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PENSION APPROPRIATION.

SPEECH

OF

HON. H. G. DAVIS,

OF WEST VIRGINIA,

IN THE

Senate of the United States, Tuesday, February 1, 1881.

The Senate having under consideration the pension appropriation bill for 1882, and an amendment reported by Mr. WITHERS, from the Committee on Pensions, asking a re-examination of claims—

Mr. DAVIS, of West Virginia, said :

Mr. PRESIDENT: I have listened with some pleasure to the chairman of the Pension Committee, and agree with him to a very considerable extent in his remarks. There are some figures and facts that I think the Senate ought to know in connection with this bill. I believe fraud ought to be hunted down and punished, let it come from where it may, and I feel very confident from the examination I have given this question from time to time, and from that which other Senators more competent than myself have given it, that there are frauds to a great amount in the matter of pensions. I have some figures, taken principally from the official reports of the Commissioner of Pensions, to which I will call the attention of the Senate.

The number of pensioners on the roll June 30, 1880,	
was	250, 802
The number added to the pension-roll during the fiscal year 1880 was.....	19, 545
The net increase of the pension-roll during 1880 was .	8, 002
The amount paid for regular pension-roll, 1880	\$37, 046, 185 89
The amount paid for arrears of pension, 1880	\$23, 914, 194 86
The average amount paid each pensioner on regular roll	\$103 34
The average amount paid each person under the arrears-of-pension act of March 3, 1879	\$560 15
The Secretary of the Interior informs us that there is a deficiency for the current year amounting to.	\$18, 232, 306 68
And we have just added that amount to the pension bill for the present year.	
The Commissioner of Pensions estimates that for the next year and for years to come it will take to pay pensioners on the regular roll per annum at least.	\$50, 000, 000 00

June 30, 1880, there were on file unsettled pension cases.....	282,597
Deduct for duplicate and rejected claims 30 per cent., which will leave (being claims now pending)	187,318
The estimated amount to pay each pensioner or of each claim for pension under the arrears act as estimated by the Department is \$1,025, making a total of	\$192,000,847 00

It will be seen from the above estimates that it requires to pay the pension cases now pending \$192,000,847, and annually for years to come fully \$50,000,000, and no man can tell but that it will require double that sum; in fact some estimate that it will require more to pay arrears of pension than to pay our national debt. It will be recollected by the Senate that when the arrears-of-pension bill was under discussion the estimates were very much less than it appears now to take; so that the estimate that is now being made by the Department may yet be far under the real figures.

Claims for pensions have until recently come in at the rate of three or four hundred per day. There were 141,466 applications for pension filed in the Pension Office during the fiscal year 1880.

I call the attention of the Senate to the following table :

Year.	Total number of applications filed.	Total number of claims allowed.	Number of pensioners on the roll and the amount paid for pensions, with the cost of disbursements.			
			Invalids.	Widows, &c.	Total.	Disbursements.
1861.....			4,337	4,299	8,636	\$1,072,461 55
1862.....	2,487	462	4,341	3,818	8,169	790,384 76
1863.....	49,332	7,884	7,821	6,970	14,791	1,025,139 91
1864.....	53,599	39,487	23,479	27,656	41,135	4,504,616 92
1865.....	72,684	40,171	35,880	50,106	85,986	8,525,153 11
1866.....	65,256	50,177	55,652	71,070	126,722	13,459,996 43
1867.....	36,753	36,482	69,565	83,618	153,184	18,619,956 46
1868.....	20,768	28,921	75,957	93,686	169,643	24,010,981 99
1869.....	20,066	23,196	82,859	105,104	187,963	28,422,884 08
1870.....	24,851	18,221	87,521	111,165	198,686	27,780,811 81
1871.....	43,969	16,562	93,394	114,101	207,495	33,077,383 63
1872.....	26,391	34,333	113,954	118,275	232,229	30,169,341 00
1873.....	18,303	16,052	119,500	118,911	238,411	29,185,289 62
1874.....	16,734	10,462	121,628	114,613	236,241	30,593,749 56
1875.....	18,704	11,152	122,989	111,832	234,821	29,683,116 63
1876.....	23,523	9,977	124,239	107,898	232,137	28,351,599 69
1877.....	22,715	11,326	128,723	103,381	232,104	28,580,157 04
1878.....	44,587	11,962	131,649	92,319	223,968	26,844,415 13
1879.....	57,118	31,346	138,615	104,140	242,755	33,780,526 19
1880.....	141,466	19,545	145,410	105,392	250,802	57,240,540 14
Total....	765,306	417,718	455,718,505 70

It will be seen by reference to this table that in 1874 the number of applications for pensions was 16,734. In 1879 the arrears-of-pensions act passed, and in 1880 the number of applications for pensions was 141,466. Very suddenly the number of applicants was increased from 16,734 up to 141,466, in the short space of six years.

The number of claims examined and allowed in 1874 was 10,462
The number of claims examined and allowed in 1880 was.... 19,545

In 1860 there was paid for pensions but	\$1,100,802 00
In 1870.....	27,780,811 00
In 1878.....	26,844,415 00

Showing that the pension-roll had commenced to decrease from 1870 to 1878, but in 1880, after the arrears-of-pensions act was passed, the amount paid was \$57,240,540, showing a very sudden increase again.

We pay as much for pensions in one year as in the first fifty years of our history. These figures are taken from official reports, and show that the pensions now cost us more per annum than the entire expenses during the first decade of our Government, and more than the net expenses of the United States in any one year (including all wars) previous to 1856.

Number of men furnished by each State during the late war.

States.	Aggregate number of men furnished under all calls.	Aggregate number of men furnished under all calls reduced to a three years' standard.
Maine	71,745	56,595
New Hampshire	34,605	30,827
Vermont	35,246	29,052
Massachusetts	151,785	123,844
Rhode Island	23,711	17,878
Connecticut	57,270	50,514
New York	455,568	380,980
New Jersey	79,511	55,785
Pennsylvania	366,326	267,558
Delaware	13,651	10,303
Maryland	49,731	40,692
West Virginia	32,003	27,653
District of Columbia	16,872	11,506
Ohio	317,133	237,976
Indiana	195,147	152,283
Illinois	258,217	212,694
Michigan	90,119	80,865
Wisconsin	96,118	78,985
Minnesota	25,034	19,675
Iowa	75,860	68,182
Missouri	108,773	86,192
Kentucky	78,860	70,348
Kansas	20,097	18,654
Total	2,653,062	2,129,041

It will be seen by the above table that the total number of men furnished by all States was 2,653,062; total men, reduced to three years' service, furnished was 2,129,041.

It has been between sixty and seventy years since the war of 1812, and there are now on the pension-roll nearly thirty-five thousand pensioners of that war, about ten thousand of which are survivors. The rest are widows and dependants, and it costs between \$3,000,000 and \$4,000,000 per annum. There were perhaps ten times as many persons engaged in the late war as there were in that of 1812. If this estimate is correct, and I think it is, we shall for the next sixty years be paying an average per annum for pensions of about forty

million dollars, making a grand total of about two billion four hundred million dollars, which is more than our national debt now is, and about as much as it was at any time during the late war.

I hear some Senators laugh, Mr. President, but these are the figures.

Mr. LOGAN. I will say to the Senator that I was not laughing at what he was saying; but, if he will allow me, I will ask him a question.

Mr. DAVIS, of West Virginia. With pleasure.

Mr. LOGAN. He is multiplying now and finding out how much we shall pay sixty years from now.

Mr. DAVIS, of West Virginia. No, that was not my statement.

Mr. LOGAN. Well, during the coming sixty years.

Mr. DAVIS, of West Virginia. I gave the average based on the pension-roll now for the war of 1812.

Mr. LOGAN. I should think that was a very fair estimate, if all these people would live sixty years. There is no question about that. They are generally at least thirty-five or forty now, and some of them older. That kind of computation is so perfectly absurd to me—I do not know how it is to the gentleman—that it is enough to make almost anybody laugh.

Mr. DAVIS, of West Virginia. Absurd as it may be to the Senator's mind, the fact is that there are 10,000 people now on the pension-roll who were in the war of 1812, and it is nearly seventy years since that war. That is the fact as taken from the pension-rolls. I put the average at \$40,000,000, and it is well known that we are paying now perhaps twice that much. The Senator and other Senators laughed when persons in the Senate told them, when they were about to pass the arrears-of-pension act, that it was going to cost fifty or sixty million dollars. There was a laugh then, and there were persons who said that it was absurd; but to-day the laugh is on the other side, and they find there is not so much absurdity about it, though nobody raised the figures as high as the actual facts are, notwithstanding my friend's laugh. These figures may not be pleasant to the Senator, but they are facts, and the tax-payers have to pay the money.

Mr. LOGAN. The Senator need not talk about this being pleasant or not pleasant to me. I have said nothing about his figures except as to the sixty years these men are to live after they are forty years old. I did not make it necessary that they should live that long; it was the Senator himself.

Mr. BLAINE. I think I was a little responsible for what seemed to be laughing at the remarks of the Senator from West Virginia. While I do not disagree in the main with the figures of my friend, I do not think we need disturb ourselves about what the 150,000,000 people in the United States will have to pay sixty years hence. I was telling the Senator from Illinois of a gentleman who told me that he never counted anything as liabilities that did not fall due in a week. [Laughter.] So this Government need not count anything as a very pressing liability in the way of pension that is to be paid sixty years hence, when the population of to-day in this country will be trebled, and probably the wealth will be tenfold as great as it is now. At the same time I beg to say that I do not disagree with my friend from West Virginia in the estimate he makes as to what may fall due at that time. I think he is quite correct.

Mr. DAVIS, of West Virginia. I am glad the Senator agrees with me as to the tables; but ought we to entail such heavy responsibilities on the 150,000,000 people that my friend from Maine talks of?

Let us provide for the obligations of the present; but do not let us be providing for saddling upon the future payments to such an extent. We ought to take care of the tax-payers to-day, and they will take care of themselves hereafter.

I base my estimate upon the results of the act pensioning soldiers of the war of 1812. If the facts were not just as the Commissioner reports them or if the figures were not so, I could hardly believe there were 10,000 people living to-day who were in the war of 1812; and yet there are that many survivors of that war upon the pension-roll. I could hardly believe that there were 25,000 living widows of soldiers of the war of 1812, and yet the facts show it, though it is nearly seventy years since the war ended.

Mr. BLAIR. Will the Senator allow me to remind him of one thing in regard to these computations which seem to be accepted in their mathematical proportions; and that is that the existing pension laws in reference to the war of the rebellion grant pensions only by reason of disability, while the pension laws in reference to the wars of earlier times apply almost entirely in consequence of the mere fact of service, and pensions have been extended to those who were the relatives and connections of those soldiers, and to those soldiers who contracted no disability and consequently have survived until the present time. Unless we change the pension laws of the country it will be utterly impossible, that there shall be such enormous aggregations of payment in the future as the Senator indicates.

Mr. DAVIS, of West Virginia. I think my friend is mistaken in saying that we put upon the pension-roll persons who are relatives. That is not my understanding.

Mr. BLAIR. We put on the widows.

Mr. DAVIS, of West Virginia. The Commissioner of Pensions tells us in his report that there are of actual survivors of the war of 1812 ten thousand.

Mr. BLAIR. The Senator must know that any actual survivor who was in the service fourteen days in the war of 1812 is entitled to a pension and that of those who contracted disabilities in the war of 1812 probably there are not to-day three hundred men surviving.

Mr. DAVIS, of West Virginia. That is one of the questions whether they contracted disabilities or not. I believe to-day there are more men improperly upon the pension-roll, who are as able as you or I to earn a living, than there are survivors of the war of 1812. I believe to-day there are a great many pensioners upon the roll who contracted no disease whatever, but who have improperly and fraudulently in many cases gotten there. We are told by the Commissioner, and I think at one time we were told by the former chairman of the Committee on Pensions, the Senator from Kansas, [Mr. INGALLS,] who is always careful in his statements, that he believed five or six million dollars was annually paid out to fraudulent pension claimants, and the Commissioner of Pensions now estimates that there is in the neighborhood of five or six millions or 10 per cent. of the entire amount fraudulently and improperly paid. Hence the necessity of some such bill as the one now pending. Although I have not examined this carefully, and I cannot say that I approve of all of its features, I am sure that if some such bill can be passed and go into effect, this Government will save five or six millions a year from fraudulent pensions and punish frauds in many cases.

Mr. LOGAN. Now I should like to ask the Senator a question right there. If he thinks or if the Commissioner of Pensions states to the country that he is paying five or six million dollars of fraudulent

pension money, will the Senator please explain to the Senate why the Commissioner paid it if he knows it is fraudulent pension money?

Mr. DAVIS, of West Virginia. That is just what this bill wants to find out; and that is just what the Committee on Pensions now are trying to pass the bill for, to find out.

Mr. LOGAN. The Senator cannot get out of it in that way. I say that if the Commissioner of Pensions reports that he pays five or six million dollars of pension money that is fraudulent, he cannot make that report if it is truthful unless he knows of the fraud, and if he does he is a dishonest man.

Mr. DAVIS, of West Virginia. Neither the Pension Commissioner nor myself knew of the fraud. I said it was so estimated.

Mr. LOGAN. Upon what does he estimate if he does not know the frauds? Here under the statute he has a right to cut off any pensioner any moment.

Mr. DAVIS, of West Virginia. We understand that; but whenever a bill or an amendment is offered to cut them off in wholesale if they are there, there is some opposition to it from some quarter. I am not referring to the Senator from Illinois for I do not know that he opposes it.

Mr. LOGAN. I am opposed to it.

Mr. DAVIS, of West Virginia. I did not know it.

Mr. LOGAN. You know it now.

Mr. DAVIS, of West Virginia. I am sorry to know it, for I believe that it is his duty and mine to hunt down pension frauds and punish them, and not allow the tax-payers to suffer from them.

Mr. LOGAN. I will not allow the Senator to put me in such a position, for I am as ready to hunt down frauds as anybody; but I say that a man who makes a report that he pays five or six million dollars annually fraudulently is a dishonest man unless he knows some fact to base it on. He has no right to state it unless he knows the fact. He has no right to pay the money fraudulently, and if he does he should not state the fact unless he can show it to be so. I say that no such argument as that is a fair argument in favor of a bill.

Mr. DAVIS, of West Virginia. I remind the Senator that neither the Commissioner of Pensions nor myself stated that we knew the fact to be so.

Mr. LOGAN. If you do not know the fact, you should not state it.

Mr. DAVIS, of West Virginia. That is the Senator's opinion; but I have an opinion, and I have the right to state what I believe.

Mr. LOGAN. I say if there is a pensioner on the roll who is receiving his money fraudulently, it is the duty of the Commissioner of Pensions, under the law, to cut him off from the list.

Mr. DAVIS, of West Virginia. That is just what we are trying to do by this bill.

Mr. LOGAN. No, sir; I beg the Senator's pardon. We shall see whether you are trying it or not. When you stand in the Senate Chamber and say that money is paid to men fraudulently, before accusing the soldier who receives it dishonestly, you should know what you state to be a fact.

Mr. DAVIS, of West Virginia. Now I must take the floor.

Mr. LOGAN. Very well. You should give us some evidence. Let us have some evidence.

Mr. DAVIS, of West Virginia. We have heard thunder before today, Mr. President, but generally there was more in it than there is to-day.

Mr. LOGAN. I will only say to the Senator that he has heard

thunder and so have others, but the thunder never came from his quarter.

Mr. DAVIS, of West Virginia. I am willing to take what the Senator says, but I do not want the Commissioner to be judged improperly. The Commissioner has made the estimate, and so far as I know he is sustained by the Secretary of the Interior, for the report comes to Congress saying what his estimate is. I know nothing of frauds myself. The Pension Commissioner does not say that he knows of them; but that is his estimate of their amount, and it is not only his estimate, but as I say the Senator from Kansas stated that he believed after examination that it was not far from correct, not that particular statement, but that there was a large amount in his judgment. I understand also that the Pension Committee generally believe there are a great many frauds that this bill would remedy and cure. This is the reason why I am for passing this or some measure to prevent frauds and hunt them down and punish them. I would rather spend a million dollars to hunt out fraud and punish it, than to pay one-tenth of it to fraudulent claimants, and I think it would be cheaper for the Government to do it.

From the beginning of our Government to 1865 the entire or total amount paid for all pensions did not exceed \$90,000,000, or an average of a little more than a million a year. We appropriated all that was estimated or asked by the Secretary of the Interior and the Commissioner of Pensions for the current year, but the payments have so far exceeded their estimate that they send us a special message asking for a deficiency of eighteen or nineteen million dollars for this year. We are now paying about double as much per annum for pensions as all the rest of the world.

When the arrears-of-pension bill was under discussion in the Senate some Senator said it would cost but a few millions; others twenty or thirty millions; I believe none estimated above thirty or forty millions. We now find that it will require several hundred millions.

I find by referring to the record of the vote on the arrears-of-pension bill, March, 1879, that but four Senators voted against its passage, viz: HEREFORD, McCreery, SAULSBURY, and DAVIS, of West Virginia.

Mr. President, we have upon our table a communication from the Commissioner of Pensions dated the 20th instant, in which he reviews the pension-arrears act of 1879, and gives in detail the reasons, facts, and figures upon which he bases his estimate, and concludes as follows:

Amount of arrears to old pensioners	\$25,293,963 66
First payment of pensioners to July 1, 1880	8,821,826 09
Arrears in pending claims	192,000,847 50
Annual pensions to 125,000 new pensioners	254,185,000 00
Total	510,301,637 25

This amount is directly chargeable to the arrears-of-pension act, and does not include the regular pension-roll as it existed before the act of March 3, 1879.

The Commissioner of Pensions estimates \$50,000,000 to pay the regular roll for the current year, and thinks it will increase until it requires \$60,000,000 annually to pay the regular roll. The Commissioner also estimates that under the present system of paying and examining pension claims, 10 per cent. of the amount paid is upon fraudulent claims—this would be \$5,000,000 or \$6,000,000 per annum—and upon the total estimate of the cost of the arrears-of-pension act, more than \$50,000,000. These figures are startling, yet the pres-

ent system is continued from year to year and but little effort is made to find and punish the guilty.

Mr. President, I am in favor of paying all who are justly entitled to pensions. I think fraud should be hunted down and severely punished whenever found. We should use every safeguard possible to protect the Treasury and tax-payer. I think every man who was wounded or disabled in the United States service ought to have a pension; but I object to a wholesale expenditure of the people's money to persons who are not entitled to it. Many are to-day receiving large pensions who are as well and as able to earn a living as a majority of this Senate or the people of this country.

The Commissioner of Pensions tells us there is in his opinion 10 per cent., or about five million dollars, annually paid to persons who are not entitled to it, and he asks us to give him such legislation as will protect the honest pensioner and punish the dishonest. I am for it. We ought to protect alike all persons justly entitled to a pension and the tax-payer.

I believe it to be the duty of the Senate in some manner to put a stop to the large amount of money paid annually to pensioners who are not entitled to it. It is believed by a great many people that a fair and proper examination would develop these immense frauds. I know that some persons think they are very much less than they really are. We hear much about soldiers and the danger of talking against soldiers. No man has heard me say one word against soldiers; no one has heard me say a word against a pensioner that is justly entitled to be on the pension-roll; but I do intend to say a great deal against those who are fraudulently and improperly receiving pensions, if there be such, and it is believed by many that there are, and if there are we ought to pass some bill that will cut them off and prevent a repetition of the abuse. The law should be such that no man can get on the pension-roll till there is proper proof that he is entitled to be there.

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Mr. DAVIS, of West Virginia. Will the Senator give way?

Mr. LOGAN. I will certainly give way to the Senator to explain.

Mr. DAVIS, of West Virginia. I am for this bill or any other bill that will punish the fraudulent pensioners and give those justly entitled to pensions their money.

Mr. LOGAN. That is the reason, is it?

Mr. DAVIS, of West Virginia. That is the reason. My desire is to reach those who are receiving pensions dishonestly, if there be such, and I believe there are. I want to reach the dishonest ones; the honest ones I want to pay.

Mr. LOGAN. Now, the Senator says he is in favor of this bill because it will reach fraudulent pensioners. If that is the merit of this bill, why all this array of figures showing the amount of pension money the people have got to pay? Has that anything to do with the argument for detecting fraudulent pensioners?

Mr. DAVIS, of West Virginia. I think it is a good bill; and the necessity of passing this bill or some other to prevent the payment of a part of this money itself to fraudulent persons is shown by the figures representing our present expenditure.