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### **Pension appropriation bill.**

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H.R. Rep. No. 1479, 53rd Cong., 3rd Sess. (1894)

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PENSION APPROPRIATION BILL.

DECEMBER 6, 1894.—Committed to the Committee of the Whole House on the state of the Union and ordered to be printed.

Mr. O'NEIL, from the Committee on Appropriations, submitted the following

REPORT:

[To accompany H. R. 8092.]

The Committee on Appropriations, in presenting the bill making appropriations for the payment of invalid and other pensions for the fiscal year 1896, submit the following in explanation thereof:

The estimates on which the bill is based will be found on page 159 of the Book of Estimates for 1896, and amount to \$141,581,570.

The accompanying bill appropriates \$141,381,570.

The following statement gives, by appropriate title of expenditure, the amounts appropriated for 1895, the estimates for 1896, and the amounts recommended in the accompanying bill for 1896:

Title of expenditure.	Appropriations for 1895.	Estimates for 1896.	Recommended for 1896.
Payment of pensions.....	\$150,000,000	\$140,000,000	\$140,000,000
Fees of examining surgeons.....	1,000,000	1,000,000	800,000
Salaries of agents.....	72,000	72,000	72,000
Clerk hire at agencies.....	450,000	450,000	450,000
Fuel.....	750	750	750
Lights.....	750	750	750
Stationery and other necessary expenses.....	35,000	35,000	35,000
Rent.....	23,070	23,070	23,070
Total.....	151,581,570	141,581,570	141,381,570

The following table shows the number of pensioners on the roll, the annual value of pensions, and the disbursements, as reported by the Treasury, on account of pensions from 1879 to 1894, inclusive:

Fiscal year.	Number of pensioners on the roll.	Annual value of pensions.	Disbursements on account of pensions as reported by the Treasury.
1879.....	242,755	\$25,493,742.15	\$35,121,482.39
1880.....	250,892	25,917,906.60	56,777,174.44
1881.....	258,830	28,769,967.46	50,059,279.62
1882.....	285,697	29,341,101.62	61,345,193.95
1883.....	303,658	32,245,192.43	66,012,573.64
1884.....	322,756	34,456,600.35	55,429,228.06
1885.....	345,125	38,090,985.28	56,102,267.49
1886.....	365,783	44,708,027.44	63,404,864.03
1887.....	406,007	52,824,641.22	73,496,402.69
1888.....	452,557	58,707,220.92	80,288,508.77
1889.....	489,725	64,246,552.36	87,624,779.11
1890.....	537,944	72,052,143.49	106,936,855.07
1891.....	676,160	89,247,200.20	124,415,951.40
1892.....	876,068	116,879,867.24	134,583,052.79
1893.....	966,012	130,510,179.34	159,357,557.87
1894.....	969,544	130,120,863.00	141,177,284.96

## REFERENCES.

*Navy pension fund.*—Section 4755 of the Revised Statutes provides that Navy pensions shall be paid out of the "Navy pension fund," upon an appropriation by Congress, so far as the same may be sufficient.

The naval pension fund at present amounts to \$14,000,000, bearing interest at the rate of 3 per cent per annum, and is created under the provisions of sections 4751 and 4752 of the Revised Statutes.

The payments on account of Navy pensions during the fiscal year 1891 aggregated \$2,221,917.16.

*Pension agents.*—The compensation of pension agents is fixed by the act of June 14, 1878 (Supplement to the Revised Statutes, pp. 347 and 348), by the act of July 4, 1888, and by the act of March 3, 1885 (Statutes at Large, vol. 23, pp. 99 and 362).

*Examining surgeons.*—The compensation of examining surgeons is fixed at \$2 for each examination by section 4 of the act of July 25, 1882 (Statutes at Large, vol. 22, pp. 175 and 176).

*Laws authorizing appointment of agents for payment of pensions and fixing their compensation.*

[Revised Statutes, section 4780.]

The President is authorized to establish agencies for the payment of pensions wherever, in his judgment, the public interests and the convenience of the pensioners require; but the number of pension agencies in any State or Territory shall in no case be increased hereafter so as to exceed three, and no such agency shall be established in addition to those now existing in any State or Territory in which the whole amount of pensions paid during the fiscal year next preceding shall have not exceeded the sum of \$500,000.

[Act March 3, 1885, Statutes at Large, vol. 23, p. 362.]

That from and after June 30, 1885, the salary and emoluments of agents for the payment of pensions shall be \$4,000, and no more, per annum; and, of the fees provided by law for vouchers prepared and paid, only so much thereof as may be required for expenses incurred in having said vouchers prepared, as well as the necessary clerical work at the agencies, shall be available.

## APPENDIX.

*TESTIMONY TAKEN BY THE SUBCOMMITTEE, MESSRS. O'NEIL (MASS.), WILLIAMS (ILL.), COOMBS, GROUT, AND BINGHAM, OF THE COMMITTEE ON APPROPRIATIONS, IN CHARGE OF THE PENSION APPROPRIATION BILL FOR THE FISCAL YEAR 1896.*

NOVEMBER 23, 1894.

The subcommittee of the Committee on Appropriations, having under consideration the pension appropriation bill, met at 12 m., Hon. Joseph O'Neil in the chair. Hon. William Lochren, Commissioner of Pensions, was present, accompanied by Mr. William B. Shaw, jr., chief of the finance division, Bureau of Pensions.

## STATEMENT OF HON. WILLIAM LOCHREN.

The CHAIRMAN. It appears from the first page of the bill that the amount asked for 1896 is \$140,000,000; the estimate for 1895 was \$160,000,000, and the appropriation for 1895 was \$150,000,000. That was because after the first estimate was made the Department made a supplemental estimate calling for \$150,000,000.

Commissioner LOCHREN. Yes, sir. We knew the amount expended for the first six months, upon which we made our estimate.

Mr. COOMBS. How did that come about? Did you have a surplus?

Commissioner LOCHREN. We had a surplus of \$25,205,712 65 left out of the previous appropriation of \$165,000,000. We had expended \$139,804,461.05.

Mr. BINGHAM. That was for the year closing in 1894?

Commissioner LOCHREN. Yes, sir.

The CHAIRMAN. In your judgment will \$140,000,000 be ample for 1896?

Commissioner LOCHREN. I think so.

Mr. BINGHAM. Then for the next fiscal year your estimate is that you will require as great an amount of money as that which was expended for the year closing June 30, 1894.

Commissioner LOCHREN. Yes, sir.

Mr. BINGHAM. There is no decrease from 1894?

Commissioner LOCHREN. No, sir.

Mr. BINGHAM. Will you expend any more this year than you did for the preceding fiscal year?

Commissioner LOCHREN. No, sir.

Mr. BINGHAM. What is your exhibit of the expenditures for the last six months?

Commissioner LOCHREN. We have run closely to the rate of last year. Mr. Shaw has the exhibit and can give you the figures.

Mr. SHAW handed to the stenographer the following table:

1894.	Act. June 27, 1890.	General law, etc.	Total.
<i>Army disbursements, 1895.</i>			
July .....	\$4, 072, 423. 69	\$6, 574, 506. 16	\$10, 646, 929. 85
August .....	5, 623, 526. 20	7, 048, 467. 48	12, 677, 993. 68
September .....	4, 272, 400. 28	6, 264, 608. 96	10, 537, 009. 24
October (approved) .....	4, 104, 909. 77	6, 009, 511. 49	10, 714, 421. 26
Total .....	18, 079, 259. 94	26, 497, 094. 09	44, 576, 354. 03
<i>Navy disbursements, 1895.</i>			
July .....	\$136, 555. 48	\$74, 890. 06	\$211, 445. 54
August .....	189, 979. 42	100, 156. 67	290, 136. 09
September .....	230, 918. 41	164, 464. 28	395, 382. 69
October .....	157, 123. 57	83, 800. 81	220, 924. 38
Total .....	694, 576. 88	423, 311. 82	1, 117, 888. 70
Grand total .....	18, 773, 836. 82	26, 920, 405. 91	45, 694, 242. 73

Mr. BINGHAM. Then for the three fiscal years, 1894-'95-'96, your judgment is that the expenditure will run between \$137,000,000 and \$140,000,000?

Commissioner LOCHREN. Yes, sir; it will run close to that.

Mr. SHAW. We believe we have reached the high-water mark in the payment of pensions.

The CHAIRMAN. Gen. Raum said it would quiver around the present sum, but would not go beyond.

Commissioner LOCHREN. The amount paid to those dropped will closely approximate the amount added by new allowances.

Mr. SHAW. As to the increases and decreases for five months I will submit a table which is as follows:

	Number of pensioners on roll.	Increase.	Decrease.
June 30, 1894.....	969, 544		
July 31, 1894.....	970, 253	709	
August 31, 1894.....	970, 790	537	
September 30, 1894.....	969, 935		855
October 31, 1894.....	970, 033	98	
Increase from June 30 to October 31 .....		489	

Also the following reports of certificates issued :

*Report of certificates issued.*

JULY, 1894.

Classes.	Original.	Increase and additional.	Reissue.	Restoration and renewal.	Act of August 4, 1886.	Act of June 7, 1888.	Act of March 4, 1890.	Act of July 14, 1892.	Supplemental.	Duplicate.	Accrued.	Total.
Army invalid	433	746	440	263			9	13		63		1,969
Army invalid, act June 27, 1890	873	{ *168 †196 }	235	524						41		1,537
Army widow, etc.	305	5	12	1						6	509	838
Army widow etc., act June 27, 1890	1,172	2	8	54					10	13		1,209
Navy invalid	22	7	1	9				1				40
Navy invalid, act June 27, 1890	174	{ * 16 † 17 }	2							1		210
Navy widow etc.	16	1	2									19
Navy widow, act June 27, 1890	63	1							1			65
Army nurses	11											11
1812 survivor												
1812 widow	3											3
Indian wars—survivors	21		3									24
Indian wars—widows	68									1		69
Old war invalid												
Old war widow												
Mexican war survivor	1	135	5							2		143
Mexican war widow	40									1		41
Total	3,202	1,294	708	301			9	13	11	131	509	6,178

AUGUST, 1894.

Army invalid	538	582	485	247	1		9	5	1	91		1,059
Army invalid, act June 27, 1890	841	{ *157 †235 }	454	25					5	73		1,790
Army widow, etc.	330	1	29	2	1					19	734	1,116
Army widow, etc., act June 27, 1890	890		10	9					5	20		934
Navy invalid	32	12	13	3						3		63
Navy invalid, act June 27, 1890	121	{ *39 †4 }	6	1						2		173
Navy widow, etc.	11		1							1		13
Navy widow, act June 27, 1890	45			1						2		48
Army nurses	6											6
1812 survivor												
1812 widow	1											1
Indian wars—survivors	28		4									32
Indian wars—widows	102		2									104
Old war invalid	2											2
Old war widow												1
Mexican war survivor	7	161	1							7		177
Mexican war widow	27									2		29
Total	2,981	1,191	1,007	288	1	1	9	5	13	218	734	6,448

SEPTEMBER, 1894.

Army invalid	295	700	372	329			14	14		88		1,812
Army invalid, act June 27, 1890	779	{ *104 †213 }	403	{ +6 +8 +3 }						87		1,600
Army widow, etc.	265	2	25	3						2	17	585
Army widow, etc., act June 27, 1890	799	4	6	{ +4 +2 }						3	19	837
Navy invalid	25	8	2	10			2					49
Navy invalid, act June 27, 1890	132	{ *13 †2 }	7								5	150
Navy widow, etc.	16	1	1									18

\* Increase.

† Additional.

‡ Restoration.

§ Renewal.

Report of certificates issued—Continued.

SEPTEMBER, 1894—Continued.

Classes.	Original.	Increase and additional.	Reissue.	Restoration and renewal.	Act of August 4, 1886.	Act of June 7, 1888.	Act of March 4, 1890.	Act of July 14, 1892.	Supplemental.	Duplicate.	Accrued.	Total.
Navy widow, act June 27, 1890.	53		1							3		57
Army nurses	12											12
1812 survivor												
1812 widow	3		1									3
Indian wars—survivors	25		4									29
Indian wars—widows	95											95
Old war invalid												
Old war widow	3		1									4
Mexican war survivor	3	110	3							6		122
Mexican war widow	21									1		22
<b>Total</b>	<b>2,525</b>	<b>1,157</b>	<b>826</b>	<b>362</b>			<b>16</b>	<b>14</b>	<b>5</b>	<b>228</b>	<b>585</b>	<b>5,718</b>

OCTOBER, 1894.

Army invalid	509	685	485	299			8	9	3	118	263	2,379
Army invalid, act June 27, 1890.	1,338	{*200} {†423}	523	{‡11} {§12}					2	95	232	2,836
Army widow, etc.	293	5	26	1						18	201	544
Army widow, etc., act June 27, 1890.	901	3	11	{‡1} {§7}					8	18	7	956
Navy invalid	31	11	5							10	4	67
Navy invalid, act June 27, 1890.	138	{*9} {†6}	17							4	6	180
Navy widow, etc.	9		1									10
Navy widow, act June 27, 1890.	31									1	1	33
Army nurses	6											6
1812 survivor												
1812 widow	4		1								1	6
Indian wars—survivors	14		1								12	27
Indian wars—widows	61		1									62
Old war invalid												
Old war widow	1											1
Mexican war survivor	12	128	2	1						8	26	177
Mexican war widow	44									6	2	52
<b>Total</b>	<b>3,392</b>	<b>1,470</b>	<b>1,073</b>	<b>338</b>			<b>8</b>	<b>9</b>	<b>13</b>	<b>278</b>	<b>755</b>	<b>7,336</b>

\* Increase.

† Additional.

‡ Restoration.

§ Renewal.

Commissioner LOCHREN. Many of the pensioners who remain may get increases, so that even if the pension roll should decrease the amount expended will not decrease in proportion, on account of the increased disabilities allowed for.

The CHAIRMAN. I think that when we were discussing the bill at the last session you stated that you were overhauling your files for the purpose of ascertaining how many cases were actually pending.

Mr. COOMBS. To ascertain the number not absolutely rejected.

The CHAIRMAN. As I understand, there were about 744,000 applications on file.

Mr. SHAW. Pages 35, 36, and 37 of the Commissioner's annual report show the number of claims pending on July 1, 1894, as well as the number of rejected cases.

Mr. BINGHAM. The actual number of cases is how many?

Mr. SHAW. Two hundred and eighty-seven thousand two hundred and nine claimants not pensioned.

The CHAIRMAN. For fees and expenses of examining surgeons your estimate for 1894 was \$2,000,000 and it is cut down to \$1,000,000 in the estimates for 1896. How did you get out under the appropriation of last year?

Mr. SHAW. We have not closed it yet.

Commissioner LOCHREN. Page 6 of my annual report shows there was paid for examining surgeons for 1893 \$232,217.71. The accounts had not been settled at the close of that year, and in the last fiscal year there was paid \$441,740.32, leaving a balance of \$558,390.68 which will be largely reduced by the settlement of fees then unpaid.

Mr. SHAW. There is between \$34,000 and \$40,000 not settled for the last June quarter. We did not receive the accounts for June until the present fiscal year, so we can not say what they will be.

Commissioner LOCHREN (to Mr. SHAW). Have you the amount paid since?

Mr. SHAW. We have a balance of \$231,342 unexpended.

Mr. COOMBS. For how many months?

Mr. SHAW. There are probably 125 or 130 accounts, which will probably require \$30,000 to \$40,000. We will have a surplus of nearly \$200,000.

The CHAIRMAN. You had a million dollars?

Mr. SHAW. Yes, sir. It is difficult to ascertain what they are going to be.

The CHAIRMAN. It is not turned into the Treasury at the end of the year?

Mr. SHAW. No, sir.

The CHAIRMAN. And you say you have 130 accounts unpaid?

Mr. SHAW. Yes, sir; probably to be paid within the next thirty days.

The CHAIRMAN. What do they average?

Mr. SHAW. Between \$30,000 and \$40,000 for those 125 or 130 accounts.

Commissioner LOCHREN. I think the estimate for 1896 can safely be cut down \$200,000.

Mr. SHAW. I think so.

Mr. BINGHAM. You must have that amount out of the appropriation for last year and you can not merge it with this year.

Mr. SHAW. No, sir. We have to pay each year's accounts out of the same year's appropriation.

Commissioner LOCHREN. Eight hundred thousand dollars will be enough.

Mr. BINGHAM. On page 3 of the bill there is a proviso in reference to applicants examining surgeons' reports. That legislation went on the last bill. How has that been working? Has there been any embarrassment in connection with it?

Commissioner LOCHREN. There have been very few of such applications. I do not think there has been any embarrassment to the office.

The CHAIRMAN. For clerk hire at pension agencies. How does that work?

Commissioner LOCHREN. That is a regular appropriation under the statute. We do not ask any increase.

The CHAIRMAN. The offices are located by statute and the salaries fixed?

Commissioner LOCHREN. Yes, sir.

Mr. BINGHAM. What has been expended out of the \$400,000 appropriated for the preceding year?

Mr. SHAW. All except about \$1,200 or \$1,300. That is due to the resignation of clerks and the condition of their accounts at the close of the year.

Mr. COOMBS. The next item is for light and fuel.

Mr. SHAW. There is no increase for lights this year and fuel is about the same.

Mr. COOMBS. Contingent expenses.

Mr. SHAW. We had \$1,200 or \$1,300 left out of the \$35,000.

The CHAIRMAN. For rents you had for the current year an increase at Detroit.

Mr. SHAW. Yes, sir; an increase of \$280 to give them additional rooms. That is actually necessary.

DECEMBER 3, 1894.

#### FURTHER STATEMENT OF HON. WILLIAM LOCHREN.

The CHAIRMAN. The committee met the other day, took up the bill, and we have called the present meeting of the subcommittee for the purpose of giving the other gentlemen who were not present then a chance to make any suggestions they may desire to make.

Mr. BINGHAM. There is an item here in your report, on page 6, wherein you state, "The appropriations already made for the year ending June 30, 1895, will, in my judgment, be ample, except that an additional appropriation of \$250,000 should be made for the per diem and expenses of special examiners."

What is the largest amount of appropriation that has been made up to June 30, 1895, for that service?

Commissioner LOCHREN. \$250,000.

The CHAIRMAN. That does not come before this subcommittee, and it is not in this bill.

Mr. BINGHAM. It is not in this bill; but we ought to be intelligently informed, because we may want to go into the whole pension question, without reference to any bill.

The CHAIRMAN. That will come up as a deficiency appropriation.

Mr. BINGHAM (to Commissioner Lochren). The full amount for the present year is \$250,000?

Commissioner LOCHREN. Yes, sir; it was made \$200,000 in the House and the Senate increased it \$50,000.

Mr. BINGHAM. Then you think there should be an additional appropriation of \$250,000, making it \$500,000?

Commissioner LOCHREN. Yes, sir.

Mr. BINGHAM. Is that work organized on that basis?

Commissioner LOCHREN. It has been for a portion of the year; but I would like to send out more men, in order to decrease the amount of cases that are in the hands of special examiners, and which are simply lying there. They have now upward of 20,000 cases in that division, and of course it results in a delay in adjudication until they can be disposed of.

Mr. BINGHAM. How many men of this force, and paid out of this appropriation, are on criminal cases?

Commissioner LOCHREN. I could not tell you.

Mr. BINGHAM. Can you not send us a statement of that?

Commissioner LOCHREN. Yes, sir; but it is a small proportion.

Mr. BINGHAM. I see in your report, on page 26, the following:

"Although the law division has never contained over 70 members, it has lost by transfer 43 persons, or considerably over one-half of its personnel. Of these, 25 have been assigned to duty in the field."

Commissioner LOCHREN. That is a matter to which I have not given particular attention. There were 25 of these men assigned to duty in the field.

Mr. BINGHAM. You do not say what disposition was made of this force.

Commissioner LOCHREN. Men are transferred from one division to another as they happen to be needed, or from one line of work to another. If the work in a division is reduced, the clerks are sent to other divisions.

Mr. BINGHAM. I also find on page 28 of your report a table giving the sum of money refunded to the United States, and after that a statement of prosecutions, etc., as follows:

Recommendations for prosecution.....	309
Arrests of persons accused.....	198
Indictments found.....	464
Convictions had.....	194
Sentences imposed.....	120
Acquittals.....	60
Cases dismissed on noprossed.....	5

Can you give us a detailed report of what those persons recommended for prosecution were accused of?

Commissioner LOCHREN. It will take a little time, but not very long.

Mr. BINGHAM. It is not in your report?

Commissioner LOCHREN. No, sir; not in detail.

Mr. BINGHAM. I want a statement, in addition to this, as to whether they are soldiers or claimants or attorneys. I suppose some are soldiers.

Commissioner LOCHREN. Very likely. A great many of the persons are soldiers. Some claimants who have been tried, convicted, and sent to the penitentiary were soldiers.

Mr. BINGHAM. I have been informed that but a small number of these criminal prosecutions are the cases of soldier claimants.

Commissioner LOCHREN. That is true, as compared with the whole number.

Mr. BINGHAM. My information is that many of them are attorneys.

Commissioner LOCHREN. They are attorneys and witnesses who have gotten up evidence.

Mr. BINGHAM. I would like a table of that.

Commissioner LOCHREN. Very well.

Mr. BINGHAM. On page 56 of your report you give the total number of prima facie claims rejected after special examination during the fiscal year ending June 30, 1894, as 3,434. Those are rejections, I suppose, after examination by special examiners?

Commissioner LOCHREN. Probably.

Mr. SHAW. Partly, and partly after testimony had been submitted to the board of review.

Mr. BINGHAM. What does that sum total, 3,434, refer to?

Commissioner LOCHREN. It may include those, or it may include cases that have been examined previously.

Mr. BINGHAM. This sum total is the amount of rejections by the Bureau in its regular work?

Mr. SHAW. Through the special examination division.

Commissioner LOCHREN. All cases that have been examined.

Mr. GROUT. It was after special examination?

Commissioner LOCHREN. Yes, sir.



Mr. GROUT. How can you say that?

Commissioner LOCHREN. I say they might have been.

Mr. GROUT. You have no data on which you can inform this committee what portion of those are really due to special examination?

Mr. BINGHAM. No part of those had ever been paid to the soldier?

Commissioner LOCHREN. Do you mean this \$3,329,875.74?

Mr. SHAW. That might not be actually so, because it might be the claim of a widow, the soldier having been allowed a pension. That would constitute a large first payment.

Mr. BINGHAM. No part of this \$3,329,875.74 was ever paid to any soldier?

Mr. SHAW. No, sir.

Mr. BINGHAM. And therefore it is simply a hypothetical amount?

Mr. SHAW. That is all.

Commissioner LOCHREN. It is the amount which would have been paid had the claims been allowed and first payment made.

Mr. GROUT. What basis do you take for estimating this sum of three million and odd dollars? You say "had the claims been allowed." Now, allowed at what rate?

Commissioner LOCHREN. I am not able to say about that.

Mr. GROUT. How can you say it would not be at the highest rate at which the claim could be made?

Commissioner LOCHREN. I do not know as to that, because I have never asked the person who made this calculation.

Mr. GROUT. The rate would enter into the question as well as the time when payment should be made. Payments are sometimes made on a sliding scale?

Commissioner LOCHREN. Yes, sir.

Mr. GROUT. It would be essential to a proper understanding to know on what basis you calculate.

Mr. BINGHAM. How many of your special examiners are on criminal work in the Bureau?

Commissioner LOCHREN. I will send a statement of that.

Mr. BINGHAM. Can you tell to what extent in number the pension roll has been purged of fraudulent claims during the past fiscal year?

Commissioner LOCHREN. No, sir; I could not give you that. There is no way of designating the claims as fraudulent, because there may have been some pensioners dropped, and some may have lacked title. You could not class all those as frauds.

Mr. BINGHAM. Have you purged your roll beyond the exhibit contained on page 26 of your report?

Mr. SHAW. There is no table in the report to show that.

Mr. GROUT. I would like to know how many cases already allowed have been taken off the rolls by reason of fraud in procuring the claim.

Commissioner LOCHREN. I do not know that we have got any such calculation as that. It is possible that we might be able to get that information. I do not know that there has been any record of that kept. Some have been dropped for lack of title, but I do not suppose that you would class those as fraudulent.

Mr. SHAW. On page 40 there is a table showing the various classes dropped during the year, and those cases to which you refer are included under the head of "other causes," such as death, remarriage, etc.

Mr. BINGHAM. What do you include in "for other causes?"

Mr. SHAW. Criminal cases are among those, but how many were fraudulent I could not say.

Mr. BINGHAM. Where a case is fraudulent does not prosecution follow?

Commissioner LOCHREN. Usually, unless a statute of limitation intervene, or something like that.

Mr. BINGHAM. What would be the statute of limitation?

Commissioner LOCHREN. There are various statutes of limitation for various offenses against the pension and other laws. That law prevents prosecution.

The CHAIRMAN. If you can furnish the information for which Mr. Grout and Mr. Bingham have inquired, please send it.

Mr. SHAW. I will do so.

Mr. BINGHAM (to the Commissioner). In your Report, page 11, I find some remarks upon which I desire information in reference to the proviso of December 21, 1893, which says:

"The effect of this proviso is to take from the officers of this Bureau the power to interfere where they plainly see the Treasury being plundered by the fraudulent and the unworthy. I could cite numberless instances of pensioners having no title, pensioners drawing more than one pension, widows who having remarried continued to draw pensions, and all manner of fraudulent and illegal pensions, where the Treasury would continue to be plundered for a time with the knowledge of the officers of this Bureau, who, because of that proviso, were rendered powerless to prevent it."

Could you give a detailed statement setting forth the facts?—because I think it is important that we should have that information.

Commissioner LOCHREN. I have given information covering that, but I did not give it in detail. I think it is apparent.

Mr. BINGHAM. It is in recognition of the force of the general statement, and I would like to have it more in detail.

Mr. SHAW. We could find cases, but we can not make a detailed report, although we have found cases of that very kind. The other day we had a case of a man who was drawing three pensions.

Mr. BINGHAM. I think it should be more in detail, in order to make the statement more forcible.

Commissioner LOCHREN. I have given you one case in my report. My idea was not to make the report too large. If I had kept memoranda I could have filled a report larger than this with cases coming under my personal notice.

Mr. GROUT. Probably Commissioner Lochren did not mean to say that he could cite "numberless" cases.

Commissioner LOCHREN. That language is a little extravagant, but I could cite a great many cases.

Mr. GROUT. What Mr. Bingham is after, is a list of the cases.

Mr. WILLIAMS. Could you get some of each character, so as to show the force of the general statement?

Commissioner LOCHREN. Yes, sir.

Mr. GROUT. There are said to be exceptions to every rule, and it might be that there are several instances, but if it goes to the extent to which the language would imply, it ought to be known.

Mr. SHAW. We have many cases of widows who have remarried, or cases where we know they are fraudulent, but we have been unable to stop them, although we were in possession of the fact.

Mr. COMBS. You can stop them after the notice of thirty days?

Mr. SHAW. Yes, sir; we can stop them then, but that does not stop the payment of arrears.

Mr. WILLIAMS. You can not suspend payment without notice?

Mr. SHAW. We can not suspend payment at all.

Commissioner LOCHREN. After a pension is granted, as has been the case in a great many instances, the newspapers publish notices of the fact, and the publication of those notices frequently has the effect of bringing information to the office from some one who knows the facts, which would show conclusively that the pension is fraudulent or that the person was not entitled to it. Before the enactment of this law, in a case of that kind the practice was to suspend payment until inquiry could be made, but now we can not do that.

Mr. SHAW. The first payment is frequently a large one, as in this case cited in the Commissioner's report.

Mr. COMBS. Is there no way of bringing such claimants to prosecution?

The CHAIRMAN. Not under the new law.

Mr. SHAW. Sometimes we can recover, but very often it is impossible. This first payment may be two or three thousand dollars, and he draws the money and gets out of the country.

Mr. BINGHAM (to Commissioner Lochren). Do you consider that a widow having remarried and continuing to draw pension is not liable to trial?

Commissioner LOCHREN. No.

Mr. BINGHAM. She is liable to trial?

Commissioner LOCHREN. She commits perjury if she swears to her voucher.

The CHAIRMAN. The Commissioner does not claim that a case can not be reached, but that the money can not be reclaimed. After it is once paid it can not be gotten back.

Mr. SHAW. I will explain that. For instance, a quarterly payment is due in the Washington agency for September, October, and November. If a widow should come to-morrow morning and execute a voucher stating that she has not remarried since the last payment, yet if you know that she has remarried and she is willing to perjure herself and state that she has not remarried, you can not stop her from receiving a check for \$36. You can prosecute her afterwards for perjury, but you can not prevent her getting the \$36.

Mr. BINGHAM. Can you not force her to refund it?

Mr. SHAW. Not until after the expiration of thirty days' notice. The law provides for that. It says that no such action shall be taken without thirty days' notice, and that the Commissioner shall not suspend, take away, drop, or reduce the amount of money from the last payment. If that were done it would be a violation of this provision of the act of December 21, 1893.

The CHAIRMAN. That is the so-called vested-right proviso.

Mr. SHAW. We had a case two months ago of a man who successfully prosecuted a claim granting to him \$3,600. We ascertained that that case was fraudulent, but

we could not stop the man from getting a pension. He drew that \$3,600, and now he is being prosecuted. We could not stop him from getting that money. Under the old law, previous to December 21, 1893, we simply notified the agent to suspend payment, and he would not have paid that man; but now we can not take such action until we give thirty days' notice. It is defective both ways.

Mr. BINGHAM. I see that you make no recommendation in your report as to this.

Commissioner LOCHREN. We make no new recommendation. We made one last session.

Mr. GROUT. I notice in the opening paragraph of your report that you discuss the matter of the increasing labor in adjudicating cases, as accounting for the small number that have been allowed since you came into office. You do not intend to be understood in this presentation that this is the only cause—the increasing difficulty in examining and allowing claims—which makes the number of current allowances so very small?

Commissioner LOCHREN. Well, I think I have set that forth.

Mr. GROUT. You have set that forth as among the reasons. You state somewhere in your report, I do not remember exactly the language, but it is to the effect that the reason for the small number of allowances under your administration is the fact that examinations have become more difficult, and for that reason fewer claims are allowed?

Commissioner LOCHREN. Yes, sir.

Mr. GROUT. Do you mean to be understood that that is the only reason?

Commissioner LOCHREN. None other occurs to me just now.

Mr. GROUT. Then will you tell me why it was that the figures which you presented last year showed that in November, 1893, a month before the incoming of the present Administration, there were 14,072 cases allowed, and in March following there were 16,364, which was just after the incoming of the present Administration, but while the Office was under the control of Deputy Commissioner Lincoln? I want to know how it is that the number of claims allowed dropped from those numbers in February and March to 6,331 in June. If this is really the reason why so few cases are allowed, or have been allowed under the present Administration, will you explain it?

Commissioner LOCHREN. I can not state where the discrepancy is. There was another reason which doubtless did have an effect, and that was the change of practice in relation to the cases under the June 27, 1890, act. Under the construction given to that act by General Raum, by which specific disabilities not affecting capacity to perform manual labor were pensionable at the same rate as if they had been service disabilities under the old law, a great many were allowed, which under the subsequent construction of that act relative to such disabilities, and especially affecting the power to perform manual labor, prevented them from being allowed. Under that previous construction, which became well known, a great many claims were put in when there was no basis for them, but which would have been allowed under the former construction. That class of cases formed a large proportion of the cases which were before the Bureau then for adjudication, and that would account for the less number of allowances.

Mr. GROUT. How many cases have been allowed under the act of June, 1890?

Commissioner LOCHREN. All together?

Mr. GROUT. From the time specified in your table, submitted the other day, wherein you give the allowances under the act of June 27, 1890.

Commissioner LOCHREN. They are separated by classes.

Mr. GROUT. The total increase is a net gain to the rolls, as stated here, for the year ending June 30, 1894; and how many months does that cover?

Commissioner LOCHREN. Four.

Mr. GROUT. There seems to have been put on the rolls for four months a net gain of 489 of all classes, as against 15,412 for the five months in 1892.

Mr. SHAW. You are misled there. This shows the net after all additions are taken into consideration and counting the number dropped. If there were 5,000 original allowances and 5,000 dropped, that would not be either an increase or a decrease to the pension roll. It has no reference to the total allowances of certificates; not the slightest. I simply made that to show how the roll is affected. We have reached the high-water mark on pensions, and I believe I made a statement to that effect at the last meeting.

Mr. GROUT. Is there something which shows the total number of certificates allowed in the four months?

Mr. SHAW. It is stated by months. It shows no increase or decrease. It is progressing about the same each month.

Mr. BINGHAM. Is it your judgment that an appropriation of \$140,000,000 will cover the full requirements of your Bureau for the next fiscal year?

Commissioner LOCHREN. I think so, unless some changes are made in the law.