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Letter from the Secretary of the Treasury,  
transmitting a letter from the Secretary of the  
Interior submitting an estimate of deficiency for  
Army and Navy pensions.

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DEFICIENCY APPROPRIATION, ARMY AND NAVY  
PENSIONS.

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L E T T E R

FROM

THE SECRETARY OF THE TREASURY,

TRANSMITTING

A LETTER FROM THE SECRETARY OF THE INTERIOR SUBMIT-  
TING AN ESTIMATE OF DEFICIENCY FOR ARMY AND NAVY  
PENSIONS.

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MARCH 26, 1898.—Referred to the Committee on Appropriations and ordered to be  
printed.

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TREASURY DEPARTMENT,  
OFFICE OF THE SECRETARY,  
*Washington, D. C., March 25, 1898.*

SIR: I have the honor to transmit herewith, for the consideration of  
Congress, a communication from the Secretary of the Interior of the  
24th instant, submitting an estimate of deficiency in the appropriation  
for army and navy pensions for the current fiscal year, amounting to  
\$8,070,872.46.

Respectfully, yours,

L. J. GAGE,  
*Secretary.*

The SPEAKER OF THE HOUSE OF REPRESENTATIVES.

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DEPARTMENT OF THE INTERIOR,  
*Washington, March 24, 1898.*

SIR: I have the honor to submit herewith, for transmission to Con-  
gress for such consideration and action as in its wisdom may seem  
proper, a communication from the honorable Commissioner of Pensions,  
with an estimate of appropriation required to supply the deficiency in  
the appropriation for the army and navy pensions for the fiscal year  
ending June 30, 1898.

Notice is drawn to the report of this Department for the fiscal year  
ending June 30, 1897 (see page 22), in which the statement was made  
that the appropriation for that year was inadequate, and in consequence  
the current fiscal year's appropriation was burdened with payments

amounting to \$2,191,694.63, which sum was in the nature of a deficiency of the previous year.

In further explanation thereof I will add that the Pension Bureau executed 14,671 certificates which were ready for delivery in June, 1897, and first payments thereon ought to have been provided for by a deficiency appropriation for that year, but instead these certificates were withheld because of the exhaustion of the appropriation and a seeming disinclination to ask Congress for the needed deficiency, and were not delivered until after the beginning of the next fiscal year. The first payments on these certificates were therefore made from the appropriation for the current fiscal year, amounting to the sum above stated, to wit, \$2,191,694.63. It will thus be seen that properly this sum represents a deficiency in the last fiscal year, but by withholding the certificates and making the first payments thereon as stated, the deficiency for the present fiscal year is swollen by that amount, the estimated deficiency really incurred this year being \$5,879,177.83. These two items aggregate the sum of \$8,070,872.46, and, according to the statement of the honorable Commissioner of Pensions, constitute the additional amount required for the payment of army pensions in the fiscal year ending June 30, 1898.

From the Commissioner's communication it appears that on the 1st of July, 1897, there was available \$140,000,000 for the payment of army and navy pensions; \$4,000,000 of this amount was set apart for navy pensions, leaving \$136,000,000 for payment of army pensions. The total number of pensioners on the roll June 30, 1897, was 976,014, while on the 28th of February, 1898, there were 989,613 on the roll, a net increase of 13,599. Between the latter dates there was disbursed for the payment of army pensions \$95,370,872.46, leaving the sum of \$40,629,127.54 for the payment of pensions to the end of the present fiscal year. The Commissioner estimates that \$48,700,000 will be required for the payment of pensions during the remaining four months of the fiscal year, to wit, March, April, May, and June, which is more than \$8,000,000 in excess of the unexpended appropriation.

The Commissioner has recently expressed to me an opinion as to the future course of pension payments at variance with his views thereon as stated in the annual report, which was to the effect that after the close of the current year payments would rapidly decline. It is now his opinion that in view of the increasing applications for original pensions and for increase of pensions there will be an increase in the sum required for the payment of army and navy pensions for some time to come. In this connection the appended table, showing the number of pensioners on the roll and the value of the roll annually since 1887 is significant. From this it appears that the pension roll has substantially doubled since a quarter of a century after the close of the war. In 1890, twenty-five years after the war closed, the number of pensioners on the roll was 537,944. At the close of the current fiscal year the number on the roll will approximate 996,000, an increase of nearly 90 per cent since 1890. In that time the value of the roll has increased from \$72,052,143.49 in 1890 to approximately \$132,000,000 in the present fiscal year.

The roll is larger now than at any former time, notwithstanding that thirty-three years have elapsed since the cessation of hostilities. It contained about 5,500 more pensioners in 1897 than it did in 1896, and approximately 20,000 more in 1898 than in 1897, and the value of the roll has also increased in the same period.

It is not improbable that the estimated increase for the four months

following the 28th of February of the present fiscal year may be excessive, but not sufficiently so to very materially affect the situation, as the estimate is based upon the known increase of the preceding eight months.

It was indicated in the report of the honorable Commissioner of Pensions for the fiscal year ending June 30, 1897, that a considerable deficiency would be found to exist in the ensuing fiscal year. As the amount of such deficiency, however, would depend upon the number of applications passed upon during the remainder of the fiscal year, I thought it inadvisable to include in the estimates for 1899 an uncertain amount, and with the statement that such a deficiency would exist, I caused to be placed in the estimates the same amount that was appropriated for the fiscal year 1898. It would seem needless to add that it is now apparent that the estimates for 1899 are largely insufficient.

Respectfully,

C. N. BLISS, *Secretary.*

The SECRETARY OF THE TREASURY.

DEPARTMENT OF THE INTERIOR,  
BUREAU OF PENSIONS,  
*Washington, March 11, 1898.*

SIR: I have the honor to invite your attention to the following statement touching the amount available for the payment of army pensions during the balance of the present fiscal year:

For the payment of all pensions during the fiscal year 1898, Congress appropriated \$140,000,000. The sum of \$4,000,000 was set aside for the payment of navy pensions, leaving the sum of \$136,000,000 available for the payment of army pensions.

I have called upon the pension agents for information on this point, and from their reports to me I find that for the payment of army pensions during the first eight months of the present fiscal year (which includes the period from July 1, 1897, to February 28, 1898, inclusive) they disbursed for the payment of army pensions the sum of \$95,370,872.46. This amount, however, included the sum of \$2,191,694.63, which was a deficiency coming over into this fiscal year from the fiscal year ended June 30, 1897, the appropriation for the payment of pensions for that year being insufficient to meet the demands.

There was consequently available on the 1st instant, for the purpose of continuing the payment of pensions to the end of the present fiscal year, the sum of \$40,629,127.54. It is well to state, in this connection, that while on the 30th day of June, 1897, there was on the pension rolls a total of 976,014 pensioners, on the 28th day of February, 1898, there was on the pension rolls a total of 989,613 pensioners, an actual net increase to the roll of 13,599.

From a careful consideration of the needs of the pension-agency service, in connection with the natural growth of the pension roll, as indicated, I am convinced that for this service during the next four months the amounts which will be necessary for the payment of army pensions will be as follows:

March, 1898.....	\$11,450,000
April, 1898.....	12,000,000
May, 1898.....	13,250,000
June, 1898.....	12,000,000

This makes a total of ..... 48,700,000

and as the amount available for "army pensions" is only \$40,629,127.54, there will be a probable deficiency of \$8,070,872.46.

I have heretofore made an estimate as to the probable needs of this service to June 30, 1898, and took the liberty of bringing the matter to your attention in a communication addressed to you on the 22d of January last. My conclusion at that time was that it would require an additional sum of \$8,263,723.04. In the light, however, of the information as to disbursements afforded within the two months which have elapsed since such figures were obtained, I now believe that the sum of \$8,070,872.46 only will be required for the purpose stated; and I earnestly urge that an early effort be made to secure the appropriation of this sum, as it must be available not later than May 1 next.

Very respectfully,

H. CLAY EVANS, *Commissioner.*

The SECRETARY OF THE INTERIOR.

*Pension statistics, 1888-1897, inclusive.*

Fiscal year.	Number of pensioners.	Total annual value of all pensions.	Average annual value.
1888 .....	452,557	\$50,707,220.92	\$125.30
1889 .....	439,725	64,246,552.36	131.18
1890 .....	537,944	72,052,143.49	133.94
1891 .....	676,160	89,247,200.20	131.99
1892 .....	876,068	116,879,867.24	133.41
1893 .....	966,012	130,510,179.34	135.10
1894 .....	969,544	130,120,863.00	134.20
1895 .....	970,524	130,048,365.00	133.99
1896 .....	970,678	129,485,587.00	133.39
1897 .....	976,014	129,795,428.00	133.17
1898, July 1 to February 28 .....	989,613	.....	.....
Proportionate increase for balance fiscal year.....	6,796	.....	.....
<b>Total</b> .....	<b>996,409</b>	<b>a 132,507,963.00</b>	.....

*a* Estimated.

*Estimates of appropriations required for the service of the fiscal year ending June 30, 1898, by the Department of the Interior.*

PENSIONS.

Army and navy pensions:

Army and navy pensions, as follows: For invalids, widows, minor children, and dependent relatives, army nurses, survivors and widows of the war of 1812 and with Mexico, and survivors and widows of the Indian wars of 1832 to 1842, inclusive: *Provided*, That the appropriation aforesaid for navy pensions shall be paid from the income of the navy pension fund, so far as the same shall be sufficient for that purpose: *And provided further*, That the amount expended under each of the above items shall be accounted for separately, being for the service of the fiscal year 1898 (act of December 22, 1896, vol. 29, p. 479, sec. 1), \$8,070,872.46.

Amount appropriated for the fiscal year for which the appropriation is required, \$140,000,000.