

War, Veterans, and Americanism: The Political Struggle over VA Health Care after World War II

*Takakazu YAMAGISHI**

INTRODUCTION

Whether or not his reform may lead to a single-payer national health insurance system in the long run, President Barack Obama's health care reform was definitely an American solution. The Patient Protection and Affordable Care Act, which Obama took the lead in getting Congress to pass, seeks to make health care coverage nearly universal. But it does so by requiring people to enroll in private health insurance plans. As a result, the basic structure of American health insurance remains almost the same: public programs that cover special groups and private ones that take care of the rest of the population.¹

Among civilians, the special groups under public programs include the aged, the disabled, the poor, and war veterans. Among these groups, the last group should be distinguished from the others. For veterans' care, the government deals not only with health care finance but also with health

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*Associate Professor, Nanzan University

care providers. Veterans Administration (VA) hospitals are filled with doctors who work on salary. Therefore, if anyone dreams of introducing a British-type health insurance system in the United States, VA health care should be the model. It could be said that VA health care is the most “socialized medicine” in the United States.

VA health care is a large public health care program. In 2008, the budget for the Department of Veterans Affairs was about \$40 billion. In 2009, it was the fourth largest expenditure next to that spent on the Departments of Defense, Health and Human Services, and Education. Almost half of the budget for the Department of Veterans Affairs is spent on VA health care.² Moreover, when two major public health insurance programs—Medicare for the aged and disabled and Medicaid for the poor—did not exist yet, VA health care was the largest public program. In 1960, VA health care accounted for about 12 percent of total health insurance expenditure.

This large “socialized” VA health care, interestingly, targets those who might be ideologically opposed to socialism. American soldiers in World War II fought to protect an “Americanism” articulated in the Declaration of Independence and the US Constitution, such as liberty, individualism, and democracy. This belief is often considered to be linked with the idea of American exceptionalism, which claims that these ideas make the United States an exceptional country. Because they risked their lives on the battlefield, however, after veterans returned home, they asked for governmental support to adjust to civilian life. Here, veterans faced a dilemma. They asked for the expansion of government power in VA health care after they fought to maintain Americanism, which could be summarized ideologically as a belief in small government. After World War II, veterans’ battle to secure VA health care formed part of the dilemma.

VA health care initially developed after World War I and had a rapid expansion after World War II. As an unprecedented number of soldiers began to come home after World War II, the issue of VA health care caused a heated debate. The idea of Americanism was a key concept in the postwar reconstruction period. To many Americans, America’s victory over the Axis Powers was a victory of Americanism. The question was how should the United States deal with those who protected the country and Americanism. At the same time, the question veterans faced was what kind of public assistance could they ask for without destroying the Americanism that they fought to protect.

In this article I focus on the American Legion, the largest veterans organization in the 1940s,³ and how it dealt with VA health care and the

idea of Americanism in the face of opposing forces, such as the American Medical Association (AMA). The first section demonstrates how the American Legion started and what kind of ideas it advocated. The second section shows how VA health care developed before World War II. The third section describes what kind of rhetoric the American Legion used in fighting the war. The last section discusses the debate between the American Legion and its opponents over the development of VA health care in the postwar period.

This article makes three theoretical contributions. The first is to studies of interest groups' political behavior by adding the case of a veterans organization. Among many interest groups, veterans organizations should be most interested in supporting the founding principles of the nation. In this case both the founding principles of the United States and the situation with international relations constrained what veterans organizations could say and do.⁴ In national crises, veterans organizations intensify their devotion to the protection of their country.

The second contribution is related to the previous one. I make a path dependence argument suggesting that policy makes politics. Path dependence claims that once new policy creates new beneficiary groups, they become an engine for the new policy to continue to exist and to develop.⁵ The American Legion benefited directly from the expansion of government assistance for veterans. Yet it did not persistently push for the liberalization of VA health care to make it more accessible to veterans whose disabilities were not service connected. At the same time it consistently supported the expansion of programs for education, housing loans, business ventures, and so on for veterans. In this case, new programs did result in beneficiary groups asking to maintain their status quo or for further expansion of benefits, but it did not always make them support all the programs with equal enthusiasm.

Finally, this article makes a contribution to understanding US health care policy in the 1940s. Many scholars agree that Harry S. Truman's failure to obtain universal health insurance in the 1940s was one of the critical moments that shaped the trajectory of the US health care system. To understand why Truman failed, scholars have focused on the power of the AMA, the development of the private health insurance industry, racial politics, and the results of the federal government's war mobilization policy.⁶ However, they have not paid sufficient attention to the development of VA health care and its impact on other health care policies. That is probably because the public and scholars see VA health care as a

special and separate category.⁷ In this article I demonstrate that the debate between the American Legion and its opponents about VA health care affected the debate about Truman's proposal for a universal health care system in the late 1940s.

I. FORMING THE AMERICAN LEGION

The American Legion was born out of World War I. In March 1919, high-ranking military officers gathered in Paris to discuss creating an organization for World War I veterans. The Civil War led to the creation of two large veterans organizations, the Grand Army of the Republic for Union veterans and the United Confederate Veterans for Confederate veterans, but there was no precedent for a veterans organization that was based on the whole country and as large as the American Legion.⁸

In May 1919, the first American Legion caucus in the United States was convened in St. Louis. "The American Legion" was approved as the official name of the new organization. The military officers discussed the organization's goals, and they approved a preamble and constitution. The American Legion's purpose was stated in the preamble. It comprises ten clauses:

- To uphold and defend the Constitution of the United States of America;
- To maintain law and order;
- To foster and perpetuate a 100 percent Americanism;
- To preserve the memories and incidents of our associations in the Great Wars;
- To inculcate a sense of individual obligation to the community, state and nation;
- To combat the autocracy of both the classes and the masses;
- To make right the master of might;
- To promote peace and goodwill on earth;
- To safeguard and transmit to posterity the principles of justice, freedom and democracy;
- To consecrate and sanctify our comradeship by our devotion to mutual helpfulness.⁹

On its website the American Legion adds its current interpretation of each point. It sees the US Constitution as "our guarantee of liberty,

freedom, justice and democracy.” It treats Americanism almost as a synonym for the Constitution. It writes, “Americanism is the gist of the American ideas of freedom, justice, individual rights and unfenced-in opportunities.” Finally, commenting on “to combat the autocracy of classes and masses,” the American Legion notes that “the masses are composed of classes—but all groups within the mass must feel assured that in this nation, reason and fairness will prevail in all human activities and relations.”¹⁰

All of the clauses praise America’s founding ideas—freedom from the excessive power of government. But the last clause is more nuanced. It reads, “To consecrate and sanctify our comradeship by our devotion to mutual helpfulness.” This might be interpreted to mean that members of the American Legion cooperate to provide needy veterans with support. However, the American Legion sees “mutual helpfulness” not only as members helping one another but also as conducting campaigns to ask Congress to create programs to benefit veterans. The American Legion notes, “The American Legion wrote such laws, had them introduced in the Congress, went out over the land to arouse the conscience of the American people and mobilize support for its legislative aims. It did both with a sacrificial fervor that overcame all obstacles.”¹¹ This last clause can be interpreted as being like other interest groups in asking for material benefits for its members by lobbying the government. Other than in this last clause, however, the preamble asserts that the American Legion strongly believes in Americanism.

The American Legion’s strong faith in Americanism could be also be seen in the words of Lt. Col. Theodore Roosevelt, the son of the former president, who played a leading role in establishing the new veterans organization. At the meeting in St. Louis, he stated, “A nonpartisan and nonpolitical association is to be formed, an association which will keep alive the principles of justice, freedom, and democracy for which these veterans fought.”¹²

On the birth of the American Legion, the *New York Times* wrote, “The plan of organization sprang from the desire of serious and able men in the American Army to maintain the high ideals for which all of them have fought, to preserve the soldier comradeship and carry it over into civilian life as an element of broad helpfulness while keeping the record of the army free from the taint of selfish aims.”¹³ The *Gazette-Times* in Pittsburgh also noted, “In contrast with the Grand Army [the organization of Union Army veterans], the American legion will embrace all sections of our land.

... Absolute Americanism is to be its dominating principle.”¹⁴

What the American Legion was asserting fit into the larger transformation of American society. American society faced instability because first- and second-generation immigrants had become a greater percentage of the population. With World War I, the idea of “100 percent Americanism” was born. It demanded a unity of the country based on the founding principles. The establishment of the Soviet Union in 1922 also gave an opportunity for the United States to subscribe to an Americanism that distinguished it from communism. The American Legion gained legitimacy in these circumstances.

The American Legion was chartered as a patriotic society, and the American Legion convention proceedings were published as congressional documents.¹⁵ The American Legion increased its membership rapidly. Within a year after its foundation, the American Legion’s membership grew to 843,013, and it continued to increase to 1,069,267 in 1940.¹⁶

II. CARE FOR VETERANS BEFORE WORLD WAR II

There are basically two ways to support veterans who have injuries or disease. One way is to provide cash assistance. The payment can vary by case, from loss of limb to loss of sight to tuberculosis, for example. The other way is to provide health care services. A critical difference between the two methods is that the latter has to provide health care facilities, doctors and nurses, while the former merely has to issue checks. Moreover, if a veterans hospital system aims to be as accessible as possible, it has to build many hospitals all over the country. Therefore, the latter method needs much more administrative capacity. Taking into consideration these differences in what is called for, the cash assistance program was the first tried in the United States.

The United States had cash assistance programs for war veterans from the beginning of its history. In 1789, the newly created Congress passed the first pension law, which continued what the Continental Congress had enacted. Disabled veterans were one of the beneficiaries of the law. After the War of 1812, eligibility was liberalized to provide pensions for veterans on the basis of need. The Civil War resulted in a radical increase in the number of veterans. In 1862, the General Pension Act, for the first time, included cash compensation for diseases such as tuberculosis incurred during wartime military service.¹⁷ Cash benefits for veterans began with the birth of the country, and, especially after the Civil War, the pension

program was liberalized. In 1914, 429,354 veterans were the beneficiaries of the program.¹⁸

While the cash assistance programs developed, the government's efforts to offer health care service for veterans advanced more slowly. The first federal government policy providing health care services to veterans was the Naval Home in Philadelphia. In 1850s, two more facilities were created in Washington, D.C. Moreover, the Civil War resulted in the creation of the National Asylum for Disabled Volunteer Soldiers in 1865, which had branches.¹⁹ At the beginning, the facilities were nothing like modern hospitals, just providing "room and board" and "incidental medical care to disabled and indigent veterans."²⁰ But it gradually expanded its capacity to provide health care to veterans and was a foundation of the later VA health care system.

During World War I the government made big progress in providing health care service for veterans. The war resulted in the radical expansion of the federal government's role in offering health care for veterans. For the first time, health care was provided as a separate benefit for veterans.²¹ The War Risk Insurance Act of 1917 made it clear that the federal government was responsible "to establish courses for rehabilitation and vocational training for veterans with dismemberment, sight, hearing, and other permanent disabilities."²² In 1919, many military hospitals were transferred to the Public Health Service, and this agency became responsible for providing health care for veterans in newly authorized hospitals.²³ In 1922, PHS hospitals that dealt with veterans' care were transferred to the Veterans Bureau that had been created in the previous year.²⁴

These hospitals first started to provide hospital care for service-connected disabilities, which were cases "incurred in or aggravated by military service or naval service in the World War."²⁵ Soon, with the World War Veterans Act of 1924, veterans with non-service-connected disabilities gained access to medical services at VA hospitals.²⁶ As a result, 73.6 percent of hospital cases between 1925 and 1941 were not connected to military service.²⁷ By the beginning of World War II, the VA hospital system included ninety-one hospitals, the largest hospital network in the United States.²⁸

To promote the rehabilitation and welfare of veterans, the American Legion asked for the liberalization and expansion of the hospital-care program for veterans. The Great Depression, however, was a problem. President Franklin D. Roosevelt succeeded in getting the Economy Act of

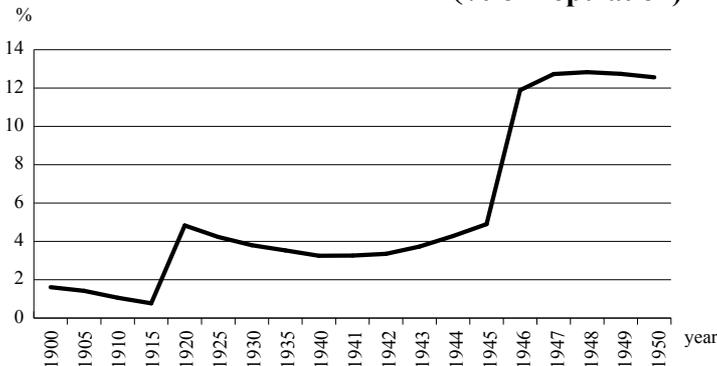
1933 passed, which cut government expenditures. It included a provision that repealed all previous laws that offered benefits for veterans of the Spanish-American War and all subsequent conflicts.²⁹

The American Legion tried to repeal it and succeeded. As a result, in the area of health care benefits for veterans, veterans could basically get what they had received before the Economy Act of 1933. An amendment in 1934 stipulated that poor veterans were entitled to receive care no matter whether their ailments were service connected or not. Moreover, whether a veteran was poor or not depended not on a government means test but on the veteran’s own statement.³⁰ As a result, many veterans with non-service-connected disabilities continued to have access to free VA health care.

While the American Legion was asking for the expansion of VA health care, the AMA was getting cautious about it. In their annual convention in 1928, the AMA warned that VA health care could 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 policy of “socialization of medicine through the expansion of the care given to veterans.”³¹ In 1930, furthermore, the House of Delegates adopted resolutions opposing federal aid for medical care to veterans, regardless of the origin of their disabilities.³²

World War I veterans returned from Europe and claimed what they thought they deserved. The AMA feared governmental intervention in the

Living Veterans in the United States, 1900—1950
(% of Population)



Data for the population, Susan B. Carter et al., *Population*, vol. 1 of *Historical Statistics of the United States Millennial Edition* (Cambridge: Cambridge University Press, 2006), 28–29. Data for the number of veterans, Department of Commerce, Bureau of the Census, *Historical Statistics of the United States, Colonial Times to 1970* (Washington, DC: US Government Printing Office, 1975), 1145. Except the period from 1940 to 1950, data are only available every five years.

health care of civilians. The political battle between veterans and the AMA after World War I, however, was not as politically visible as the one after World War II. That was partly because the number of World War I veterans was just about one-third the number of World War II veterans (see figure). The drastic increase of veterans after World War II changed the politics of VA health care. After World War II, many more doctors worried that they would lose their patients to VA health services.

There was one more difference between the politics of VA health care in World War I and after World War II. When World War I started, the American Legion did not exist yet. But by World War II the American Legion had grown to be a large organization, playing a leading role in the war mobilization. While World War II was in progress, the American Legion sharpened its ideological identity as a protector of Americanism. After the war, however, the American Legion had a responsibility to represent the voices of returning soldiers.

III. THE AMERICAN LEGION'S WORLD WAR II

America's experience in World War II was different from the nation's experience in World War I. The United States fought World War II for about forty-four months, while World War I lasted nineteen months. At its peak, the mobilization rate in 1945 was 9.1 percent of the population, while it was only 2.8 percent of the population during World War I. Commenting on the unprecedented war mobilization, in 1943, a Senate report stated, "We are fighting an entirely new kind of war."³³ Total war—although "total" meant something different to each war participant—needed new policy tools to hold the people together to maintain a long and deep mobilization to win the war.³⁴

To European countries, World War II was more like a power game. To the United States, in contrast, ideology mattered more. That was partly because the United States was one of the last remaining democracies left to confront fascist and totalitarian regimes. It was also because the United States was physically far from Europe and Japan, and the American homeland remained free from devastating attacks.

The American Legion took a leading effort in preparation and furtherance of the war, helping make war mobilization more efficient by teaching the public what the United States was fighting for and by boosting national morale. In 1942 and 1943 the American Legion conducted a morale-boosting campaign, which could be seen in the pages of its

American Legion Magazine. In this period, there was a great uncertainty about the future course of the war. The American Legion emphasized the idea of Americanism to hold the country together.

In September 1942, the first national convention of the American Legion held after the war broke out adopted a resolution reminding that the United States was fighting not only to win the war but also to protect Americanism. It read, “*Be It Resolved* that, while we recognize the importance and necessity of centralized controls in the interest of the war effort, we reaffirm our fidelity to the basic concept of the American system, a sovereign federal government of sovereign States, and that all powers not granted to the federal government are reserved to the States or to the people. . . . These principles we regard as essential in the preservation of the American way of life.”³⁵

In February 1943, the *American Legion Magazine* had an editorial titled, “What We Fight For.” It claimed that Americans were fighting “to make the world safe for democracy.”³⁶ It continued, “Winning the war is the paramount concern of both our civilians and our men in uniform, for without that we should face a condition worse than death.”³⁷ In June 1943, Roane Waring, the American Legion national commander, wrote, “The war we are fighting is between the United Nations and the Axis Powers—the stakes are free government, free management, and freedom for labor.”³⁸ He stressed the importance of the nation’s holding on to idea of democracy, noting, “To defeat Hitler, democracy at war must be just as effective as democracy has been during all the years of our national existence.”³⁹

The tide of war changed in late 1943. Japan’s loss in the Battle of Midway in June 1942 left it in a defensive position against the Allies. Italy’s collapse and Germany’s loss in eastern Europe in 1943 transformed the nature of the war. The United States began its offensives in the Pacific and on the European front. Reacting to the changing war situation, the government put more stress on postwar reconstruction plans.

In September 1943, Waring submitted a report to the 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.”⁴⁰ The American Legion began a campaign for a sufficient rehabilitation program for World War II veterans.

An article in the *American Legion Magazine* in January 1944 demonstrated not only that the war tide changed policy priorities from war

mobilization to postwar reconstruction but also that the American Legion faced a dilemma concerning its ideology of Americanism and its call for government's role in the postwar period:

There is not the slightest doubt on the part of any of us about our winning that fight. However, there is the post-war game to come which we must play out to a winning finish, too, a game in which all of us must take a hand, because it can only be won by concerted enterprise. I am talking about jobs. . . . There is a school of thought which undertakes to dodge individual responsibility in these matters. I have in mind a bit of philosophy from the head of a very large manufacturing corporation. He does not intend to go out of his way to make his own company contribute to the general welfare.⁴¹

While the American Legion promoted individual responsibility as part of Americanism, it did not want veterans to have to rely solely on that in adjusting to civilian life.

In June 1944, the Servicemen's Readjustment Act of 1944, known as the GI Bill of Rights, was passed in Congress. Edward Scheiberling, the national commander of the American Legion, praised the American Legion's leadership in formation of the legislation. The GI Bill, according to him, was one that the American Legion "initiated, fought for and guided through Congress."⁴² In 1944, Donald G. Glascoff, the national adjutant of the American Legion, noted that the legislation was to "go a long way toward giving G.I. Joe the very things for which he fought, and to which every American aspires—the opportunity to get ahead by his own efforts and ability, unhampered by private or government compulsion."⁴³ The American Legion was looking for an ideological backbone for the government's support for its members' adjustment to civilian life.

IV. VETERANS, AMERICANISM, AND VA HEALTH CARE

In August 1945, when the war was over, Edward N. Scheiberling, the national commander of the American Legion, wrote an article titled, "A New Birth of Americanism." Scheiberling repeated what the American Legion had earlier claimed, that "the American Legion will stand firm and strong for the kind of Americanism that has given our people advantages enjoyed by no others on the face of the globe."⁴⁴ Warning about the social and spiritual damage resulting from the war, he concluded, "The American Legion must be prepared to meet these conditions. It can be done through

a new birth of Americanism embodying the spirit and intent of our founding fathers.”⁴⁵ The American Legion needed to deal with postwar reconstruction through Americanism. The American Legion’s immediate task was to defend the GI Bill with this idea.

The GI Bill “dramatically transformed the concept of veterans benefits” by including support for higher education, housing loans, and loans for business ventures.⁴⁶ It also included the expansion of VA health care. The Veterans Administration received \$500 million in the first year to construct new VA hospitals.⁴⁷ Within five years, government expenditure for the construction of VA health care facilities increased tenfold: from \$15,801,000 in 1945 to \$151,532,000 in 1950.⁴⁸ The number of hospital beds increased from 81,133 in 1945 to 116,287 in 1950.⁴⁹

The expansion of VA health care gave hope to the American Legion that all disabled veterans, whether their disabilities were service connected or not and whether they were poor or not, would have free access to VA hospitals. Frank Hines, the administrator of Veterans Affairs, explained in 1944 what the GI Bill of Rights suggested for the future of VA health care. By adding another 100,000 hospital beds, he noted, VA health care could “meet the need for non-service-connected cases as well as service-connected cases.”⁵⁰ The American Legion hoped that expanded VA health care expenditures would be able to provide care for all veterans.

Although the GI Bill stipulated the expansion of VA health care, it did not make clear who would be eligible to receive care at the VA hospitals. It was widely accepted that veterans with service-connected disabilities should be entitled to public health care. By risking their lives, veterans were considered the most deserving group of government support. While a conservative backlash occurred in the postwar years, nobody could harshly oppose the government’s responsibility to make sure veterans had a smooth transition to civilian life. However, VA health care’s eligibility issue was left as a political decision for a later period. The issue was whether health care should be treated as the same type of entitlement as other benefits such as subsidies for education and housing loans, which targeted all veterans regardless of their financial situation.

There was almost unanimous support for free public care for veterans with service-connected disabilities. The debate was about whether veterans with non-service-connected disabilities should be entitled to access to free care in the VA health care system. If the answer was yes, a question followed: Should only poor veterans or all veterans have access? If the answer would be the poor only, there was a question about how to decide

on who were the poor. Should it be defined by the government's means test or by self-declaration? The latter could open a door to medical care for some veterans who were not poor.

Whether or not non-service-connected cases should be treated at VA hospitals was discussed even before World War II. Before World War II, veterans were asked to declare that they were in financial difficulty in order to receive care for their non-service-connected disabilities. With this self-declaration regulation, many veterans beyond the poverty line had access to VA health care. But after World War II, the American Legion wondered whether this situation would be better, the same, or worse for veterans.

The post-World War II uncertainty about who should have access to VA health care resulted partly from a technical issue. It was difficult to determine if disabilities originated or escalated during military service or not. Another source of uncertainty was the political economy of VA health care. The radical growth of VA health care was a threat to the incomes of private medical practitioners whom the AMA mainly represented. After being discharged, veterans would become either their patients or VA health care patients. The expansion of VA health care meant a reduction in the number of patients available for private practitioners. The AMA also had a fear about the impact of VA health care on the discourse about health care reform. It believed that the government was using VA health care as a venue to expand its influence over private practice with a goal to eventually introduce a universal health insurance system.

The AMA's campaign against VA health care was connected with its efforts to block President Truman's proposal to introduce a near-universal national health insurance program. In November 1945, for the first time in US history, the president sent a special message about health care to Congress. On the same day that 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 bill as an "attempt to enslave medicine as the first among the professions, industries, and trades to be socialized."⁵¹ The AMA strengthened its campaign when Truman surprisingly won the presidential election of 1948. The AMA warned its members that "Armageddon had come" and collected an additional \$25 from each member for its "war with Truman."⁵²

While the AMA intensified its effort to oppose Truman's plan in the late 1940s, it also attacked VA health care. At its annual meeting in 1948, the Committee on Veterans Affairs presented a report on health care

for veterans. It pointed out “that the expansion of veterans’ facilities beyond the present capacity is for the benefit of veterans with non-service-connected disabilities.”⁵³ It continued, “There is a growing conflict and competition between the expansion program of the Veterans Administration and the expansion program of the civilian hospitals. There is competition for personnel, for operating funds, materials, etc.”⁵⁴ As the House of Delegates of the AMA had proposed, the Committee on Veterans Affairs concurred that the AMA should demand that the VA stop treating veterans with non-service-connected disabilities and instead institute a disability insurance program.

The AMA also attacked VA health care for those with service-connected disabilities. The Committee on Veterans Affairs reported that the House of Delegates had adopted a resolution on this issue that read: “Resolved, That this House of Delegates of the AMA request the Veterans Administration to put into uniform practice a free choice regulation for medical and hospital treatment in service-connected cases.”⁵⁵ What the AMA wanted was to subsidize veterans with service-connected disabilities so they could visit private doctors of their choice. To bring this about, the committee advanced policies and procedures, including “we should approach the American Legion with a positive proposal to alter the form of these particular benefits.”⁵⁶

Restricting veterans’ free choice of doctors, according to the committee report, was “unwise from the point of view of veterans and the point of view of freedom of veterans.”⁵⁷ The committee report described the American Legion as “one of the largest and most potent organizations in this country and that it is opposed to Communism as much as is the American Medical Association.”⁵⁸ It emphasized that the AMA and the American Legion were in the same boat in the fight against communism and that it expected the American Legion would oppose the expansion of VA health care because of its “un-American” characteristics.

The AMA made a serious effort to block the expansion of VA health care as part of their larger campaign against the introduction of universal national health insurance. It feared that VA health care would give a positive precedent for the public to accept public health insurance. Edward McCormick’s words in 1953 demonstrated the AMA’s fear: “If a vast and proliferating VA empire is to keep pace with its 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.”⁵⁹

The American Legion responded to the attack on the VA health

service. The July 1949 *American Legion Magazine* had a report titled, "The Growing Attack on Veterans' Benefits," written by Perry Brown, the national commander of the American Legion. In the report, Brown warned members that "hard-won veterans' benefits are under dangerous, irresponsible, and, in some cases, greedy attack from many sides."⁶⁰ In particular, he noted that the AMA and the American Hospital Association both suggested cutbacks to VA hospitals, which, they claimed, cared for many veterans with non-service-connected disabilities.

Brown seemed to have difficulty responding to critics of the VA health care system. He noted, "Veterans' benefits are part of the cost of war—and it is a cowardly act to renege on them in the security of victory."⁶¹ He wrote, "A non-service-connected veteran is simply the one whose disability has not yet been determined to be service-connected."⁶² Finally, he sought to refute the socialized medicine critique, concluding, "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."⁶³ Brown claimed that the American Legion had made an effort to turn VA health care into a democratic institution. But that was as far as the American Legion could go, so they could not effectively refute the critics.

The American Legion's endogenous ideology was a major factor in its struggle to defend VA health care. As an interest group, the American Legion wished to maximize public health care benefits for its members. But its ideology of Americanism made it difficult for the American Legion to defend the expansion of VA health care when VA health care was criticized as an un-American institution.

Moreover, changing international relations brought further difficulties to the American Legion. The period from the late 1940s to the early 1950s was when the Cold War started and McCarthyism spread. The American Legion acknowledged its position as a standard-bearer of anticommunism. As I have described, the American Legion intensified its position as a protector of the United States and Americanism. After the war, the American Legion continued to defend Americanism by fighting against communism.

According to the *American Legion Magazine*, the American Legion "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."⁶⁴ To combat communism, James F. O'Neil, the national commander, asserted 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!"⁶⁵ In this political environment, the American Legion could not push for what opponents labeled as "socialized" medicine. By the end of 1953, the government made the VA means test tighter so that veterans would not "leave themselves open to possible action for filing a false statement of inability to pay."⁶⁶

In sum, the American Legion wished to expand VA health care as a reward for veterans' sacrifice in protecting the United States and Americanism. But it also faced a dilemma with the issue of health care. Once the AMA labeled the VA health care system as an un-American institution, the American Legion had to withdraw its aggressive support for the liberalization of VA health care. The American Legion could not get what they wished in health care benefits because of what they fought for during the war—Americanism.

CONCLUSION

World War II led to an increased number of veterans. If veterans' dependents and other immediate family members are included, an even larger percentage of the population could be affected by the government's health care policy toward veterans. Because of their numbers, veterans had considerable power to shape postwar policies toward veterans.

Why did the veterans not succeed in obtaining liberalization of VA health care? Because in the postwar period, the American Legion had an ambiguous attitude toward VA health care. As far as maximizing the material benefits to its members, the American Legion would have liked to guarantee free care at VA hospitals for all veterans, whether their disabilities were service connected or not and whether they were poor or not. However, the American Legion could not find a strong justification for this liberalization of VA health care in the face of opposition from the AMA and its allies.

Comparing the case of VA health care with other programs in the GI Bill supports the argument that the American Legion's own ideological background was one of the critical reasons why it could not push hard to expand VA health care. The government's subsidies for housing loans, education, and business loans were definitely projects of a "bigger" government, but they were not labeled as "socialized" because they did not meet strong organized opposition such as that of the AMA. The difference

between VA health care and the other programs was that the former involved a much wider political interest than the latter by mobilizing the AMA, a formidable interest group in American politics. When the AMA and others argued that VA health care violated the principles of Americanism, the American Legion could not effectively fight back. The liberalization of VA health care clashed with the basic principles of the American Legion.

Timing made it harder for the American Legion to overcome the contradiction. When the controversy about VA health care heated up, the anticommunism movement was rising. The American Legion was the first group to lead the movement and to try to protect Americanism. Once VA health care was labeled as communistic, socialistic, or un-American, the American Legion had to withdraw its strong push for the expansion of VA health care.

How the American Legion dealt with the issue of VA health care and other policies for veterans demonstrates that interest groups advocate policies for their members but they do not do so in a vacuum. The nation's founding ideas and international relations probably do not significantly determine whether interest groups will push for policies to increase material benefits to their members, but they do affect what kind of policies groups can aggressively support. Therefore, in analyzing path dependence, one has to take into consideration the ideas an interest group is acting on as well as developments in international relations.

Finally, in this article I have shown that VA health care affected the larger discourse about the American health care system in the 1940s. The AMA attacked VA health care as part of their counterattack on Truman's plan to introduce a universal health care system because VA health care was the largest public health insurance program in the United States at that time. A deeper look into VA health care and its linkage with other policy debates could shed new light on American health care policy in the longer term.

NOTES

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¹ Medicaid, a public health insurance program for the poor, will be also expanded to cover adults whose income is up to 133% of the federal poverty level.

² “Budget of the United States Government,” 141, US Government Printing Office, accessed June 11, 2009, <http://www.gpoaccess.gov/usbudget/fy09/browse.html>.

³ There were other veterans organizations. The major organizations included the Veterans of Foreign Wars and the Disabled American Veterans.

⁴ Regarding racial politics in the United States, Mary L. Dudziak discusses how international politics affected the civil rights movement. Mary L. Dudziak, *Cold War Civil Rights: Race and the Image of American Democracy* (Princeton, NJ: Princeton University Press, 2002).

⁵ See Paul Pierson, “Not Just What but When: Timing and Sequence in Political Process,” *Studies in American Political Development* 14 (Spring 2000): 72–92.

⁶ Books that focus on the power of the AMA include Daniel S. Hirshfield, *The Lost Reform: The Campaign for Compulsory Health Insurance in the United States from 1932 to 1943* (Cambridge, MA: Harvard University Press, 1970); and Monte M. Poen, *Harry S. Truman versus the Medical Lobby* (Columbia: University of Missouri Press, 1979). For the development of private health insurance, see Marie Gottschalk, *The Shadow Welfare State: Labor, Business, and the Politics of Health Care in the United States* (Ithaca, NY: Cornell University Press, 2000); and Jacob S. Hacker, *Divided Welfare State: The Battle over Public and Private Social Benefits in the United States* (New York: Cambridge University Press, 2002). For the relationship between race and health insurance policy, see General W. Boychuk, *National Health Insurance in the United States and Canada: Race, Territory, and Roots of Difference* (Washington, DC: Georgetown University Press, 2008). For war mobilization and health insurance, see Takakazu Yamagishi, *War and Health Insurance Policy in Japan and the United States: World War II to Postwar Reconstruction* (Baltimore: Johns Hopkins University Press, 2011). For a historical study that covers not only health insurance but also the broader health care system, see Paul Starr, *The Social Transformation of American Medicine* (New York: Basic Books, 1982).

⁷ Although her book does not focus on VA health care, Suzanne Mettler demonstrates how the GI Bill affected American civil society. Suzanne Mettler, *Soldiers to Citizens: The G.I. Bill and the Making of the Greatest Generation* (New York: Oxford University Press, 2005).

⁸ George Seay Wheat, *The Story of the American Legion: The Birth of the Legion* (New York: G. P. Putnam’s Sons, 1919), chap. 1. For a brief history of the American Legion, see also “The American Legion History,” The American Legion, accessed January 3, 2012, <http://www.legion.org/history>.

⁹ “Preamble to the Constitution,” The American Legion, accessed December 28, 2011, <http://www.legion.org/preamble>.

¹⁰ “The American Legion Preamble,” The American Legion, accessed December 28, 2011, <http://www.legion.org/documents/pdf/preambleinterpretation.pdf>.

¹¹ *Ibid.*

¹² Quoted in Wheat, *Story of the American Legion*, 171.

¹³ *Ibid.*

¹⁴ *Ibid.*, 181.

¹⁵ American Legion, “American Legion History.”

¹⁶ Glover E. Hopson, *The Veterans Administration* (New York: Chelsea House, 1988), 32; Thomas A Rumer, *The American Legion: An Official History, 1919–1989* (New

York: M. Evans and Company, 1990), 236. World War I produced five million veterans, about 5% of the population. There were two other major veterans organizations that had fewer members at that time, the Veterans for Foreign War and the Disabled American Veterans.

¹⁷ “VA History in Brief,” Department of Veterans Affairs, accessed February 16, 2012, http://www.va.gov/opa/publications/archives/docs/history_in_brief.pdf.

¹⁸ See also Theda Skocpol, *Protecting Mothers and Soldiers: The Political Origins of Social Policy in United States* (Cambridge, MA: Belknap Press of Harvard University Press, 1995).

¹⁹ In 1873 it was renamed the National Home for Disabled Volunteer Soldiers.

²⁰ Department of Veterans Affairs, “VA History in Brief,” 5.

²¹ Frank T. Hines, “Medical Care Program of the Veterans Administration,” *Annals of the American Academy of Political and Social Science* 239 (May 1945): 73.

²² Department of Veterans Affairs, “VA History in Brief,” 7.

²³ *Ibid.* The PHS had also dealt with the Marine Hospital Service, which was originally created during the John Adams presidency for merchant seamen.

²⁴ Hopson, *Veterans Administration*, 32–33.

²⁵ Quoted in Rosemary Stevens, “Can the Government Govern? Lessons from the Formation of the Veterans Administration,” *Journal of Health Politics, Policy and Law* 16, no. 2 (Summer 1991): 289.

²⁶ American Medical Association, “Organization Section: Proceedings of the St. Louis Interim Session,” *Journal of the American Medical Association* 138, no. 16 (December 1948): 1166. Preference was given to those with financial difficulties. See also Hines, “Medical Care Program of the Veterans Administration,” *Annals of the American Academy of Political and Social Science* 239 (May 1945): 74.

²⁷ Frank T. Hines, “Progress of the Part the Veterans’ Administration Is Playing in the National Defense Program,” *Military Surgeon* 90 (February 1942): 115.

²⁸ Frank T. Hines, “The Veterans Administration and National Defense,” *Military Surgeon* 88 (January 1941): 27. For the development of the VA hospitals, see also Paul B. Magnuson, “Medical Care for Veterans,” *Annals of the American Academy of Political and Social Science* 273 (January 1951): 76.

²⁹ Department of Veterans Affairs, “VA History in Brief,” 12.

³⁰ American Medical Association, *Medical and Hospital Care of Veterans with Non-Service Connected Disabilities: A Review of American Medical Association Policy* (Chicago: American Medical Association, 1953), 15. See also Rumer, *American Legion*, 214–16.

³¹ Morris Fishbein, *A History of the American Medical Association, 1847–1947* (Philadelphia: Saunders, 1947), 374.

³² *Ibid.*, 384.

³³ US Congress, Senate, Committee on Education and Labor, *Report of Subcommittee of Senate Education and Labor Committee on S. 2871, to Establish an Office of War Mobilization* (Washington, DC: US Government Printing Office, 1943), 3–4.

³⁴ For further analysis of how countries’ war experiences affected health insurance policy development, see Takakazu Yamagishi, *War and Health Insurance Policy in Japan and the United States: World War II to Postwar Reconstruction* (Baltimore: Johns Hopkins University Press, 2011).

³⁵ Quoted in American Legion, “American Creed,” *American Legion Magazine* 35, no. 1: 52.

³⁶ American Legion, “What We Fight For,” *American Legion Magazine* 34, no. 2: 24.

³⁷ *Ibid.*, 25.

³⁸ Roane Waring, “Democracy at War,” *American Legion Magazine* 34, no. 6: 7.

³⁹ Ibid.

⁴⁰ US House of Representatives, *Proceedings of the 25th National Convention of the American Legion* (Washington, DC: US Government Printing Office, 1944), 8.

⁴¹ Jay Hormel, "After V-Day: Jobs," *American Legion Magazine* 36, no. 1: 13, 32.

⁴² Edward N. Scheiberling, "A Look Ahead," *American Legion Magazine* 37, no. 5: 6. For detailed information about the American Legion's role in the legislative history of the GI Bill of Rights, see David Camelon's three articles in the *American Legion Magazine*, overall title "I saw the GI Bill Written: A Eyewitness Account of the Wartime Battle in Washington to Create the GI Bill of Rights." "Part One: The Fighting for Mustering Our Pay," *American Legion Magazine* 47, no. 3: 11–13, 46–50; "Part Two: A Surprise Attack," *American Legion Magazine* 47, no. 4: 18–9, 51–7; "Part Three: The Wild Ride from Georgia," *American Legion Magazine* 47, no. 5: 18–19, 43–48.

⁴³ Donald G. Glascoff, "G.I. Joe's New Horizon," *American Legion Magazine* 37, no. 2: 14. Glascoff was the national adjutant of the American Legion.

⁴⁴ Edward N. Scheiberling, "A New Birth of Americanism," *American Legion Magazine* 39, no. 2: 6.

⁴⁵ Ibid.

⁴⁶ Department of Veterans Affairs, "VA History in Brief," 13.

⁴⁷ Arco, *GI Bill of Rights for Service Men and Women Wives, Mothers Families* (New York: Arco, 1944), 13.

⁴⁸ US Bureau of the Census, *Statistical Abstract of the United States: 1952* (Washington, DC: US Government Printing Office, 1952), 206.

⁴⁹ American Medical Association, *Medical and Hospital Care of Veterans with Non-Service Connected Disabilities: A Review of American Medical Association Policy* (Chicago: American Medical Association, 1953), 20.

⁵⁰ US House of Representatives, *Proceedings of the 26th National Convention of the American Legion* (Washington, DC: US Government Printing Office, 1945), 74.

⁵¹ Joseph J. Huthmacher, *Senator Robert F. Wagner and the Rise of Urban Liberalism* (New York: Atheneum, 1968), 320.

⁵² Quoted in Frank D. Champion, *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.

⁵³ American Medical Association, "Organization Section," 1166.

⁵⁴ Ibid.

⁵⁵ American Medical Association, "Organization Section," 1167.

⁵⁶ Ibid.

⁵⁷ Ibid.

⁵⁸ Ibid.

⁵⁹ "Too Much VA," *Chicago Daily Tribune*, September 15, 1953.

⁶⁰ Perry Brown, "The Growing Attack on Veterans' Benefits," *American Legion Magazine* 47, no. 1: 14.

⁶¹ Ibid., 57.

⁶² Ibid., 60.

⁶³ Ibid., 62–63.

⁶⁴ Ellen Schrecker, *The Age of McCarthyism: A Brief History with Documents*, 2nd ed. (Boston: Bedford/St. Martin's, 2002), 122.

⁶⁵ James F. O'Neil, "How You Can Fight Communism," *American Legion Magazine* 45, no. 2: 44.

⁶⁶ "V.A. Tightens Rule for Hospital Care: Acts to Curtail Free Treatment for Ex-G.I.'s Who Can Pay; Requests Prosecutions," *New York Times*, November 6, 1953.