Veterans and Americanism: 
The American Legion and VA Health Care after World War II

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During his electoral campaign, Barack Obama gave priority to health care reform. On February 4, 2009, he signed the Children’s Health Insurance Reauthorization Act, expanding the S–CHIP (the State Children’s Health Insurance Program) to more than 11 million children. In signing the bill, Obama said that the legislation was “a down payment on my commitment to cover every single American.” Obama is seeking a comprehensive health care reform that will improve medical care, lower the cost of medicine, and eliminate the uninsured.

The United States is the only industrialized country whose government does not guarantee universal health care coverage for its people. Medicare and Medicaid are two major public programs which cover the aged and the poor, respectively. Many people are voluntarily enrolled in private plans. Nevertheless, because of the voluntary nature of the private health insurance, in 2006, 47 million people (15.8% of the population) were not covered. Many critics have described American health care as being in a crisis. So scholars have been trying to answer the question: Why has the United States adopted such a health insurance systems?

Scholars have been looking for what is missing in the United States that keeps it from introducing universal health insurance. The lack of a centralized political system, a powerful national-level labor party, and a communitarian political culture are often taken up for discussion. Looking at the question in a slightly different way, Jacob Hacker pointed out that unlike major European welfare states and Canada, the United States had developed a private health insurance industry before the movement to introduce universal health insurance became mature.

My doctoral dissertation also deals with the question why public health insurance in the United States has not developed as much as in other countries by asking why private health insurance began to grow, while the movement for universal health insurance failed, in the 1930s and 1940s. I paid special attention to the impact of World War II. During my research, I realized that I needed to discuss the Veterans Administration (VA) health care in order to explain the development of the American health insurance system. When the American Medical Association (AMA) promoted private health insurance as an alternative
to public health insurance, it used VA health care as an example of bad socialized medicine.\(^5\)

An unprecedented number of soldiers returned to the homeland after WWII. About 19 million people (12.7% of the population) had become veterans. In June 1944, the GI Bill of Rights was created; it expanded VA health care. Soon after the birth of the GI Bill, there emerged a heated controversy about whether veterans with non-service-connected disabilities could receive free hospital care. Veteran organizations—including the American Legion, the largest one at that time—claimed that VA health care for any disabilities, whether or not directly connected to military service, would be necessary as part of the government’s support for veterans returning to civilian life. On the other hand, the AMA and its allies opposed a radical extension of VA health care because it would possibly take patients from private solo practitioners, lower the average of doctors’ fees, and lead to total governmental control of medicine.

VA health care has its own public hospitals, hires its own doctors, and sets its own fees. It can be said that VA health care is the most “socialized” medicine in the history of American medicine. Since the 1920s, the AMA has consistently opposed socialized medicine.\(^6\) But the American Legion, which strongly supported the GI Bill, also opposed the government’s total control of American medicine. The American Legion promoted Americanism which was often contrasted to fascism, authoritarianism, communism, and socialism. Therefore, the American Legion tried to handle two seemingly contradictory things. The American Legion advocated government’s protection for veterans, but at the same time it advanced the cause of Americanism. To gain loyalty from its members, the American Legion had to ask for government support for veterans. It could be justified because veterans had sacrificed themselves to protect the nation. According to the American Legion, veterans protected not only the national territory but also the idea of Americanism. To the AMA, however, Americanism and universal health insurance were obvious contradictions. By the early 1950s, the American Legion withdrew its strong support of VA health care. This paper describes the political, institutional, and ideational circumstances of the American Legion after WWII.

This paper has three parts. The first part shows the development of the American Legion and the VA health care before WWII. The second part describes how WWII affected VA health care and the American Legion. Finally, this paper demonstrates how the American Legion failed to defend VA health care in the postwar era.

I. The American Legion and VA health care before WWII

World War I gave rise to the American Legion. In February 1919, high ranking military officers, including Theodore Roosevelt Jr., son of the former President, began a serious discussion about the creation of a WWI veteran’s
organization. The Civil War resulted in the creation of two large veterans’ organizations, the Grand Army of the Republic for the Union veterans and the United Confederate Veterans for the Confederate veterans, but there was no precedent for a veterans’ organization that was based on the whole country and was as large as the American Legion. The American Legion’s purposes were stated in the preamble of its constitution. The purposes included, “to uphold and defend the Constitution of the United States of America…to foster and perpetuate a one-hundred percent Americanism…to safeguard and transmit to posterity the principles of justice, freedom, and democracy.” Its membership grew rapidly afterward, reaching 1,069,267 in 1940.

WWII led to the expansion of the government’s role in providing veterans’ health care. The government’s involvement with military-related personnel began in the period of the second American President, John Adams. The federal government began to get involved in health insurance soon after the nation was born. In 1798, President Adams signed a bill to set up the Marine Hospital Service with a compulsory health insurance program for merchant seamen. Merchant seamen were targeted because they were “the Nation’s economic lifeline and a major element of its naval defense.” Sick or disabled seamen received care in the assigned hospitals. The Service continued to exist through the nineteenth century, offering more favorable terms to seamen. In 1912, the Marine Hospital Service was incorporated into the Public Health Service. The Marine Hospital Service, according to Odin Anderson, “marked the first time that federal, state, or local governments dealt with special groups and problems rather than general health programs.”

WWI played a great role in expanding medical and hospital services for another national-defense-related group, war veterans. It was not until WWI that medical and hospital services were provided as a separate benefit for veterans. By starting to provide hospital care for veterans with non-service-connected disabilities, VA health care hospital cases increased: between 1925 and 1941, 73.6 percent of all hospital cases were non-service-connected. By WWII, the veterans’ hospital system included 91 hospitals, the largest hospital network in the United States.

As part of the veterans’ rehabilitation program, the American Legion continued to ask for liberalization of hospital care for veterans. Especially when the Economic Act of 1933 reduced the veterans’ hospital care benefits, the American Legion made a serious effort to repeal it. As a result, an amendment in 1934 stipulated that veterans were entitled to receive care for any disabilities if they were poor. But whether veterans were poor or not depended not on the government’s decision but on the veterans’ statement. As a result, many veterans with non-service-connected disabilities continued to have access to free VA health care.

While the American Legion sought to promote public health care for veterans, the AMA was getting cautious about veterans’ health care benefits. In their
annual meeting in 1928, the AMA warned that VA health care would lead to the total nationalization of medicine. The AMA’s Bureau of Legal Medicine and Legislation called the attention of its House of Delegates to the federal government’s attempt for the “socialization of medicine through the expansion of the care given to veterans.” In the meeting in 1930, furthermore, the House of Delegates adopted resolutions against federal aid for medical care to veterans, regardless of the origin of their disabilities.

The political struggle between the American Legion and the AMA began soon after WWI. But the struggle was not politically visible in part because the number of WWI veterans was limited. Veterans’ health care benefits became a more controversial issue after WWII led to the radical increase of veterans.

II. The American Legion and VA health care during WWII

WWII was an unprecedented event in the United States in terms of its deep and long impact on the economy, society, and politics. The mobilization rate in 1945, at its peak, became 9.1 percent of the population, 12 million people in the armed forces, while only 2.8 percent was the peak during WWI. In 1943, a Senate report stated that, “We are fighting an entirely new kind of war…War today involves our entire economy.”

In September 1942, Frank Knox, Secretary of the Navy, addressed the American Legion’s annual convention, “This is an all-out war. It is a war of all America against an enemy that would destroy everything America stands for.”

In September 1943, Roane Waring, National Commander of the American Legion, greeted the delegates in the American Legion annual convention that “we committed ourselves to an all-out war effort, to a dictated peace of absolute victory and to the return of our fighting men to civic life, back to their jobs, in a free America, with proper compensation and protection for the disabled, and life protection for the widow and orphan of the one who did not return.”

To meet the needs of the military personnel families, the government became involved in the health care for the families of soldiers. In 1943, the Emergency Maternity and Infant Care Program (EMIC) was established to help state governments provide wives and infants of the four lowest grades of servicemen with generous obstetrical and pediatric care without means tests. Odin Anderson notes that the EMIC was “the first national health services program for a conspicuous segment of the population. Congress felt it could do nothing less for our soldiers.”

When the tide of the war changed in late 1943, the federal government began a serious effort towards postwar reconstruction. Meanwhile, the American Legion started to study policies to deal with the returning soldiers and pushed for a comprehensive rehabilitation program not only for disabled veterans but also for all veterans. In June 1944, the Servicemen’s Readjustment Act of 1944, known as the GI Bill of Rights, passed in Congress. Edward Scheiberling, National
Commander of the American Legion, praised the American Legion’s leadership in the creation of the legislation. The GI Bill of Rights, according to him, was one that the Legion “initiated, fought for and guided through Congress.” As John Thomas Taylor, National Legislative Director of the American Legion, put, the GI Bill was “not a bonus bill. It was as its name—the Servicemen’s Readjustment Act of 1944—implies, a program to speed the readjustment of returning veterans to civilian life.”

The GI Bill included support for higher education, housing loans, and business ventures. It also included the expansion of VA health care. The government projected that many veterans would come back home with injuries, chronic diseases, and mental problems. Government expenditures for the construction of VA health care facilities increased about ten times in five years: from $15,801,000 in 1945 to $151,532,000 in 1950.

The expansion of VA health care gave hope to the American Legion that VA health care would continue to treat not only service-connected disabilities but also non-service-connected ones. Frank Hines, Administrator of Veterans’ Affairs, explained in 1944 what the GI Bill of Rights suggested for future VA health care. By proposing to add another 100,000 hospital beds, he said, VA health care would “meet the need for non-service-connected cases as well as service-connected cases.” As a result, the American Legion expected to see non-service-connected veterans having free public health care in the postwar period.

### III. Americanism and Veterans

Although the GI Bill stipulated the expansion of the VA hospitals, it did not make clear who would be able receive free care at the VA hospitals. Many veterans with service-connected disabilities, of course, had access to VA outpatient and hospital care. For veterans with non-service-connected disabilities, a self-declaration of financial difficulty was needed to receive hospital care. But as mentioned above, because the regulation was implemented very loosely, many not-so-poor veterans de facto had free access to VA health care.

The ambiguity about the qualification for VA health care resulted partly from the difficulties of determining whether the disabilities originated from military service or not. Another source of ambiguity was the political complexity of the veterans’ policy. On the one hand, by sacrificing their lives for the country, veterans were considered the most deserving group for the government’s support. Nobody could harshly oppose the veterans’ request for public responsibility in their smooth return to civilian life. On the other hand, the huge size of VA health care threatened the finances of private medical practitioners. After being discharged, veterans were not military personnel any longer but in fact civilians. The AMA feared that the government was using VA health care to expand its influence on private practice.

The AMA’s campaign against VA health care was connected with its attack
on President Harry Truman’s proposal to introduce a near-universal national insurance program. After the war, Truman set health care reform as one of his top priorities. In November, 1945, for the first time in US history, the President sent a special message to Congress specializing in health care. He stressed that private health insurance should “meet more than a fraction of our people’s needs” and a health fund “should be built up nationally.” Reflecting Truman’s enthusiasm, on the same day Truman sent his special message, the Wagner-Murray-Dingell bill, which included the creation of a large-scale public health insurance program, was introduced in Congress. The AMA opposed the WMD bill as an “attempt to enslave medicine as the first among the professions, industries, and trades to be socialized.” The AMA strengthened its opposition when Truman surprisingly won the presidential election of 1948. The AMA warned its members, “Armageddon had come,” and collected an additional 25 dollars from each member for its “war with Truman.” In the late 1940s the AMA conducted one of its most serious campaigns to block universal national health insurance.

The AMA’s attack on VA health care advanced while fighting against Truman’s ambition. What the AMA feared was that VA health care gave a positive precedent for the public to accept public health insurance. Soon after WWII ended, the AMA strengthened its claim that free VA health care should be strictly limited to those who had service-connected disabilities. In 1953, Edward McCormick, president of the AMA, concluded, “If a vast and proliferating VA empire is to keep pace with this enormous demand, it is hard to see how the process can be brought to a stop short of a completely nationalized medical profession and system of hospitals.” Therefore, the AMA fought against the liberalization and expansion of VA health care while again and again labeling Truman’s plan as socialized medicine, an un-American institution.

The American Legion was defensive about the attack by the AMA and others. In July 1949, the American Legion Magazine had a report titled, “The Growing Attack on Veterans’ Benefits,” written by Perry Brown, National Commander of the American Legion. In the report, Brown warned its members that “hard-won veterans’ benefits are under dangerous, irresponsible, and, in some cases, greedy attack from many sides.” Especially, he called attention to the fact that the AMA and the American Hospital Association both suggested cutbacks of the VA hospitals which, they claimed, had many veterans with non-service-connected disabilities. But Brown could not effectively respond to the criticism. He asserted that “Veterans’ benefits are part of the cost of war—and it is a cowardly act to renege on them in the security of victory.” He continued that “a non-service-connected veteran is simply one whose disability has not yet been determined to be service-connected.” Finally, he sought to refute the socialized medicine critic, “The American Legion is opposed to socialized medicine if only because of the experience we had with it in the VA prior to 1946. We certainly will not be a party to restoring bureaucratic medicine in VA hospitals.” It was
hard for the American Legion to play both sides: opposing socialized medicine and promoting public health care for veterans. The American Legion could not convincingly explain why VA health care would need to be expanded and continue to see veterans with non-service-connected disabilities.

The problem was the timing of the American Legion’s push for expanding VA health care. The period from the late 1940s to the early 1950s was the period when the Cold War started and McCarthyism spread. The American Legion was a standard-bearer for anti-communism. It “worked closely with the FBI and the rest of the anti-Communist network, often spearheading local campaigns against alleged Communist influence in schools or other institutions.”

To combat communism, James F. O’Neil alleged that “surely the American Legion’s more than three million members can arouse, warn, and instruct the remaining 139 millions of our citizens. The task is clear, the weapons and tools are available—let’s go!” With these attitudes, it was difficult for the American Legion to promote VA health care.

By the end of 1953, the AMA’s opposition contributed to the tightening of the VA means test so that veterans would not “leave themselves open to possible action for filing a false statement of inability to pay.” The House of Delegates of the AMA continued to be cautious about this issue of veterans with non-service-connected disabilities, and unanimously agreed in 1954 that “Veterans Administration hospital and medical care for veterans with non-service-connected disabilities be discontinued except in the case of war veterans with tuberculosis or psychiatric or neurological disorders when the veteran is unable to afford such care and where local facilities are inadequate.”

In sum, the American Legion wished to expand VA health care as a reward for the veterans’ sacrifice to protect the nation. But at least from a view of the American Legion, they fought to protect not only national territory but also Americanism. Therefore, when the AMA claimed that VA health care is not a policy which Americanism could accept, the American Legion’s stance was weakened. The American Legion, according to the AMA’s logic, had been supporting an un-American institution even as it claimed to promote Americanism.

**Conclusion**

VA health care is a large public health care program. In 2008, the budget for the Department of Veterans Affairs was about 40 billion dollars, the fourth largest next to the Departments of Defense, Health and Human Services, and Education. Most of the budget for the Department of Veterans Affairs is spent on VA health care. But VA health care has been missing in the analysis of the development of the American health insurance system. This omission is probably because scholars tend to see veterans as a special category and so do not consider the impact of VA health care on civilian institutions and policies as worthy of
This paper suggests that VA health care impacted the entire American health insurance system.

The American Legion was strong enough to protect the GI Bill of Rights, but not strong enough to keep expanding and improving VA health care. Both, the creation of the GI Bill and the bad quality of VA health care narrowed the possibilities of introducing universal health insurance. The GI Bill symbolically and substantially meant that veterans’ health care would be considered separately from the general public. President Roosevelt sensed this implication and initially opposed a program specifically for veterans, preferring to include the entire population, because he did not want to neglect the civilians who also contributed to the nation’s victory. The result of the GI Bill went beyond Roosevelt’s concern about national solidarity. Once the Veterans Administration gained the program constituencies and authority by the GI Bill, it became a political obstacle to the introduction of universal health insurance. But Veterans Administration did not have a strong political support to improve VA health care.

Since the 1950s, VA health care has been often considered notorious for “filthy conditions, shortages of everything, and treatment bordering on barbarism.” In 2007, the Walter Reed Hospital scandal also confirmed the reputation. The Washington Post published reports that Walter Reed Hospital neglected veterans with insufficient medical staff and poor facilities, such as “mouse droppings, belly-up cockroaches, stained carpets, cheap mattresses.” The bad reputation of VA health care helped people believe that the governmental intervention in health care would cause bad effects.

However, some scholars have begun to claim that VA health care has changed. According to a study of 2003 in the *New England Journal of Medicine*, veterans facilities overall provided better care than Medicare patients. Studies of 2004 in the *Annals of Internal Medicine* confirm the good quality of VA health care as well. Even the *Journal of the American Medical Association* praises VA health care that has “quickly emerged as a bright star in the constellation of safety practice.” In the debate of the current health care reform, some scholars suggest expanding the public health care based on the VA system to the rest of the population. Phillip Longman is an example. He describes VA health care as the “Toyota of Health Care,” “the equivalent of well-engineered, efficient, reliable, reasonably priced cars with few defects and great safety records, using proven scientific techniques and a culture of continuously improving quality control.”

The ongoing debate about VA health care indicates that by being a showcase of governmental health care, VA health care still influences the discussion about health care reform.

Lastly, this paper suggests two other points of discussion. First, this paper demonstrates that in contrast to other VA programs, like education and housing loans, VA health care was the politically weakest item for the American Legion to defend. This within-case variation resulted largely from the pressure by the American Medical Association and the timing when the American Legion tried to
expand VA health care. The American ideology of liberalism and individualism worked against VA health care. But the government’s intervention in higher education, housing loans, and business ventures were accepted by the same ideology. Therefore, we also need to consider the political, institutional, and historical contexts in which the specific program was debated.

The second point is the relationship between interest groups and the idea of Americanism. The American Legion is an interesting case to think about how interest groups treat Americanism in the United States. There are many interest groups that asked for improving their political, social, and economic status. In the 1950s, for example, African Americans increasingly intensified the civil rights movement. They asked for what is written in the Constitution: liberty and equality “for the people.” Therefore, what they achieved could be applied to other minority groups. In contrast, the American Legion used the idea of Americanism to promote the government’s support for a specific exclusive group, veterans. The story of the American Legion, therefore, demonstrates that the idea of Americanism can be used by different groups and policy outcomes are different.

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Notes

6. For the AMA’s position on health insurance, see Takakazu Yamagishi, “Public, Private, or Neither? Strategic Choices by the American Medical Association Toward Health Insurance from the 1910s to 1940s,” Academia Humanities and Social Sciences, v. 86 (January 2008): 133–54.
York: G. P. Putnam’s sons, 1919), Ch. 1.


12. Frank T. Hines, “Medical Care Program of the Veterans Administration,” *Annals of the American Academy of Political and Social Science*, vol. 239 (May 1945): 73. The federal government provided the Civil War veterans with financial compensation for specific disabilities, but the Civil War did not result in the expansion of medical and hospital service for veterans.


17. Ibid., 384.


(August 1945), 25.


31. As quoted in Frank D. Campion, *The AMA and U.S. Health Policy since 1940* (Chicago: Chicago Review Press, 1984), 154. This comment was made by Ernest B. Howard, who served as executive vice president of the AMA from 1968 to 1974.


34. Ibid., 57.

35. Ibid., 60.

36. Ibid., 62–3.


