

History of the Department of Veterans Affairs

Part 2

World War I

Some 4.7 million Americans fought in World War I. Of these, 116,000 died in service and 204,000 were wounded. But even before the United States entered the war, Congress passed the War Risk Insurance Act of 1914 to insure American ships and their cargoes.

The War Risk law was amended in mid-1917 to provide insurance against loss of life, personal injury or capture by the enemy of personnel on board American merchant ships. The amended law also offered government-subsidized life insurance for veterans. Other legislation provided for a discharge allowance of \$60 at the end of the war.



Injured World War I soldiers recovering at Walter Reed Army Medical Center, Washington, DC

Public Health Service operated a few hospitals but, up to the armistice, most medical care for veterans was provided in armed services hospitals. The military hospitals, however, were too burdened to keep all patients through recovery.

Among the provisions of the War Risk Insurance Act Amendments of 1917 was the authority to establish courses for rehabilitation and vocational training for veterans with dismemberment, sight, hearing, and other permanent

disabilities. Eligibility for vocational rehabilitation and other benefits under the new law was established retroactively to April 6, 1917, the date the United States entered World War I. The program retained injured persons in service and trained them for new jobs.

The Vocational Rehabilitation Act of 1918 authorized the establishment of an independent agency, the Federal Board for Vocational Education. Under the new law, any honorably discharged disabled veteran of World War I was eligible for vocational rehabilitation training. Those incapable of carrying on a gainful occupation were also eligible for special maintenance allowances. The Bureau of War Risk Insurance was responsible for screening veterans for eligibility. A 1919 law fixed responsibility for medical care of veterans with Public Health Service, transferred a number of military hospitals to Public Health Service, and authorized new hospitals.

The additional facilities still could not keep up with the growing workload, but the law permitted continued use of private hospitals by contract.

After Dec. 24, 1919, all claims and payments arising from disability or death from World War I were regarded as compensation rather than pension. This was reversed in March 1933, when all payments to veterans were again regarded as pensions. It was not until World War II that the distinction between compensation and pension again was used.

Congress in 1921 created the Veterans' Bureau to consolidate veterans programs managed by three agencies — the Bureau of War Risk Insurance, Public Health Service and the Federal Board of Vocational Education. The consolidation still left two other agencies administering veterans benefits — the Bureau of Pensions of the Interior Department and the National Homes for Disabled Volunteer Soldiers.

The Veterans' Bureau headquarters was established at the Arlington Building at 810 Vermont Avenue NW in Washington, D.C. The 11-story structure was built in 1918 and served initially as the headquarters for the Bureau of War Risk Insurance.

Appointed first director of the Veterans' Bureau was Col. Charles R. Forbes, who had served for four months as director of the Bureau of War Risk Insurance. A veteran of World War I, Forbes came from Seattle, where he had been vice president of an engineering firm.

Within two years he was relieved as director. Forbes later was sentenced to prison and fined on charges of conspiracy to defraud the government on hospital contracts.

The second director, retired Brig. Gen. Frank T. Hines, was appointed March 2, 1923. He worked closely with Congress to reform laws governing the Bureau.

In 1924, Hines reorganized the Veterans' Bureau into six services: medical and rehabilitation, claims and insurance, finance, supply, planning, and control. Under the reorganization, the Bureau had 73 subdistrict offices responsible for dealing with beneficiaries and claimants, supervising vocational training, administering outpatient medical care and giving physical examinations.

In the next eight years there was an expansion and liberalization of benefits for veterans. Expenditures for veterans rose 62 percent from 1924 to 1932, the result of increases in disability compensation and increases in pensions for veterans of the Civil War and the Spanish-American War.

End of Part 2

VA operates hundreds of medical facilities, issues millions of checks for education, disability and pensions, and supervises 120 national cemeteries. With approximately 236,000 employees, VA is America's second largest federal agency. When eligible dependents and survivors are included, approximately 63 million people -- about one-quarter of the nation's population -- are eligible for VA benefits and services. On July 21, 2005, VA celebrated 75 years of serving America's veterans. VA is providing this 10-part "History of the VA" to help observe this 75th Anniversary year.