims, but I believe it has not been introduced in the Senate as yet. Is it desired that that bill also shall be discussed here, or just the two bills that are before the committee?

Senator SMOOT. Mr. Chairman, let him discuss the so-called Rayburn bill first, as that has already passed the House and will be sent over to the committee, and if there is time then we can take up the Sims bill.

The CHAIRMAN. Suppose you give us the substance of the Rayburn bill, stating how far that meets with the approval of the bureau, and how it amends the existing law.

Mr. LOVE. That is, I think, a bill referring to claim agents and attorneys, H. R. 11245.

The CHAIRMAN. I do not think there is any trouble about that bill.

Senator SMOOT. No. Let that bill be passed and go on with the second bill that you referred to in your opening remarks.

Mr. LOVE. The next is the allowance and allotment bill, which was introduced in the House by Mr. Sims.

The CHAIRMAN. It is pending in both bills.

Mr. LOVE. Yes. The memorandum which you have just read states about all there is to say on the subject, with this exception: That those changes in the family status and changes in pay amount to about 200,000 individual changes per month, that have to be figured out and applied both in the War Department or the Navy Department, as the case may be, and in the War-Risk Bureau, and this involves an enormous amount of labor and delay, and it is very difficult to prevent errors in making the figures.

The CHAIRMAN. Just one moment, in order to identify these two bills; please give the number of the bill introduced in the Senate by Senator Simmons and the number of the bill introduced in the House by Mr. Sims, and just say that the present observations are directed to those two bills.

Mr. LOVE. Senator Simmons has not introduced the bill as yet. There have been two bills sent to Senator Simmons; one relates to this allowance and allotment matter concerning which you read from the memorandum, and the other is what we call the omnibus bill.

Senator SMOOT. Senator Simmons has not as yet introduced the bill in the Senate, so there is no number to it. The House bill is No. 11659.

The CHAIRMAN. And the number of the House bill introduced by Mr. Sims is H. R. 11520.

Mr. LOVE. Yes, sir; that is it.

First, as to these Philippine and Samoan Band propositions; I want to explain what we have done about that. We found that those men get \$5 or \$6 per month pay. Their status has not been changed at all by the war, but under the provisions of this law they would be entitled, by allotting half of their pay, to get \$15 per month allowance for their families. I requested the commissioner not to make any award in those cases. There can not be any payment until the award is made, and no hardship was visited on those people by not making the award until the matter could be brought to the attention of Congress, and it seems to me, and I believe that the War and Navy Departments agree, that there is no reason why their pay should be increased \$15 a month when their status has not been changed on account of the war. This Samoan Band is an armed guard which renders the same service and gets a few dollars a month, and it is the same way with the Philippine Scouts. The bill provides that they shall not be given allowance and allotments and that they shall be exempted from the provisions of the act.

The CHAIRMAN. Senator Smoot, we never contemplated that they should be.

Senator SMOOT. No.

The CHAIRMAN. That was simply an omission of ours. We intended this to apply to those who have rendered service in the European war. So I think we can eliminate that.

Senator SMOOT. I should like to read the bill first.

Mr. LOVE. That is one provision. The next provision is the matter of making the flat allowance of \$15 a month instead of the sliding scale allowance that is now made.

The CHAIRMAN. That involves both. We will have to look into that. Now, tell us in what respect the allowances will be increased, and in what respect they will be decreased under that bill. I think we will let the Philippine Constabulary and the Samoan Guard go by the board, in so far as the bill deals with them. Now, take up the balance of the bill.

Mr. LOVE. The second provision does not affect the allowance that is paid out of the Treasury to the dependents of soldiers and sailors at all. That is simply left as it is. It does take the allotments which are required to be made as a condition of the allowance off of the sliding scale basis on which they are now fixed, and which requires these 200,000 changes a month to be taken cognizance of, and put it on a flat basis of \$15 a month if the man has a wife and child and no class B dependents, or \$15 a month if he has class B dependents and no wife and child, or \$20 a month if he has both. The representatives of the War Department and the Navy Department and our bureau have all agreed that that is practically indispensable to the workable administration of this law. As stated, it does not change the amount that is received by the soldiers' families, in the great bulk of the cases. It will change the amount that is received by the soldiers' or sailors' families from the Government, from the War-Risk Bureau, in the case of those receiving more than \$30 a month.

Senator SMOOT. I would like to ask you what percentage of the enlisted men receive more than \$30 a month?

Mr. LOVE. Maj. Wolfe is familiar with that proposition. What do you think of that, Major?

Maj. WOLFE. I should say not more than half; not as many as half, really. It is perhaps 40 per cent.

Senator SMOOT. Then there would be a reduction of the allowance by the Government to at least 40 per cent of the enlisted men?

Maj. WOLFE. Maj. Beckham does not think it will be that much.

Mr. LOVE. I do not think it will be that much; no, sir.

Mr. LINDSAY. There would not be any reduction in the allowance by the Government. There would be a reduction in the check they would receive, because of the reduction in the amount of the allotment the man makes of his pay. But the amount that the Government pays would not be changed in any way at all.

Mr. LOVE. I have never figured the percentage of the enlisted men who are above the \$30 a month pay, but I should think it would be less than 25 per cent.

Senator SMOOT. Even if it is that large.

The CHAIRMAN. All the men in France are getting \$33 a month.

Mr. LOVE. Where they are on the \$30 basis for the purposes of this act. Their allowance is \$15 now.

Senator SMOOT. Mr. Love, in order that I may get at what the effect of the bill will be, I want to ask just a few questions. If this bill becomes a law the flat \$15 a month compulsory allowance will remain as it is, will it not?

Mr. LOVE. Yes, sir.

Major WOLFE. That is the allotment.

Senator SMOOT. Then wherever they allot over and above the 15 per cent to say Class B, it depends on the sliding scale for the number of dependents that they have. Now this bill simply means if the allotment is \$15 in Class A and they have dependents in Class B, all they would be allowed to allot would be, under this bill, \$5 a month.

Mr. LOVE. Yes, sir; that is all they are allowed to allot now.

Senator SMOOT. Then the sliding scale is between the 7 per cent that would be allowed to the dependents in Class B and \$5.

Mr. LOVE. It would be one-seventh of the pay.

Senator SMOOT. And the sliding scale that you speak of is between that one-seventh of the pay and the \$5?

Mr. LOVE. No, sir; you do not understand it, I think, Senator, precisely. If that man gets \$30 a month he now allots \$15 of his pay; if he has no class B dependents and has Class A dependents. If he has Class B dependents and Class A dependents he allots \$20 a month out of his pay, just as he would if this bill should become a law. But if he gets more than \$30 a month then the sliding scale is mathematically enabled to operate.

Senator SMOOT. I was only speaking of up to \$30 and then I was going on—

Mr. LOVE. There would be no change in the amount.

Senator SMOOT. There would be no change at all in the \$30, because the minimum is \$5?

Mr. LOVE. Yes, sir.

Senator SMOOT. Now what I want to find out is as to those who are receiving more than \$30. Suppose, for instance, an enlisted man is receiving \$50 a month, we will say, and his compulsory allotment to Class A is \$15, and under existing law he has the right, if he has dependents in Class B, to allow one-seventh, or allot one-seventh of the \$50, or \$7.14. Now under this law—if this amendment to the law is passed—all he could do would be to allow his \$15 and the \$5, the same as the \$30 man?

Mr. LOVE. Yes, sir; but the same allowance is paid that would be paid now.

Senator SMOOT. And the same allowance.

Senator SMITH of Georgia. By the Government?

Mr. LOVE. By the Government; that is paid now.

Senator SMOOT. In other words, the Government would pay the \$15?

Senator SMITH of Georgia. No comparative statement of the existing law and this has been prepared, has it?

Senator SMOOT. Pardon me. The Government then would pay the \$15 for the compulsory allotment and how much more?

Mr. LOVE. His compulsory allotment might be more than \$15 if he is getting \$50 a month. The compulsory allotment would be dependent upon the size of his family.

Senator SMOOT. What I am trying to get at is, is the Government going to pay that amount?

Mr. LOVE. How many children, for instance?

Senator SMOOT. Say that he had a wife and two children.

Mr. LOVE. If he has a wife and two children it is \$32.50. He would have to pay \$32.50, unless that is more than one-half of his pay.

Senator SMOOT. What would the Government pay?

Mr. LOVE. \$32.50.

Senator SMOOT. But under this amendment the Government would pay—

Mr. LOVE. The Government would pay \$32.50. The allowances are not paid by this act.

Senator SMITH of Georgia. You mean the Government would pay \$32.50, and \$25 that would come from the man?

Mr. LOVE. No, sir. There is no change made in the amount that goes out of the Public Treasury.

Senator SMOOT. The only change is that with a \$50 man there would be the \$2.15 which the Government would withhold from his pay that before went to his family?

Mr. LOVE. That is true.

Senator SMOOT. And it would go into his pockets instead of in the pockets of his dependents?

Mr. LOVE. That is precisely so, unless he wanted to send it to his family.

Senator SMOOT. Certainly, if he wants to spend it a man can do it.

Mr. LOVE. That is precisely true, and it would eliminate the necessity of taking cognizance of these 200,000 changes a month. Which requires an amount of detailed figuring that is remarkable when you get down to it.

Senator SMOOT. If it happened in the middle of the month, of course, he would have to not only take the one-seventh, but if a change was made in any of these men he would have to figure it for 10 days, or one-third of a month, or for 14 days, fourteen-thirtieths of a month.

Mr. LOVE. Yes, sir; every time.

Senator SMOOT. I see no reason, Mr. Chairman, why that amendment to the law should not be made.

The CHAIRMAN. I do not either.

Senator SMOOT. Although before reporting the bill I want to take it and compare it with the present law.

Senator SMITH of Georgia. Let me repeat my question. Have you prepared a statement of the figures in the old law and this proposed law, putting them side by side?

Mr. LOVE. I have put it into the shape of a memorandum which gives precisely all that there is.

The CHAIRMAN. I will say, Senator Smith, that I have requested Mr. Love, and he has agreed, to take these bills and run a red pencil line under each change from the existing law and send it back to the committee for the use of this subcommittee.

Mr. LOVE. I shall be glad to do so, Mr. Chairman. Now, does the committee desire me to go into the discussion of the other bill?

The CHAIRMAN. Yes. What is the number of that bill?

Mr. LOVE. That is House bill 11659, that has not been introduced in the Senate, but was introduced in the House on yesterday.

The CHAIRMAN. Introduced by Mr. Sims, of Tennessee. Now please explain that.

Mr. LOVE. It first amends articles I, III, and IV; it strikes out the requirements that injury must be suffered in the line of duty before compensation is payable.

The CHAIRMAN. We discussed that and concluded that we did not want to strike it out.

Mr. LOVE. Also to insert a provision that it is sufficient that the injury is suffered in the service.

The CHAIRMAN. We discussed that also and we passed upon it, and do not care to take it up now.

Mr. LOVE. Under the present law compensation is payable to the mother only when she is widowed and is not payable to the father under any circumstances.

Senator SMOOT. We discussed that very thoroughly, too.

The CHAIRMAN. Yes, you will remember that I was in favor of the amendment, but it was defeated. I thought then, and I think now, that a dependent mother who has the additional affliction of having a husband ought to be taken care of, a widowed mother who is dependent; and I think a dependent father ought to be taken care of, too, but we do not care to reopen the matter at this time.

Senator SMOOT. I think if a dependent mother has a husband, that husband ought to take care of her, or else it ought to fall upon the local authorities, civic authorities, or somebody else to take care of them.

The CHAIRMAN. Very frequently her having a husband is simply an additional affliction. I would really like to see the law changed in that respect, but if you and Senator Smith do not want to reopen the old question—

Senator SMITH of Georgia. I do not say that I am unalterably against doing something for the dependent mother.

Mr. LOVE. May I say a word about that? We propose to amend the section so as to provide for payment to the mother or father, or both, if they are dependent upon the son who entered the service. Cases have been represented to the bureau where a soldier's dependent mother is taking care of an invalid and helpless husband, but under this act she is entitled to nothing whatever because she is not widowed. The amendment here proposed would cover all such cases.

The CHAIRMAN. I do not think that is just myself.

Mr. LOVE. The amendment here takes care of all these cases.

The CHAIRMAN. We will discuss that in executive session.

Mr. LOVE. This memorandum states, "The automatic insurance provided for in section 401 is in one respect similar to compensation, for it is payable to a mother only when widowed and under no circumstances is payable to a father." Our proposal is to make it payable to a mother or if there is no mother to a father.

There were a good many cases of men who were killed and died in the service under the operation of the automatic insurance provision who had dependent fathers and mothers and dependent relatives who were not covered by the act. Now, our own judgment is that it ought to be amended so as to take care of those deserving cases.

Senator SMOOT. Most of them will be deserving.

The CHAIRMAN. We do not care to go into the matter of general insurance. It is only with respect to taking care of the family and where they are dependent. It is a matter of grace.

Mr. LOVE. I am talking about the case where men were killed and had dependent fathers and mothers, or a dependent father and no mother, and under that act he gets nothing.

The CHAIRMAN. That might be, but as I understood you a moment ago you wanted to go further and include all kinds of mothers and fathers.

Mr. LOVE. Oh, no.

The CHAIRMAN. Under these bills it would cover an adopted father or an adopted mother—that is, the Sims bill. Here it is, in the original draft:

"The term 'parent' includes a father, mother, grandfather, grandmother, father through adoption, mother through adoption, stepfather and stepmother, either of the person in the service or of the spouse."

We are not going into a general matter of that sort—

"For the purposes of Article IV only the term 'parent' shall include also a person who at any time preceding October 6, 1917, for the insured's enlistment or entrance into or employment in active service in the military service or naval forces has stood in loco parentis to the insured for a period of not less than five years."

Mr. LOVE. Yes, sir. I will tell you about that. The present law provides that the term "child" includes adopted child. That is the present law. Now it would seem to me to follow from that that the adopted mother of the adopted child was his mother or his parent.

The CHAIRMAN. We put in adopted child on the level of other children because they are absolutely naturally dependent. But if you include everything relating to loco parentis, I do not know where it would stop.

Mr. LOVE. You may find a number of cases where women have taken nephews and grandsons, and grandchildren and raised them, and they have been their sole support before they went into the Army. When they go into the Army the mother or father are left without anybody to support them.

Senator SMOOT. Where there would be one case of that kind there would be 10,000 in which it would be an injustice to the Government.

The CHAIRMAN. The sort of people who adopt children and take care of them are not, as a rule, dependent upon the child in any proper sense.

Mr. LOVE. But there are a good many cases of that kind.

Senator SMOOT. Under this term "stepfather," he would come in and claim an allowance of the soldier, and perhaps the soldier had never done anything for him in the world and the boy had never lived with him or had anything to do with him, and more than likely, in nine cases out of ten, they kicked him out of the house, or out of the home, after the man was married to his mother.

The CHAIRMAN. Senator Smoot, if I remember correctly, we included a dependent grandfather or grandmother. The present law does not.

Senator SMOOT. If you have the law convenient, I suggest that it be read.

Mr. LOVE. It is as follows:

"The term 'parent' includes a father, mother, grandfather, grandmother, father through adoption, mother through adoption, stepfather, and stepmother, either of the person in the service or of the spouse."

The CHAIRMAN. Yes. We already include those—the grandfather, grandmother, stepfather, and stepmother—and you want us to include also father through adoption and mother through adoption, and any other person in loco parentis?

Mr. LOVE. Yes.

The CHAIRMAN. We do not want to do that; at least, I do not want to do it.

Senator SMITH of Georgia. We ought to strike out "stepfather" and "stepmother." That simply slid in.

Senator SMOOT. I voted against it, I know.

Mr. LOVE. Let me call your attention to another provision of the law as it exists:

"The term 'child' includes (a) a legitimate child; (b) a child legally adopted more than six months before the amendment is enacted."

The CHAIRMAN. That is all right, because a child is a child. After all is said and done, a child is helpless, and we took that into view and provided for them.

Mr. LOVE (reading). "The term 'brother and sister' include brothers and sisters of half blood as well as of whole blood, stepbrothers, and stepsisters through adoption."

Senator SMOOT. We made it just as broad as we could.

The CHAIRMAN. That all relates to minors. They are children and are helpless. What you want to include relates to adults and has to do with a class of people that are wealthy enough to adopt children and raise them.

Mr. LOVE. But they must be dependent.

The CHAIRMAN. It is true that you are required to prove that they are dependents. Now, with regard to your negro troops, if you started there I do not know exactly where it would stop, do you, Senator Smith, if you run in all the adopted fathers and mothers of children whom they have adopted so that they could plow, and when they get through plowing they let them loose? I do not know where that would stop. Now, let us go on with the next amendment.

Senator SMOOT. I will say that the same thing would apply to the whites in many cases.

Mr. LOVE. The further proposition is to enlarge the class of persons who may receive compensation.

Senator SMITH of Georgia. May I ask what you are reading from?

Mr. LOVE. I am reading from a memorandum—"so as to include the widower of the woman in service, if such widower was dependent on the deceased for support."

The CHAIRMAN. We forgot that; we did not think of a case of that sort.

Senator SMOOT. We will consider that, Mr. Love.

The CHAIRMAN. Here is a woman who has gone into the service and she receives an injury, and she has, say, an invalid or dependent husband. I think he ought to be taken care of, as far as that matter goes.

Mr. LOVE. We have a case in town of a yeowoman in the Navy who has a paralyzed husband.

Senator SMOOT. I think if that poor woman died, or anything happened to her where she can not take care of him, particularly if she dies, that the community in which he lives ought to take care of him.

The CHAIRMAN. Even if she is disabled.

Senator SMOOT. However, it is worthy of consideration.

The CHAIRMAN. Yes; we will consider that. There is a good idea in it.

Mr. LOVE. The amendment also provides for the payment of compensation and automatic insurance to the soldier's mother, regardless of whether she is a widow, and also for payment to his father. Those are changes that you have already discussed.

The CHAIRMAN. That is with regard to compensation?

Mr. LOVE. Automatic insurance.

The CHAIRMAN. That is to a mother. Under the present law they can make their insurance payable to the mother.

Mr. LOVE. They can, but the automatic insurance, which was to take care of the situation until these applications were made for insurance does not so include. It had a very limited application.

The CHAIRMAN. I think we had better make a note of that. Now you may proceed.

Mr. LOVE. Mr. Chairman, I can give you a table showing all those cases.

The CHAIRMAN. We want every one of them. We do not want you to propose an amendment to the law without telling what the amendment is and why you want it.

Mr. LOVE. I will give you a table showing all the cases that have been brought to the attention of the War-Risk Bureau that will be affected by this proposed law. I would have had it here with me this morning, but I did not know that the matter was coming up. It is further proposed to extend insurance and compensation benefits of the act to the West Point cadets, midshipmen at Annapolis, United States Coast Guards, and cadet engineers.

The CHAIRMAN. Now explain to us why you want to extend these provisions to West Point and Annapolis cadets, unless they are in the service. If they are in the service they are included now. Why let a boy at school have the benefit of these provisions? We are giving him his education now at the expense of the Government.

Mr. LOVE. That was very strongly urged by the Navy Department.

The CHAIRMAN. Yes, by the Annapolis men.

Mr. LOVE. Yes, sir.

The CHAIRMAN. Is there any reason that you can give why they should be included?

Senator SMITH of Georgia. He is a boy who has really never contributed anything to the support of his parents in all probability?

Maj. WOLFE. As to this question of permitting them to take insurance, and referring particularly to the insurance part—the reason why this insurance feature was introduced in the bill was that these men are not permitted by the commercial insurance companies to obtain their insurance at normal rates, and the same ruling applies to these cadets—that is, they are unable to obtain insurance from the commercial companies at normal rates owing to the very same thing.

The CHAIRMAN. They are up to the time they enter the active service. The moment they enter the active service they are entitled to this provision whereby the Government of the United States carries the war risk. Now, why should he carry a war risk for Annapolis or West Point cadets, up to the time the man goes into the service?

Maj. WOLFE. The point is that the insurance company, inferring that they will go into the service, refuses to carry them at the normal rate.

The CHAIRMAN. Then the boy can wait until he is ordered to enter the service and then we must take care of him by this act. Now, Mr. Love, you may proceed.

Mr. LOVE. Mr. Chairman, I have a very complete memorandum with regard to this bill which takes it by different sections, giving the changes proposed in the existing law and the reasons therefor.

The CHAIRMAN. Just proceed in your own way and explain it.

Senator SMOOT. Mr. Love, I may be compelled to leave the committee before you get through, and I want to ask if you have an additional copy of your statement in explanation of both of the bills that you have explained; if you have, I would like to get copies.

Mr. LOVE. I will have copies made and send them to you, Senator.

The CHAIRMAN. Is that the memorandum which you have left with the subcommittee?

Mr. LOVE. Yes; that memorandum refers to the allowance and allotment bill. This one refers to the other bill.

Now there is one important provision in this bill that relates to the subrogation of the Government to the right of an injured man against third parties.

The CHAIRMAN. What changes did you make in the existing law with regard to that? We have a provision upon that subject in the existing law.

Mr. LOVE. Yes. This amendment has been suggested by the law department in order to make that more effective and more workable.

The CHAIRMAN. In what respect does it differ from the existing law?

Mr. LOVE. Mr. Beach, who is present, has given that matter attention and will be able to answer.

STATEMENT OF MR. GEORGE C. BEACH.

Mr. BEACH. Mr. Chairman, the present act provides that a beneficiary shall assign any cause of action which that beneficiary may have against any person other than the United States or the enemy in connection with the injury. Now the working out of that first provision is that a beneficiary if injured under circumstances giving rise to a cause of action, will almost always proceed with their own cause of action, and if they recover they are then barred from any compensation. They may recover a less amount than they might get if they claimed the compensation, but nevertheless under the present act they are barred from compensation.

The CHAIRMAN. They ought to be if they appeal to the court, ought they not?

Mr. BEACH. Exactly; but if the proposed amendment were carried out, then the beneficiary would get the benefit of the greater amount as between the recovery and the compensation.

The CHAIRMAN. I understand.

Senator SMOOT. In other words, you want to invite him to do it, to go into the courts and see if he can get more?

Mr. BEACH. No, sir; that is not the idea.

Senator SMOOT. I misunderstood you.

Mr. BEACH. We want to invite him to assign it, so that if recovery is had it is credited to the compensation, and only an excess amount is given to the beneficiary.

The CHAIRMAN. Who do you mean by the beneficiary; the man who has gone into this court to sue?

Mr. BEACH. It might be the man himself, if he is living, or his wife or children.

The CHAIRMAN. In other words, if a man had gone into court he would not get the difference, but this difference between what the Government would allow and what this man had recovered in court would go to the soldier or his dependents. Now what is the reason for that, from the Government's standpoint? Why is it not simply a gratuity to this man? He does not deserve any credit for hurting the other fellow.

Mr. BEACH. You are speaking now of the man who caused the injury?

The CHAIRMAN. Yes.

Mr. BEACH. The third party, if he caused that injury under circumstances giving rise to a cause of action, might be subject to recovery against him; in other words, a damage against the third party causing the accident, and that damage—

The CHAIRMAN. But if the party had gone into court and had exercised his rights there and had recovered less than the Government would have given him, then why should the man who caused the accident be given the difference? Is that what you propose to do?

Mr. BEACH. Oh, no, sir; not the man who caused the accident.

Senator SMOOT. That is what I thought he intended to do, and that is why I made the statement I did.

The CHAIRMAN. Please explain it; I do not understand it.

Mr. BEACH. Take the concrete case of an accident to a man which results in the death of a soldier. The cause of action belongs to that soldier's wife or children. Under the present act the wife or child, if they elected to go into court and recover, would be barred from compensation. If successful they would get a lump-sum damage. The retaining by them of a lump-sum damage might defeat the very object of this whole act which provides for monthly payments of compensation. If that recovery were had for the wife or child by the Government, and if the recovery exceeded the value of the compensation which the wife or child might be entitled to under the act, such excess would be paid in a lump sum to the wife or child or both, and the balance, equalling the lump-sum value of the compensation, would be retained by the United States and paid out to each beneficiary monthly, which would tend to conserve the money and prevent them from possibly dissipating it and becoming possibly a charge upon the public. At the same time they would get the advantage and benefit of their action being handled by the Government in the best and cheapest way for the beneficiary, and they would get the most recovery possible. In other words, the Government would say, if they recovered a larger amount than they would be entitled to under the compensation act, that the excess would be paid to them immediately and the rest retained and paid to them under the compensation act.

The CHAIRMAN. We intended, if those people chose rather to go into court than to accept the settlement provided for them, to leave them to the court, and if they got

less than that was their lookout; if they got more that was their advantage. It does seem to me as if we have got to treat them as grown-up white folks who know what they are doing, and if they choose to look to the court rather than this act let them make their own beds and sleep in them.

Senator SMOOT. Let them select one or the other.

The CHAIRMAN. Yes.

Senator SMOOT. And not have the privilege of selecting and then in case they lose by that then still have the advantage of the act.

Mr. BEACH. The proposed amendment would not give them that right. If they elected and insisted upon going on with their action they would be then debarred from compensation, of necessity. But it would provide a machinery whereby the Government, acting for those people, could protect them, and the people after such action by the Government would gain an advantage.

Senator SMOOT. We have passed legislation already to protect them. We take care of them here. If they are not satisfied with that then they go into court, and if they go into court what right have they to say that the Government ought to protect them.

Mr. BEACH. They have no right.

Senator SMOOT. And I do not want to give them any right.

Mr. BEACH. This would not give them any right.

Senator SMOOT. Then we had better leave it the way it is.

The CHAIRMAN. There is another matter in that connection: If a man did go into court, or the person, and secure a judgment, the Government, of course, could not by any act of Congress secure the amount of judgment and distribute it in installments. The only installment payments the Government could make would be the installment payments out of the Treasury.

Senator SMOOT. And another thing, Senator: The question of compensation for the attorneys would come in there, and there are a number of other items that would come in. I think it is complicating the matter unduly and I do not think it ought to be considered.

STATEMENT OF HON. THOMAS B. LOVE—Continued.

Mr. LOVE. The present section 313 requires the assignment of any such cause of action as a condition precedent to securing compensation from the United States and it further provides that the cause of action so assigned may be compromised or prosecuted by the director and the proceeds paid over to the credit of the compensation appropriation.

The practical result of the act as it now stands is that no claim will be assigned to the United States if there is a reasonable probability that the recovery on the claim will be greater than the amount of compensation which would be payable from the Government. The reason is that if he assigns a good claim and the Government recovers on it, all of the excess recovery will be credited to the compensation appropriation, making the original owner of the cause of action the loser to that extent. Consequently the only causes of action which the Government may look to under this provision will be the poor causes of action or those on which any recovery is doubtful.

Under the section as amended there is still the requirement that the cause of action must be assigned or, if it appears to the best interests of the beneficiary, the director may cause him to prosecute the cause of action in his own name. In either case the person in interest stands to win on the excess recovery; for under the plan now proposed, if the Government recovers more than the amount of compensation payable, the amount of the compensation (determined by computing the present value of all future compensation) is paid into the compensation fund and the excess is paid in a lump sum to the injured person. Compensation is then paid to him from month to month. If the recovery by the Government is less than the present value of the future compensation the total recovery is paid to the compensation fund and compensation is paid out monthly in accordance with the act. It will be noticed that in both of these cases the compensation is paid monthly from the compensation fund but the compensation fund is reimbursed by reason of the recovery on the cause of action.

On the other hand, if the cause of action is prosecuted by the person himself and an amount in excess of future compensation payable to him is recovered, he keeps the entire amount and no compensation is paid to him. If, however, he recovers less than the amount of compensation payable to him, he will begin to draw compensation at some future time, so as to make up the difference between the amount recovered and the total amount of compensation payable.

The section as amended will invite assignments. It will result in the bureau's getting the assignments promptly and being in a position to prosecute them effectively.

By this process the person himself may often secure a greater recovery, and in any event the Government has a greater chance of reimbursing its compensation fund.

That is the crux of the matter to my mind. We are not getting these assignments, and I think the Government is using a good deal of money in the payment of these compensation claims by reason of that fact.

The CHAIRMAN. Do you not think that the benefit of not being bothered with it overbalances what little money we are losing?

Mr. LOVE. I do not know. If we are going to do anything in subrogation cases we should be prepared to do something that would affect all of them.

Now, Mr. Chairman, that is all that is to be said on that proposition.

Mr. BEACH. I might say that there is no way at the present time of hurrying up the matter in the case of accident. If the accident occurs and is to be prosecuted you must get at it very promptly, otherwise the evidence would be cold, and any delay works both against the man himself and against the Government. He can come in and get his compensation, and every cause of action in which the Government might recover would practically be hopeless, because time has gone by and there is no evidence collected in connection with the accident.

Mr. LOVE. Another provision makes a uniform rule applicable to the whole act providing that allotments and allowances, compensation and insurance are not assignable, not subject to claims of creditors, and that they are exempt from taxation. A similar provision is found in section 311 relating to compensation, and in section 301 relating to insurance. By an apparent oversight, however, it was not included in article 2, relating to allotments and family allowances. With a general provision here inserted, section 311 is repealed as well; also the Senate's in 402, along same line.

In the course of the administration of the act the question has arisen as to whether the bureau was authorized to withhold from the proceeds of any insurance policy the amount of unpaid premiums, and also whether it was authorized to withhold from such proceeds the amount of allotments that may be due the men in the service.

That applies to cases where we paid an allotment and have not gotten settlement as yet with the War Department. In view of the provisions of the act it was felt that the bureau did not have the power to withhold from any of the insurance funds an amount sufficient to cover unpaid allotments, though it was probably permissible for the bureau to withhold an equal amount to the unpaid premiums.

The suggestion is made, and is included in section 6, that an exemption should be made for the benefit of the United States, so that in adjusting the account of any man in the service deductions could be made from any amounts payable to him or any of his dependents if such a deduction is necessary to balance his obligations to the Government.

Section 7 adds a new section as follows:

"That the discharge or dismissal of any person from the military or naval forces on the ground that he is an enemy alien or a conscientious objector shall terminate any insurance granted on the life of such person under the provision of Article IV, and shall bar all rights to any compensation under Article III, or any insurance under Article IV."

The CHAIRMAN. That is all right; evidently.

Senator SMOOT. There is no need to take time in discussing that.

The CHAIRMAN. I should have thought, however, that the wording of the present law ought to have taken care of that anyhow. If there is any doubt about it, it ought to be taken care of.

Mr. LOVE. Mr. Chairman, I think that is all except the matters we have discussed.

Now, I wish to state with regard to this whole matter that the provision with respect to the bill relating to attorneys' fees and claim agents is one that we are very urgently interested in and ought to be passed at the very earliest possible moment.

The CHAIRMAN. Before you go any further I will receive a motion, if you will make one, Senator Smoot, that the bill be favorably reported.

Senator SMOOT. Well, there is other subject matter in that same bill that I want to discuss, and I do not think you will agree with it.

Mr. LOVE. That is a separate bill, Senator.

The CHAIRMAN. Yes; I think there is a separate bill on that subject.

Senator SMOOT. You are speaking now of the bill H. R. 11245?

Mr. LOVE. Yes; the claim-agent bill.

Senator SMOOT. We can do that afterwards. I want to read it over.

The CHAIRMAN. Just keep that in mind.

Mr. LOVE. Now, as to the allowance and allotment matter, it is evident to the bureau and to the accounting divisions of the War and Navy Departments that it is very important that the bill should be passed, and that it should be passed in time for us to make the necessary arrangements to effect the changes before July 1, when it takes effect.

The CHAIRMAN. That is the bill doing away with the sliding scale and substituting the flat rate?

Mr. LOVE. Yes.

Senator SMOOT. That is the bill H. R. 11520.

The CHAIRMAN. The committee will take that into consideration in executive session.

Mr. LOVE. As to this other bill, known as the omnibus bill, it represents our view in a great number of bills that were introduced and referred to the War-Risk Bureau and the Treasury Department with the request for our opinion concerning them.

The CHAIRMAN. What is the number of that omnibus bill?

Senator SMOOT. H. R. 11659.

The CHAIRMAN. There is not much hurry about the omnibus bill. There are two or three ideas in connection with that omnibus bill that ought to be either attached to one of these bills or we might perhaps include them in a separate bill later. There are a good many things that you presented there that violate the original policy of the law as we conceive it, and some of the things that while I agree with were matters that were very fully discussed, and the subcommittee and the committee both disagreed with me, and there were some things I think that Senator Smith wanted that we disagreed with. We do not want to open all of that up, but we will take up the omnibus bill and carefully go over it. There are two or three things in connection with it that ought to be upon the statute books.

Senator SMOOT. I think we can put them in this other bill.

The CHAIRMAN. We might possibly put it on one of the other bills.

Mr. LOVE. If you will pardon me, I should like to get the idea of you Senators on a proposition that is not in this bill and which I think is of a good deal of importance.

As you know, the time has expired within which a man can take this insurance—the 12th of April. The time expires in 120 days after a man's enlistment. The purpose, as I conceived it from reading the law, of that 120-day limitation, was to require the insurance within 120 days after the medical examination, which takes place when the soldier is enlisted in the service. Inasmuch as the soldier bears the insurance and pays for it, what would you think of a provision that after 120 days he may, upon medical examination, apply for and take out the insurance?

Senator SMOOT. We thought that there ought to be a limit; that the Government ought to know just what obligations they were assuming, and that 120 days was ample time for a man to decide whether he was going to take insurance or not.

Mr. LOVE. Let me ask one other question. This task of getting this insurance on the books, of getting the right of the men presented to them within that time, was an enormous task—

Senator SMOOT. To begin with?

Mr. LOVE. To begin with; and it is a task that continues with these new draftsmen.

The CHAIRMAN. How would it do to extend the period a certain time?

Senator SMOOT. I think 120 days is long enough. That is four months, and I think that is plenty of time.

The CHAIRMAN. They have had it already and it has expired.

Senator SMOOT. We extended the time of those who were in the service on April 6, 1917, the date of the declaration of war. That time has been extended up to April 12.

Mr. LOVE. And it has expired.

Senator SMOOT. And all that Mr. Love speaks of now are the men who join the Army from now on. Under the law they have 120 days, and that is plenty.

The CHAIRMAN. Is that what you are intending? I thought you had reference to men who were already in and who had made some lapses or failed to get it.

Mr. LOVE. Those are some of the cases that I am talking about. I say, if they could all be permitted, by taking medical examination, to take out insurance after the 120 days, I can see no insurance objection to doing so.

Senator SMOOT. Do you mean to say that it applies to those only in the Army now or those coming afterwards?

Mr. LOVE. I mean to provide that they can without examination take out insurance within 120 days after enlistment, provided they may apply for and receive insurance upon satisfactory evidence of good health thereafter.

Senator SMOOT. That would apply to any case hereafter, so there would be no limit.

The CHAIRMAN. I think that is too indefinite.

Mr. LOVE. Frequently a man's status may change—

The CHAIRMAN. I would not have any serious objection, although I would debate that, as to giving an additional fixed period, but I would not allow them to go in and speculate.

Mr. LOVE. Let me ask you this question with respect to an administrative proposition. What would you think of amending the law so as to provide that hereafter

when a man comes into the service he shall be insured for, say, \$5,000, and the premium deducted from his pay unless within 120 days after enlistment he files a statement that he does not want the insurance, so as to shift the burden of presenting this thing to those men and getting their applications, and putting it on the man himself to deny himself the opportunity to get insurance?

I will state that 1,850,000 out of possibly 2,000,000 have taken this insurance, indicating that when it is presented to them nearly all of them want it, and yet the matter of presenting it to them and getting their applications, and all that kind of thing, has involved an enormous amount of field work and office work which would be obviated if the original law had provided that all of those would be insured on the payment of a given amount except in cases where they took themselves out from under the benefits of the act, with a provision that if a man wanted more than \$5,000 he could take more, or if he wanted less than \$5,000 he could take less, or if he did not want any, he could say so.

The CHAIRMAN. We will have to think about that.

Mr. LOVE. I simply want to submit that in order that you might think about it. It has occurred to me that it would probably be a more workable plan than the one we have. Frankly, I am not fully convinced about it myself.

Senator SMOOR. It would be virtually compulsory insurance until a man has time to think it over and decide whether he wants that insurance or not.

The CHAIRMAN. It would be in the beginning compulsory insurance, terminable upon his saying that he did not want it.

Mr. LOVE. Or terminable at the expiration of 120 days.

The CHAIRMAN. We will think about that in connection with the other matters.

Mr. LOVE. There is another phase of the subject that has come up for consideration, and we would like very much to have you gentlemen consider it also. When these drafted men are brought to the county seats and notified to go to these certain camps, there is a period of 10 or 15 days in which they are under the control of the Government, but are not under the benefits of this act. During that long time it is impossible for them to take out this insurance as a matter of law; it would be impracticable for them to take it out if the law covered them. Some are getting killed and some are dying. They are not covered under the act as it now stands.

The CHAIRMAN. Between what periods do you speak of?

Mr. LOVE. Between the period when they are notified to report and the time they actually get on the rolls.

The CHAIRMAN. They never get into any dangers though during that period?

Mr. LOVE. Well, sometimes they are killed in traveling. They are in about the same danger that the men are who are in the camps, in about the same circumstances that the men are in the camps.

The CHAIRMAN. The committee is very much obliged to you, Mr. Love. Capt. Crowley, is there anything that you desire to say?

Capt. CROWLEY. No, sir; there is nothing that I care to say particularly, Senator.

The CHAIRMAN. Mr. Love, I wish you would take each of these bills—the two bills and the omnibus bill, and take a red pencil and write in ink, with a line drawn under each addition to the present law that you desire to make, indicating wherever you omit anything from the old law with a blue line under it.

The committee will now adjourn.

(Accordingly; at 1 o'clock p. m., the committee adjourned to meet at the call of the chairman.)

