

VETERANS' OMNIBUS BILL

HEARINGS

BEFORE A

**SUBCOMMITTEE OF THE
COMMITTEE ON FINANCE
UNITED STATES SENATE**

SEVENTY-EIGHTH CONGRESS

SECOND SESSION

ON

S. 1617

**A BILL TO PROVIDE FEDERAL GOVERNMENT AID
FOR THE READJUSTMENT IN CIVILIAN LIFE
OF RETURNING WORLD WAR II VETERANS**

**JANUARY 14, 15, 21, 24, FEBRUARY 11, 14, 23
MARCH 8 AND 10, 1944**

Printed for the use of the Committee on Finance



**UNITED STATES
GOVERNMENT PRINTING OFFICE
WASHINGTON : 1944**

COMMITTEE ON FINANCE

WALTER F. GEORGE, Georgia, *Chairman*

DAVID I. WALSH, Massachusetts
ALBEN W. BARKLEY, Kentucky
TOM CONNALLY, Texas
JOSIAH W. BAILEY, North Carolina
BENNETT CHAMP CLARK, Missouri
HARRY FLOOD BYRD, Virginia
PETER G. GERRY, Rhode Island
JOSEPH F. GUFFEY, Pennsylvania
EDWIN C. JOHNSON, Colorado
GEORGE L. RADCLIFFE, Maryland
SCOTT W. LUCAS, Illinois

ROBERT M. LA FOLLETTE, Jr., Wisconsin
ARTHUR H. VANDENBERG, Michigan
JAMES J. DAVIS, Pennsylvania
JOHN A. DANAHER, Connecticut
ROBERT A. TAFT, Ohio
JOHN THOMAS, Idaho
HUGH A. BUTLER, Nebraska
EUGENE D. MILLIKIN, Colorado
OWEN BRWSTER, Maine

CHRISTIE B. KENNEDY, *Clerk*

SUBCOMMITTEE ON VETERANS' LEGISLATION

BENNETT CHAMP CLARK, Missouri, *Chairman*

WALTER F. GEORGE, Georgia
DAVID I. WALSH, Massachusetts
TOM CONNALLY, Texas
SCOTT W. LUCAS, Illinois

ROBERT M. LA FOLLETTE, Jr., Wisconsin
JOHN A. DANAHER, Connecticut
EUGENE D. MILLIKIN, Colorado

CONTENTS

Statement of—	Page
Atherton, Warren H., national commander, the American Legion.....	1
Borchardt, Selma, vice president, American Federation of Teachers...	221
Bovard, B. C., general counsel, Federal Housing Administration.....	234
Carpenter, Col. William E., General Staff Corps, War Department; and Hederman, Capt. T. H., Bureau of Naval Personnel, Navy Department.....	238
Colmery, Harry W., past national commander, the American Legion...	245
Day, Thomas M., Jr.....	69
Dennis, L. H., executive secretary, American Vocational Association, Inc.....	149
Floyd, William McKinley, national commander, Regular Veterans Association.....	151
Givens, Dr. W. E., executive secretary, National Education Associa- tion.....	138
Haley, Frank, national service director, Military Order of the Purple Heart.....	46, 153
Hines, Brig. Gen. Frank T., Administrator of Veterans' Affairs.....	51
James, Lawrence W.....	256
Jones, Charles S., chairman, schools committee, Aeronautical Chamber of Commerce of America.....	133
Ketchum, Omar B., national legislative representative, Veterans of Foreign Wars of the United States.....	23, 159, 194
Maybank, Hon. Burnet R., United States Senator from the State of South Carolina.....	121
McFarland, Hon. Ernest W., United States Senator from the State of Arizona.....	115
Miller, Warren E., national commander, Army and Navy Union, United States of America.....	43
Pullen, Thomas G., State superintendent of education, State of Maryland.....	142
Rice, Millard W., national service director, Disabled American Veterans.....	71, 154, 198
Stelle, John, special committee on rehabilitation, the American Le- gion.....	169, 219
Stiles, James A., director, New York State Apprenticeship Council, Albany, N. Y.....	152
Tompkins, Brig. Gen. W. F., General Staff Corps, War Department...	173
Wagner, Hon. Robert F., United States Senator from the State of New York.....	105
Wickard, Hon. Claude R., Secretary of Agriculture of the United States.....	227
Wiley, Alexander, United States Senator from the State of Wisconsin...	171
Wolman, Paul C., chairman of the national legislative committee, Veterans of Foreign Wars of the United States.....	160
Zook, Dr. George F., president, American Council on Education.....	122
Statements, letters, briefs, etc., submitted for the record:	
Amendments proposed to S. 1617 by—	
McFarland, Hon. Ernest W., United States Senator from the State of Arizona.....	116
Wagner, Hon. Robert F., United States Senator from the State of New York.....	106, 108
American Osteopathic Association, letter to Senator Bennett Champ Clark.....	244
C. I. O. Maritime Committee, letter.....	225
Comparative analysis of benefits afforded veterans of World Wars I and II by Canada and the United States of America, submitted by the Veterans' Administration.....	96

	Page
Statements, letters, briefs, etc., submitted for the record—Continued.	260
James, Lawrence W., supplemental statement.....	260
Jones, Charles S., chairman, schools committee, Aeronautical Chamber of Commerce of America:	
Newspaper article entitled "Marine Veteran, Bride, Train as Air Mechanics".....	137
Ketchum, Omar B., national legislative representative, Veterans of Foreign Wars of the United States:	
Editorial from magazine Foreign Service entitled "What are the Facts".....	24
Noffsinger, J. S., executive secretary, National Council of Technical Schools, letter.....	69
Rice, Millard W., national service director, Disabled American Veterans:	
An open letter to Senator Clark.....	217
Extract from remarks in Congressional Record by Hon. Overton Brooks entitled "Statistics Concerning Veterans".....	72
H. R. 1016.....	214
Letter to Brig. Gen. Frank T. Hines, Administrator of Veterans Affairs.....	79
Résumé of laws in effect in other countries pertaining to veterans preferences.....	206
Table of comparative dependency allowances entitled "Monthly Allowance for Dependents".....	91
Rietzke, E. H., president, National Council of Technical Schools, letter.	169
Tompkins, Brig. Gen. W. F., General Staff Corps, War Department:	
War Department Circular No. 13.....	175
War Department Circular No. 84.....	187
Woll, Matthew, chairman, committee on post-war planning and chairman, committee on education of the American Federation of Labor.....	223
Wolverton, D. R., national educational director, Regular Veterans Association, statement.....	263

VETERANS' OMNIBUS BILL

FRIDAY, JANUARY 14, 1944

UNITED STATES SENATE,
SUBCOMMITTEE ON VETERANS' LEGISLATION
OF THE COMMITTEE ON FINANCE,
Washington, D. C.

The committee met at 10:30 a. m., in room 312, Senate Office Building, Senator Bennett Champ Clark presiding.

Present: Senators Clark, George, Walsh of Massachusetts, Barkley, Byrd, Radcliffe, La Follette, Vandenberg, Davis, Danaher, and Millikin.

Also present: Senator McFarland.

Senator CLARK. The committee will come to order. This committee has before it a large number of bills, some of them very important bills, having to do with the handling of the affairs connected with the discharge, rehabilitation, hospitalization, and compensation of the men and women who are becoming veterans of this war at a very large rate. The committee intends to go into the consideration of these measures as speedily as may be possible.

The committee thought, as a preliminary to the consideration of detailed bills, it might be well to have a résumé of the general situation as it concerns the welfare of this large number of members of the armed forces who are presently being discharged and coming back into a civilian status or semicivilian status.

The committee has requested as the first witness the national commander of the American Legion, because I know he has made a personal survey and made a survey through the organization of the whole situation. Then we will hear from other members of the organization. I would like General Hines to make any statement about the general situation he may see fit.

The committee desires to go into the question as to the adequacy of present laws, as to the question of whether or not the Veterans' Bureau as such has a sufficient status of priority to perform the services that the Congress and the country expect it to render; as to any gaps in authority between the War Department, the Navy Department, and Veterans' Bureau, and as to legislation which is necessary to fully effectuate the welfare of these men and women.

STATEMENT OF WARREN H. ATHERTON, NATIONAL COMMANDER, THE AMERICAN LEGION

Senator CLARK. Judge Atherton, you are not only the national commander of the American Legion, but you served for a number of years as chairman of the national defense committee and also as chairman of

the Americanization commission, and you are yourself a veteran of the last war, are you not?

Mr. ATIERTON. Yes.

SENATOR CLARK. As I recall, you enlisted as a private and came out as a captain. You have a couple of boys in the armed forces now, haven't you?

Mr. ATIERTON. That is true. I suppose the older boy is going to outrank me in the next couple of weeks or so.

We are appreciative of the grave importance of this legislation pending before you and which will doubtless be presented to you, not only because it affects some ten to twelve million of our children, but it affects the generation which for the next 50 years is going to have most to do with what happens in the United States, and of course they are interested in the proper solution of the financial aspects of these questions as well as the reception of benefits.

I want to express the deep appreciation of the American Legion to Senator Clark, as chairman of the Veterans' Subcommittee, and to Senator George, as chairman of the Senate Finance Committee, for granting me this privilege of appearing before you. I should also like to take this occasion to express my organization's gratitude to each and every member of the Veterans' Subcommittee and of the Senate Finance Committee for the veterans' legislation they have reported to the Senate and which has been enacted into law, and in this field we have made great progress in the last two decades.

I am elated that more preparation is being made today for World War II veterans than was made in 1917-18 for World War I veterans.

You, Senator Clark, having been the first national commander of the American Legion and knowing the conditions which prevailed for returning World War I veterans in 1917-18, realize the value of making this preparation. Many of you Senators, who in 1919 and the early 1920's, assisted returning World War I veterans, know the necessity of being prepared for hundreds of thousands of returning veterans—both the disabled and the able-bodied.

Many of you will recall the large number of agencies and bureaus which were endeavoring to solve the problems of returning veterans during those years. The situation became so confusing that it bordered on chaos. Finally, a commission was appointed to make a full study and submit recommendations for solutions. Congress played the leading part in this investigation and it resulted in the creation of the Veterans' Bureau on August 9, 1921. Authority had been centralized in Washington for the handling of claims and from that day on a process of decentralization was started—first into districts and later into regions throughout the country. Additional liberalizing measures were passed, principally in June 1924 and in July 1930. The World War Veterans' Act became a charter of liberal provisions for ex-service people of the first World War. The act of July 3, 1930, established the Veterans' Administration as we now know it, combining therein all existing functions of the Government pertaining exclusively to veterans of the armed services. We of the Legion are committed to the principle of centralizing all aid and assistance programs to veterans in one department of the Government. We believe it makes it economic and efficient.

SENATOR CLARK. As a matter of fact, Judge, everybody who ever had any experience in the matter of trying to help their comrades to

prepare claims knows that before the establishment of the Veterans' Bureau and the centralization of this authority in it, that many, many veterans spent literally years trying to find the proper bureau or the proper agency of the Government in which to present their claims. I personally put in months of my time trying to help veterans to present their claims. One of the greatest problems of returning veterans is that they do not know what their rights are and how to prosecute them, isn't that true?

Mr. ATHERTON. That is exactly true. You stated it very clearly and very forcefully, Senator. I might add, from the standpoint of Congress and the Nation, it is an advantage also in that it centers the program in one place where the case can be more accurately determined. If benefits for veterans are legislated piecemeal, in separate acts, the case could get lost in the shuffle.

The forward march of the liberal program in behalf of the Nation's defenders was temporarily halted by the passage of the so-called Economy Act on March 20, 1933. When the full effect of this legislation was realized by the American people and the Congress, steps were taken within approximately 1 year to recoup nearly all that had been lost. The past decade has seen a further liberalization, adjustment, and reconciliation of various provisions in behalf of former members of the armed forces. It also brought the end of peace and the advent of a war which most certainly will produce more war veterans than this or any other country will have had at any one time.

The transition from peace to war in a democracy such as ours is necessarily attended by many drastic and rapid changes. The American Legion, along with many other individuals and groups of citizens, endeavored to anticipate and prepare for the emergency months before the attack at Pearl Harbor. Our organization was particularly concerned with the adequacy of the program and procedures of the Veterans' Administration in its many functions of hospitalization, insurance, disability compensation, appeals, guardianship, and so forth.

During the past 25 years the Legion has developed a very extensive system of service on claims and rehabilitation. Manning this enterprise are 300 full-time national, State, department, county, and post service officers and several thousand volunteer service officers and auxiliary workers. These people are in close touch with the many branches of the Veterans' Administration and send in from time to time their observations and recommendations.

Nearly all of these people have had years of experience and training in helping the disabled in presenting their claims.

In order that I might have the latest possible information on how all this big establishment of the Veterans' Administration was functioning, I requested a survey of pending claims of those World War II veterans who have already returned. Thirty-four of the States responded in making this survey and over 1,500 individual cases were cited, showing that some places along the line the peacetime procedures of handling claims were not keeping up with the wartime pace. Battle casualties were being discharged without adequate provision as to their compensation, claims, vocational training, and domiciliary needs, and, may I say, provision for other things as well. Earlier in 1942 and 1943 we found and reported the cases of many who had broken down during the period of preparation for actual combat, and were

being released to city, county, and State authorities in many cases as if they were guilty of some infraction of the law.

Senator CLARK. Some of them did not have anything except nervous instability as a result of their training, and they were actually lodged in county jails.

Mr. ATHERTON. In southern California in the last week of December we found 100 World War II veterans in the State hospital for the insane. I am informed that all facilities of the Veterans' Administration for the treatment of the mentally unstable have been occupied and they are swamped, and there is a considerable waiting list. So, unfortunately, in this war we have had a much greater load of that type of disabled than we have ever had in the history of warfare.

These men have become afflicted in their mental and nervous make-ups, and a great number of them needed only home environment and brief periods of institutional care to be restored to their normal way of life. It is our view that the percentage of recovery of those that have had mental break-downs or nervous break-downs will be much higher if they receive the specialized treatment which the Veterans' Administration can give if it has the facilities, rather than just general institutional care in a State hospital for the insane.

Senator DANAHER. May I ask a question, please, Mr. Atherton?

Mr. ATHERTON. Yes, sir; certainly.

Senator DANAHER. It has come to my notice that many of the veterans who have been discharged for mental disability of one kind or another receive on their discharge certificates and on their records the notation "Discharged for mental disability" or some such entry.

Mr. ATHERTON. Yes.

Senator DANAHER. Do you know whether or not, as a result of your survey, that fact has militated against such men being reemployed?

Mr. ATHERTON. I do not know that our survey has militated against such men being reemployed.

Senator DANAHER. No, no; I do not mean that, but I mean have the results of your survey disclosed any such cases?

Mr. ATHERTON. Yes; many cases have come to our attention of men who have been refused employment on account of that notation on their discharge. We have urged the War and Navy Departments that that practice be discontinued, because the condition is temporary with a high percentage of these men, and upon recovery they should not have their smirch on their discharge. I think steps are under way to correct that.

Mr. Kraabel, the national director of rehabilitation of the American Legion, can give you some information on that.

Mr. KRAABEL. There are some States in the United States that have come to our attention where the discharging officers have resorted to the phrase, "Not mentally competent to sign," and those discharge documents that poor man takes to some service organization or veterans' organization to sign. General Ulio, who has had this matter come to him, has really scolded the people who are to blame for it.

Out in the commander's own State, one of the progressives out there made the issue directly with the War Department and got the same result as our office. There is not supposed to be now on the discharge papers any disability for which he is discharged, only that part of the Army regulations covering his discharge for type of service.

Senator **DANAHER**. A gentleman by the name of Varney in Hartford called this to my attention during the recess. He called my attention to the employers in Hartford finding that notation on the returning serviceman's discharge, and they just will not hire him. I now have the answer. Thank you.

Mr. **ATHERTON**. Even beyond that, the notation of injury or the fact that a man has lost an arm or leg we find has been militating against employment. We are now working on insurance executives to the end that employers can employ them without affecting their compensation insurance.

General **Hines**, may I ask you the question? I am informed that officially now neither the Army nor the Navy authorize the type of notation which is referred to.

General **HINES**. That is correct, but I think the real trouble has been with the War Department and Navy Department. I doubt if they ever sanctioned the practice that grew up in the isolated stations. We all realize that any notation indicating mental disability will deter an employer from taking him. I am now working on a plan to overcome not only anything of that kind but also the question of covering difficulties they have where disabled men are employed under State compensation where employers, of course, if they take on risks of that kind, hesitate to do it. It may be necessary to have the Federal Government assume the extra war hazard in that case as well as we do on insurance, in issuing insurance. They will both have to be corrected if we are going to insure reemployment of all of our veterans.

Mr. **ATHERTON**. Thank you, General. The situation, however, became so shocking that the Legion, with the support of other veterans' organizations, sponsored and Congress enacted into law the hospital provisions of Public Law No. 10, placing men and women of this war on an equal basis with other war veterans. It took several weeks for this law to become effective, but it has cured many of the old procedures of discharges from active service and care by the Veterans' Administration.

In respect to claims, the recent survey showed indefensible delays due to a variety of causes. Some of the machinery used in peacetime by the Veterans' Administration was too slow to adequately cope with the rating of World War II cases. Such items as clinical records from the Army and Navy, the lack of adequate personnel in the adjudication division of the Veterans' Administration, the absence of Veterans' Administration representatives at discharge points, the assignment of claim numbers, and the fiscal arrangement of issuing checks in payment of claims all contributed to these delays. In other words, there were too many "procedural luxuries" followed in peacetime, which made the system inadequate to cope with war.

The results of the survey, with 14 individual examples, and constructive recommendations for correcting the old situation, were made available to the Congress of the United States, the Veterans' Administration, the public, and the press during the first days of December 1943. The effect was instantaneous and favorable. For instance, during the month of December several administrative steps were taken by the Government, all aimed to expedite the handling of cases and claims of World War II discharges. Let me cite a few of these changes:

(1) War Department Circular No. 315, dated December 4, 1943, authorizes Veterans' Administration personnel to function at military installations. Rating boards and contact representatives have already been assigned to a number of military hospitals in keeping with this authorization.

(2) The Navy Department designated its discharge centers at San Diego, Calif.; Great Lakes, Ill.; Portsmouth, Va., as the discharge points where Veterans' Administration representatives and rating boards may start functioning.

Those boards have already been established at a number of these discharge points in hospitals, and they are rating the cases of men as they come out of the hospitals.

(3) Clinical and hospital records of discharges will be submitted to these Veterans' Administration representatives at the discharge points where they are functioning instead of to the nearest regional office, thus obviating delay in transmittal from that office to offices having jurisdiction in discharges' home States.

(4) Assignment of C numbers expedited, both in the field and at central office, with blocks of such numbers assigned to the boards functioning at discharge centers. The Legion is recommending further that each regional office, especially the large ones, also be assigned a group of these numbers instead of having to call upon central office for each individual assignment.

(5) The Administrator of Veterans' Affairs called upon all regional managers to send in their recommendations and appoint a committee of managers, which is now sitting to assist the Administrator and his staff to place the Veterans' Administration on a wartime basis.

Senator MILLIKIN. What is meant by "C number"?

Mr. ATHERTON. May I ask Mr. Kraabel, our rehabilitation director, to answer that for you, please, Senator?

Senator MILLIKIN. Yes.

Mr. KRAABEL. We are citing here a few administration numbers. The "C number" is the claim number. When the veteran dies the Veterans' Administration assigns an "X" before the "C" and then it becomes a death case. There has just been received this morning from the War Department Circular No. 13, giving the results of further collaboration between the War Department and Veterans' Administration on these matters of handling the claims of World War II veterans.

Mr. ATHERTON. No procedure starts until the C number has been assigned, sir.

Senator MILLIKIN. Mr. Chairman, I am still confused. I understand what the C. number is now, but I do not understand the assignment of a block to the boards. What does that mean in the mechanics of it?

The CHAIRMAN. General Hines can explain that.

Mr. ATHERTON. We will let a real expert explain that.

General HINES. Senator, the C number identifies the claim of that man throughout any dealings that the Veterans' Administration may have with him. When he does we put an X in front of it and it becomes an XC number or death claim. We have a master index in the central office in Washington where all of those C numbers in normal times have been issued to the field. In other words, a claim

is filed in Chicago and that office asks for the assignment of a C number immediately. The central office in the old procedure asked the Adjutant General's office for whatever records they had. That C number will identify that man no matter whether he stays in Chicago or goes elsewhere.

Now, the reason for the central index is because men do file more than one claim. If he files a claim in Chicago and there is very much delay he might go to New York and file another claim. About 10 percent of the claims filed are duplications, so if we did not have a check on those we would probably, if both claims were allowed, find duplicate payments, and it would result in distress to the veteran. Now, even with the assignment of block numbers, we set up a certain series of numbers, and assign it to one of our field stations, and that station, as soon as the claim is filed, assigns it. They report then to the central office that they have assigned and we will take that up. If another claim comes in by the same name we will catch it.

We may make a month or two payment, but we will catch it and it will have to be corrected. But in such vast numbers of claims being filed it seems to us we will have to decentralize them, and take a chance on some duplication of claims, trying to keep it to the minimum. Of course in a centralized procedure covering so many offices and so many points in any great volume, we have always found that we have difficulty in keeping the place clear, but the greatest difficulty in any problem to date has been the lack of personnel and getting personnel in Washington to cope with a situation as great as that. So by assigning blocks to each office we will take a chance on duplications, but it will expedite the handling of claims.

Senator DANAHY. One question, Mr. Chairman.

Senator CLARK. Senator Danahy.

Senator DANAHY. But in order to obviate the delay in commencing procedures because of the lack of assignment of the C number, isn't it possible that action may be taken on a man's serial number in the interim?

General HINES. We gave great thought to the assignment of serial numbers, but we found there would be greater duplication in this than we found in the 10 percent of the others, and for that reason we abandoned it.

Senator DANAHY. Thank you.

Mr. ATHERTON. The new practice, Senator, obviates the delay almost entirely. The man gets his claim number right nearby when he files.

(6) The Veterans' Administration was given a No. 1 priority for personnel, placing it on a par with the War and Navy Departments in calling for, procuring, and retaining essential and qualified personnel to carry on the wartime work for veterans. This recommendation has its influence upon the War Production Board, which is now engaged in analyzing the Veterans' Administration's needs for material, equipment, construction, and supplies.

(7) As of November 30, 1943, there were 110 rating boards authorized and functioning at the various field stations of the Veterans' Administration. Since that time 215 additional boards have been authorized and these will be set up as soon as personnel is obtained. This gives a definite indication of the accelerated pace of preparation during the last 45 days.

There are a number of other progressive changes being made administratively which, I feel, will be stimulated by congressional endorsement.

Legion's omnibus bill: In view of the foregoing, therefore, I have reached the conclusion that many of these items should have legislative authority and that such authority should also exist for other phases of this entire matter. As national commander of the American Legion, I appointed a special committee to come to Washington to study all problems affecting World War II veterans. After days of study, the special committee submitted to me the so-called Legion's omnibus bill, which was introduced in the Senate as S. 1617 by Senators Clark, George, Walsh, Connally, Lucas, Caraway, Brewster, Brooks, Gurney, Vandenberg, and Wiley. At this point I should like to express the Legion's and my personal appreciation to the cosponsors of this measure.

This bill was intended to deal with the bread-and-butter things as to which a veteran should have assistance the first week or the first month or the first 90 days after his discharge. This is not intended to reach out into the long-range solution of unemployment. It stays entirely out of the field of adjusted compensation. It deals with demobilization pay, which, I may add, is probably adequately taken care of, or at least taken care of by a bill acted on already in the Senate, and which is about due for action in the House.

Senator BARKLEY. I might say in that connection that that is an immediate, emergent thing that ought to be taken care of without any delay, and without waiting the consideration of other legislation that might consume more time. I have no objection to its inclusion in an omnibus bill. Obviously, that can be acted on more speedily and the men coming out can be paid more speedily than it would be possible to wait for general legislation.

Senator CLARK. Senator Barkley, I am sure everybody agrees with that view. Certainly everybody wants to dispose of it as soon as possible.

Mr. ATHERTON. We of the Legion agree with you entirely in that view, Senator. We only incorporated it in the suggestion that we were making because this bill that is proposed was under consideration in the month of December, when final action on that bill had not been reached.

TITLE I

The first section declares by law that the Veterans' Administration shall be, and is constituted, an agency of the United States vital and essential to the successful prosecution of the present war. In other words we are asking Congress to make this agency a war agency, and remove any doubt as to the role it plays in the war effort. Already it has cared for over 81,000 sick and disabled veterans of this war, and they are returning in need of hospital care in ever increasing numbers. If we unfortunately have the casualties in the near future that we are told about, the Army and Navy hospitals must clear their beds and they must clear them into the Veterans' Administration.

Senator CLARK. Judge, the fact is this is not a post-war problem at all. It is a war problem and ought to be handled by a war agency instead of a post-war agency.

Mr. ATHERTON. Yes, sir; it is today's problem. Every time you fire a bullet at the enemy he fires one back at you and you may have a wounded man and he will be right here tomorrow.

The latest report shows over 9,000 are now occupying hospital and domiciliary beds. Priorities, not only for personnel, but also for equipment, supplies, construction, and matériel should be established by law.

The President some months ago approved the speeding up of the 10-year construction program of the Veterans' Administration. Last May he charged the Federal Board of Hospitalization with the duty and program of reviewing all hospital, convalescent and domiciliary activities operated by all agencies of the Federal Government for the purpose of providing adequate beds and services, preventing duplication of services and determining the need for additional facilities. Under these two Presidential authorizations the Veterans' Administration is making plans for the future hospital load. The bill before the committee has the effect of directing the Administrator and the Federal Board to expedite and complete the construction of additional hospital beds for war veterans, to enter into agreements and contracts whereby the permanently constructed Army and Navy institutions may be used by the Veterans' Administration when not needed by the armed forces.

The facilities for the treatment of mental cases are already more than occupied, and those for the treatment of tubercular cases are practically fully occupied by a rather large number of World War II cases, and there are a small number of beds left.

Senator RADCLIFFE. Have you come in contact with any mental situation which is certainly very grave and under very unusual circumstances? I realize a generalization of that type is unsatisfactory, but I know now of a case where a young man, whom I have known all his life, who had a splendid record in the Army, he was in the Philippines, but he developed trends on the islands that I might say are criminal. I do not know the facts very well in that case, but I just cannot believe, from what I know of him, that he is a confirmed criminal. I am wondering whether you have heard of any such cases?

Mr. ATHERTON. I have not heard of many recently. I was on the board of prison terms and controls in California in recent years and the doctor advised us that many of the psychiatric cases came from that reason, that the man's mental balance had been upset. Because they were somewhat peculiar they could not get work, they got hungry and committed holdups.

Senator RADCLIFFE. This man is still in the armed services, but it is hard to believe, from what I know of him, that he would normally become a criminal. It is true that he has done something that is utterly unaccountable for, that is inconsistent with anything that he has ever done before in his life.

Mr. ATHERTON. We have come in contact with quite a large number of such cases, Senator. Do you bear me out in that, Mr. Kraabel and Mr. Brown?

Mr. KRAABEL. Yes, sir.

Mr. BROWN. Over the many years past, but not many in the current war.

Senator RADCLIFFE. I am wondering whether consideration has been given to that phase of it.

Mr. ATHERTON. Yes. There is also a provision for exchange of facilities, as circumstances may demand during the prosecution of the war. That is, exchange between the Army, the Navy, and the Veterans' Administration. Another important authorization included in this proposal is that the Administrator shall establish regional offices, suboffices, contact units, and subordinate offices in centers of population where there are no facilities at present, or where such facilities are not readily accessible. For instance, such centers as Los Angeles, St. Louis, San Francisco, Chicago, Detroit, Cleveland, Atlanta, Columbia, New York, and Boston all have Veterans' Administration facilities in their respective vicinities, but none of them is readily accessible to disabled men and their folks who come for assistance and advice. This is due primarily to the fact that after these cities are reached, the people must find other means of conveyance to get to the actual Veterans' Administration offices, located several miles distant from the main city in each instance. In Boston the regional office is downtown, and the American Legion is advocating that it be retained there rather than being combined with the new facility at West Roxbury.

Out-patients can, of course, be treated much more conveniently at some center of transportation rather than at a hospital 10 miles out, and most of the institutions are a number of miles from the center of town. That provision is made for the treating of ambulant patients of this war at some convenient center. It will undoubtedly have the effect of saving a number of beds in the Administration facility itself because many men are going out to be hospitalized because they cannot travel 10 or 15 miles from the center of the city, to go out and have a wound dressed or some such matter. Of course in peacetime it was a matter of economy that the Administrator effected. In wartime we believe it will be necessary to have a central place of treatment, and in wartime it will be a matter of economy to have that.

Senator CLARK. Judge, I know what you are saying in that connection is very true. We have the Jefferson Barracks outside of St. Louis. The ordinary citizen can get on a train and go to Chicago much faster than he can go to Jefferson Barracks, although that is only a few miles away.

Mr. ATHERTON. That is true of many cities, Mr. Chairman. This measure also grants the Administrator authority to place in Army and Navy installations Veterans' Administration personnel for adjudication of claims of men and women about to be discharged from service. That is now being inaugurated on a trial basis, by direction of the Administrator. However, you would be granting legal authority for such action by this bill. In addition, it will permit the Administrator to place experienced contact personnel in such installations for the purpose of giving advice and assistance to those who may not be interested in a disability pension claim, but who will be in need of advice as to continuation of insurance, employment, and other items. This has been partially accomplished by administrative orders. We want congressional endorsement of this.

It is also provided that a man or woman shall not be released from active duty until his or her certificate of discharge and final pay, or a substantial portion thereof, are ready for delivery. This has been found necessary because many instances have arisen where men and

women have been discharged without sufficient money to reach their home, or in a few instances without a certificate of any nature to establish their actual military or naval status. There are many cases that might be cited under this paragraph, but I shall call your attention to only one which recently came to the attention of the American Legion. This boy enlisted on July 13, 1940, and was declared unfit for service on January 13, 1943, with this notation: "Patient was struck in the head while in combat with the Japanese in Guadalcanal, penetrating wound, right side of head, produced by grenade." This caused a half paralysis, and he was honorably discharged on a certificate of disability July 3, 1943. Although his claim was filed the same date, he did not have sufficient funds to care for himself and his dependent mother, and he had to wait for 4 months before he received any payment for his wound. This and hundreds of similar cases will be taken care of if Congress passes this law with this provision. I may also comment that it is not intended by this measure to hold a man in service against his will or to deprive him of any furlough to which he may be entitled.

I believe there have been negotiations between the Army and Navy for the purpose of carrying that out by administrative order. However, it has not yet been accomplished, and this proposed law would write it into the statutory law of the country.

Probably no one single bit of procedure has incensed discharges from the Army and the Navy as much as the antiquated and repudiated system of requiring statements from men and women about to be discharged regarding the origin, the incurrence, and the aggravation of their disabilities. We have protested repeatedly and constantly to both the Army and the Navy, and some progress has been made toward the modification of the purpose of such statements and their requirement at time of discharge. Although the Veterans' Administration determines service connection and line of duty for the purposes of compensation claims irrespective of the notations made by the Service Department, these statements do have an adverse effect, not only in subsequent claims but upon the morale of the men when they are being discharged. Many of them have told us that they were practically forced to sign statements to the effect that their disease or injury arose before service and was not aggravated by such service. In their desire to get home they have been willing to sign statements which, they believed at the time, constituted a waiver of their right to file claims against the United States. Notwithstanding the fact that the War and Navy Departments have advised us that no discharges is to be forced to sign such a statement; and, moreover, despite the assurance that henceforth such statements will be taken only for the purpose of acknowledging receipt of information as to the decisions of the boards of survey and C. D. D. boards, the American Legion believes it is time to have this practice discontinued and that such discontinuance be made a matter of law.

Many men were told they could not get out of the Army or Navy until they signed a statement that they had a particular ailment or complaint before they got into the Army or Navy. Both the Army and Navy directed that that no longer be required, but because it had been a general practice we still find instances where men are being required to sign some written statement that they did not have this or that, or they did have it before they got into the Army or Navy.

Senator CLARK. Many thousands of veterans in the last war were, in fact, compelled to sign waivers in order to get out of the service, because they did not want to hang around. There were thousands and thousands of cases of that kind.

Mr. ATHERTON. That is true. I confess I did it myself, Senator.

Senator CLARK. So did I.

Mr. ATHERTON. Both the Army and Navy have repudiated that practice, and the Veterans' Administration states that they place no reliance upon such a statement; they disregard it in rating a man. However, a man having signed such a statement, if he gets a smaller rating than he applied for, or if he is denied a rating, he will always think it was because he was forced by someone to sign that waiver. We are asking to have written into the law that such waivers be outlawed.

In respect to aid by veterans' organizations, the American Legion has been advised that its accredited representatives may appear before the rating boards of the Veterans' Administration which have been, and are to be, installed at certain Army and Navy discharge centers. However, I do not feel such authority is sufficient in view of the experience and talents of the hundreds of recognized service officers of veterans' organizations throughout the country. They should also be permitted to visit and assist hospitalized men at any time. The American Legion, through its three wartime national commanders, has approached the War and Navy Departments for recognition of all of these men and women but without success. Thus it has become necessary to ask for legislative authority.

These people are all trained people, and have worked in splendid cooperation with the Veterans' Administration for the past years. Before they engage in this type of service they are required to qualify by the Administrator and they are given an authorization, a permit to engage in that type of work, and they make it their life's work. They are of great help to men who are in need. We think that practice should be extended to the Army and Navy hospitals. Many of these young men stay in the hospitals for months, lying there wondering about their future, worrying about their future, and if some person who is competent can sit down and talk to them and say, "Well, now, such provisions have been made for you by law. You can apply for vocational or educational training," and so on, it would help the veterans a great deal. Some contact people have been authorized to perform that service on behalf of the Government, but their number is woefully inadequate. I think there is a fear on the part of the Army and Navy that these representatives of the veterans' organizations would go and pester them to join some outfit, or pester them in some other fashion, but the experience of the Veterans' Administration shows that is not to be feared at all. These are trained, expert people, who do not indulge in that practice, or any pestiferous practice of any kind.

I think that the services of these people should be made available to the men and women in Army and Navy hospitals. However, it has not yet been done. I believe General Hines will agree with me on the fact that these men have served well in the Veterans' Administration, and he favors the continuance of their service in the Veterans' Administration facilities. He believes they can be of help in other institutions.

The next portion of our bill reinstates Section 28 of the World War Veterans' Act. This has been applicable to and for veterans of the first World War for many years. This provides that in case any person has been discharged or dismissed from active service as a result of a court martial trial, thereby losing all rights under laws administered by the Veterans' Administration, the Administrator may review the records and if he finds that at the time of the commission of the offense resulting in the court martial the person was insane, such person may have his rights restored.

The next section authorizes and directs the Administrator of Veterans' Affairs to consult with the Secretary of War and the Secretary of the Navy for the purpose of establishing boards of review in the War and Navy Departments, whose duties shall be to review the type and nature of any discharge or release from active duty which a former officer or enlisted man or woman may feel to be adverse to his or her interest. The method of setting up these boards is left to these high officials. The Legion is interested primarily in their purpose. We hope with congressional approval to make available to the dissatisfied dischargees who many times have justifiable complaints, an opportunity to appear before a board cloaked with authority to make changes or amendments to any discharge document based upon all pertinent evidence. It is desired that the new boards will add to the veterans' means of getting correct documents, and not to detract in the least from any right of review which they may now have.

Under the present practice, if a man gets dishonorably discharged, even though it has been issued to him unjustly, a mistake of fact, or even by prejudice, let us say, if that should be the case, there is no remedy, no practical remedy. He has to come to you men and ask for a private act of Congress. You haven't the machinery to make the proper investigation. We think in the Army and Navy there should be a board to which application could be made to review the circumstances.

SENATOR CLARK. Well, Congress has no facilities whatever for really investigating the facts, and the services have.

MR. ATHERTON. They have. In a case where it would be just to grant a man relief, here would be the practical place to secure that relief, and we are urging that you grant it.

TITLE II

Mustering-out or demobilization pay: It will be noted that the next title of S. 1617 pertains to mustering-out or demobilization pay. Of course, we of the Legion know that the Senate has already passed the demobilization-pay bill, and that in all probability the other branch of Congress will act upon such a measure within a few days. However, we submitted it as part of our general over-all plan as one of the Legion's steps to carry a World War II veteran from his predischarge days to his readjustment in civilian life.

Our mustering-out or demobilization proposal envisages a pay ranging in amounts from \$100 to \$500 based on length of service without regard to rank. Provision was made for payment of the benefit to those who have already been discharged and to the dependents of those who have died since discharge. We did not regard this as adjusted com-

pensation. It is our thought on this subject that adjusted compensation should be left for the determination of World War II veterans. With the thought that speedy action will be taken on mustering-out or demobilization pay, therefore, we can pass over this section without further consideration.

We are for the immediate enactment of the mustering-out pay bill, Senator Barkley, and we would be very happy to see the bill which you originally were the author of, be enacted immediately.

TITLE III

Education of veterans: This title pertains to the education of returning World War II veterans. It will be noted that the language of the bill amends Veterans Regulation No. 1 (a) as amended, and provides that any person who served in the active military or naval service and who was honorably discharged after 90 days' or more service, whose education has been interrupted by active service, shall upon application to the Administrator of Veterans' Affairs, be entitled to continue his education or training, including such vocational, professional, or technical refresher courses as may be approved by the Administrator of Veterans' Affairs. A single person would be entitled to a training allowance of \$50 per month, a married person to \$75. No course of training or education in excess of 4 years would be approved nor would any training be extended beyond 6 years after the termination of the present war.

I particularly call your attention to the proviso which would direct the Administrator of Veterans' Affairs to consult with and utilize the services and facilities of the various State departments of education. I should also like to direct your attention to the last section of the title which would amend public law 16 (the Vocational Training Act for service-connected disabled World War No. 2 veterans), Seventy-eighth Congress, approved March 24, 1943, by deleting the date December 6, 1941, and substituting the date August 27, 1940. The purpose of this amendment is to care for those who were injured under conditions which already simulated war, and which occurred between the dates August 27, 1940, and December 8, 1941.

This title appears to be a rather extensive one but it will be appreciated that a large portion of the title covers administration.

To thousands of mothers and fathers of boys and girls in service this part of the American Legion bill is most important. The national emergency and the war itself have necessitated an education of the youth of our country in the armed program of national defense and in the art of destroying persons and property of those who would attack this country. Millions and billions of dollars have had to be expended preparing our armed forces for active warfare as the best defense against the enemy. This has entailed the schooling of men in all kinds of destructive processes from hand-to-hand combat to the gigantic bombing operations over land and sea.

Such training and such education, necessary as they are during war, will require a period of guidance and adjustment after hostilities cease which a well-regulated and sympathetic educational system will provide. The American Legion feels that this can best be realized under the direction of the Veterans' Administration whose

officials and staffs understand veterans, and an agency which in turn is understood by the ex-service people of this country.

There is another thought that might be cited. Just how many of the returning troops will avail themselves of this program, we cannot say. Some have estimated from 5 to 10 percent. Whatever the number it is the experience of the American Legion, following the last war, that hundreds of these will start in civilian pursuits after separation from service with no established disability connected with service, and, will within 1, 2, 3, or more years break down from some insidious disease, injury, or hidden damage incurred in service. Many of these men may have their status changed while they are following their educational and vocational courses from non-service-connected beneficiaries to service-connected, who are provided for under Public 16, Seventy-eighth Congress. This whole group, both service-connected and non-service-connected, should be under the Veterans' Administration.

There may be some comment as to the extent to which the Government should underwrite tuition, fees, books, material, and equipment for these educational courses. The Legion in sponsoring this bill has specified a modest amount for maintenance or training allowance. We have no objection to a reasonable limitation placed upon the expenditures in any given case for the other purposes mentioned.

I should like to make the observation that the date August 7, 1940, appears in title III in the first and last paragraphs. That should be August 27, 1940. The latter is the approval date of Public Resolution 96, Seventy-sixth Congress, which authorized the President to order members and units of reserve components and retired personnel of the Regular Army into the active military service, and that is the date that should appear at the two points in the title.

TITLE IV

Home and farm aid to veterans: This part of our proposal provides for a loan system operated by the United States Veterans' Administration through the several States to aid veterans in the purchase of homes or farms. A list of qualifications for any State plan to be approvable is set forth in the title, and the Administration is empowered to pass upon and approve any plan which he believes to be feasible and which fulfills the conditions and limitations specified.

TITLE V

Employment of veterans: We believe that we must now establish a capable and sympathetic employment service to be available to veterans when they return from their service with the armed forces.

We respectfully recommend that this function should be vested in the Veterans' Administration so that the veteran will not be shunted from pillar to post to obtain information as to his rights.

As I have stated, the Congress, at the earnest request of the veterans' organizations, recognized this principle over a decade ago when all veteran functions were coordinated in one bureau, now known as the Veterans' Administration. The capable manner in which that agency has functioned over the years should indicate that such a step

was wise—and now should be extended to meet the new problems as they confront our World War II veterans.

The Congress, in 1933, by the enactment of the Wagner-Peyser Act, likewise recognized that the employment placement of veterans constituted a special problem and the veterans were entitled to special attention and consideration. Under the Wagner-Peyser Act a Veterans' Employment Service was established with a representative in each State to ascertain that veterans were receiving proper job placements from the State employment services.

The Veterans' Employment Service was originally placed in the Department of Labor, later in the Federal Security Agency, and now is in the War Manpower Commission as part of the United States Employment Service.

While only a part of these other Government agencies, it has too often developed that the Veterans' Employment Service, being an incident to their original function, was considered by these Government agencies as a stepchild. The veteran has suffered thereby. We believe this situation cannot continue if the Nation proposes to do its full share in returning the veteran to gainful employment.

Under the present set-up, the responsibility for the employment of veterans is vested in the War Manpower Commission and the Selective Service System.

We believe this responsibility, except for the enforcement of the selective-service provisions for reemployment or reinstatement in former positions should be placed with the Veterans' Administration. The latter could utilize the existing facilities of the United States Employment Service. Later, if the services are transferred to the respective States the Veterans' Administration could use the State services.

The Veterans' Employment Service, under the Veterans' Administration, would recommend vocational guidance in the military, naval, and veterans' hospitals, and in the demobilization centers before the veteran is discharged, with placement upon completion of their training.

This service, if properly staffed and adequately financed, will do the job that all of us seek to do for these veterans. We must prepare now if this service is to properly function and activities coordinated for the benefit and convenience of the veteran.

TITLE VI

Unemployment allowances: Pending the period between discharge and placement in proper employment we consider it to be the obligation of the Federal Government to make a financial provision for the veteran.

We believe that these veterans should not be required to resort to the State unemployment compensation acts for several reasons:

1. Their services were rendered the Federal Government and the period of readjustment is a Federal responsibility.

2. Uniform treatment should be accorded all veterans which is not possible under the existing State acts, due to the variation in the waiting periods, payment, and duration.

3. Many, possibly 50 percent or more, do not come under the existing State acts and therefore are ineligible for benefits.

4. This financial obligation if placed on the respective State unemployment compensation funds, might endanger the whole structure erected in the States for all citizens.

We therefore propose that a reasonable allowance be made to all veterans during a reasonable period of unemployment. When returned to work this allowance would cease and they could then be eligible under the respective State acts.

The amounts we recommend are as follows: \$15 per week if single; \$5 added for one dependent; \$8 added for two dependents; \$10 added for three or more dependents.

These allowances would be payable up to 52 weeks but could be payable over a 24-month period after final payment of mustering-out pay. For example, if a veteran is unemployed for 12 weeks during the specified period he would receive this allowance. If employed at the expiration of that time his allowance would stop. If later—in the 24-month period—he is again unemployed he would again start to receive his unemployment allowance. While employed, as I stated before, his credits under the State unemployment compensation acts would accumulate and he should, after a 2-year period, have sufficient credit under the existing State acts to then receive State benefits when unemployed.

We believe that proper employment adequately compensated is better than any unemployment allowance that may be devised. The American Legion is therefore striving in every way possible to aid in having job opportunities available for these veterans as they return. We are cooperating with all elements, public and private, to this end. The American Legion's creed is that, "If America is to be free, when victory comes, we must provide the means to be free, viz, jobs."

Because our first aim is to secure employment for those veterans, we have conditioned the payment of these allowances pending employment upon the veteran making himself available for suitable work if presented. We have surrounded the payment of these allowances with many of the conditions required under the respective State unemployment compensation acts.

Because the veteran must make himself available for work we are recommending that the existing State facilities be used. This method will avoid unnecessary expense or duplication in the payment of these allowances.

We are likewise recommending that the administration of the payment of these unemployment allowances to veterans be vested in the Veterans' Administration. This is purely a temporary allowance and a temporary condition applicable to veterans, and we therefore do not consider that it should be confused with or mingled with civilian social-security measures or under civilian social-security administration.

On the subject of education I want to say that the American Legion is open-minded on the question of the best way to attain the results. We do not pretend to be experts in the educational field. We do think that, as a matter of principle, these youngsters of 16, 17, and 18 that have come out, that have had their education broken up, their plans for life broken up, should have some educational aid, and it would be to the best interests of the Nation that they do complete their education and be able to go into the technical fields in a few years after

they get out of the war. Also it will enable us to sort of smooth out the road over 3 or 4 years, during which we hope all of these men will be reemployed.

Senator VANDENBERG. Have you any comment to offer on the educational bill that has been pending for some time in the Committee on Education and Labor?

Mr. ATHERTON. That is Senator Thomas' bill, I believe.

Senator VANDENBERG. Yes.

Mr. ATHERTON. No; I do not, Senator. I do not believe I have any comment that would be of any value.

Senator CLARK. Judge, you do feel, though, do you not, that these matters of education, as well as of rehabilitation and other things, should clear through one central agency?

Mr. ATHERTON. Yes, sir.

Senator CLARK. For the reason that the veteran will know to whom he shall present his application, and there will be uniformity in handling the situation. I am not personally in favor of setting up the Veterans' Bureau as an educational institution, but it does seem to me that all of these applications and general supervision should clear through the Veterans' Bureau.

Mr. ATHERTON. That is correct, sir. None of us expects that the Veterans' Administration is going to go into the school business, but as to the supervision, I think that is the proper place to put it for the reasons you stated. They have had considerable experience over the years in that field, inasmuch as the old Veterans' Bureau supervised the education and vocational training of the service-connected disabled men of the last war.

Senator CLARK. Incidentally it was the very best work they ever did in that particular field.

Mr. ATHERTON. At the moment, may I say that Mr. Harry Colmery, national commander, is representing our committee in conference with a committee from the land-grant colleges of the country to work out suggestions that we might wish to later present to you on this subject.

May I repeat what I just said with reference to education. We believe it would be very valuable to the veteran, very valuable to the country, if a practical system of aid for the acquirement of a home or farm can be given. Such a system has been in vogue in my home State for 20 years. About 4,000 farms were acquired. Half of the principal has been repaid. It is a self-sustaining program. The advantage to the veteran has been that he was given a 5 percent interest in 1923, which, as compared with about a 9 percent building and loan interest, was a low rate. The State only taxed his equity rather than the full value of the place. Even with that slight assistance and considerable supervision in the selection of the properties, the State exercised a discretion there—the program was made financially sound. The principal indebtedness had been reduced by half, and now there is a \$6,000,000 or \$7,000,000 surplus, and the program has been pronounced financially sound. The bonds behind it sold for the highest price of any California bonds.

Senator VANDENBERG. Are they still paying 5 percent?

Mr. ATHERTON. They are still paying 5 percent, yes. The program today should probably be altered to fit the more recent interest rates. However, our principal interest in proposing this here was to register

with you gentlemen what we conceive to be important to this type of aid.

For instance, \$20,000,000 of the fund I just referred to was authorized in California in 1932 and was expended in the period, that creating a substantial amount of employment. That type of aid to men in building homes on their return would have the doubt effect of assisting them in getting a fixed interest in their country and stimulating employment. Whether it would be more practical on a Federal basis to operate it, say, on a system similar to F. H. A., I will not attempt to go into detail on now. We are very open about the best method of carrying this principle into effect. We think the principle is extremely important.

We feel aid and assistance to veterans is a specialty that the Veterans' Administration is the best-equipped department to handle, and that there is a great value in having all supervision with reference to veterans' aid and assistance placed in the one agency.

Senator CLARK. As distinguished from the general employment situation, Judge, it is only fair to say that these men and women were given special treatment when they were taken into the armed services, and it seems to me they ought to be given special treatment when they come out of the armed services rather than be considered as part of the general employment situation.

Mr. ATHERTON. I believe you very fittingly stated that, Senator, and it seems to me to be a very fair and equitable rule.

I appear here as the national commander of the American Legion. A month ago, I believe it was, the editor of the Washington Post took me to task for presuming to represent the veterans of this war on any matter before Congress. However, I want to reiterate what we conceive to be not only our right but our duty.

Senator CLARK. I think you ought to be more interested in the veterans of this war than the veterans of the last war. Most of us have sons and daughters mixed up with them.

Mr. ATHERTON. That is true. I have two sons already in and a third about to go in. All of you gentlemen have persons very, very close to you in the service, and for that reason we feel a particular interest in providing for their welfare. It ought to be not only the privilege but the duty of every citizen to see to it that the very finest treatment is given to these men.

Senator WALSH. And you have the personal experience with the last war that would guide you in that direction.

Mr. ATHERTON. Yes. Our desire is, of course, Senator, only to be helpful. If there are any further questions that any Senator cares to ask I will be pleased to do my best to answer them.

Senator BARKLEY. To what extent does this proposed bill go beyond the recommendation of the President in his message of November, I think it was, dealing with veterans of World War II matters? Can you state offhand the extent?

Mr. ATHERTON. I am going to ask our legislative director, Mr. Francis Sullivan, to state whether or not he thinks our proposal goes beyond anything proposed by the President in his message of approximately November.

Mr. SULLIVAN. No; it does not.

Senator CLARK. It is calculated to implement it, rather than to extend it, as I understand the program.

Senator BARKLEY. I understand it was intended to implement his recommendations. I am wondering whether, in dealing with World War I veterans, in any of the provisions here, it may include things that probably were not in that message?

Mr. ATHERTON. That is not true, Senator. There is no relief to veterans of World War I proposed here at all.

Senator CLARK. The only place where the question of World War I legislation comes into the picture is in certain instances where it is necessary and desirable to extend to veterans of World War II certain provisions already enacted as to World War I, but which do not apply to veterans of World War II.

Mr. ATHERTON. That is true, Senator.

Senator BARKLEY. It harmonizes the veterans of World War I with the situation growing out of World War II?

Senator CLARK. We are trying to extend to the veterans of World War II, all the rights and privileges of the veterans of World War I, that they do not, under the law at the present time, possess.

Mr. ATHERTON. We are not, under this law, seeking to extend any present rights of the World War I veterans.

Senator BARKLEY. I understand.

Mr. ATHERTON. Of course, the suggestions are based on our long experience. We are glad that the views expressed by the President are so close to what we conceive to be the proper aid and assistance to these men.

Senator BARKLEY. I have received a good many letters from soldiers, asking why it is that in the bill that I introduced and that the Senate passed, we did not include adjusted compensation, and I replied to all of them that that was a subject that had to be dealt with more deliberately, and probably we ought to consult more the veterans coming out of this war as to the type of adjusted compensation they may think they are entitled to, or that we might be interested to consider. I presume you run into that situation, and I am sure that you would be helpful in explaining it.

Mr. ATHERTON. We have run into it, Senator. I believe it was before you entered the committee room that I stated to the committee that we have purposely not attempted to reach into any question of adjusted compensation in this bill, for the reasons that you have stated, that the bill is intended to hit those things that the man is immediately faced with when he is discharged. We feel, like you, that it would be very fair to the men in this war if we could wait until such time as the bulk of them have returned and can be represented and their views learned as to the extent to which they should receive adjusted compensation. Of course, that will be affected by the length of the war and how much additional debt the country has had to assume in the interim, and many other questions. I do not think we should lose sight of the fact that these men are not only going to receive adjusted compensation, if any, but they are going to pay it back. They are going to be the taxpayers the next 40 or 50 years, and so they certainly should be considered in the adjustment of their question, which is properly, to my mind, a post-war question.

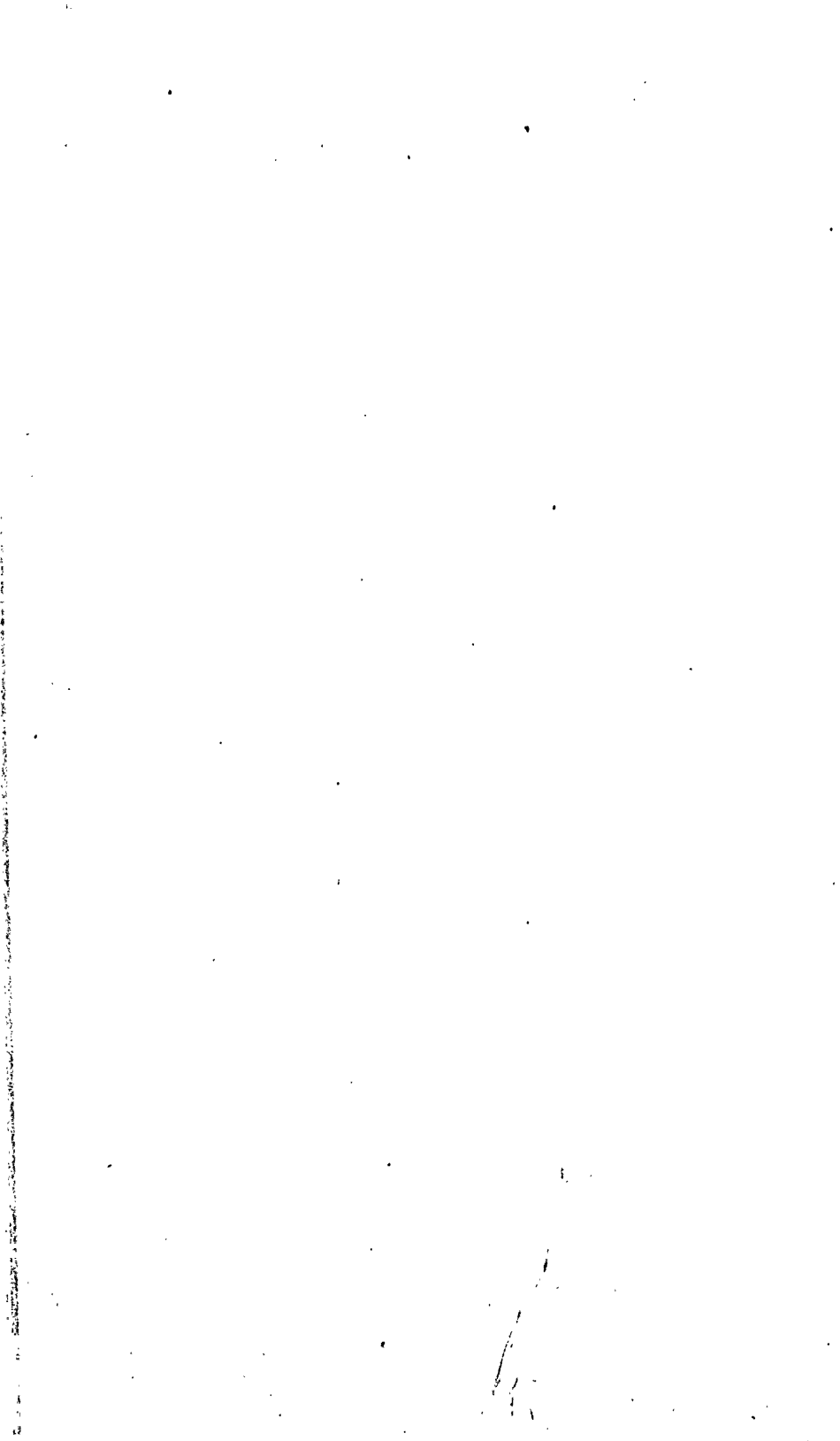
Senator BARKLEY. I would express the hope, however, that whatever we do, we do not wait as long as we waited after the last war.

Mr. ATHERTON. We heartily agree with you in that objective.

Senator CLARK. Are there any other questions of Judge Atherton? If not, we thank you very much, Judge.

Now, the tax bill is before the Senate at 12 o'clock, and this committee, of course, is in charge of that tax bill. I do not think we can make very much progress with other witnesses this morning. I am very anxious to go forward with this hearing, and unless there is objection on the part of the committee I am going to ask the committee to resume its hearings tomorrow morning at 10:30.

(Whereupon, at 12 m. the committee recessed to 10:30 a. m. of the following day, Saturday, January 15, 1944.)



VETERANS' OMNIBUS BILL

SATURDAY, JANUARY 15, 1944

UNITED STATES SENATE
SUBCOMMITTEE ON VETERANS' LEGISLATION
OF THE COMMITTEE ON FINANCE,
Washington, D. C.

The subcommittee met, pursuant to adjournment, at 10:30 a. m., in room 312, Senate Office Building, Senator Bennett Champ Clark (chairman) presiding.

Present: Senators Clark, George (chairman of the full committee), Walsh of Massachusetts, Connally, Radcliffe, La Follette, Davis, and Millikin.

Also present: Senator McFarland.

Senator CLARK. The committee will come to order.

Mr. Ketchum, do you care to go on at this time?

Mr. KETCHUM. I shall be very pleased to, Senator.

STATEMENT OF OMAR B. KETCHUM, NATIONAL LEGISLATIVE REPRESENTATIVE, VETERANS OF FOREIGN WARS OF THE UNITED STATES

Senator CLARK. Mr. Ketchum, you are the legislative representative of the Veterans of Foreign Wars?

Mr. KETCHUM. I am, Senator.

Senator CLARK. You have appeared before this committee many times.

Mr. KETCHUM. I have; yes, sir.

Mr. Chairman and members of the committee, I want to say that we of the Veterans of Foreign Wars deeply appreciate the splendid cooperation and the intelligent consideration which the Veterans' Subcommittee of the Senate Finance Committee has given to the problems not only of World War II veterans but to the problems of World War I and other veterans. We have a great deal of confidence in the splendid gentlemen who are members of the subcommittee of the Senate Finance Committee.

I think this meeting, as I understand it, was called more for the general purpose of a discussion of problems affecting World War II veterans and a sort of a general summarization of the problems which are confronting the various administrative agencies in attempting to disburse the benefits which the Congress has already made possible.

Senator CLARK. That is entirely correct, Mr. Ketchum. You know the committee has pending before it a number of important bills. The committee thought it would be helpful to go briefly into the general situation and hear the views of the Veterans of Foreign Wars, the

American Legion, and the Disabled American Veterans who have been closely in touch with this general subject, and then to ask General Hines to present the views of the Veterans' Administration before we go into the consideration of the particular bills.

Mr. KETCHUM. I, of course, am very happy and pleased to have the privilege to appear before the committee in the discussion of these problems. I do regret, however, that this particular issue came before the committee prior to consideration of some other very important bills that are pending before this committee, bills that have already been passed in the House, namely, H. R. 3356 and H. R. 3377.

Senator CLARK. I can say to you, Mr. Ketchum, that those will be the first two bills for consideration before the committee next week.

Mr. KETCHUM. I, again say to you, Senator, that we hope that those long-deferred objectives be given prior consideration.

Senator CLARK. They will be given prior consideration. They would have been taken up for consideration heretofore except that the whole Finance Committee has been engaged in the consideration of the tax bill and it was impossible for this subcommittee to function effectively for that reason.

Mr. KETCHUM. I want to open my remarks by offering for the record a one-page editorial which was published in our national magazine, Foreign Service, entitled "What Are the Facts?" If there is no objection, I would like to include this in the record.

Senator CLARK. That may be included.

(The editorial referred to is as follows:)

WHAT ARE THE FACTS?

Charges that the Federal Government is failing to provide adequate assistance to persons being discharged from the armed forces for disability are being hurled back and forth with increasing tempo.

Newspaper editors and Members of Congress are crying their indignation with emphatic demands for corrective action. Specific instances are cited of men, minus legs or arms lost in service, who are forced to accept charity after their discharge because the Government has sent them home without arrangements completed for monthly compensation or pension payments. What are the facts?

Some of these charges are obviously political. Others are based on complete ignorance of the problems involved. In truth, the Government has not failed to create the basic foundation for assistance to persons discharged for disability. The Veterans of Foreign Wars of the United States has seen to that.

Every person discharged for service-connected disabilities is eligible, under existing Federal law, to these protective benefits:

(1) Monthly compensation from \$10 to \$250 in accordance with degree of disability.

(2) Free hospitalization and medical treatment.

(3) Vocational rehabilitation and trade school or college training for a period up to 4 years—with monthly pension allowances during vocational training—if in need of such rehabilitation.

In addition to these three fundamental entitlements, there are other forms of assistance. For example, the selective-service laws are specific on restoration to former jobs, employment counsel and assistance, veteran preference, etc. What then, other than politics, has occasioned these charges? Where there is so much smoke there must be some fire.

The hue and cry arises because of the delay in getting the disabled veteran hooked up with the benefits to which he is entitled after discharge. While the Government has already acted to make this assistance available to the disabled veteran—thanks to the vigilance of veteran groups—it has failed to anticipate this condition with provisions for temporary assistance during the delay between discharge and final adjudication or settlement of the disabled veterans' rightful claims. Consequently, under existing procedure, a person could be discharged

for the loss of a leg in combat and still find it necessary to appeal to charity for food and shelter before he gets his first pension or compensation check. This means before his claim is processed and final adjudication is made.

This time lag or delay was foreseen by the Veterans of Foreign Wars of the United States. For over a year we have been advocating a solution to the War and Navy Departments, to the Congress, and to the Veterans' Administration. As is many other instances of pioneering for the good of veterans, and the welfare of the Nation, our warnings went unheeded. Today public opinion is finally forcing the issue. The newspaper writers, and Members of Congress who are suddenly greatly exercised over this condition, could learn much about veteran welfare problems if they would accept the advice of those whose chief aim is veteran welfare.

A certain amount of delay between discharge and the payment of claims is essential in the interest of the veteran and the Government. However, there is too much delay at present. This delay works a serious hardship on the disabled veteran if he has no savings or outside income. The fault may be placed at several sources. It can be remedied and increased public wrath will undoubtedly stimulate speedy corrective action.

The Veterans of Foreign Wars recommends these steps to (1) reduce the delay, and (2) minimize the hardships during delay.

(1) Reduce the delay:

(a) Rate the Veterans' Administration with an A-1 on manpower priorities. War Department to detail surplus officers to Veterans' Administration.

(b) Place Veterans' Administration claims experts at all large discharge points to expedite filing and handling of claims.

(c) Set up Veterans' Administration rating boards at the larger discharge and demobilization centers for prompt action on claims.

(d) Grant authority to accredited veteran organizations' claims officers to assist in advising and preparing claims at discharge points.

(e) Prompt transmittal of medical records from War Department to Veterans' Administration after discharge.

(2) Minimize hardship during delay:

(a) Continue the pay of every discharged person, within certain limitations, for a period of 6 months after discharge.

(b) Temporary pension grants from Veterans' Administration to each claimant, upon receipt of application, until claim has been adjudicated.

Mr. KETCHUM. Just briefly discussing that, without attempting to go into all the details, let me say to this committee that this editorial attempts to answer what we believe to be either a misunderstanding or pure politics on the part of some persons who would have the people of the country believe that this Congress has failed to do anything for the men who are serving in World War II. I have seen some extreme statements in the press of this Nation which, without qualification, would lead the people to believe that the Government has taken millions of men into the armed forces of the country, many of whom have incurred serious service-connected disabilities, even to the extent of losing one of their limbs, and then they are discarded and tossed out upon society without anything being provided for them. You and I know those are not the facts. If we were to admit for a moment that Congress had failed to do anything for the veterans of World War II we, ourselves, would be admitting that we have failed in our responsibility to the men who are serving in World War II. The Congress has, to a large extent, provided generously for the men who are serving in World War II. Their rights and privileges are far ahead, at this period of the war, of the benefits which were granted to veterans of World War I. Veterans' organizations, such as our companion organization, the American Legion, the Veterans of Foreign Wars, and Disabled American Veterans, have been endeavoring to draw upon our experience and to give to these men the benefit of our experience, and I think, on the whole, the Congress has done an admirable job in providing, so far, important benefits to the veterans of World War II.

Now, where there is so much smoke, there must be a little fire. What has occasioned all of this furor which has started way out in the grass and is burning steadily toward Washington, which has suddenly put pressure on Congress for mustering-out pay on the theory that nothing is done for these men?

The difficulty has been in trying to get the disabled veteran hooked up to the benefit to which he is entitled under law after he has been discharged. It has been the time lag in between the time of discharge and the time he is hooked up with benefits that has caused this general misunderstanding throughout the country. However, that time lag cannot be placed at the door of any one specific agency of the Federal Government.

Senator CLARK. Mr. Ketchum, don't you think it would be helpful, though, to enact legislation to provide that a man shall not be discharged until he is connected up with his benefits?

Mr. KETCHUM. I intend to go into that, Senator.

Senator CLARK. I did not mean to anticipate your statement.

Mr. KETCHUM. I want, at this point, to perhaps qualify what I believe to be my right to speak for men who are serving in World War II. That question has been raised on the floor of the Congress. It is sometimes raised in the committees of Congress, why do men representing a World War I outfit come before Congress and try to tell the Congress what the men of World War II want?

May I say that the Veterans of Foreign Wars is an organization that has been in existence for 44 years. It represents men who have served overseas or on foreign soil, in every war, campaign, or expedition.

Senator CLARK. You are limited to men exclusively who served overseas?

Mr. KETCHUM. That is right, in any war, campaign, or expedition, Senator. We are not limited to any one war. May I say to this committee that the membership today of our organization embraces approximately 150,000 of these men who are serving now on foreign soil or in hostile waters, not only World War I veterans but the new World War II men.

Senator MILLIKIN. May I remind you that your organization, as so many other good things, originated in Colorado.

Mr. KETCHUM. That is right; Stewart Post, No. 1, for instance in Denver, Colo. The Senator is a member of that organization, as well as the chairman of this committee, and I think the distinguished Senator from Texas.

Senator CONNALLY. I am not a veteran of foreign wars. I do all my fighting at home.

Mr. KETCHUM. We expect, at the rate the men of this war are accepting our organization, at the end of 1944, this year, we will have more World War II men in the organization than there are World War I men. So I believe that I have some sort of a right to at least indicate legislation for the men who are serving in this present war.

The American Legion has come before the House Committee on World War Veterans' Legislation, and the subcommittee of the Senate Finance Committee in offering a bill identified as S. 1617. I do not think the entire bill was submitted in the House, at least in printed form.

Senator CLARK. I am familiar with that, Mr. Ketchum. It was not in the House by reason of the jurisdictional elements involved in it as to committees. They only introduced, as I believe, title I in the House, because that is the one in which jurisdiction was clearly fixed in the Committee on World War Veterans' Legislation.

Mr. KETCHUM. I know in the Senate, however, that the entire bill, all of the provisions have been incorporated in the omnibus bill identified as S. 1617.

May I say in the beginning that, generally speaking, our organization is in favor of most of the points incorporated in this Legion bill, but we would like to point out to the committee that this is not something new; it is not a miraculous cure-all which has suddenly been discovered. Most of the items contained in this bill have been long-standing objectives of our organization, many of which we have been attempting to accomplish in an administrative manner rather than appealing to the Congress for legislation, believing that they could be accomplished administratively.

Senator CLARK. I am quite certain that is true, Mr. Ketchum. The object of introducing the bill, though, was so there could not be any question as to the authenticity of the policy. That is, there being some doubt as to the administrative functions it was considered desirable to put it in the form of policy legislation. As you say, a great many of the objectives set out in the so-called omnibus bill have been well-settled policies among all the veterans' organizations, and even on the part of the Veterans' Bureau.

Mr. KETCHUM. That is right. In many instances, legislation covering those points has already been introduced and in some instances is pending before committees of the Congress.

Senator CLARK. That is entirely correct.

Mr. KETCHUM. We have always questioned the advisability of attempting to route omnibus bills through Congress. It seemed to us, based on experience in the past, that sometimes when a large bill incorporates so many subjects and so many matters, if you attempt to have the Congress assimilate them all in one bill, usually it is not very successful. We have endeavored in the past to accomplish those things by the introduction of individual bills and not jeopardizing one section by loading the bill up with something that might be highly controversial in the Congress. However, I am here this morning as the representative of the Veterans of Foreign Wars to speak as briefly as possible on the various titles, chapters, and sections of this bill giving our views on it.

For example, starting with title I, chapter I, section 100, we have felt that was more or less an administrative matter which could be accomplished. We have been working along those lines, and I understand at least a limited portion of this objective in section 100 has already been accomplished; that is, that the Veterans' Administration has been given an A-1 priority rating for the purpose of employing additional personnel.

Senator CLARK. I understand that is true, Mr. Ketchum. I think it is fair to state for the record that the granting of that preference was very much delayed. The Veterans' Administration has been trying to get such a preference since Pearl Harbor, and immediately before Pearl Harbor. Mr. Odom, when was the first effort made?

Mr. ODOM. General Hines has a statement on that, Senator Clark.

Senator CLARK. I think it is only fair to say the Veterans' Administration has been struggling to get that priority for some time. Because of the efforts on the part of other governmental agencies, it had been taken away from the Veterans' Administration. I think it is very necessary and desirable for Congress to fix that priority by law.

Mr. KETCHUM. As I say, we have no objection to that. We consider it as an administrative matter.

Section 101 deals with the question of hospitalization. We feel that that, in a sense, is largely administrative and it could be worked out between the Administrator, the Federal Board of Hospitalization, and various agencies which are enumerated both in sections 101 and 102.

We believe that before anything really definite and tangible can be accomplished along those lines there should be some definite amount of money stated by the Congress, so that the Veterans' Administration will have something to work on. We feel by just saying that they are authorized to expedite the additional construction of hospital beds in itself is not sufficient.

We have no objection to the general purposes of sections 102 and 103, except we feel that it is not specific enough and that there ought to be some specific authorization of funds. Now, at our New York encampment in September 1943 the Veterans of Foreign Wars felt so keenly about the growing need for hospital beds and the load that will come as these men are discharged and as the war comes to a close that there ought to be right now a general directive to the Veterans' Administration, or an authority for the expenditure of a large sum of money to get this thing under way, so we adopted a resolution calling upon the Congress to grant, for the purpose of additional hospital and out-patient facilities, the sum of \$500,000,000 to be earmarked for that purpose.

At this time, Mr. Chairman, I should like to offer an amendment to section 101. As a matter of fact, the amendment amends title I, chapter I, section 101, by adding at the end of the paragraph on page 2, line 21, the following sentence:

There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$500,000,000 for additional hospital construction.

We believe that will give some force and effect to the section by actually making available to them, by direction of Congress, a stated sum of money with which they can work.

Senator CONNALLY. Would not that same purpose be accomplished if the Bureau would, from time to time, submit Budget estimates as to what they needed? Just to appropriate a chunk of \$500,000,000 without knowing the necessity for it at the moment, it seems to me, would be less preferable to the other one.

Mr. KETCHUM. Senator, we feel unless there is some fixed sum in the beginning considered that their recommendations might not always be considered, that it would be better, in the general plan, to visualize the load and attempt to meet it here with a definite sum, and that if it should be inadequate in the future, it should be supplemented.

Senator CLARK. Of course, each one of them is an authorization in the sense that it will enable the Appropriations Committee to include it in the appropriations bill. It is a question whether you desire to make a general authorization or a specific authorization.

Mr. KETCHUM. I would like to offer that for the consideration of the committee.

Senator CLARK. That will be considered by the committee.

Senator MILLIKIN. I would like to ask whether your organization has made any studies as to the bed requirements?

Mr. KETCHUM. Only from the standpoint of approximately the peak load that has been estimated for World War I veterans and other veterans, and multiplying that possibly by the potential number of veterans that will come out of this present war.

Senator CLARK. Of course, the committee expects to examine General Hines as to his estimates as to the necessity of beds, and also as to what are the prospects of them being available. I had my eye on the Pentagon Building. It looks to me as if it would make an excellent veterans' hospital.

Mr. KETCHUM. With quite a bit of remodeling, it possibly could be made into one, but it would possibly be an expensive proposition.

Senator MILLIKIN. I understand there is a survey under way right now to bring the whole subject up to date, in the light of present casualties and anticipated casualties, and in connection also with the existing beds that they feel would be suitable in our station hospitals. In other words, as our men are sent across for action, that liberates a lot of beds in our station hospitals. I understand careful studies are being made now to find out how many of those beds will be suitable, and that, taken together with estimates of casualties, for the first time we will know perhaps how many beds we should provide.

Mr. KETCHUM. That is right. I understand, Senator, that under existing law the veterans of World War II, the same as the veterans of World War I, have an entitlement to hospitalization in a veterans' hospital regardless of whether they have a service-connected disability or not. You understand it is an entitlement; it is not mandatory; it is within the discretionary functions of the Director of Veterans Affairs. Based on World War I, it seems to me reasonable to believe there should be at least three times the estimated peak load of World War I available after this war to take care of the load which we may have.

Senator MILLIKIN. I have some reason to believe that both the veterans' organizations and the military organizations themselves are keenly alive to what may be the load. They are making quite a study.

Mr. KETCHUM. Section 102 is more or less administrative. As I say, I think the authority already exists with the Administrator of Veterans' Affairs to enter contracts or into agreements with the War and Navy Departments in the exchange of material, facilities, and so forth, but there is no harm, of course, in putting it into the law if the Congress feels it advisable. I have no objection to section 102. If you want to make it a law or leave it to the present authority, either way, it is perfectly all right.

Section 103 deals with giving the Administrator of Veterans' Affairs authority to place Veterans' Administration contact men in these hospitals to advise and counsel the men who are being discharged on

claims. That is another matter where I think it is a question whether you want to put it into the law or not. I think the authority already exists, administratively. I think the General has already worked out plans; and the Veterans' Administration men are being placed at the Army and Navy hospitals, not only contact men to handle claims but also rating boards are being established. That is another matter we have been keenly concerned with and have been working on, urging that it be done. As to section 103, it is just a question whether you want to incorporate into law something that is an administrative matter, that is already being handled. We have no objection to it.

Now, as to section 104. We are somewhat in doubt as to the advisability of section 104. I base our question on these premises: Section 104 would provide that no wounded, diseased, or handicapped member of the active armed forces shall be released from active service until and unless adequate provisions are made for him or her under laws and regulations administered by the Veterans' Administration. We question the advisability of making that absolute law. Those of us who have served in the armed forces in time of war, or perhaps even in peacetime, know what it means to be ready for a discharge and then not permitted to be released to go home to see Mom or Pop or Uncle Jim or Aunt Nellie. I think most of the boys, when they are ready for discharge, are anxious, very anxious, to get out of the active service; they want to get home. Is it fair, is it reasonable to say to him, "Well, we are sorry. You are ready to go; we have no need for you any longer, but due to the fact it may take some time to get you tied up with your benefits, why, we are going to hold you until that is done." I certainly do not want to be in the position of saying to the millions of men who are serving in the armed forces today that "I advocated that you be held in the military service even though you were all set for a discharge and they no longer had any use for you."

Senator CONNALLY. The purpose is to preserve for him all the benefits of hospitalization, mustering-off pay, and other benefits.

Mr. KETCHUM. Senator, may I say there are other ways of handling that rather than holding the men in the service. Certainly they can work out a procedure, as the Veterans' Administration is attempting to do at the present time, whereby the man does not have to be held. Perhaps he can be furloughed and his pay continued for a period of time, or he can be granted a temporary pension until his claim is adjudicated.

Senator CONNALLY. What do you mean, "temporary pension"?

Mr. KETCHUM. I assume you infer once a man gets it he is on it. I do not think all the veterans will agree with you on that, Senator. You remember under the Economy Act of 1933 a lot of pensions were discontinued and have never been continued since that time.

Senator CLARK. I was, myself, against that act.

Mr. KETCHUM. That is why we question the advisability of section 104 making it mandatory that a man has to remain in service for perhaps 2 or 3 extra months until they say he is all set to go, when everything has been worked out for him. I think it would be better for the morale of the man and his family if he is ready to be discharged and he wants to go, that he should. He has had his belly full and wants to go out and see the folks. A better system would be either taking him out on a furlough or granting him a temporary pension until

such time as his claim has been adjudicated. That would be a better solution of the problem.

Senator CLARK. That is true, but yet you know as well as I do, there have been hundreds of thousands of cases in which a man, in his anxiety to get out of the service, to get a discharge, to get home, has really prejudiced his rights for the future, and we know there are a great many cases now in which fellows are just being pitched out in the world without having any provisions made for them whatever. This provision is not an ideal provision, I agree, but it is the best thing I have seen for insuring that there is going to be speedy action without tying them up with these benefits. You let the Army and the Veterans' Administration have a few thousand of these fellows that are ready to go tied up, because they haven't worked out a process for tying them up to the benefits, and you will find that process will be very much expedited.

Mr. KETCHUM. That may be true, but I certainly do not want to advocate making it mandatory for the man to stay after he is ready and eligible for discharge. I think it could be handled either by a continuation of pay on a furlough or by a pension.

Senator CLARK. It may be a good suggestion, but I think the idea of making it as rapidly as possible, putting the duty on all the agencies to make it as rapidly as possible is necessary. It does not make any difference to a man whether it is the War Department, the Navy, or the Veterans' Bureau, or what have you. He regards the Government as an institution.

Mr. KETCHUM. That is right.

Senator CLARK. It seems to me this provision is calculated to, in some degree, consume the least amount of time required to work these things out between the various governmental units.

Mr. KETCHUM. What I am fearful of is that you are making the soldier or the sailor the victim, or the unfortunate goat, of the whole affair.

Senator CLARK. We do not want to penalize them, of course.

Mr. KETCHUM. Because somebody else is feeling it to be the reasonable thing and logical thing for him at the time.

Senator MILLIKIN. I think your suggestion of pay on furlough is deserving of very careful consideration.

Mr. KETCHUM. I think either that, or see to it that the man has filed the claim before he leaves. Having filed his claim before he leaves, then he should be awarded a reasonable temporary pension grant until such time as final determination or adjudication has been made of his claim. That certainly would obviate the necessity of actually holding him in camp or on military duty, wherever he might be. I know too much about the fellows, about their anxiety to get home, to get back and see what they can find.

Senator DAVIS. My observation has been, in going around the different camps, that they want to get home.

Mr. KETCHUM. That is right, Senator.

Senator DAVIS. I think he ought to be mustered out, and if he does not have a job some place else, to be mustered out at home. The man can be furloughed and what he has been getting can be continued until he is on his feet.

Mr. KETCHUM. That is right.

Senator DAVIS. I think it would be a great mistake to hold him in the service against his will. That is the way I look at it.

Mr. KETCHUM. It would be a mistake to hold him in the service one day after he is eligible for discharge.

Senator DAVIS. He would not be any good to the service or any good to himself if he wants to get home.

Mr. KETCHUM. And he feels he is losing opportunities every day he remains in the service.

Senator DAVIS. It does not help America when he does not want to go home. God save America, when he does not want to go home.

Mr. KETCHUM. Section 105 in that same chapter, of course, deals with a very pertinent question that all the veterans' organizations have been confronted with, about forcing men who are about to be discharged to sign some sort of waiver or statement to the effect that he does not have any disabilities or that they were preexistent prior to the time he came in. This has been a headache to all of us who deal with veterans' problems.

We feel, too, that due to the consistent agitation and splendid support we have had from Members of Congress who have been on the backs of the War Department and Navy Department concerning this abuse that that is rapidly being ironed out and great progress is being made. The Administrator of Veterans' Affairs has already stated before the House Committee on World War Veterans' Legislation that no consideration is being given in the adjudication of claims to the statements which are being placed in the veteran's case file, and, more than that, he has entered into an agreement that they shall be removed from the case file and shall not even become a part of the record.

We have no objection to it. If the Congress wants to retain it in there as a part of the law, that is perfectly all right. We do consider it an administrative matter, and we are working along, making progress along those lines. It has been practically accomplished.

Now, we come to chapter II, "Aid by veterans' organizations." We, of course, are heartily in accord with that. That has been one of our long-standing objectives. It could be worked out, we have felt, administratively, and conferences have been held on this between the Administrator and officials of the War and Navy Departments to see if that privilege could not be given to accredited representatives of veterans' organizations.

I want to commend the American Legion for being generous enough in this bill to provide that it shall apply to all accredited veterans' organizations and not confine it to the American Legion. We are very pleased to note that they have included all accredited organizations in there, and they have not confined it to one veterans' organization. So we have no objection to chapter II, section 201.

Next is chapter III, "Reviewing authority." We have no objection to chapter III, either section 300 or 301. That has been a long-standing policy of our organization. We have, year in and year out, sponsored bills before the Committees on Naval and Military Affairs requesting the establishments of appeal boards of review in the War and Navy Departments so there is some place for a man to go for a review of his discharge in the event he feels he has had a bum deal, and certainly there can be no objection to it being introduced in this form in this omnibus bill. I do understand, however, that the two Depart-

ments are in some ways relaxing their policy on correcting discharges. We have had some success recently in getting the Navy Department to correct some discharges where the men felt they got a bum deal. We have letters in our file advising us if anyone thinks they got a bad discharge, a discharge that was not merited, to send them in and they would talk it over.

Senator MILLIKIN. You are talking about veterans of World War I?

Mr. KETCHUM. I am talking about veterans of World War II. In our procedure heretofore it has been necessary to appeal to the Congress on private bills.

Senator CLARK. In my experience, since I have been in the Senate—and I have been a member of this committee ever since I have been in the Senate, and I was a member of the Military Affairs Committee—it has been my observation that it has been the universal and uniform policy of both the War Department and Navy Department to oppose any private bill for correction, no matter how clear a case a man might have.

Mr. KETCHUM. That is right. I think we have had bills introduced before the last three or four Congresses asking for creation of appeal board reviews, and the reports of the War and Navy Departments have always opposed that legislation.

Senator CLARK. They take the position that their records are like the laws of the Medes and Persians, they are always correct.

Mr. KETCHUM. As far as chapter III, "Reviewing authority," is concerned, we have no objection. We congratulate the American Legion on the adoption of our long-standing program, and if their great organization has the prestige and influence to put it through the Congress, we are very glad to go along with that program. We think it is generous of them.

Next is title II. This is something that we are seriously concerned with, and it may be something that the Congress has already made up its mind on, but I would like just for a moment or two to give our views on this question of mustering-out or demobilization pay.

I listened with great interest to the distinguished national commander of the American Legion yesterday morning. I listened to the exchange between him and the distinguished majority leader of the United States Senate. I cannot entirely agree with the idea incorporated in this bill for mustering-out pay. I do not agree with a bill that has already been approved by the Senate. I think we ought to, before we try to make a final decision on the question of mustering-out pay or adjusted-service pay; we ought to view the whole aspect of this war. I listened to Senator Barkley yesterday morning give as his reason for not considering the adjusted-service pay principle the fact that it would be better to wait until this war is over and until these World War men have come home, and let them have something to say about whether they wanted adjusted-service compensation and what type of adjustment-service compensation it may be. Well, if, in the first instance, that argument is good on adjusted-service compensation, it might be good on all of these other benefits that we are trying to provide for them. But assuming there is some merit in that contention, I think the Senator had in mind a similar situation which prevailed at the end of World War I, where we had

approximately 4,000,000 or more men in the armed forces. The war only lasted for approximately 17 months, and when it came to an end it all came to an end, and an entire demobilization followed shortly thereafter. We have an entirely different picture today. Not only will you have three times as many men serving today as you had in World War I, but we are engaged on battle fronts all over the world. We are not fighting with just one foe, we had three of them—we finally got one of them out of the picture to a large extent, and we are now fighting with two of them all over the globe.

Senator CLARK. General Hines told me there had already been discharged more than one-fourth of all the men we had in the last war.

Mr. KETCHUM. That is right. I am coming to that point. Already there has been discharged, as the general said, one-fourth of all the men we had in the services in World War I.

Senator CLARK. More than a million men.

Mr. KETCHUM. It stands to reason that at the present rate of discharge you are going to have also a tremendous number of these men discharged this year, in 1944. If the opinion of all the experts, such as General Eisenhower and Admiral Halsey, and men who make war their business, if their opinion is of any value, then this war is not going to end all at one time. It is generally agreed that the European phase will end before the Pacific phase ends. Is it not reasonable to believe that there may be a general letting down of the armed forces, that is, a partial demobilization, or at least releasing certain elements of the armed forces when the first phase of the war has been successfully concluded? None of us know when the Pacific phase of the war will end. Some have predicted 2, 3, 4, and 5 years. What have we got in that situation? We are going to have a situation where there is a possibility of 3,000,000, 4,000,000, or 5,000,000 men may actually have been discharged from the services long before the final shot is fired and peace is signed. The situation is not comparable to World War I at all. Are we going to say it is a logical and reasonable thing to do, to wait until the whole war is over before the matter of adjusted-service compensation is considered? Shall we say to the first three, four, or five million men who may be discharged 2 or 3 or 4 years before the end of the war, "We cannot consider your problem until the war is over"?

For that reason we have suggested to the Congress that as long as you are going into the question of providing these men with some money on the theory of mustering-out pay, why not do a good job of it and establish an adjusted-service pay, that will not only serve for mustering-out pay but will also serve as an adjusted-service pay. You kill two birds with one stone and you do not have a double administrative difficulty. If you pass a small mustering-out pay bill at the present time, with already over a million men discharged—and you are going to have to pay them—you are going to have to pay the men as they come out—I can assure you gentlemen that any mustering-out pay bill that you pass will be followed by a demand for adjusted-service pay. I am positive that the men serving in this war will not be satisfied, will not be content to be dealt with less fairly than were the men of World War I.

Senator McFARLAND. May I ask a question, Mr. Chairman?

Senator CLARK. Certainly, Senator.

Senator McFARLAND. Have you examined S. 1495, Mr. Ketchum?

Mr. KETCHUM. No, Senator; I am sorry, I have not seen it. Someone called me about it just the other day and wanted to know if I had looked that over. I am very sorry, I haven't had an opportunity to do that. I will be very glad to look it over, Senator.

Senator McFARLAND. That bill provides for both mustering-out pay and adjusted compensation on the basis of double the amount that was granted in the last World War, with features for education, and so forth. I would be glad to have you examine that.

Mr. KETCHUM. I would be glad to do that, Senator. That has been our theory. What is mustering-out pay? I wonder if any of you gentlemen on this committee have a definition for mustering-out pay? I can find no precedent for it other than the \$60 bonus, whatever you call it, mustering-out bonus, that was paid to World War I veterans as they were discharged.

Senator CONNALLY. There is another one in the Spanish-American War which gave them a month's extra pay.

Mr. KETCHUM. Let us see what the Senate has done. You understand, gentlemen, I am not attempting to criticize you. You were trying to get these men some money, but you passed a bill which provides not for what I would call mustering-out pay, but it is in the field of adjusted-service pay, with the top of \$500 and bottom of \$200. Does that compare with World War I \$60, or the Spanish-American War 1-month pay? Is that mustering-out pay or adjusted-service pay?

Senator McFARLAND. Mr. Ketchum, may I interrupt you there? We pretty well established on the floor that it was not going to be adjusted-service pay, because we were afraid someone would say they had already been paid their adjusted-service pay.

Senator CLARK. They did say that after the First World War. They paid a man \$60. It was not enough to buy him a decent suit of clothes and some shirts. Then, after that, they came along and said, "That has already been done. The man has been compensated in that \$60."

Mr. KETCHUM. That is what we are fearful of. When you get up into a \$500 amount, that is more than \$60, and there might be some fairly good logic presented against adjusted-service pay. They would say, "We did give the man \$500. That was not only a mustering-out pay, that was also the adjusted-service pay."

Senator MILLIKIN. Let me suggest to you there would be utterly no warrant for that contention. On the record in the Senate, Senator after Senator made it clear this was not adjusted-service pay. I do not think you can find a scintilla of evidence that could be warped or twisted into a substitution of this mustering-out pay into an adjusted-service pay.

Senator LA FOLLETTE. That may not prevent the argument being made.

Mr. KETCHUM. That is right. If we could be sure that every Member of the Senate who voted for the mustering-out pay bill would be here later when the demand for adjusted-service pay came up so we would have some friends in court that would support our contention, that would be fine, but what are you going to do with the Economy League? The Economy League we have today is nothing as compared to what it may be in the future.

Senator MILLIKIN. I am making the point, whether the present Senators are here or are not here, the record is very clear.

Mr. KETCHUM. Let us assume then that the Senate has honestly said this is mustering-out pay and it is not to be considered as a bar against adjusted-service pay. Let us assume that, and let us see what you have done from the standpoint of equity. You have established a top of \$500 providing a man has had 18 months' foreign service, and if he has had less than 18 months or more than 12 months he gets \$100. In other words, the man who has had 18 months and 1 day gets \$500, but the fellow who has been there for 17 months and 29 days gets \$100. Your bill penalizes a man or rewards a man \$100 for the difference of 1 day's service, if literally interpreted according to the act.

Senator CONNALLY. Does not that happen in any case where you have a time limit?

Mr. KETCHUM. That could be corrected, Senator, by making it on a daily basis, rather than on time periods, or on a monthly division. That is what we are objecting to, to begin with, that the bill borders on the field of adjusted-service pay, and, secondly, it is not scientifically sound from the standpoint of length of service and type of service.

Senator McFARLAND. I take it you would prefer a bill modeled somewhat after the last adjusted war-service bill?

Mr. KETCHUM. That is right. We have recommended a solution to this question. We do not claim it is infallible, but it is a formula on which to work, as you have recommended to the Congress, and on which the members of the committee received our recommendation in the form of a mimeographed bulletin. Unfortunately, we do not have the money or help to send every Member of Congress a personal type-written letter on all of these questions; we must occasionally resort to the good old mimeograph, and I know you do not particularly care for those things.

In one bill in the House our formula was incorporated, but as to the other provisions in the bill we did not entirely agree with them. We agree with the provisions of the Senate bill, all of the provisions of the Senate bill with the exception of the amount and the length and type of service pay. We think you have done a splendid job in the other items in the bill.

Here is the formula we recommend: That it be placed on a scientific basis of so much per day, with a premium for foreign service. This bill, offered by the American Legion, makes no distinction between home and foreign service. Apparently they felt 18 months in this country is just as stringent and valuable service as 18 months overseas. Now the Senate bill did differentiate, or make it on the basis of length and type of service, and not only on the length of service.

Senator CLARK. You would advocate making the same distinction as to overseas service that the Army itself does in pay? It has been the settled policy of Congress for many years to make a distinction. I offered the amendment for overseas pay myself in this war.

Senator CONNALLY. On the other hand, is not there something to be said against making the distinction. These men do not always select where they go.

Mr. KETCHUM. I agree with you, Senator. I agree with you that they do not select where they go; but neither does the man who receives the Congressional Medal of Honor select the occasion and the situation

which develops where he receives that Congressional Medal of Honor. I doubt if there is a man serving in the armed forces today who would not like to have a Distinguished Service Cross or Congressional Medal of Honor.

Senator CONNALLY. That is not the point I am trying to make. The point I make is, Ought we to create any sort of artificial distinction because one man is here and another man is overseas? Every man is in the Army. Of course, you might say the man abroad has had a greater hazard; but if he comes back sound, he is in no different condition than the man who had to remain here.

Mr. KETCHUM. We receive a large number of letters from these boys overseas. We have some of them that have been there for 24 months.

Senator CONNALLY. All right.

Mr. KETCHUM. They have not seen the Statue of Liberty or their old home town, or the streets of America for 24 months. Some have been there for 18 months, some a year, and so forth. Don't you think that in itself is deserving of some consideration?

Senator CONNALLY. Certainly we ought to pay them all they are entitled to, but why say to the fellow at home, "We put you with the goats while we put these other fellows with the sheep"? I just don't see that. A lot of these men staying home would be crazy to get across.

Mr. KETCHUM. Some would, and some would not.

Senator CONNALLY. That is true, too, but you cannot very well go down the line and X-ray their minds.

Mr. KETCHUM. That is right. I do not think you can just dismiss the question by saying some did get over and some did not get over and therefore there should be no distinction. I think we have always recognized, generally speaking we have always recognized, the additional hazards, the additional mental strain, the additional denial of contact with home, family, and friends occasioned by foreign service.

Senator MCFARLAND. Mr. Ketchum, right along that line, is not the reason for distinction between foreign service and service on this side that a man who is that much farther away from his work, it takes him just a little bit longer, it is a little bit harder for him to adjust himself and get back into employment? A man who is in camp on this side, although he is away from his work, can keep a little better informed as to what is going on, and may be able to adjust himself a little quicker than the fellow on the other side.

Mr. KETCHUM. You are quite right. There are other considerations, too, to be taken into account.

Senator MCFARLAND. I do not say that is the only one. I say that would be one thing to be considered.

Mr. KETCHUM. I know some raise the question, "Why, all of these fellows overseas are not in combat, some are in London, and some in other places, and they are not having it any tougher than the boys here." All I say is, a man who says that ought to take that stretch of duty. No matter whether it is in Pago Pago, in the Samoan Islands, or whether it is in Guadalcanal, the situation is the same as far as being completely separated from your family and friends. People who love this country do not want to stay in some other country. I

don't care whether the fellow does not have any dangerous duty to perform at all, as long as he is 5,000, 6,000, or 7,000 miles away from this country, it seems to me he is undergoing a more rigorous call for service than a man at home, regardless of whether it is his fault or whether it is somebody else's fault. It is the same situation as the man who wins a citation and the man who does not, or the man who becomes disabled in battle. Two men advance across the battlefield in combat against the common enemy; one of them is cut down and maybe disabled, while the other man advances and wins the battle, and I have heard men argue that only the man who is disabled is entitled to any consideration. Well, disabled men do not win wars by themselves. It is true they should have primary consideration by reason of their disability, but to say just because one man did not receive a disability therefore he should receive no consideration from the hands of the Government, in my opinion, is a fallacious thing.

Our theory on the formula we have presented—and I have not yet read your bill, Senator McFarland—we would recommend that a dollar a day be allowed for home service and \$1.50 a day be allowed for foreign service, with a reasonable minimum and a reasonable maximum, so the bill cannot get too big.

Senator CONNALLY. That is the adjusted-service pay?

Mr. KETCHUM. That is what I am talking about. Inasmuch as the House and Senate apparently had gone beyond what I would call mustering-out pay and have moved over into the field of adjusted-service pay, you might just as well take the bull by the horns and go the whole way and pass the one act with one administrative cost. That would actually kill two birds with one stone.

Senator CONNALLY. Of course, you disregard the fact that we are paying the soldiers more now than in the World War I, and their allowances to their families are much larger. There is a fellow in my State, gentlemen of the committee, who has eight or nine children, and on figuring it out, the family was getting \$280 a month.

Mr. KETCHUM. Don't you think, Senator, maybe somebody slipped a little bit? When that amendment to the Allowance and Allotment Act went through don't you think that there should have been some qualifying provisions to prevent situations of that kind? We certainly never came before the Congress and recommended the bill in exactly that form.

That is our opinion on mustering-out pay. We do not approve of this section at all in the Legion bill, first, because it only recognizes length of service; it does not take into consideration type of service, and the spread is too much. You penalize men in one case and in another case you award them as much as \$100 for 1 day's service.

We move over now to title III, chapter V, Education of Veterans. Certainly there is no objection to this section of the bill, and I think the Senator as chairman of this committee knows, that already he had introduced a bill identified as S. 1516, which is almost exactly the same as this bill, with a few minor changes, at the request of the American Legion and Veterans of Foreign Wars.

Senator CLARK. That is correct.

Mr. KETCHUM. We went on record for educational aid for veterans months and months ago.

Senator CLARK. This section embodies approximately the agreement between the American Legion and the Veterans of Foreign Wars?

Mr. KETCHUM. That is right.

Senator CLARK. In a draft of a bill which I introduced?

Mr. KETCHUM. That is right. We immediately told our membership through the country to plug for S. 1516. The other organization is now plugging for another section in an entirely different numbered bill. Again I say, if the great American Legion can influence the Congress to put our program across, that is fine, but we are never going to admit that it was not our program, you understand.

Senator CLARK. Mr. Ketchum, let me say in all frankness, I am a member of the American Legion and a member of the Veterans of Foreign Wars both.

The chairman of the Finance Committee calls attention to the fact that he suggested that I introduce this bill long before either of the veterans' organizations made a move on it, and I urged the veterans' organizations to get together.

Let me say this, Mr. Ketchum: I am a member of the American Legion and the Veterans of Foreign Wars, both, and this committee, and the Congress have always, on matters concerning veterans of this war or any other war been extremely anxious to get the advice and suggestions of these great veterans' organizations, because we know they are interested in the welfare of the people who are discharged from the armed services, but neither the committee nor the Congress are really particularly interested in the rivalries between the various veterans' organizations. Let me say in that connection, however, in the last few years since I have been a member of the Senate there has been a tremendous improvement in the attitude of all these veterans' organizations toward cooperating with each other in the interest of these veterans. I am appreciative of their attitude toward the welfare of the veterans of this war.

Mr. KETCHUM. I merely wanted to put ourselves on record. We are not fighting the American Legion, I think we are cooperating with them. I think there is room for both organizations, and both are trying to do a splendid job for the veterans. When these things happen, of course we do want the record clear on what has happened, you see.

Senator CLARK. Senator George was the first one that suggested there ought to be legislation introduced on this subject as soon as possible.

Mr. KETCHUM. I think you originally introduced a separate bill for us and a separate bill for the Legion, and then we joined together and got one bill.

Senator CLARK. That is correct.

Mr. KETCHUM. Before I pass that subject, there is something else I want to say. Yesterday, either Senator George or Senator Barkley asked Mr. Atherton what he thought about the Thomas bill, S. 1509. That, of course, is not before this committee. If you have no objection, I would say that we do not favor the Thomas bill, S. 1509. With all due respect to the fine gentlemen who are on that committee, we do not favor the Thomas bill for the reason, that the Thomas bill, at least the only copies I have seen of it—I do not know whether it is reported out, they may still be working on it—

Senator LA FOLLETTE. It is still in the committee.

Mr. KETCHUM. The bill as originally prepared provided no administrative machinery. It completely ignored the Veterans' Ad-

ministration as a possible agent to administer the act, and they were not taken into consideration, as I understand it, when the bill was drafted or at the time the hearings were held.

So, it seems to me a benefit of this nature should be closely tied in with the Vocational Training Act, the jurisdiction of which is already imposed in the Veterans' Administration.

We greatly prefer the type of legislation as it is incorporated in title III of this act to a separate bill which might place the administration of educational aid to veterans in perhaps some new agency, such as the Committee on Education—I do not mean a congressional committee—but some Government agency on education.

Senator CLARK. The Office of Education.

Mr. KETCHUM. Yes. There are many questions relating to veterans that should properly be handled by the Veterans' Administration. Generally speaking, with the exception of a few things, most all of the things dealing with veterans' problems we are in favor of having the administrative managing of it in the hands of the Veterans' Administration.

Senator MILLIKIN. What are the exceptions?

Mr. KETCHUM. I am coming to one in this bill.

Senator MILLIKIN. Go ahead.

Mr. KETCHUM. I want to say we do not favor the Thomas bill for the reason that it ignores the Veterans' Administration as the administrative agent.

Title IV, chapter VI, Home and Farm Aid to Veterans. I am not enough of a lawyer, I guess, or an analyst to really determine whether this is a good section or not. There are some things in there about dealing with States or imposing certain things on States that might be questionable. This is one thing, perhaps, that ought to be dealt with through the National Housing Act rather than in this particular form. Our organization is on record to support legislation establishing a homes-for-veterans plan by adding a new title VII to the National Housing Act. We do not have a bill drafted at the present time. I admit that I am not in a position to give a substitute to the committee here this morning.

Senator CLARK. Mr. Ketchum, the theory of this, I might say, is not to set up the Veterans' Bureau as a loan agency, it is simply to retain the consolidation of all veterans' activities and agencies in one central agency, the Veterans' Administration, which we all agree is so necessary and desirable, and permit the head of the Veterans' Administration to act through other Government agencies. In such a long program I think everybody is agreed that this is a very desirable program. Some of these men are farmers, and they should be permitted to go back to the land, assisted by the Government. This title is not worked out in great detail, but it is based on the theory that the veterans may go to one agency to apply for their benefits. But the head of the Veterans' Administration will work through the governmental loan agencies to bring that thing about.

Mr. KETCHUM. I was not objecting to the Administrator.

Senator CLARK. I was trying to explain the purposes of it.

Mr. KETCHUM. I was not objecting to the Administrator having the supervision, insofar as certifying, so on and so forth. It does seem to me that a new title VII to the National Housing Act, carefully worked out, might prove to be a better bill than this section.

Senator McFARLAND. Mr. Chairman, I do not want to be interrupting here.

Senator CLARK. It is certainly all right.

Senator McFARLAND. I would like to call your attention to this fact, that this section would not work as far as States are concerned. It could not work in a great many States for the reason that the constitutions forbid the States from making loans. It is a Federal problem. Again may I call your attention to our bill on this subject.

Mr. KETCHUM. Thank you, Senator. The idea behind it we are not objecting to. I think the idea behind it is very good. It is a question of the right kind of legislation.

Now, we move over to title V, chapter VII, Employment of Veterans. Again I must take issue with what they are attempting to do in this particular title. I told you a few moments ago, that generally speaking I believe all problems dealing with veterans should be imposed in the Veterans' Administration, because they are familiar with veterans' problems. They have had many years of experience dealing with veterans, they have had a different attitude or a different approach to veterans than the ordinary Government agency, but in this particular instance, because of the wide ramification of the whole employment problem, I seriously doubt whether you would be rendering a service to the veterans by taking the Veterans' Employment Service out of the War Manpower Commission and imposing it on the Veterans' Administration. I will agree with the American Legion that there have been many instances, and it may have been a general policy, let us say, that the Veterans' Employment Service has been more or less a stepchild in the United States Employment Service and the Federal Security Agency.

Senator CLARK. It certainly is, in my mind.

Mr. KETCHUM. It certainly is. But how are you going to improve the situation at this particular stage of the game by merely moving it over into the Veterans' Administration, unless you set up a dual employment program where they do their own registering, and where they have their own offices? Otherwise, you would be in the position of having them in the Veterans' Administration and yet attempting to use the facilities of the United States Employment Service, and they would be acting more or less as an inspector. There is apt to be more discrimination and more coolness between the groups than there would be if they were not apart.

I have had the privilege of sitting in on a conference of War Manpower officials and Veterans' Employment Service officials, and I believe that they are making a serious and intelligent plan toward solving the problems of veterans in the entire Employment Service. I believe if you take this service now out of the War Manpower Commission and impose it on the Veterans' Administration just as a sort of policing group or cooperative group, that in the long run you would render a disservice to the veterans rather than a service, because I cannot conceive of how they are going to get any more results in the Veterans' Administration, as a separate set-up, than they can at the present time when they are actually a part of, where they sit on all of the conferences, all the plans made relative to employment. The only way you can do it would be to give the Administrator of Veterans' Affairs complete jurisdiction over the whole problem, with authority to handle the whole thing, and he certainly does not want it. If

I were sure, by moving it over there, we could then be certain of getting more serious consideration for the veterans, I would say "Amen," but did you ever stop to think about this? I don't care how good a veterans' employment service you have, if there are no jobs they cannot put anyone to work. Of course, they are making lots of placements today because of the demand for workers, but where there are no jobs available I don't care where your veterans' employment service is, it is still not going to be able to put veterans on jobs.

This problem is a little more serious than that. I think if it is the will of the American people and the will of Congress that provision should be made for the man who is a veteran and who cannot get a job, the Government is going to assume some sort of responsibility and say, "Unless we can provide a job for him we have got to take care of him in some other way." It is our opinion, if there are only so many jobs available in the country, then certainly the men who served the country in time of national peril should be given consideration for those jobs, if they can do the jobs. But if there are only so many jobs and there are not enough to go around, I do not care where your employment service is going to be placed, it still is not going to put the veterans to work. I think the Congress will have to deal with legislation which might provide, as long as the veteran remains unemployed, who is seeking employment and cannot find it, that some provision must be made for his care. We raise the question if the Congress wants to do it we are not going to fight it in any way, shape or form.

I will now move over to title VI, chapter VIII, "Unemployment Allowances for Former Members of the Armed Forces." That again is one of our objectives. We already have gone on record supporting another bill in the Congress. I forget the number of it right now. It was introduced quite some time ago in the House. I forget whether Mr. Voorhis or Mr. Van Zandt is the author of it. It was along the same line.

We have no objection to the purpose of title VI, chapter VIII, in this omnibus bill. I have not been able to read it carefully enough to determine whether there are any bugs in it, but the principle of the thing is very good.

That, in general, concludes the bill. I think the last title is merely a penal and fiscal administrative provision.

Senator CLARK. That is correct.

Mr. KERCHUM. As I say, gentlemen of the committee, I appreciate the opportunity of discussing with you our viewpoint on this most important problem that Congress has to deal with. I will say in the main that Congress has done an excellent job in already providing benefits for these men, and when anybody says Congress has made no provision for the veterans, that accusation is either based on complete ignorance or a misunderstanding, or it is purely political. There are some things, of course, that remain to be done. We are making great headway.

I want to say in conclusion that the Veterans' Administration has been doing an excellent job. They are not responsible for this time lag which develops between the time a man is discharged and the time he is tied up with his benefits. They have been confronted with an increasingly heavy load and with a decrease in personnel. They have not had the right and the opportunity to go out and increase their personnel, and consequently they have been working under a terrific handicap.

Whatever differences there may have been, have been due, of course, to a misunderstanding, a lack of cooperation, which, of course, is now being rapidly cured for the increased benefit of the veterans.

We are making considerable progress. I do hope, Senator, you will remember what you said a few moments ago, that there are one or two bills, two bills in particular, before this committee. They are very important and badly needed.

Senator CLARK. Are there any questions?

If not, thank you very much, Mr. Ketchum.

Is Mr. Miller here?

Mr. MILLER. Yes, sir.

STATEMENT OF WARREN E. MILLER, NATIONAL COMMANDER, ARMY AND NAVY UNION

Senator CLARK. Mr. Miller is the national commander of the Army and Navy Union; is that right, Mr. Miller?

Mr. MILLER. Yes, sir. I might state the Army and Navy Union is, I believe, the oldest active veterans' organization. It has been established since back in 1886. Its membership consists of members who are now in the active service, and it includes those who have served in any war, or in peacetime. It is not limited in any way. The only requisite is having been a member of the armed services of the United States and not dishonorably discharged therefrom.

We are in favor of this bill. We feel that it centralizes authority and responsibility, as should be done in order to meet the problem. Specifically, we have certain suggestions with reference to section 104 which provides for the discharge from the service.

Senator CONNALLY. Let me ask you a question. You say your membership consists of servicemen. Is it required that the members do service during some war period?

Mr. MILLER. It is not required that the men do service during any war period at all.

Senator CONNALLY. In peacetime any man who has been in the Army or Navy can be a member of your organization?

Mr. MILLER. That is right.

Senator CONNALLY. It is not really a war veterans' organization?

Mr. MILLER. It is a veterans' organization. It is not limited to any war.

Senator WALSH. So reserves who have never been called to service are members of your organization?

Mr. MILLER. Only if they have had active service in the Army, Navy, Marine Corps, and Coast Guard.

Senator WALSH. If they are in the Reserves, in the National Guard, can they become members of your organization?

Mr. MILLER. Not unless they are in active Federal service under the Army or Navy.

Senator WALSH. There are a lot of men in the Naval Reserve and the National Guard who through disabilities were not called to service, they are not in the service yet, but they are in the National Guard Reserves.

Mr. MILLER. The test in our organization is whether they were actually serving in the United States Army, Navy, Marine Corps, or Coast Guard, but not in the Reserves.

Senator WALSH. They must have done some active service?

Mr. MILLER. They must have done some active service that will entitle them to an honorable discharge from that service, and not merely a certificate of membership; that is right.

Senator CONNALLY. Does the organization act on things other than benefits like this?

Mr. MILLER. No.

Senator CONNALLY. Or does it cover agitation in peacetimes for increased pay?

Mr. MILLER. Our organization is a national patriotic organization. As to its nature and objects, I would like to leave with the committee a history of the organization, just as a matter of record, showing our nature and objects, the requisite for membership, and everything. It is some 200 pages.

Senator CLARK. It may be filed with the committee but not included in this record.

Senator WALSH. How many members have you?

Mr. MILLER. Last year, we had between 6,500 and 7,000 active members, but we also have an in-service membership. That is, we had, for instance, in the District of Columbia, a federalized National Guard organization, of course, that is scattered, men being transferred. We had in New Jersey an organization of officers in the service, but as the war comes along they are scattered, they are just in-service memberships, but in garrisons we have quite a few, in about 14 of the States.

I might state several prominent people have belonged to the organization in years gone by, and even in 1929, I think, General MacArthur was commander of a garrison in New York city.

Senator CONNALLY. What dues do you charge?

Mr. MILLER. It depends on the local organization—that is, the garrison. The national organization gets a dollar a member a year. The local organization, we have a State organization that gets 50 cents or a dollar as they determine, and the local garrison, which consists of 15 or more members in the various communities, govern their own dues upon what they want to receive themselves and what they agree upon, just like the American Legion or one of the other organizations.

Senator CLARK. All right, Mr. Miller.

Mr. MILLER. I might add that I was with the Veterans' Administration for some 10 years and I have been more or less handling veterans' matters in the practice of law, the private practice of law, for the last—over 10 years. I just mention that for the record.

As to section 104, if the committee please, here is a situation which I believe could be corrected by having the man before being discharged sent with his records to the State where he is actually discharged from the service. In other words, the practice, as I understand it now to be, is if the man is discharged, for instance, in Camp Jackson, S. C., then he is sent to Illinois, or sent from Camp Jackson out home, then sometime later his record finds its way out there. We feel, and we passed a resolution to this effect, that if the man and his record, before being discharged, were transferred out there to some camp in Illinois or in the State where he is going to be discharged, where the Veterans' Administration is going to be located, that that will solve the situation.

Senator CONNALLY. You mean some Army camp?

Mr. MILLER. Some Army camp in the State where he is going to be discharged, where the Veterans' Administration is located. As it is

now, he is discharged in South Carolina, put on a train and goes to Illinois, and I do not know how long it takes for the record to catch up with him—at least it takes a while—and during that period he has need of some attention. He is losing time to get into vocational training, or whatever is necessary. If they could send him out there with his record, and it would go to the Veterans' Administration, they could determine his eligibility and save a lot of lost motion. They would know then what he needs to put him in training; they could do all those things at that time.

I suggest, in line 22 of page 3, the words "next of kin" be omitted, because I do not believe "next of kin" would be necessary for a person that is being discharged. If he is discharged from the service he would be living and have no next of kin.

On page 4, section 105, in line 11, after the word "heretofore", I suggest there be added the words "or hereafter", for the reason that, of course, there will be statements made after this act is passed as well as statements made before.

Also, on page 4, in line 19, I think the words "now or hereafter" should be added after the word "organizations," in order to take care of any new organizations that come into existence after the war, because it would seem that this act would be possibly construed as referring only to organizations existing at the time the act is put into effect.

On the question of a reviewing authority, on page 6 of the act, section 301, I believe there has been an oversight on the part of the committee, because in reading that I do not see that that really directed the establishment of a board, which they intend to do. The act reads:

The Administrator of Veterans' Affairs is hereby authorized and directed to confer with the Secretary of War and the Secretary of the Navy for the purpose of establishing boards of review in the War and Navy Departments composed of five members each—

and I suggest after the word "each" there be inserted this—

and such officials are hereby directed to establish such boards.

The language as it appears here does not really establish the board. All you do is direct General Hines to confer with them with the view of establishing boards, but I think the act should actually contain the requirement to establish the board.

Also, in section 301, page 6, line 10, I suggest that there be added, after the words "man or woman" in the phrase which reads "whose duties shall be to review, upon the request of a former officer or enlisted man or woman", after the word "woman" add "or other blood relative or legal representative", because, in my experience—in fact, I have run across several of these types of cases where they will not grant a discharge of the type that he is entitled to. The man sometimes is dead, and it is really the woman and his children who suffer. I have one particular case in mind now, from South Carolina. I believe it was the intention of the committee to have this apply to all veterans—in other words, not veterans of this war but even veterans of the First World War could be protected. I think there is need for it.

As to the other parts of the bill, I am not going to take the further time of the committee on this particular measure, but I feel that it is a good thing, and we endorse it in principle and believe by centralizing

authority and centralizing the responsibility in one place instead of leaving it in all of these various commissions and departments, that then you can require its proper administration; and if that is not done, then we will have the same situation that existed after the last war.

Senator CLARK. Thank you very much.

Is there a representative here of the Order of the Purple Heart?

Mr. HALEY. Yes, sir.

Senator CLARK. Will you come forward, please?

STATEMENT OF FRANK HALEY, NATIONAL SERVICE DIRECTOR, MILITARY ORDER OF THE PURPLE HEART

Mr. HALEY. Mr. Chairman and members of the committee, I do not represent one of those large, influential organizations, but I do maintain that I represent a very unique organization in that our organization is composed almost entirely of men who were wounded in battle with an enemy during some war. It is true we have a very small number of men who hold the Purple Heart decoration that were never wounded. There was a very limited number that were granted that decoration through a personal citation by General Pershing during our World War I, and I believe that such decorations are also being issued on citations by General MacArthur and General Eisenhower during this World War II. It is only those grades of generals that can issue a citation which would grant the Purple Heart.

We do not consider that we are any better than any other veteran, whether he was overseas or whether he served in this country. We realize when a man is in the service of our country he will serve wherever he is put; whether he would like it or not, that is where he would go, but we do maintain that we certainly served in a place where we were expected and where we did give service, and where we sacrificed to a greater extent than any other veteran, because of the fact that we actually shed our blood in defense of our flag, our country, and its institutions.

Now, there has been much said in Congress, in the United States Senate, in the public press, in all kinds of publications and over the air on the radio as to what this country is going to do for these veterans, and in particular those veterans that are being wounded and disabled during this World War II, as to what they are going to do after the war is over. Well, Mr. Chairman and gentlemen of the committee, I have had some experience; I have had the honor of serving in two wars of this country. I served overseas in the Spanish-American War and also in World War I. I know that if you wait until after the shooting is over it is going to be but a short time until the shouting is over, and then those men who were actually wounded are going to have a tough fight on their hands.

We, as members of the Military Order of the Purple Heart, are concerned in having legislation as far as possible enacted that would ease the load for those men, that would make the load lighter to carry than we found it upon our return from World War I. That is our aim in life; that is our object, and we fully appreciate that Congress and the United States Senate during this session has done wonderful work in enacting such legislation.

I fully agree with previous speakers here that anyone who says anything to the contrary does not know what he is talking about. That is the only reason I could possibly give for it.

I also appreciate that the Veterans' Administration has done a wonderful job, and they are endeavoring to do a job, but they are handicapped and greatly handicapped.

Now, I do not want to take up any more time than possible, but there are a few items in this bill, this so-called Legion omnibus bill, that I would like to refer to. One is section 104 in title I, which applies to the discharge, that a man is to be held in the service, not discharged until his case has been settled and adjudicated, so that he can immediately be drawing some benefits from the Veterans' Administration. Well, I feel like other speakers who have appeared before this committee. I feel when a man wants to be discharged and is ready to be discharged, he wants to get out of the service. I know that is how I felt about it, and I think the boys of today that are getting out, particularly those that are wounded, that are in a physical condition able to get around and walk, they want to get home to their families, and God knows I don't think you can blame them for that feeling.

I think that can be remedied without holding them in the service, and I believe that an attempt is being made to remedy that matter. I think General Hines, the Administrator of Veterans' Affairs, in conjunction with the Army and Navy Departments, is endeavoring to correct that evil. The trouble has been that a man gets out and his records are not up with him. I have had many cases called to my attention, where a man has been out of the service 2, 3, 4, and as high as 5 months before any action has been taken on his claim. Now, that is not the blame or the fault entirely of the Veterans' Administration, or any other Government agency. There are so many things involved in this that the fault or the blame cannot be placed upon the shoulders of any individual or any individual department or bureau of the Government.

We have been informed by General Hines on previous occasions that at present an agreement has been reached between the Veterans' Administration and the War and Navy Departments whereby representatives of the Veterans' Administration will be placed in these larger Army and Navy hospitals, these discharge centers, and in addition to that there is contemplated, and, in fact, I believe, is in certain of those hospitals already an agency instituted.

I believe the man who has a gunshot wound, I don't care what the record would be or how soon the Army or Navy will be able to release those records, there certainly should never be any question about that gunshot wound being service connected, and I say the Veterans' Administration can make a temporary rating, if you call it so, of that man's case before he ever leaves the hospital. When all the records are brought in, if that rating is found to be correct, good enough, but if it is erroneous it can always be corrected. If the man has received too much money, that can easily be deducted, and I can assure you it will be deducted from his future pay. If he has not received enough, if he has not received as much as he would be entitled to under the law and in accordance with existing rating

schedules, his pay can be made up. I think it would be satisfactory to all of these men that are being discharged as wounded men, crippled up, if they know that the minute they leave that hospital and leave the service of the United States Army and Navy with a discharge in their pocket, that they are not going to be turned loose on the community with nothing in their pockets or nothing to support them with.

When men come out and find that in 2 or 3 days they haven't got the price of a meal, they are beginning to wonder what is the matter and where the trouble lies. It is hard to explain to some of these men just where the trouble lies and what it is, but I believe that all of these things can be corrected, and I am satisfied in my mind that every possible effort is being made at this time to correct it.

There are other things in this bill as it applies to education of veterans. Well, as far as the battle casualties are concerned, or as far as the disabled veteran is concerned who has a visible and recognized disability that makes it perhaps impossible for him to follow his pre-war vocation, I say that that man certainly is entitled to, and I know that Congress and the United States Senate agrees, as well as the Veterans' Administration, that that man shall have and shall receive the proper kind of treatment.

Senator CLARK. Congress has already passed a law that has to do with rehabilitation of service-connected cases.

Mr. HALEY. We appreciate that very highly, but I want to say this, coming a little further into this, that I think education may or may not be really tied up with vocational training. As far as the man who receives vocational training is concerned, I think there is a very close tie-up there, but as I understand this bill—and if I am wrong, I want to be corrected—this would provide that the Veterans' Administration would be not only authorized but instructed to see that every man, able-bodied or otherwise, who had his schooling, his education, interrupted at the time he was called into service, that they are duty bound to see that his educational program is again picked up and that he will receive the necessary education that unfortunately he had to stop upon entrance into the service, to the extent and length of time as provided for in this bill.

Now, as I said, I feel that when a man is wounded or disabled and his education has been interrupted, I certainly do feel that that man should be properly educated. If he can qualify for a college education, I think he should be given that, if such education had been interrupted at the time he entered the service. But it is questionable in my mind whether the Veterans' Administration or any other agency, should be compelled by law to say that every able-bodied veteran who had returned from service is given a college education. True, the money provided for such education is very nominal, from \$50 to \$75, but that is not all that there would be; there would be a considerable expense in administering that matter.

As I understand it, all moneys appropriated for the Veterans' Administration is charged to the disabled veterans, to the men who are actually wounded in action or otherwise disabled while on duty. People in general, I think, feel that all of the money is being used for that purpose and for no other purpose. I think that is a misapprehension; I think it is a misunderstanding. I believe that any man, even though

at the age of 18 when he entered the service, had had his college education interrupted and comes out well and sound, and if he again decides that he wants to take up the matter of educating himself, I believe that there are ways and means by which a young man of that kind can educate himself without it being compulsory upon the Veterans' Administration or the Government to see that he receives such education. That is a question which I think may be well worth considering.

As to title IV of this act, "Home and Farm Aid to Veterans," the Military Order of the Purple Heart is interested in seeing that every veteran, wounded, disabled, or otherwise, get all the assistance and aid from an appreciative Government and a grateful Congress that he possibly can get, and certainly the Military Order of the Purple Heart as an organization is not opposed to any legislation that will aid a veteran. However, again in this title IV it seems that was thrown upon the shoulders of the Veterans' Administration.

Senator CLARK. Just let me interrupt you and say the next meeting of this committee will be on Wednesday at 10:30, for the reason that the full committee, the Committee on Finance, is going to meet on Monday, and for various reasons, unavailability of witnesses, the committee cannot meet on Tuesday. The committee will meet on Wednesday, at which time General Hines will be heard.

Mr. HALEY. I am just about finished.

Again it comes to the question of expense, the spending of money which, as I understand it, is charged to disabled veterans.

Senator CLARK. Mr. Haley, why do you insist that all this money for various purposes is charged to disabled veterans? I do not think that is true, and I do not think anybody in the country concedes that all the money which has been spent for veterans' rehabilitation and veterans' benefits is charged to disabled veterans. I think that is an entirely erroneous assumption to start with. Certainly the American people are disposed to be as liberal as they possibly can with the disabled veterans, but I do not believe any reasonable man considers that all the obligations that the Government owes it owes to the disabled veterans. I think the veterans who are not disabled but who devoted some years of their lives to the Government service are equally deserving, not in the same category but are certainly deserving.

Mr. HALEY. I agree with you fully, and I say that we certainly, as an organization, do not object to that, but I have received a great many letters from what I may consider prominent citizens in business life who ask this question: "Why should we be considerate in any way, form, manner, or shape? Certainly there is plenty of money being appropriated for disabled veterans in this country, and they are being amply taken care of by the Government." It is an erroneous impression that many people, and I will agree with you that it is erroneous, but nevertheless it exists.

Now, whether this money is charged entirely to disabled veterans or to veterans as a whole, it is charged to the Veterans' Administration; and if they have to expend large sums of money for administrative purposes of a matter of this nature, I think that there is also a question that may well be considered, and I think it is debatable whether it should be enacted into law or not.

Now, Mr. Chairman, on behalf of my organization I want to express to you our appreciation for having the opportunity of appearing before

your committee. We fully realize and appreciate the effort that is being put forth by the Senate Finance Committee in the interest of veterans and in particular, in the interest of wounded, disabled veterans.

I want it thoroughly understood that we are not here to criticize, but we do appreciate the opportunity of being permitted to submit constructive offers.

I thank you.

Senator CLARK. Thank you very much, Mr. Haley.

The committee will recess until 10:30 Wednesday morning.

(Whereupon, at 12:25 p. m., a recess was taken until 10:30 a. m., Wednesday, January 19, 1944.)

VETERANS' OMNIBUS BILL

FRIDAY, JANUARY 21, 1944

UNITED STATES SENATE,
SUBCOMMITTEE ON VETERANS' LEGISLATION
OF THE COMMITTEE ON FINANCE,
Washington, D. C.

The subcommittee met, pursuant to notice, at 10:30 a. m. in room 312, Senate Office Building, Senator Bennett Champ Clark (chairman) presiding.

Present: Senators Clark (chairman), Milliken, and La Follette.

Also present: Senator McFarland.

Senator CLARK. The committee will come to order. General Hines.

STATEMENT OF BRIG. GEN. FRANK T. HINES, ADMINISTRATOR OF VETERANS' AFFAIRS

Senator CLARK. General, you have heard the scope that the hearings have taken so far. The committee would be very glad if you would give us a résumé of the whole picture as you see it, as to any gaps in the contacts between the Veterans' Bureau and the War and Navy Departments, and any other elements in the situation that you believe would be of interest to the committee.

General HINES. Mr. Chairman and gentlemen of the committee, I appreciate the opportunity of appearing before the committee. You should have some information on the over-all program. The Legion bill, or the omnibus bill that is before you, is a very comprehensive and far-reaching bill. The underlying principles are excellent. In other words, it follows the principle that we thought was sound, in having the Veterans' Administration take the responsibility in doing as many of those things as the Government does for the veterans.

First, I should take up one of the reasons that I think prompted the Legion to take the action they did at this time, and that is the question of whether the Veterans' Administration should be a war agency and whether it would help it in performing the functions assigned to it by law. There is no question in my mind but what the Veterans' Administration should have been made a war agency in the beginning. It should be made one now, and the legislation should be of such character that it would always be a war agency, whenever we go to war. That will help a great deal. It would have helped us a great deal in the beginning. We urged in the beginning, when the first Executive order was issued on priorities of personnel, even before we got into the war, that the Veterans' Administration was so closely allied to the War and Navy Departments that it would be helpful to give us a higher priority. We eventually got part of the admin-

istrative set-up in a higher priority, but only within the last few months have we had the first priority, that on personnel. We fully realize, and I am sure the committee does, that in the beginning we felt that everything should be done to make sure that no action taken would interfere with the personnel or the material needed by the War and Navy Departments. However, the War and Navy Departments have felt that in the handling of insurance, in handling claims, and the building of hospitals it would be helpful at this time, and it would have been helpful further back, if we had had the status as a war agency.

Even now there is difficulty in obtaining personnel. From the beginning there has been difficulty in obtaining medical personnel. There are not enough doctors in the United States to go around. The needs of the War and Navy Departments come first, and their full demands have not been met. So in appearing before the Procurement and Assignment Committee that has the problem of assigning doctors not only to the Army and Navy, but also to the community, to make sure that communities are not robbed of all the medical personnel needed for the health of the community, I suggested to them that as long as we knew that we did not have at the present time the total number of doctors needed, that they make an allotment of doctors and put them on the ratio of patients in the hospital rather than on the number of beds provided for patients.

Since that time the War Department has been very helpful, particularly General Somervell, in assigning or directing the Surgeon General to assign to the Veterans' Administration 100 doctors that we can use on rating boards. The Navy very promptly followed suit and agreed to give us a fair proportion from the naval service. So I feel for the present we will be able to man our rating boards with sufficient doctors to meet the load.

Now let me say at the outset, Mr. Chairman, that delays have taken place. It does not matter to the man whether the delay is on the part of the War Department, the Veterans' Administration, the Navy, or where it is, it is on the part of the Federal Government.

Senator CLARK. General, I think that is a very important element for everybody to constantly keep in mind. As far as the man himself is concerned, he does not know whether the War Department is responsible, whether the Navy Department is responsible, or the Veterans' Bureau. If there is some lag or delay in taking care of him, he regards the Government as a unity. He does not know what outfit he was particularly drafted by when he got into the service. He regards the Government as one institution.

General HINES. That is correct. I am looking into the individual cases very carefully, for two reasons: First, to find out whether there has been neglect on the part of the Veterans' Administration, and if I find that it reflects on the other departments I will certainly advise them. But the important thing is that there has to be in this problem, like all others dealing with the war effort, good teamwork on the part of all, and I am sure we are going to get it.

Now the cause, generally, of delay has been that this problem, at this stage of the war, certainly came upon us with terrific force and, as to load, in larger numbers than anyone could anticipate. I doubt if anyone would have expected that in such a short time following our entrance into the war there would have been discharged, on certificates

of disability, nearly half a million men. Now I should make clear to the committee that the discharge on a certificate of disability does not necessarily mean that that man is entitled to a pension. The War and Navy Departments will discharge men in line of duty or not in line of duty, but they may discharge a man on a certificate of disability where the disability existed prior to enlistment. Under our pension laws it is necessary, in those cases where the War Department discharges a man not in line of duty and the disability existed prior to enlistment, for us to determine incurrence or aggravation in service in line of duty under the liberal provisions of the act of June 16, 1938, Public Law No. 648, Seventy-fifth Congress, defining "line of duty" and the presumption of sound condition as contained in section 9 (b) of the act of July 13, 1943, Public Law No. 144, Seventy-eighth Congress.

Now the Veterans' Administration has adjudicated—considering the circumstances under which we have operated, Mr. Chairman, a large number of claims—more than 119,000 claims.

Senator MILLIKIN. General, may I interrupt to ask whether, in your opinion, there is an enormous number of men discharged on disability which results, in the main part, from slackness of examination at induction centers and elsewhere?

General HINES. Some of it can be charged to that, Senator, but when we look back at the problem that we had and that we faced at that time, I think whatever occurred there in the early stages of our mobilizing in armed force can necessarily be excused. In the first place, there can be no doubt that we were forced to mobilize a large number of men in a very short time. That was essential. Whatever interfered with that had to be pushed aside. No doubt a large number of men were taken in who would not be taken in at this time. The method of mobilizing was such that not sufficient time was available to determine which men had a mental disability, or in many cases the various types of neuroses. Many of those men have been taken into the service and have been discharged, as I will indicate to the committee in a few minutes here with some data that I have. They are doing a better job now, they are screening more carefully in both taking them in and turning them out. There were not sufficient psychiatrists in our country to have all of these men examined by psychiatrists.

Senator MILLIKIN. Does that disability account for most of the discharges?

General HINES. No, some of the discharges have been for age, and some you could put into the neuropsychiatric group. They are men that did not measure up to being made a good soldier.

Now what undoubtedly has brought about so many men being discharged at this early date is in the training period the weaknesses of these men were discovered. No commander wishes to go overseas or go into action unless he is sure of his men. The natural tendency of a company commander would be to weed out men that did not measure up to the best standards. That is natural. We all did it. Anyone who has been a first sergeant or company commander would have done the same thing.

Now the only thing that I think might be criticized—and both the Army and Navy know more about that than I do—would be the ques-

tion of whether these men could have been used, more of them, on limited service rather than being discharged.

From the very beginning of the urgency for manpower, both in industry and in the Army and Navy, the Veterans' Administration has had difficulties in maintaining their personnel. We were in competition with the Selective Service and with industry. Industry pays, in most areas, higher wages than the Government pays. It is a perfectly natural thing for men, for instance, in the attendant groups to leave our service and go into industry. We had a serious problem develop on the Pacific coast where practically all of our attendants in one institution, and it happened to be a neuropsychiatric institution, left and went into the shipbuilding industry. Wages there were much more attractive. We reclassified them and moved them up, but that did not hold them. It was necessary, and that situation still exists, to ask the Army to detail limited service men to that institution, to serve as attendants in kitchens and in the wards. The Army has been cooperative in that respect. More than 5,000 men have been authorized to be assigned by the Army to our institutions, to help out where we have been unable to get sufficient manpower for attendants.

Now, in addition to making the Veterans' Administration a war agency, I believe that it will be necessary to go further. I feel confident that will be helpful. It will be helpful in obtaining personnel so far as the Civil Service is able to obtain personnel, but with the shortage of manpower—and I have no hope that this year will be any more helpful in that respect than the one we passed through—it seems to me it will be necessary to assist the War Department, to give them a legal basis for the action they are taking in detailing personnel to us, to amend the Selective Service Act so there will be no question but what the men selected for the Army, the Navy, and Coast Guard can, in the discretion of the Secretary of War and the Secretary of the Navy, be assigned to the Veterans' Administration. There is a doubtful legality in what is being done, but I think the necessity is certainly apparent, and what the War Department has done is the fair thing to do.

Senator CLARK. Why is there doubtful legality?

General HINES. Well, because of the ruling of the Selective Service that these men are selected for service in the Army, the Navy, and the Coast Guard. Now, making the Veterans' Administration a war agency will help that, but I am convinced that it will be necessary before this year is out that more personnel be assigned to us, to enable us to function as we should function, and that will have to come from selective service in some manner. The Army is commissioning the doctors in our hospitals who are within the eligible age limits and can pass the physical examination, and they will give them a veterans' status. They will be called to active duty and placed in our hospitals on detached service from the Army. That will assist greatly.

Now, in the matter of materials, the War Production Board has a procedure that while they are sympathetic to our demands, and say so, we have had to make great efforts to proceed as far as we have. There is much delay before you finally get what you need. That is particularly so in reference to equipment. The Veterans' Administration, in the eyes of the division of the War Production Board that handles our requisitions, classes the veterans' hospitals as civilian hospitals.

We are probably put at the head of the civilian hospitals and we do get some equipment, but there are many hurdles to go over. This bill will be helpful in that respect.

Senator CLARK. General, will you tell the committee what the present physical situation is? I am not speaking about personnel, but the physical situation with regard to hospitalization and beds. I think we are all very much concerned in seeing that the most adequate provision is made for hospitalization, and it is not desirable that we sit and wait until the war is over and let the Veterans' Administration fall heir to some Army or Navy hospitals. I think those things ought to be taken care of now.

General HINES. I agree with you, Mr. Chairman, and the next part of the bill that you have before you deals with the matter of hospitalization, and I can very properly bring it in here.

The Veterans' Administration has, or is building, has the authority to build up to 100,000 beds. That was the program before we got into the war, although that program was spread over a 10-year period. Immediately after the war began we asked that that program be expedited so we could build up to the 100,000 beds. We have approximately 85,000 beds of all categories. The neuropsychiatric group is the group that is the tightest at the present time and the one we are devoting attention to in respect to adding 3,800 additional beds and following with a program of 9,000 more immediately, which has passed the Federal Board at the present time. We have been receiving from the Army and Navy, mostly from the Army, approximately 1,300 neuropsychiatric patients on an average per month. We expect to meet the peak load of World War II. It will not come immediately on demobilization but will increase gradually, up to 300,000 beds, 100,000 which the Veterans' Administration will have within the next several years, and 100,000 that we feel can be assigned by the Army and Navy, either in hospitals operated by them or in facilities turned over to us. Some of the hospitals are tagged to be used by the Army and Navy and then turned over to us at the end of the war. This will require also the conversion probably of some facilities, like domiciliary facilities which are of permanent construction and lend themselves to being converted promptly, and we can then use for such domiciliary facilities the camps that the Army will undoubtedly be able to turn over. It is not important that those men be handled like hospital cases, they can be put in barracks, and treated in the camp hospitals that exist, which the Army will probably no longer need within a reasonable limit of time. But we will have to add to the total about 100,000 beds of all categories which we are planning to go ahead with. Nearly every month now a new project goes on the market. I should say to the committee, regardless of what planning we have done in the past, it would not have been helpful to put any project on the market during the time the War and Navy Departments were building both war plants and hospitals. We tried that in one instance and got no competition whatsoever, we received no bid. The contractors now are able to go ahead with our construction and we are getting good competition. However, the last project seemed to show a tightening up on the part of the contractors, indicating again in certain areas a shortage of manpower.

The committee will be interested in knowing that in World War II we have already hospitalized more than 41,000 patients. This statement here, and the break-down which I would like to call to the committee's attention, covers 40,725 cases, including those admitted for domiciliary care. In January 1943 the total received from the Army and Navy was 607, while the number for December 1943 had increased to 5,044.

The step-up started in April of 1943 and has been going along at about between 4,500 and 5,000 patients.

The break-down of the types of patients, of the three main types, tuberculosis, neuropsychiatric, and general cases, is as follows: 5,175 T. B., 13,230 neuropsychiatric, and 21,640 general cases.

Senator LA FOLLETTE. General, I have to go to the floor of the Senate. We have a meeting at 11 o'clock this morning. I shall read your testimony very carefully.

General HINES. Thank you.

Senator CLARK. Senator, before you go, I would like to ask the general a question, and I would like to have you here.

General, the committee would like to know about the liaison, what might be called liaison between the War and Navy Departments and the Veterans' Bureau, particularly in the matter of rehabilitation.

For instance, the most inspiring thing that has come to my attention about this whole war situation is the system of rehabilitation that has been worked out by the Army Air Forces, by which they take a man as soon as he is put in a plane for evacuation to a hospital and begin right there assuring him he is not a derelict and a wreck for the rest of his life; they put him to work at useful things as soon as he is able to hold his head up in the hospital. I would like to find out why all the services cannot adopt such a system as that, and I would like to know what, if any, facilities are afforded at the present time for cooperation between the Veterans' Administration and the rehabilitation services of the Army so that there may not be any lag.

The Veterans' Administration, it seems to me, ought to be able to pick up just where the Army Air Corps rehabilitation service leaves off and carry it right on from there.

General HINES. You are quite right. I would like to advise the committee that some time ago the President appointed a committee on what we call in-service rehabilitation. The thought behind that was while the man was in service he was probably injured and will eventually be discharged but cannot be discharged because of certain physical repairs that have to be made, he would be given something in the way of training. That would start in the service and be continued when he comes out, and would finally wind up in gainful employment, or something of that kind.

Senator CLARK. The work that the Army Air Corps Medical Department is doing is one of the most inspiring and encouraging things that I know of.

General HINES. We have been in touch with that and know something about it. The committee has taken up two important jobs so far. That committee is formed of the Secretary of War, the Secretary of the Navy, the Federal Security Administrator, and the Administrator of Veterans' Affairs. The first problem was that of what would be done with the blind, the rehabilitation of the blind, as soon as they were sent back to the United States.

The next problem was what should be done with the many amputations, the many amputation cases, that come along. We felt that in the amputation cases, particularly the men who have lost maybe a leg or an arm, that the man should first have his morale built up, to indicate that he is going to be given some training that will enable him to carry on afterward. It is important that that start in the services, before he is turned over to us for training. Some of those men have been turned over to us. Some have taken training and now many of those men can get employment, and they go into employment.

Senator CLARK. It seems to me that there should be the closest possible cooperation between the Veterans' Administration and the armed services, so when a fellow is discharged from the Army or Navy it would not be a question of starting all over again because the Veterans' Administration would have been in touch with the situation while the man was still in the service and they would be ready to take him over as soon as he gets out.

General HINES. We feel there is that close cooperation at the present time. It did not start off that way because the magnitude of the problem was too large for anyone to cope with. We have the Army and Navy, the Veterans' Administration, the Federal Security Administration, the Bureau of Prisons, and the Bureau of Indian Affairs, all of those agencies represent Government activities that have hospitals in operation.

Now, on the matter of rehabilitation we have found this: That these men that are being discharged that are not too badly disabled to go into employment can be put in jobs almost immediately. Therefore, they are not particularly interested, even though we declare that they have a vocational handicap, in going into training. We have placed 500 of them only in training, but we realize those men who have taken employment will probably come back to us later, and we are prepared to take care of them.

The Veterans' Administration has employed in its own service more than a thousand men. Five hundred of those are World War II men, and the other men are men who have eligibility in both wars.

Now, if I might continue on the hospital side of it, the committee is undoubtedly familiar with the fact that the Army and Navy do not build hospitals for neuropsychiatric cases. That is the problem of the Veterans' Administration. They are holding a number of those men in their facilities at the present time for better screening, but eventually they will come to us, and for that reason we are pushing the program of building the neuropsychiatric beds. We have found it necessary to utilize our facilities to the limit in some areas. Fortunately, of the large number of men who have been hospitalized for neuropsychiatric disabilities the turn-over in the World War II group has been very rapid. We have had an average stay in our institutions of about 37 days, indicating that those cases clear up rather rapidly, and we are hoping that that will continue.

Senator CLARK. That is a much more rapid recovery, General, than was the ordinary case in the last war, is it not?

General HINES. Yes, it is. It would indicate really that some of those men are not mental cases, they are more of the nervous type, a neurosis of some kind, which is readily understood, where a man would be pulled out of a certain environment, put in strenuous training, and put in combat, and we are glad that they do clear up.

Now, in that group, however, and in the matter of hospitalization generally, we should keep in mind that the veterans of World War II that are now discharged, even though they have only served 1 day, are entitled to hospitalization.

As to the non-service-connected cases—and it may be said in passing that some of those may prove to be service-connected when we get to studying their cases closely—but on the record as it is now we are carrying a big load of non-service-connected cases of World War II. For instance, a break-down of the total, 40,587 that I have given you, shows we had admitted to our hospitals as of December 31, 1943, 11,496 service-connected as against 29,062 non-service-connected.

In the tubercular group, the break-down is much more favorable, showing a great number in that group are service-connected cases.

In the neuropsychiatric group, out of 13,230 we have so far only service-connected 4,716. In the group of neuropsychiatric service-connected cases we have 3,300 psychotic and 412 that are in the other classes of the neuropsychiatric group since December 1942; before that date this classification is not available.

Now, in the non-service-connected cases in our hospitals on that date, 8,514 were non-service-connected, showing that we are carrying a heavy load of those that have been discharged and gone into our institutions, but the turn-over has been a saving feature because that load has come upon us faster than I think any of us had the right to expect. We have met it so far and we feel confident we can meet it, but it is going to require prompt priorities on building materials because we cannot make an award until the contractors are assured a priority.

Therefore, I feel that the Legion bill, which will make us a war agency, which will put us in the same group with the War and Navy Departments, will put us in the status where we will be able to go ahead.

Now, on the question of building hospital beds, there has been much said about our program not being adequate. Speaking as the chairman of the board, I would like to say I think the board has under way at this time a very definite planning program, taking into account the needs of the Army, the Navy, and the Veterans' Administration, as to whether those facilities will be suitable for our use, what we will have to build and where. That data is practically ready for the board's consideration, and I am sure we will be able to go ahead with it. I hope the time will not come in the neuropsychiatric group that we will be unable to take in the non-service-connected cases, but there are two ways of meeting that load if it comes to pass. One would be to ask the Army, in their screening, to hold them longer; the other would be to take over temporarily some facilities and use them temporarily, converted from domiciliary or some of these posts that will be abandoned.

Senator CLARK. Certainly they ought not to be discharged from the Army and Navy until the Veterans' Administration is able to take care of them. Whether you hold them in the service a little longer or step up the provision for the Veterans' Administration to take care of them does not seem to me to be as important as the assurance that there will not be a lag. It is a disgraceful thing, as I see it, to turn a man out of the Army and Navy until somebody is ready to take care of him.

General HINES. Mr. Chairman, we have a definite agreement now with the Army and Navy that a man will not be discharged who needs further hospitalization, except under an agreement we have for that man to be turned over to us. The Navy and Army notify us and we designate the hospital, and that man is going to be further hospitalized.

Senator MILLIKEN. I think that is a very constructive policy.

General HINES. We ought to have sufficient teamwork to enable us to work the problem out.

In the matter of adjudication of claims, we have found that by sending rating boards to the point of discharge it gives excellent results. For instance, the trial board which we established at Walter Reed showed, in the time they were there, they not only were able to clean up the backlog of cases that they had, where they were assembling their records, but they also were able to keep ahead of the C. D. D. Board. Because of the large number of discharge points, the Army did not look favorably upon establishing demobilization centers. They are now discharging from more than 500 separate points. It would be impossible for us to cover those points without sufficient rating boards. The personnel available for this work, and the adjudicators, too, would be unable to be assembled in time to handle those cases. So in lieu of that we have been giving study to the establishment in each service command of an adjudication set-up made up of trained personnel, where the records of all of these men discharged from that particular service command can be sent and those cases rated there. After the initial rating and the award is made up, the folder will then be sent to the regional office nearest the man's home. We feel that that will speed up and probably facilitate the procedure very much over what is going on now.

Senator MILLIKEN. In your opinion, General, has the Army justified its large number of demobilization points? Would it be practical to have a lesser number?

General HINES. Well, I have had a feeling personally that it would. However, I would not attempt to argue too much with them about that. They ought to know the business of establishing camps. They felt that the main objective was not so much the question of their establishing a camp, or using one or the other camps, but more from the standpoint of the man. When the man gets ready to be discharged he wants to be discharged rather than be sent to some other place, and they feel that that would cause so much concern on the part of the men that it would be better to look for some other way of solving the problem.

In my judgment, there is really no excuse for a combat case not to be immediately rated. The cases that will bother us will be those where you have to assemble the records of the man from the time he went into the service until he is discharged to find out whether he went in with a disability and how much it was aggravated. Those are the cases that are discharged by the Army and Navy not in line of duty. The main difficulty has been in assembling the records. That has been overcome, and we can expect much better results in time by the Army directing now that a man not be discharged from the hospital until his records have been assembled. I have heard this order given by General Somervell to the Adjutant General, that the day he is discharged his records will be sent to the Veterans' Administration.

Senator CLARK. That is a greater advantage than anything else that has been done up to this time, General.

General HINES. That helps very much.

The next step we hope we can develop, and do it promptly, will be to have in these service commands the adjudication unit, that will only deal with World War II veterans, and when those records hit that office the man will be rated, his payment card made up, and then his folder sent to the office nearest his home. I feel confident, when this machinery is worked out, we can expect certain combat cases to get paid the first pay period. In other words, if a man's case was rated today he would not get paid until the first of next month anyway. But on the combat cases we certainly ought to be able, with good teamwork—and I feel we are going to get it from the Army, the Navy, and the Marine Corps—to adjudicate those cases within 30 days.

Senator CLARK. That is very encouraging.

General HINES. If we cannot do that, then there is something the matter with the teamwork somewhere. That is the objective we are carrying out.

Senator MILLIKIN. General, what happens to a man's records from the time he comes into the Army to the time he goes out?

General HINES. It all depends on the character of the records. The service record eventually, when the man goes out, will land in The Adjutant General's office.

Senator MILLIKIN. I always thought the service record accompanied the man.

General HINES. That is in the Navy. It accompanies the man in the Navy. His clinical record is the thing we are interested in. Say he landed at Walter Reed, was to be discharged from Walter Reed, he may have been in some other Army hospital, and his examination made by the draft board at the mobilization point will probably be at that point, or in the hands of The Adjutant General, we cannot tell. It would depend on how long he had been in the service.

Senator MILLIKIN. Do you ascertain that in each individual case?

General HINES. Yes. The Adjutant General, however, has the responsibility of getting to the hospital where he is to be discharged the man's examination upon going into the service. If he has been in any other hospital between the time he entered the service and the time he is to be discharged, it is the business of that hospital that he is last in to get the clinical records of that man and have them complete before his papers are turned over to us and before he is discharged, under the order which they have now issued.

In the beginning many of these men had very short services. I recall of one discharge point where, over a period of a few months, 965 men were discharged from that point. Four hundred and sixty-five of that 965 had less than a month's service, and they went from 2 months, 3 months, and up, and finally, as I recall now, the data showed that about 89 had had over a year's service. Now, that is not happening today. They are much more careful in screening them out, but it does account for the terrific jump in claims filed, and that load fell upon the Veterans' Administration when it was not in very good shape to handle it because of lack of personnel, and this personnel in many sections, even if we had had the priority at that time, would probably not have been available.

Senator MILLIKIN. I doubt very much whether you could have anticipated some of those things.

General HINES. We could not anticipate all of those things.

I am willing to submit in the record, if the committee wishes it, the effort made to get priority, but it seems to me that I spent most of my time going from one place to the other trying to sell the fact that the Veterans' Administration was not a civilian agency but was a war agency. Now, maybe I was a poor salesman, or they were listening to me but they were not sympathetic, but I did get results when I took it up with the President.

Senator CLARK. The trouble with that was that the men who were deciding on priorities did not know anything about your problems. They were civilians who did not know anything about the requirements of the Veterans' Administration.

General HINES. Well, I think, Mr. Chairman, that you are quite right as to the attitude of some. It was probably not due entirely to their desire not to be sympathetic and helpful, but because they did not know the problem.

Senator CLARK. That was my view of it.

General HINES. Up to December 31, to show you the magnitude of this phase of the work, disability claims only—225,279 claims were filed. Out of that number we had adjudicated 119,382. Of that number, 43,294 were given active awards. There were 76,088 disallowed.

Now, I think I can anticipate that in the minds of the committee you may question why such a large percentage of disallowed claims for disability. We had hoped to, and the War and Navy Departments contemplated giving every man discharged an opportunity to file a claim. We thought it would be better to do that. They in turn not only set it up in their regulations, but through the cooperation of the Red Cross asked that the benefits available to these men be made known to them and that they be given an opportunity to file claims. So many of these claims were filed. There was some objection raised by some of that did not want to file the claims, and some of them objected to being asked to file claims. But many did file claims, and many of those are not good claims.

The analysis of the reasons for disallowance showed that there are many reasons, but generally they fall in two groups: the disability not incurred in the service, or not aggravated in service. There may be in this group of disallowed claims some that will be appealed. That load will come on us later.

The difference between the disability claims and what has happened with the insurance claims is quite striking. On the matter of national service life insurance, up to January 12, 1944, we had received 13,805,000 applications. We had on the books insurance estimated in value at \$101,061,712,780. That gives an average policy of \$8,822.

The claims received under insurance and the awards made totaled as of that date 51,136. Out of that 51,136, 42,350 had been allowed; a small number, 3,406, disallowed, and many of those were disallowed because of the requirement under the gratuitous insurance, that is, the automatic insurance that is referred to, that dependency be shown, and those cases resulted in a number of disallowances. There were pending as of that date only 5,380 claims. In many cases the pending load

of claims is accounted for by the slowness with which the claimant will get the necessary information to enable us to go ahead.

We have a policy of immediately adjudicating these cases, although I have found that in a combination filing, one for insurance and one for a pension, that some of those cases have been delayed, and we have taken steps to amend the regulations so a case will not be held up by the insurance service to the detriment of the award of the pension, and the reverse of that if the claim hits the compensation or pension end of the office.

Now, we have, of course, a terrific amount of correspondence relating to the insurance. In 10 weeks more than 617,000 letters came in on insurance. Of that number we had answered 609,000. There was a lag there of some, but it was not too great. In Washington it is impossible to keep up the correspondence because of the lack of stenographers and typists, and it will be necessary to further decentralize New York or some other point in order to keep the work of the Veterans' Administration up to date.

Now, Mr. Chairman, I would like permission to put in the record some of the charts that have been prepared showing the data that I have referred to, and which may be necessary for your study of the question.

Senator CLARK. We would be very glad to have them.
(The charts referred to are as follows:)

World War II veterans

Date	Admissions to hospital or domiciliary care during month					Remaining under hospital or domiciliary care at end of month				
	Total hospital and domiciliary	Hospital treatment			Domiciliary care	Total hospital and domiciliary	Hospital treatment			Domiciliary care
		Tuberculosis	Neuro-psychiatric	General			Tuberculosis	Neuro-psychiatric	General	
Total to date ¹	40,725	5,688	13,230	21,640	167					
December 1941 through March 1942.....	943	502	264	177	(²)					
February.....	(³)	(³)	(³)		(³)	365	210	128	27	
March.....	(³)	(³)	(³)		(³)	495	295	172	27	1
April.....	323	166	81	76	(³)	632	399	197	35	
May.....	203	96	42	65	(³)	692	420	228	43	1
June.....	359	78	80	195	(³)	749	429	276	42	2
July.....	272	84	74	114	(³)	854	481	316	65	2
August.....	381	117	111	163	(³)	976	507	378	90	1
September.....	363	114	112	137	(³)	1,039	524	401	113	1
October.....	389	118	143	120	(³)	1,161	553	489	117	2
November.....	445	137	147	161	(³)	1,291	589	557	143	2
December.....	406	110	148	148	(³)	1,312	571	607	132	2
January 1943.....	607	148	204	255	(³)	1,687	666	705	213	3
February.....	583	110	189	284	(³)	1,726	699	799	222	6
March.....	872	166	309	407	(³)	2,003	766	944	295	8
April.....	2,025	246	613	1,166	(³)	2,988	852	1,281	837	18
May.....	2,433	255	947	1,231	(³)	3,823	935	1,839	1,034	15
June.....	3,214	378	1,257	1,579	(³)	5,189	1,116	2,633	1,403	37
July.....	3,734	502	1,476	1,756	(³)	6,259	1,368	3,193	1,643	55
August.....	4,070	422	1,369	2,279	(³)	7,206	1,554	3,650	1,945	67
September.....	4,430	456	1,492	2,482	(³)	7,801	1,689	3,926	2,184	72
October.....	4,785	490	1,409	2,809	57	8,825	1,889	4,290	2,551	95
November.....	4,804	490	1,350	2,969	65	9,888	2,007	4,091	2,871	119
December.....	5,044	613	1,407	3,069	65	9,461	1,962	4,687	2,678	134

¹ Includes 443 admissions to domiciliary care to date.

² Not available by months prior to October 1943.

³ Included in above.

United States veterans of World War II admitted to hospital or domiciliary care between December 1941 and Dec. 31, 1943

Type of disability for which hospitalized	Admissions	
	Total to date	During December 1943
Grand total.....	40, 725	5, 044
Hospital treatment (includes 276 admissions to domiciliary care):		
Total.....	40, 658	4, 989
Service connected.....	11, 490	1, 065
Nonservice connected.....	29, 062	3, 924
Tuberculosis, pulmonary.....	5, 088	513
Service connected.....	3, 905	329
Nonservice connected.....	1, 783	184
Neuropsychiatric.....	13, 230	1, 407
Service connected.....	4, 716	367
Psychotic.....	¹ 3, 390	330
Other neuropsychiatric.....	1, 412	37
Nonservice connected.....	8, 514	1, 040
Psychotic.....	¹ 5, 909	762
Other neuropsychiatric.....	¹ 2, 459	278
General.....	21, 640	3, 069
Service connected.....	2, 875	369
Nonserviceconnected.....	18, 765	2, 700
Domiciliary care.....	167	55

¹ Not available prior to December 1942.

² Not available by type of disability subsequent to September 1943.

National service life insurance, Jan. 12, 1944

Estimated number of applications received to date.....	13, 805, 000
Estimated amount of insurance represented by applications received.....	\$101, 061, 712, 780. 00
Average amount of policy approved to date (by life).....	\$8, 822. 61

	Total	Public 801	Public 360
Total number of claims received.....	51, 136	41, 782	9, 354
Total number of claims allowed.....	42, 350	36, 474	5, 876
Total number of claims disallowed.....	3, 406	837	2, 569
Total number of claims pending.....	5, 380	4, 471	909

An analysis of World War II disability cases and death claims, Dec. 31, 1943

	Number filed			
	Disability cases †		Death claims ‡	
	Total to date	During month	Total to date	During month
Prior to February 1943.....	27,742		12,304	
February 1943.....	32,481	4,739	14,092	1,788
March.....	39,881	7,100	16,123	2,031
April.....	47,942	8,361	18,258	2,135
May.....	60,107	12,165	20,821	2,563
June.....	75,030	14,023	23,205	2,384
July.....	92,254	17,224	26,402	3,197
August.....	111,652	19,398	30,051	3,619
September.....	131,592	19,940	31,052	4,001
October.....	158,837	27,245	38,101	4,010
November.....	188,990	30,159	42,120	4,019
December.....	235,279	36,283	43,284	‡ 1,164

† Individual veterans.

‡ Claimants.

§ Change in system of reporting on account of claims being sent to New York branch, estimated 1 week's work.

	Disability cases		Death claims	
	Number	Percent	Number	Percent
Total filed to date.....	225,279			
Cancelled.....	1,489			
In file at end of month.....	223,793	100.00	43,284	100.00
Allowed.....	43,294	19.33	20,188	46.64
Disallowed.....	76,088	34.01	11,900	27.49
Pending.....	104,411	46.66	11,196	25.87

† Includes 791 terminated cases.

General HINES. I would like to go on, then, to take up two particular points in the Legion bill that I think merit consideration. In the first place, I am using what little influence I have to get the War and Navy Departments to permit representatives of service organizations to be in their hospitals and camps. The service officers of both the Legion and the other service organizations have been most helpful to us. They are trained men. I would be glad to have all of them right now in the Veterans' Administration to help out, but I know they have a problem and they are taking care of it. I can see no detrimental effect in those men being permitted to go into the camps and hospitals of the Army and Navy, and I have so stated to both the Secretary of War and the Secretary of the Navy. I would like to see it done, however, administratively rather than by law, because it does not reflect very good teamwork if we have to force an issue of that kind by law.

The other feature is the question of contact men.

Senator MILLIKIN. General, may I interrupt?

General HINES. Certainly.

Senator MILLIKIN. You say you have taken that up with the Secretary of the Navy and the Secretary of War. Do you have a reasonable assurance that there will be sufficiently comprehensive orders to make that effective?

General HINES. I have what I consider rather definite assurance

from the Navy Department that they will work something out. Now, they prefer, if we establish units at the hospitals, or some other place, that those servicemen work with our unit; in other words, that they work in a compact set-up, very much like they do in our offices.

That does not cover the entire problem. There are many things that the service officers of the Legion take up with the veterans in hospitals and in camps, that are helpful to them, that are more or less of a personal nature, dealing with the family, and so on, and I think it will be necessary to go beyond the point of just letting them be with the Veterans' Administration set-up. I am sure both Secretaries will give the matter careful consideration.

I doubt very much whether it is wholly the fault of the Secretaries. I think probably the Army and Navy officers of junior rank who have to do with the details of such things have not been able to appreciate the help that it might be. They have not been dealing with the problem, and I think by a little better salesmanship we will be able to accomplish it. However, if it is not accomplished, then I certainly would not feel it would be objectionable to have legislation to accomplish it.

On the matter of whether the Employment Service should be transferred to the Veterans' Administration I would like to simply say that the Veterans' Administration will have to be interested in the re-employment of the veterans. No problem, in my judgment, in the post-war period is going to be more important than the reemployment of the veterans who have served their country.

Of course likewise we will have a terrific problem of reemploying other people that are now engaged upon war industries. That matter is one that has been given considerable consideration. The competition is in the opposite direction now to what it will be when we demobilize. I am a strong advocate of a slow demobilization of our forces. I would feel that it would be a very unwise thing for men to be rushed out of service on demobilization and sent back to a community that is struggling with the problem of readjustment and retooling, and all those things that will have to be done before those in that community in that time can be put back into gainful employment. The recommendation made to the President by a committee that I served on was that these men, rather than being demobilized immediately—and of course there will be a great demand, probably they will ask the Congress to hurry up the War and Navy Departments—that they be given a terminal furlough on which they can be, at full pay, a reasonable number of months. I recommended 6 months. The committee finally agreed on 3 months.

Senator CLARK. I am in favor of your recommendation.

General HINES. I do not believe we can readjust in anything less than 6 months, and I would feel more certain if it were a year, probably, and maybe longer in some cases.

Now, as to the Navy, it will not, in my judgment, be a matter of demobilization of the Navy. There probably will be some replacements that will be desirable. It looks to me as though our Navy will be kept practically at full strength, and I am hopeful that our Army will not be reduced to the proportions that we had before. But regardless of what happens, we know that we will have a reemployment problem. The veteran is entitled to a preference by law now, and it should be made a real preference. He is entitled certainly to gain-

ful employment, and our Government should lead in that. We should not undertake, in my judgment, to run the risk of lack of uniformity by trying to have the States handle that problem. I think it should be our job.

Now, as to the role of the Veterans' Administration in that, I can see no objection to it, and I can see no reason why the Veterans' Administration should not be made responsible to see that the veterans are reemployed. At the same time I would hesitate to recommend that the functions of another department be transferred. I think we can exercise supervision over employment of veterans and use whatever Government or State machinery is set up. Now, that violates, and I know it can be said it violates, a sound principle of administration, that is, having the responsibility without having the tools to carry it out.

Senator MILLIKIN. I would like to have you develop that, General.

General HINES. It seems to me that the teamwork between agencies of the Government ought to be such that it could be carried out.

Senator MILLIKIN. I agree with you entirely, but there is much evidence contrary to that, General.

Senator CLARK. It is a fact that this veterans' replacement service has always been a sort of red-headed stepchild in the United States Employment Service. I do not think anybody can dispute that. The thing we are interested in is that somebody has the responsibility for getting things done.

General HINES. This is what happened: When we first established the placement service—I am quite sure the Senator and the Chairman are familiar with that—we discussed at that time whether it should go into the Veterans' Administration or should go into a larger unit of the Department of Labor that was then set up and charged with the responsibility of employment matters. At that time we felt the veteran would fare better if he was placed where employment was the main function of the Government. Likewise, we knew, and we know today, that the full responsibility for reemployment is divided now between the Government and the States. The Manpower Commission, of course, has greater power than it had before the war in handling employment matters and the adjustment of employment matters.

Where the placement service of the United States Employment Service will land after demobilization, I am not sure. It came to the Manpower Commission from the Federal Security Agency. It had previously been in the Department of Labor. Now, I do know that the Federal Security Agency is endeavoring to give the Veterans' placement service a stronger status at this time. The only fear I have in what they contemplate doing is to what extent they can get the cooperation on the part of those men that are running it in the States. The work has to be done out in the field, not in Washington. You may issue orders here all day but if the fellow who is out in the field does not carry them out, or if he is unsympathetic, then we do not get the best results.

Senator CLARK. I heard Mr. Persons, when he was director of that servicemen's employment service, say to the committee he could not keep within 6 months of the demand. I think it would be just as easy to keep current there as it is to keep a consolidated military organization.

General HINES. I feel only two controls are necessary in Washington—one on policies, and the other on money. That control ought to be sufficient. The rest of the effort ought to be made in the field. You cannot get a man a job by holding a conference in Washington, it has got to be done out in the field. I am sure that will have to be appreciated, if we make a good job of it. I am not afraid of the responsibility, but I would not want to be an advocate of doing something that might not work out to the greatest benefit of the veterans.

Now, in the matter of rehabilitation, we have half of the problem worked out now. Service-connected cases we handle, and we are prepared to handle them as rapidly as they come. Those men who are discharged without a vocational handicap and who do not have a service-connected disability are taken care of by the Federal Security Agency.

In the matter of the educational legislation that is now pending before the Senate Committee on Education and Labor, the bills there, the last one I saw, the revision of some of the legislation, attempt to have a divided responsibility between the Veterans' Administration and the Bureau of Education and the Federal Security Agency. Whatever is done in the way of placing the responsibility on the Administrator of Veterans' Affairs, it should be a positive responsibility, with only the curtailment that he be required to utilize any facilities that are now set up for that purpose. I believe that results can be obtained in that way, and I feel if they are not obtained, he certainly will be in a position to keep Congress advised, and he is required by law now to make a report to Congress every year, without interference on the part of anyone, and then suitable legislation could be undertaken.

Senator CLARK. Well, General, that seems to me to be an extremely important element. I do not think anybody has any idea, unless he is in the business of an educator, as to how to actually go out and conduct the courses and prescribe the curriculum. Somebody ought to have the responsibility, and it is extremely important, in my opinion, to the veterans that they have one agency that they can look to for the protection and prosecution of all their rights.

Also, I think it is important that Congress should have some agency to hold responsible for it. I think what you should have, what the Veterans' Administration should have, is the supervisory power, and then be permitted to utilize all of the Government agencies that may be available, the Bureau of Education and everything else. You ought to have the responsibility, and you ought to have the authority.

General HINES. Well, I am willing to undertake it if the Congress so decides, of course.

Senator MILLIKIN. I want to put myself on record right now, General, to say unless you have authority combined with responsibility, it is my judgment you fail.

General HINES. I agree with that.

Senator MILLIKIN. The contrary has never worked out.

General HINES. I feel that the undertaking will be a very great one. One of the things that caused me to hesitate about transferring a placement service of this kind is whether we will not undertake to get too much going on at one time. The advisory authority ought to at least answer the problem for the present moment.

Senator McFARLAND. Well, General, it will just be greater in the matter of numbers after this war than it was after the last war, will it

not? You already have done some work in that field for the disabled men.

General HINES. I, of course, had a much better start than the man who had my job when we demobilized.

Senator McFARLAND. The work you have done works out very nicely. I haven't heard any criticism in the educational field.

General HINES. I admitted, Senator, before you came in, that there has been some delay.

Senator McFARLAND. Delays, yes; but I mean in the matter of continuing it after you get started.

General HINES. I do feel some of the hurdles that were necessary to get over to do the job have been probably modified as they looked in the mind of one person.

Mr. Chairman, there are other features of the bill, but they can be covered with this general statement: Most of the points advocated by the Legion are sound. The bill itself, I think, should be given detailed study, which we are giving to it, and the legislation certainly ought to be such that we feel now, and we hope will stand hereafter, as sound legislation. I think we all have the feeling that whatever we do now ought to be done with the thought that probably following the war we will have to, as a nation—not particularly the Veterans' Administration but the whole Nation—practice the greatest economy. Most certainly I would not want to be in the position where I am now and face another Economy Act following this war. I hope we can so regulate our legislation that we can meet the load and do a good job.

Senator CLARK. I agree with you on that, Senator. I was one of the "solid thirteen" that did not vote for the Economy Act. Now I am proud of it.

General HINES. I will be glad to put in the record what I think will be information of value not only to the committee but to the Congress, and should the committee desire to recall me on any further point I will be glad to come back.

Senator CLARK. The committee will keep closely in touch with you in working out the details of all this legislation.

General HINES. There is an immense amount of detail. I could probably spend 2 or 3 days talking on it, but I think I have given you the over-all picture.

Senator CLARK. Are there any other questions, Senator Millikin?

Senator MILLIKIN. No.

Senator CLARK. Senator McFarland?

Senator McFARLAND. No.

Senator CLARK. Thank you very much indeed, General.

Mr. Rice, would you prefer to go on today or come back Monday?

Mr. RICE. I would hardly be able to complete in this short time.

Senator CLARK. If it is agreeable to you, the committee would be glad to hear you next Monday.

Mr. RICE. I would like to present to the committee an example of how the Veterans' Administration and the Army can coordinate together to get a man rehabilitated, to get his claim adjudicated and rehabilitate him on the job, and I would like to introduce Thomas M. Day, Jr., to have him make a brief statement as to how the claim was adjudicated in this case.

Senator CLARK. The committee will be very glad to hear you.

STATEMENT OF THOMAS M. DAY, JR.

Mr. DAY. I came here this morning as a guest of Mr. Rice, of the Disabled American Veterans, to listen to your discussion.

I enlisted in the Army on October 17, 1940 to serve with the First Engineers, First Division, up until April 23, 1943, when I lost my leg in Tunis, north Africa. I was hospitalized there in four different hospitals, and came back to America July 3, and spent my time there until December 14, when I was discharged from Walter Reed. I was the first disabled war veteran of World War II to go before the new rating board that they had set up at Walter Reed. I was represented by Mr. Thomas J. Kehoe, assistant national director of the Disabled Veterans. They gave me my rating and pension, and through the good graces of the Veterans' Administration I secured my new leg and also secured a job, on which I am going to work Monday. That is what the Veterans' Administration did for me and also did for the rest of the boys.

Senator CLARK. Thank you very much indeed, Mr. Day.

Mr. RICE. Mr. Day is to be an employee of the Veterans' Administration. I do not think he mentioned that. He became an employee within a month after he was discharged, which I think is phenomenal cooperation between the various governmental agencies, if they are determined to do that.

Senator CLARK. General Hines, there is one question that I did want to ask you. You stated a while ago, as far as the admission of the representatives of the veterans' organizations to the hospitals and camps is concerned, that you thought that was very desirable but believed it could be done by administration. I have been informed that within the last 2 months a specific request from the national commander of the Legion to the War Department and Navy Department was specifically rejected. Do you know anything about that? It does not make any difference whether you do it by legislation or administration, but it ought to be.

General HINES. Mr. Chairman, would you permit me to have a day or two and see if I can get any results?

Senator CLARK. I will be very glad to do that. Thank you very much.

The committee has received a communication from the National Council of Technical Schools, dated January 18, 1944, which we will insert in the record at this point.

(The communication referred to is as follows:)

NATIONAL COUNCIL OF TECHNICAL SCHOOLS,
Washington, D. C., January 18, 1944.

Re: S. 1617, title III, chapter V, education of veterans.

The SENATE COMMITTEE ON FINANCE,
Senate Office Building, Washington, D. C.

GENTLEMEN: I am J. S. Noffsinger, a former superintendent of schools, a former president of a liberal arts college, a former executive officer of the Carnegie Corporation of New York, and for 5 years at the close of World War No. 1, had charge of the rehabilitation-training program of disabled veterans for the States of New York, New Jersey, and Connecticut. I now have the honor to represent before you three groups of private schools. These groups are (1) the National Home Study Council, (2) the National Council of Business Schools, and (3) the National Council of Technical Schools. These three groups represent a field of more than 2,000 private educational institutions scattered throughout our entire 48 States, and enroll in normal years approximately 1,600,000

young adults in courses covering the various trade, industrial, and semiprofessional fields. The students enrolled are for the most part, local, and reside in their own respective homes while attending these schools. Approximately two-thirds of these students, or 1,000,000 of them, are enrolled for training on a part-time basis—that is, they are regularly employed in one of the semiskilled trades or vocations, and pursue further training with a job-improvement objective in evening or extension classes or by the home-study method.

The schools which I represent are entirely sympathetic with the purpose and intent of title III of this bill, because it represents in a large measure the peculiar educational problem in which these schools have always functioned. There is, however, one constructive suggestion which we desire to offer regarding this proposed training program for discharged veterans. It is as follows:

There will probably be tens of thousands of men now in the armed forces, many of whom are married, and will be eager to reestablish home life, who have definite places of employment waiting for them upon their discharge. They will wish to accept promptly such employment, and we believe that it would be in the public interest for them to do so. Yet, these men could profitably pursue courses of training to upgrade themselves in the respective fields of their employment if permitted and encouraged to do so. Many of these are the type of individual who during the past two or three decades have filled our evening and extension classes, and have pursued correspondence courses to better qualify themselves for the field of their daily employment. We believe that this type of training should be included in your proposed training program and that it should be definitely encouraged through the payment of tuition fees, etc., but that no subsistence allowance be permitted if such trainees are regularly and gainfully employed.

We recommend, therefore, that the following amendment be made to bill § 1617 and that it become paragraph 6 of title III, chapter V, part VIII:

"6. The Administrator shall have the power and duty to prescribe and provide suitable part-time education and/or training (evening, extension, or correspondence courses) to persons included in paragraph 1 above, but who elect to accept public or private employment after being honorably separated from the armed forces: *Provided*, That while pursuing such training or education such persons shall not be entitled to receive subsistence allowance."

Cordially yours.

J. S. NOFFSINGER, *Executive Secretary.*

(Whereupon, at 11:45 a. m., the committee recessed to Monday, January 24, 1944, at 10:30 a. m.)

VETERANS' OMNIBUS BILL

MONDAY, JANUARY 24, 1944

UNITED STATES SENATE,
SUBCOMMITTEE ON VETERANS' LEGISLATION
OF THE COMMITTEE ON FINANCE,
Washington, D. C.

The subcommittee met, pursuant to notice, at 10:30 a. m., in room 312, Senate Office Building, Senator Bennett Champ Clark (chairman) presiding.

Present: Senators Clark (chairman), George, Millikin, La Follette, and Danaher.

Senator MILLIKIN. Gentlemen, the meeting will come to order. Senator Clark will be detained for awhile, but will come later on. He asked that we get started. As I understand it, the witness is Mr. Millard W. Rice, of the Disabled American Veterans.

STATEMENT OF MILLARD W. RICE, NATIONAL SERVICE DIRECTOR, DISABLED AMERICAN VETERANS

Mr. RICE. Mr. Chairman, for the purpose of the record, may I state that the Disabled American Veterans, the organization that I represent as its national service director, is a congressionally chartered organization, composed exclusively of those American citizens who have either been wounded, gassed, injured, or disabled while serving their country in the armed forces of the United States, or some country allied with it, during a time of war.

I emphasize that fact because I believe the Members of Congress should know that there is one particular outfit composed only of America's disabled defenders, which specializes in the problems of disabled veterans, and which is particularly interested in their problems, and which is very apprehensive as to any proposed legislation that might tend to submerge the interests of disabled men.

The bill now before the committee, S. 1617, the so-called Legion omnibus bill, is just such a bill, the enactment of which we fear very much might have a detrimental effect upon the administration of legislation for disabled men. We are particularly fearful that it might prove prejudicial to the interests of the service-connected and service-connectible veterans because of the numerous other problems that will be imposed upon the Veterans' Administration if the provisions of this bill will be enacted into law.

Senator MILLIKIN. Senator George, the witness is Mr. Rice.

Senator GEORGE. Yes; I know Mr. Rice well.

Mr. RICE. Thank you, sir.

Senator GEORGE. What particular phases of the matter are you discussing?

Mr. RICE. I am discussing the so-called Legion omnibus bill, which I understand is the only bill before the committee, S. 1617.

Senator MILLIKIN. Mr. Rice's preliminary statement was that they object to the Legion bill because it might tend to submerge the proper needs and requirements of disabled veterans.

Senator GEORGE. Thank you. Mr. Rice, while that bill is the one formally before the committee, I think the real purpose of the committee is to get a general view of the whole veterans' legislative program.

Mr. RICE. Well, I am very pleased if the field might be somewhat extended.

Senator GEORGE. It will be extended, I am sure of that, but first, we want to get the general picture.

Mr. RICE. Yes; I would very much like to address myself to the general problems.

Senator GEORGE. Yes, sir. That bill is intended to develop the general picture, so we may see how all of that legislation is going to fit together and how it should be worked out.

I think that accords with Senator Clark's view of these hearings.

Mr. RICE. May I then, Mr. Chairman, have inserted into the record a reprint of the statistics concerning veterans that recently appeared in the extension of the remarks of the Honorable Overton Brooks?

I present this for your inspection.

Senator MILLIKIN. There is no objection to that, and it may be inserted into the record.

(The matter referred to is as follows:)

[From the Congressional Record, December 14, 1943]

STATISTICS CONCERNING VETERANS

Extension of remarks of Hon. Overton Brooks, of Louisiana, in the House of Representatives, Tuesday, December 14, 1943

Mr. BROOKS. Mr. Speaker, most of us are headline readers, and probably, therefore, entertain many assumptions not justified by the precise facts. I believe that may be particularly true as to the extent of our Nation's expenditures on behalf of its veterans and their dependents, currently, and as to past years.

Recently, I observed some rather pertinent statistics concerning these matters in the annual report of Millard W. Rice, national service director for the Disabled American Veterans, as published in a recent issue of its national publication, the Disabled American Veterans Semimonthly.

Mr. Rice is well known to many Members of Congress, not only in his present capacity as national service director for the D. A. V., but as a former national legislative representative for the Veterans of Foreign Wars.

The statistics compiled by Mr. Rice have been secured from several sources, primarily the Veterans' Administration, but also including the War Department, Navy Department, and the Treasury Department.

It is significant to note that less than 1 percent of all Federal appropriations for the current fiscal year will be expended for ex-servicemen and their dependents, a percentage, by the way, which will almost inevitably undergo an increase as our participation in World War No. 2 becomes more intensive and more extensive, in America's all-out efforts speedily to win World War No. 2, to preserve our democratic ideals and freedoms, to perpetuate our beloved country, and to help to protect the United Nations associated with America in its war against wanton aggressors.

It is significant to remember, I believe, that an important factor in our all-out war efforts is for America adequately to provide for its present defenders, and their dependents, as well as for its disabled defenders and their dependents.

Less than 9 percent of the veterans of World War No. 1 receive compensation for service-connected disabilities, and about 60 percent of them receive less than \$40 per month by reason of their partial disabilities, whereas more than 80 percent of them receive less than \$60 per month.

Less than 10 percent of all living World War veterans receive any kind of monetary benefits from the Veterans' Administration.

The peak in the number of World War No. 1 veterans in receipt of compensation, 350,000, was passed shortly prior to Pearl Harbor, since which time an increasing number of partially disabled veterans of World War No. 1 have waived their compensation in their determination again to become active participants in World War No. 2, again serving some place in the Army, Navy, Marine Corps, or Coast Guard.

It is interesting to note that the average age of World War No. 1 veterans is now about 50 years, there are still about 238,000 who are less than 45 years of age, whereas only 1,755,000 have passed the age of 50.

(The compilation by Mr. Rice, of the D. A. V., is as follows:)

VETERANS' STATISTICS AS OF JUNE 30, 1943

Certain veterans' statistics, compiled as of June 30, which I believe to be of interest to veterans generally, have been secured, with the kind cooperation of the Veterans' Administration, War Department, Navy Department, and the Treasury Department.

Cold statistics, as such, are not generally interesting. These statistics, however, indicate the extent of the human aftermath of America's wars, campaigns, and expeditions, and the costs thereof:

4,757,240 served in United States armed forces during World War No. 1.

4,057,101 served in Army; 2,050,029 overseas.

590,073 served in Navy and 104,066 in Marine Corps, about 50 percent overseas.

24,234,021 registered for the selective draft.

2,810,296 were inducted after draft selection.

250,240 were discharged from the draft after being called.

10,250 Army men were dishonorably discharged.

130,128 total deaths.

39,362 were killed: 37,658, Army; 1,454 Marines; and 840, Navy.

14,009 died of wounds: 12,042, Army; 1,008, Marines; and 59, Navy.

58,371 were combat deaths: 50,510, Army; 2,462, Marines; and 599, Navy.

75,460 died of disease: 69,446, Army; 701, Marines; and 5,131, Navy.

1,207 died of other causes.

201,325 wounded, not mortally: 103,611 in Army, and 7,714 in Marines.

341,456 World War No. 1 veterans—less than 9 percent of all—received compensation for service-connected disabilities: 8,643 on temporary partial ratings; 762 on temporary total ratings; 297,513 on permanent partial ratings; and 34,538 (10.11 percent) on permanent total ratings.

27 percent of all service-connected disabled World War No. 1 veterans receive less than \$20 per month compensation; 46 percent less than \$30; 59 percent less than \$40; 66 percent less than \$50; 81 percent less than \$60; 91 percent less than \$100; and only 9 percent received compensation of \$100 or more—an average as to all of \$39.85 per month (\$39.74 a year ago).

84,824 World War No. 1 veterans receive pensions for permanent total non-service-connected disabilities of \$6, increased to \$8 by Public, 144, July 13, 1943 (single men, without dependents, in facilities), or \$40 per month.

43,109 disabled regulars were receiving pensions averaging \$32.05 per month (\$31.77 a year ago).

625 Civil War veterans were receiving pensions.

1,475 Indian-war veterans were receiving pensions.

140,093 Spanish-American War veterans were receiving pensions (Philippine-Insurrection and Boxer Rebellion) averaging \$57.80 per month (\$57.02 a year ago).

2,581 emergency (including 8 provisional, probationary, and temporary World War No. 1 officers were receiving retirement benefits, also 181 retired Reserve officers.

164,700 World War No. 1 service-connected death claims have been allowed; 89,722 are now active, providing pensions for 29,804 widows, 22,009 children, and 69,583 parents, at an average monthly payment of \$46.99 per case.

23,418 deceased World War No. 1 veterans who died by reason of some disability other than their service-connected disabilities, provide pensions for 22,635 de-

pendent widows and 32,385 children at an average monthly payment of \$34.35 per case.

64,157 deceased Spanish-American War veterans provide pensions for 62,072 widows, 5,752 children, 224 parents, and 5 others, a total of 68,053 dependents.

8,819 deceased Indian-war veterans provide pensions for 3,293 widows, 50 children, and 10 others, a total of 3,353 dependents.

82,552 deceased Civil War veterans provide pensions for 30,708 widows and 1,696 children, a total of 32,704 dependents.

81 widows and 1 child of Mexican War (1848) veterans are receiving pensions.

1 deceased War of 1812 veteran provides pension for 1 daughter.

222,274 veterans received hospital treatment during the last fiscal year, of whom only 27,387 were for service-connected disabilities.

56,850 persons were in hospital on June 30, 1943, of whom 14,580 were veterans with service-connected disabilities.

45,406 were World War No. 1 veterans, of whom 10,262 were service-connected, 35,084 non-service-connected, and 150 observation and temporary hospitalization cases; 5,152 were World War No. 2 veterans; 3,143 were other war veterans; 2,801 disabled Regulars, 21 Allied veterans, and 232 miscellaneous.

36,345 were neuropsychiatric patients, 14,857 general medical and surgical patients, 5,159 tubercular patients, and 499 observation and non-VA, not classified.

18,031 veterans were admitted for domiciliary care last fiscal year; 9,069 remaining on June 30, 1943, of whom 8,247 were World War No. 1 veterans (7,752 non-service-connected).

80,129 beds—61,764 hospital and 18,455 domiciliary—in 93 Veterans' Administration facilities.

1,693 beds in other Government hospitals utilized (Army, 347; Navy, 627; Federal Security Agency, 719).

38,927 veterans were under guardianship.

4,122,544 veterans and dependents have applied for adjusted compensation, involving \$3,767,161,943.

4,500,000 World War No. 1 veterans applied for war-risk insurance, involving \$39,000,000,000.

586,590 Government life-insurance policies were in force, with face value of \$2,499,603,842.

288,382 World War No. 1 veterans were less than 45 years of age, 1,034,814 between 45 and 50, 1,663,313 between 50 and 60, 3,692,647 more than 45, 1,757,833 more than 50, 94,520 more than 60, and 35,538 more than 65.

3,931,029 living veterans now constitute about 3 percent of the total population and about 4 percent of total adult population of the United States.

7,000,000 were serving in United States Army in World War No. 2.

2,000,000 were serving in United States Navy.

300,000 were serving in United States Marines.

600,000 have been discharged from active service.

16,476 have been killed.

22,374 have been wounded.

81,800 missing.

21,955 prisoners of war.

9,395,047 national service life insurance policies in force, with face value of \$65,447,084,870.

16,172 national service life insurance death claims allowed for total benefits of \$105,618,800, averaging \$32.71 per month per case.

2,053 waivers of premiums granted covering national service life insurance of \$9,268,500.

74,724 claims filed by World War No. 2 veterans.

12,637 World War No. 2 veterans receive pensions, 161 of them served during World War No. 1. 6 of them served during Spanish-American War, 3,856 of them served in Regular Establishment.

\$40.01 is average monthly pension of World War No. 2 veterans.

5,152 World War No. 2 veterans in Veterans' Administration hospitals.

2,338 of them service connected.

2,735 of them nonservice connected.

79 of them under observation.

87 World War No. 2 veterans receive domiciliary care.

14,386 death claims as to World War No. 2 veterans filed.

8,187 such claims have awards.

\$22,500,000,000 was cost of World War No. 1.
 \$92,000,000,000 so far expended for World War No. 2.
 \$7,600,000,000 was cost of World War No. 2 during June.
 \$387,037,000 appropriation to Veterans' Administration for year ending June 30, 1944, is only about 0.85 percent of all Federal appropriations for year. \$25,904,000,000 has been expended because of relief to veterans and their dependents since the Nation was founded, which, however, is only about 8 percent of the grand total of all Federal expenditures of about \$331,000,000,000 of which more than 72 percent was incurred directly because of preparation against or for war, participation in war, and to provide for the aftermath of war.

Age and death rate in 1941

	World War	Spanish-American War	Civil War	Indian War
Average age of all veterans in 1941.....	49	67	97	82
Average age of all widows on rolls in 1941.....	48	63	80
Average age of emergency officers in 1941.....	54
Estimated number of veterans dying per day in 1941.....	105	25	3	1

Estimated number of living World War No. 1 veterans at the beginning of each calendar year, by age groups

Attained age	1943	1944	1945	1946	1947	1948	1949	1950	1951
35-39.....	56	2							
40-44.....	238,326	90,036	10,691	1,366	236	54	2		
45-49.....	1,931,814	1,655,710	1,254,991	735,415	391,322	228,655	86,295	10,242	1,308
50-54.....	1,301,575	1,507,083	1,743,152	2,008,021	2,037,762	1,842,698	1,574,670	1,191,978	697,802
55-59.....	361,738	526,354	709,554	898,946	1,048,225	1,221,810	1,414,901	1,634,450	1,881,032
60-64.....	53,952	67,827	78,937	101,514	206,514	330,950	480,839	646,753	817,375
65-69.....	23,611	28,353	33,968	38,334	44,167	50,633	58,288	67,962	87,451
70-74.....	8,516	9,792	11,255	13,209	15,293	18,453	22,175	26,551	29,884
75-79.....	2,734	3,254	3,702	4,173	4,725	5,647	6,481	7,439	8,727
80-84.....	577	708	844	1,003	1,207	1,376	1,643	1,861	2,092
85-89.....	67	78	107	125	143	188	229	274	324
90-94.....	3	4	4	5	6	7	8	12	14
95-99.....									
Total.....	3,931,029	3,890,105	3,847,205	3,802,111	3,752,600	3,700,491	3,645,531	3,587,462	3,526,029

Mr. RICE. My reason for having it inserted is to give an indication as to the tremendous problem that the Veterans' Administration now faces. You will note there are about 340,000 service-connected veterans who received compensation after World War I, about 25 years following the termination of that war. There were about 257,000 discharged with disabilities following that war.

On the assumption there will be 15,000,000 men serving actively in the armed forces of this war, which is the estimate of the O. W. I., and that the same number proportionately would be discharged with disabilities as was the case following the First World War—and it is very likely there will be many, many more, proportionately—even on that basis there will be 740,000, about, who will be discharged with disabilities as the result of this war, and 25 years thereafter, on the basis of the proportionate number now receiving compensation, there will be about 1,000,000 receiving compensation, or pension, for service-connected disabilities.

Senator MILLIKIN. Of the two wars?

Mr. RICE. No; World War II, proportionately, on the basis of the figures as to World War I experience.

If, however, this war is carried on for a longer period of time compared with World War I, we can therefore expect that the percentage of men who are discharged with disabilities or who incur disabilities or have disabilities aggravated in service, will be proportionately greater, and it is not at all beyond the laws of expectancy that we might expect a million and a half men to be discharged with disabilities, or possibly 2,000,000, and that the number who receive compensation 25 years after the war might range, therefore, anywhere from 1,250,000 up to 2,500,000.

I submit, therefore, that that is a stupendous responsibility that the Veterans' Administration will have to administer.

I call your attention to the fact that the Veterans' Administration now is housed in one building in Washington, D. C. It will be a terrific strain upon the facilities of the central office of the Veterans' Administration to continue to house its activities in one building in Washington, D. C., just in taking care of its present jurisdiction, the problems that have already been imposed upon it by the Congress primarily on behalf of the service-connected and service-connectible disabled veterans.

If additional responsibilities not related to the responsibilities that the Veterans' Administration already has are also to be imposed upon the Veterans' Administration, then it is likely that the central office alone will have to be divided up into several bureaus and those several bureaus will have to be housed in several different buildings, and therefore it will not be any easier to effect coordination of the various phases of the problems of able-bodied and disabled veterans than would be the case if they were actually the responsibility of several different agencies, such as is now the case.

I grant you, Mr. Chairman, I was one of those who were particularly emphatic in believing that the Veterans' Administration should have the responsibility of providing vocational training for the service-connected disabled veterans of World War II, and that that is a responsibility which ought not to be taken over by the Office of Education or by a new vocational bureau in the Federal Security Agency. We believe, because we consider it very important that all of the governmental benefits for the service-connected disabled veterans shall be administered by one Federal agency, that that is a responsibility which in its performance is so difficult and presents so many complications, it ought not to be submerged with the responsibilities of the Government as to able-bodied men, unless the responsibilities of the Government as to able-bodied men are such that they are purely clerical or statistical, such as was the adjusted-compensation payment, or such as is the matter of taking care of the national service life insurance. There is very little discretion involved. It is mostly clerical and statistical. Most of it does not need to be in Washington, D. C.

But many of the other responsibilities that would be imposed on the Veterans' Administration on behalf of the able-bodied veterans if the provisions of this bill were enacted into law, would take up a great deal of time and a great deal of discretionary judgment on the part of the Administrator, and his various assistants, which would naturally detract somewhat from their consideration of the more complicated problems of disabled veterans.

I think it has been the experience of all of us that when an agency is imposed with two classes of responsibilities, one a particularly difficult responsibility and a complicated one involving human beings, and the other one a responsibility that is comparatively easy, that a bureaucracy is apt to and its employees are very likely to give first consideration to the easy problems, because it enables them to jot up marks of accomplishment in the matter of men being interviewed, in the matter of men being registered, and in the matter of men being placed.

I submit to you that it is infinitely more difficult to interview a service-connected disabled veteran who has a handicapping disability to overcome and securing for him suitable gainful employment, it is a much more difficult job to secure suitable employment for that man than would be the case as to the able-bodied man. And the same thing would be true, naturally, as to any vocational training that might be granted to him.

Senator MILLIKIN. Are there any statistics available on the amount of time that the veterans usually spend in obtaining employment as between able-bodied men and disabled men?

Mr. RICE. There are not, because, as a matter of fact, the Veterans' Administration has dealt heretofore primarily with problems of disabled veterans, except on this insurance problem and except in the matters of adjusted compensation, both of which could almost entirely be dealt with by correspondence, but when you are dealing with the matter of employment or vocational training, or compensation, or pension, or hospitalization, then a great deal of time must be taken by men who have considerable discretionary authority, and who have considerable judgment, tactfulness, and knowledge as to the field they are dealing with.

Senator MILLIKIN. Of course there would be an expansion of the organization to take care of the added duties.

Mr. RICE. Naturally, but there would have to be such a tremendous expansion as would spread very fine the very experienced personnel. The Veterans' Administration has, on the whole, been doing a very good job, and it is unfair if the Veterans' Administration, in addition to the tremendous burden that has been placed upon it to take care of the disabled veterans, and to take care of those problems, would also have superimposed upon it the problems pertaining to able-bodied men, problems that are totally unrelated to the problems that the Veterans' Administration has heretofore had, such as the provision in this bill that would give to the Veterans' Administration the authority to arrange with various State agencies to have authority and jurisdiction concerning the matter of loans for the purchase and improvement of farms or homes for able-bodied veterans.

The Veterans' Administration has had no experience along that line whatsoever. It would have to get experienced personnel from some other agency.

The distressing part of this bill is that it would require the Administrator personally to decide upon the arrangements that were negotiated with the various State agencies concerning their loan set-ups, and then the whole thing would sum up to the fact that any advancement of funds from the Federal Treasury to the State agencies for administrative cost purposes and any losses sustained would have to

be made up by the Federal Government by being charged up against the budget of the Veterans' Administration.

The same is true as to the various other benefits that would be provided for in this bill as to able-bodied men.

Let me emphasize the fact that we agree with all of the benefits that are provided for in this bill. They have been suggested by the President, they have been introduced in numerous bills by members of this committee and other committees on the Senate side as well as the House side. Practically all of the proposed benefits for able-bodied men are benefits that are already being considered by various committees in the two Houses of Congress.

Now, if the Veterans' Administration were required to take on these additional responsibilities for able-bodied men it would not only have to expand its physical facilities here in Washington, D. C., but would tremendously have to expand its physical facilities in the field. It has heretofore had regional offices that have been more or less ideal in that all the problems pertaining to disabled men could be taken up in that one facility, but if the Veterans' Administration, in addition to the expansion that will be necessary as to the problems of the greatly increased number of disabled veterans, is also to take care of these other responsibilities, it will have to have separate bureaus to take care of these other responsibilities, such as the employment service and vocational training for the able-bodied, and it will almost inevitably necessitate such a tremendous expansion of the regional facilities as to make it impossible of coordination for the benefit of disabled veterans, and it is the cause of disabled veterans that we are primarily interested in.

We believe that this proposed legislation in S. 1617 might more appropriately be delegated to various other agencies that have similar responsibilities.

As I pointed out before the Senate Committee on Education and Labor about a year and a half ago, we do believe that governmental responsibilities should be more or less segregated and that there ought to be one agency to take care of the disabled veterans, and if that responsibility is to be diluted by tremendous responsibilities on behalf of able-bodied men, then we fear the functioning of that agency, so far as the disabled men are concerned, will very likely suffer quite considerably.

Now I shall touch upon the general theory behind the provision of S. 1617. As to title I, we agree with practically all of the provisions therein that would give additional authority to the Veterans' Administration as to construction of additional hospitals. That is a splendid objective.

We agree, too, that the Veterans' Administration ought to be made a war agency and have priorities as to personnel. That ought to have been done a long while ago, and we have been advocating it since the time it was given class V grouping.

We also believe that there should be a considerable streamlining relative to the discharge of disabled men. Our own proposal has been that no man should be discharged with a disability until after all of his official and medical records have first been assembled at one spot, and made available to the examining doctors at the time of his pre-discharge examination, and that all of those papers should then im-

mediately be turned over to the regional office of the Veterans' Administration that would have jurisdiction in his case, based upon his permanent residence.

As an alternative, we agree with the creation of demobilization centers, a limited number, by the Army and Navy, that the establishment of adjudication units in those centers would help considerably in securing justice, particularly for the combat disabled, but we call your attention to the fact that probably 75 to 80 percent of all of the men who are discharged through the demobilization centers would have their cases rated by adjudication units not located in their own States. We believe the other proposal of assembling all of the records before they are examined and then turning the records to the regional offices of the Veterans' Administration would be more feasible.

As a matter of fact, you could get a better utilization of manpower that way than you could through the various demobilization units throughout the country, at the demobilization centers.

Suggestions for streamlining the administration of benefits for the discharged disabled veterans of World War II were submitted to General Hines by letter dated January 7, which was preceded by a conference with three regional managers who had been brought to the central office, for the purpose of considering ways and means by which to bring about a speeding up of the claims of discharged disabled veterans of World War II, and I submit that letter for your record.

Senator CLARK. It may go in the record.

(The letter referred to is as follows:)

JANUARY 7, 1944.

Brig. Gen. FRANK T. HINES,

Administrator of Veterans' Affairs, Washington, D. C.

MY DEAR GENERAL HINES: We were happy to respond to the kind invitation in your letter under date of January 1, 1944, to meet with the managers of three of the Veterans' Administration facilities now in the central office, for the purpose of discussing proposed streamlined procedure designed to speed up the adjudication of claims of disabled veterans, particularly as to disabled veterans of World War II, and their dependents.

Having had such a conference with these gentlemen on Wednesday afternoon, January 5, 1944, we take this occasion to make of record our recommendations to this end.

(1) The Veterans' Administration should make an arrangement immediately with both the War Department and Navy Department, whereby immediately after discharge of any veteran by reason of disability, all such official and medical records as may then be available should thereupon be sent to the regional office of the Veterans' Administration which has jurisdiction of the area in which such person's permanent residence is located, without being first required to await the receipt of the D. S. Form 221 (Physical Examination Prior to Induction)—which form, however, should have been requested as soon as discharge was contemplated—and then subsequently to forward to it any additional records that may have been assembled, thus saving from several days to several months of time.

(2) We recommend that the Veterans' Administration revise its Manual for Medical Examiners, so as to coordinate same with the proposed revised schedule of disability ratings, and then send printed copies of such revised Manual for Medical Examiners to all Army and Navy doctors charged with the responsibility of making final predischARGE examinations, and, at the same time, to make arrangements with the War Department and the Navy Department to have its doctors make out their final predischARGE examination reports in such detail as to comply with the provisions of such manual, so that such final predischARGE-examination reports can thereafter be used by the Veterans' Administration rating boards on which to base all original ratings, at least for the first year after discharge of the claimant, except where some facts appear to indicate definite changes in his physical condition.

(3) We recommend that the Veterans' Administration complete its proposed revised Schedule of Disability Ratings, and issue a copy of same to all rating boards and recognized representatives of the veteran organizations, and others, as soon as possible.

(4) We recommend that the Veterans' Administration urge both the War Department and the Navy Department to adopt the policy of assembling all official and medical records of each service person who is shortly to be discharged with a disability, and that all such official and medical records are to be available to and reviewed by the doctors making the final predischARGE examinations of each such person, and that immediately thereafter, all such official and medical records, including the D. S. S. Form 221, or photostatic copies thereof, be sent to the regional office of the Veterans' Administration having jurisdiction over the area in which such person's permanent address is located, preferably together with the 526 form that may have been prepared for him in the Army or Navy base hospital, camp or demobilization center. Where it appears that it might be several weeks before all such official and medical records could be assembled, such service person could be extended a furlough, and then report back to the demobilization center for final predischARGE examinations. It would also be preferable that both the Army and Navy Departments establish a limited number of demobilization centers through which to route all persons scheduled to be discharged with disabilities. At each such demobilization center, there should be a contact unit, with representatives of the United States Employment Service and the Selective Service System, as well as the Veterans' Administration, the American Red Cross, and accredited representatives of the several nationally recognized veteran organizations, to advise all persons about to be discharged as to the rights, privileges, preferences, and benefits to which they might potentially be entitled, and to assist them in the preparation of appropriate forms and applications relative to same. Both the War Department and the Navy Department should adopt the policy that such forms could be prepared and signed prior to actual discharge as to those in such demobilization centers.

At each demobilization center there could also be an adjudication unit of the Veterans' Administration to determine the discharged person's entitlement to pension on the basis of service-incurred or service-aggravated disability. If all of the rest of this proposed procedure were adopted, however, other than establishing an adjudication unit at such center, then it is believed that the necessity thereof would be largely obviated. It is, moreover, pointed out that better utilization of manpower, and better coordination of the activities and functions of each regional office of the Veterans' Administration could be arranged for, if all pertinent available records were sent to the regional office for adjudication, much more so than could be attained by the establishment of adjudication units at such demobilization centers.

Moreover, the policy of assembling all official and medical records prior to predischARGE examinations, and then promptly sending them on to the regional office destined to have permanent jurisdiction of the claim, would permit better coordination between the veteran, the Veterans' Administration, and the cooperating veteran organizations in the State of residence of each such claimant. It is also pointed out that the number of persons demobilized in some States will be grossly out of proportion with the number of persons who have been inducted into active service from such States, and vice versa.

(5) The claim numbers to be assigned to the respective claims should be sent out in blocks to all regional offices, with authority to each regional office to assign such "C numbers," and then to advise the central office Index Division thereof to prevent possible duplication of awards. This decentralized assignment of "C numbers" will save considerable waiting time, since awards cannot be assigned until after the claim numbers have been assigned.

(6) Each regional office should have one or more medical historians to make a typewritten report as to the medical history of each claimant about to be examined for perusal by the examining doctors at the time of the examinations, so as to save the valuable time they would otherwise have to take to elicit and to record such medical histories.

(7) Each medical examiner of the Veterans' Administration should be furnished with a dictaphone, ediphone, or sound-scriber machine, or a stenographer, for the purpose of dictating the medical reports as they are made, and thus to save the time of the doctors, and possibly thereby to enable each of them efficiently to make twice as many examinations per day or more.

(8) It is believed that the system of three-man rating boards—consisting of a legal man, a vocational expert, and a physician—should be reinstated, but it is

believed that the medical member can very feasibly be assigned as a member of at least two rating boards, inasmuch as the legal and vocational members can, in most instances, mutually agree as to all of the rating decisions, with the aid of the Schedule of Disability Ratings, public laws, service letters, instructions, etc., subject to verification as to medical questions by the medical member, provided that where the legal member and the vocational expert disagree as to such questions as service connection, service aggravation, degree, or the extent of the resulting vocational handicap of any disability, the medical member can then help to determine the majority viewpoint. Such a policy would make it possible for the same number of medical rating experts to serve two or three times the number of claims and rating boards as ordinarily.

(9) Because there is no uniformity of understanding as to the real intent of the instructions concerning the provisions of section 9, Public, No. 144, there is an unnecessary waste of time by rating boards, by reason of resulting appeals which could be eliminated by the institution of a procedure whereby regional officials are encouraged to send border-line cases, involving the provisions of section 9, Public, No. 144, in to central office for advisory opinions. The service letter encouraging such action should also endeavor to clarify the intentions of the instructions promulgated as to section 9, Public, No. 144.

(10) Unnecessary delays by the appeal procedure could also well be avoided during the policy formative period as to the determination of whether or not claimants with certain types of disabilities should be considered as being vocationally handicapped by encouraging the regional offices, in border-line cases, to secure advisory opinions from central office.

(11) Authority to determine temporary total disability for 6 months or more, to determine eligibility for the waiver of insurance premiums under the provisions of section 602 of the National Service Life Insurance Act, should be decentralized to the regional offices' claims and rating boards. The immediate adoption of this procedure will eliminate the previous complaints that the presence of claims folders before the Insurance Claims Council in central office, to determine eligibility for waiver of insurance premiums, prevents the adjudication of claims for disability pension during the absence of such claims folders, in some instances reported to have been in central office as long as 6 months.

(12) The Insurance Division of the Veterans' Administration might well advise each disabled veteran who has authorized deductions from his compensation or pension payments for the payment of insurance premiums that such deductions are being made, and will continue to be made, and that he will, therefore, thereafter no longer receive monthly receipts during the lifetime of any such authorization, thus saving the time of scores of typists and other personnel, and also saving much paper and much unnecessary work by the Post Office Department.

(13) The Veterans' Administration should discontinue the procedure of requiring the return of insurance certificates, or affidavits explaining the reason for their nonproduction, in the determination of insurance entitlements. The production of such certificates does not actually serve any good purpose, except to waste the time of both the Veterans' Administration and the insured, or the insurance-policy beneficiaries.

(14) All central office correspondence and copies of decisions, service letters, instructions, etc., directed to the Washington office of the Disabled American Veterans, could well be deposited in some place in the central office of the Veterans' Administration, available to a Disabled American Veterans' messenger, thus saving time and trouble as to the transmittal of all such material.

(15) We urge that the Veterans' Administration adopt the policy of promptly sending out to all recognized national service officers of the Disabled American Veterans, and of other veteran organizations, not only copies of all laws, amendments to the R. and P. R. Administrator's Decisions and Amendments to the Rating Schedules, as is now the policy, but also copies of all service letters, and of all all-station letters, without awaiting the specific request to that end as to each such service letter and all-station letter by the national service director of each such service organization, except as to those issues of service letters and all-station letters as to which advice is promptly given to the national service director that copies are not being sent out to the field unless specific request therefor is thereupon made.

(16) It is believed that careful consideration should be given to the advisability of recommending to the War Department and to the Navy Department, and, if necessary, to Congress, that the War Records Division of the War Department and of the Navy Department, and all of the functions, records and personnel of such Records Divisions be transferred to the Veterans' Administration.

It will be noted that some of these suggestions can be adopted as quickly as the necessary service letters so directing can be formulated, but that others of these proposals would necessitate coordination with other agencies, thereby necessitating some delay in the formulation of the necessary coordinating instructions.

It is believed, therefore, that such changes in procedure as can be immediately effectuated, and as would probably result in a saving of personnel for the Veterans' Administration and/or a shortening of time in the adjudication of claims, should be promptly promulgated.

Believing that the adoption of these suggestions would save much time, personnel, paper, and misunderstandings, and would also make it feasible for Federal agencies more promptly to adjudicate the just claims of disabled veterans and of the dependents of deceased servicemen, we submit them for your careful and sympathetic consideration.

Very cordially yours,

MILLARD W. RICE.

Mr. RICE. If it should be necessary for the War Department and Navy Department to give a furlough to the disabled men during the time that their records are being assembled, well and good, that should be done, but all of the records should, by all means, be made available to the examining doctors at the time of their discharge.

Too frequently, because they do not have the records present, they cannot give a thorough, coordinated diagnosis of the case, and the man, therefore, is confronted with a misunderstanding and with inadequacies as to records and with some inconsistencies, because they were not assembled at that time.

Senator CLARK. A man is anxious to get out, and therefore he does not care what they put on the record.

Mr. RICE. That is true. Right to that point, Mr. Chairman, we found about one-fourth of the men who are being discharged, and have been discharged so far, have, in order to hurry up their discharge, signed a statement to the effect that they did not wish to submit a claim, because they have been given to understand if they make that statement they can speed up the date of their discharge. That is wrong. If the procedure we have suggested would be adopted, that would definitely be avoided, because they would be given furloughs during the time the records were being assembled, if that were necessary.

Senator CLARK. Of course there has got to be an absolute prohibition against any such practice as that. That practice ought not to be in existence.

Mr. RICE. It is not the fact that those statements are given any consideration by the Veterans' Administration. They are not. That is just the trouble. They are given absolutely no consideration, but the man is under the impression that he has waived his right to the claim.

In one State, for example; we have a record of 1,600 such situations, where there were medical records in the regional office of the Veterans' Administration, with the statement by the man that he does not wish to file a claim, and has not filed a claim. The records are given a C number, but they are not reviewed by the adjudication unit.

Any representative of a veterans' organization is not able to look at them, the reason being that there are some men who do not wish to file claims and they might be insulted if they were now advised of their right to file a claim. That is an absolute fact.

An estimate has been made in the Index Division of the Veterans' Administration that about 25 percent of those for whom C numbers

are requested by the regional offices, have not filed the 526 application form, together with those medical records. That is, of course, definitely wrong, and ought to be corrected, and would be corrected by the suggestion you made, or by the suggestion we have submitted to General Hines and the War Department and Navy Department.

May I say considerable steps have been taken during the last several weeks by the War and Navy Departments to speed up the adjudication of the claims of discharged disabled veterans, and particularly the combat-disabled.

Most of title I is not really essential, from the standpoint of authorization, because the various departments have the necessary authorization now, if they will just follow through.

Incidentally, it may interest the committee members to learn that the Assistant Secretary of War has called for conferences with the national commanders of the three national veterans' organizations, to confer with him relative to suggestions as to how to bring about a streamlining procedure as to the discharge of disabled men, a development which I consider to be very splendid, and, in part, brought on by the interest of this committee, the American Legion, and other veterans' organizations concerning these problems.

Senator CLARK. Incidentally, General Hines advised me this morning, on the question we were discussing at the last meeting the committee regarding representatives of veterans' organizations having access to hospitals and camps, that both the Secretary of the Navy and the Secretary of War have agreed to take immediate steps to insure that.

Mr. RICE. That is splendid. The Army has also agreed to hold the men in hospitals until the Veterans' Administration beds have been made available, which is a splendid development.

Chapter II of title I of this bill deals with the very subject that you have mentioned, and since it is going to be accomplished administratively, it is not actually necessary, from the standpoint of legislative authorization.

Senator CLARK. I do not think it would do any harm to put it into the law.

Mr. RICE. I agree with you, it would not do any harm to put it into the law.

Chapter III would provide for a reviewing authority in the War Department and Navy Department to change the discharge certificates. We already have an assurance from both the War Department and Navy Department that where any notation has been made on the discharge certificate as to the nature of a man's disability, such as emotional instability or other notations which may prove harmful or embarrassing to him in trying to secure gainful employment, that they would give serious consideration to changing that without showing such notations, unless the man makes a request therefor.

The provision here would give authority to change a dishonorable discharge certificate to an honorable discharge certificate, such as has been proposed in two bills before the House Committee on Naval Affairs to give such authority. We believe it is such authority that ought, by all means, be given to such department, because sometimes men are given dishonorable discharge certificates in haste and because of disciplinary considerations that really do not merit a dishonorable discharge with the smear of that kind of a discharge for the rest of their lives.

Title II deals with mustering-out or demobilization pay, and that is now on its way to a solution in the conference of the House and the Senate committees. I would like to state for the record that we of the Disabled American Veterans do not believe that a mustering-out bill will discharge the responsibility of the United States to provide adjusted compensation, and neither would you.

People would be inclined to believe that the pending bills are rather generous in mustering-out pay and therefore provided some form of adjusted compensation. We would rather have the bill provide merely for a mustering-out pay and no gradation in the amount, so there would be no danger subsequently in providing an adjusted compensation on the basis of the length and place of a man's military service.

Senator MILLIKIN. I think Congress has gone on record in regard to the mustering-out pay, that it was not to be in lieu of adjusted compensation.

Mr. RICE. I hope that will be borne out subsequently. Sometimes there is a tendency to look at the total cost figures and say, "We have already been very generous," and thus to cut down on the amounts that might otherwise be granted, and that we would want very much to avoid.

Title III, dealing with the education of able-bodied veterans, would so amend the Veterans' Administration laws as to make able-bodied veterans eligible to resume or to continue interrupted educational courses, or to take vocational training courses, and to be provided with a training allowance of \$50 a month if single, and \$75 a month if married, and would make the Veterans' Administration make a suitable arrangement with other State or Federal agencies as to such educational courses.

It would, however, necessitate a further supervisory job on the part of the Veterans' Administration. It would necessitate interviewing, I believe all of these men to ascertain whether or not they are entitled to this opportunity to resume educational courses or to take up vocational education. It would necessitate advisement as to the courses they should take up, and it would necessitate supervision, the same responsibilities that are now taken care of by the Veterans' Administration as to the disabled veterans, and would, therefore, probably tend to interfere with the Veterans' Administration ability properly to take care of those duties as to the service-disabled because of the same theory that those whose problems are the easiest to take care of would probably be the first ones to be taken care of, because you can take care of several of them while it would ordinarily take up the same time to take care of one disabled veteran.

The same thing holds true as to all of us. In answering correspondence, if there is a three- or four-page letter, we lay it aside while we answer six smaller letters. That goes to the problem of lumping into the Veterans' Administration the problems of the able-bodied veterans all the way through.

Title IV would authorize the Veterans' Administration to make advances of money in payments to State to take care of the matter of loans for the purchase or improvement of homes and farms, and, as previously pointed out, would give so many responsibilities to the Veterans' Administration concerning these points as would probably also result in a lessening of the amount of attention that ought to be given to the disabled veterans.

Moreover, such problems are totally unrelated to the background of experience of the officials of the Veterans' Administration, which heretofore had to do with taking care of the problems of disabled veterans, and it would necessitate something more than a bookkeeping matter. It would also necessitate considerable consideration of policies that would have to be administered according to the various State plans, in determining whether or not particularly submitted State plans should be approved by the Administrator of Veterans' Affairs.

Senator MILLIKIN. Are not these new matters equally open to disabled veterans?

Mr. RICE. Oh, yes; they would be, just as any benefits provided for citizens are open for able-bodied veterans or disabled veterans.

Senator MILLIKIN. I am trying to get clear what kind of organization we have as it affects the able-bodied, and what kind as it affects the disabled. The disabled veterans would receive special consideration as disabled men, they would be entitled to rehabilitation, to education, to the opportunity to farm, to the extent that they are able to, so that the Veterans' Bureau, if those functions so far as the disabled men are concerned, are limited to the Veterans' Bureau, would have to go into all of those fields, would it not?

Mr. RICE. Yes.

Senator MILLIKIN. And as far as the able-bodied are concerned, they would then have to have some kind of parallel organization to take care of the able-bodied?

Mr. RICE. Of course, you already have parallel organizations in regard to all citizens. For instance, on farm loans you have got the Farm Credit agency that takes care of that sort of thing right now. You could, by a simple enactment, provide for preference of consideration for veterans as to the farm land.

Senator MILLIKIN. Would that be acceptable as far as disabled veterans are concerned?

Mr. RICE. I see no reason why it would not.

Senator MILLIKIN. That would be outside of the Veterans' Bureau.

Mr. RICE. That is a totally unrelated responsibility, as I see it. We do believe disabled veterans should be given preferences all through the Government, through all the various agencies.

Senator MILLIKIN. I quite agree with you.

Mr. RICE. And that therefore you cannot have one agency alone that is interested in the matter, although we charge the Veterans' Administration with the primary responsibility as to the disabled men.

Now, coming to the question of employment of veterans, title V would transfer the Veterans' Employment Service out of its present position in the United States Employment Service and the War Manpower Commission to the Veterans' Administration, and this would, in effect, necessitate that the State veterans' employment representative, and in turn the local veterans' employment representative, would have to function jointly with other employees of the State employment service, and with other local officers in the same offices.

I submit to you that that would necessitate two bosses bossing the same job, and, as you pointed out the other day, Senator Millikin, one agency would have the responsibility and two agencies would have the authority concerning the matter.

Now, that same problem can be worked out by imposing both the responsibility and authority in the same place and by providing prefer-

ence to the veterans, if that is desirable, and I believe it to be desirable, but to mix up the problems of the two agencies, such as this would provide, seems to be rather unworkable.

We have for a long time felt, however, that the Veterans' Administration ought to have the primary responsibility of seeing to it that the service-connected disabled veterans are placed. It does not now have that responsibility, but we thought it ought to have the responsibility, and that would be so provided by the enactment of H. R. 2950, now before the House Committee on World War Veterans' Legislation. Even there, we recognized that the Veterans' Administration could not very effectively set up a separate employment agency, it would still have to work through these existing employment agencies, and for it to do so both as to disabled veterans and as to able-bodied veterans would leave the situation pretty much it has been heretofore.

We found, prior to the inception of this law, that in the functioning of the Veterans' Employment Service, because able-bodied veterans could be so much more easily placed than disabled veterans, the Veterans' Employment Service representatives in the field and the local offices of the Employment Service in the field would first place the ones who were easiest to place, namely, the able-bodied veterans, and then if they had time they would attempt to place the handicapped disabled veterans.

That same fault would exist in this kind of a set-up. It is not procedure alone that is going to solve the problem, it has got to be the right kind of policy. If we have got the right kind of policy we can solve the problem. The Veterans Employment Service can be administered in a different place if we would just make up our minds now to set up the right kind of policies.

The procedure, however, will be such as to make it exceedingly difficult, if not impossible, properly to administer and to coordinate the policies that are put into effect, and that we believe might well prove to be the case if the entire Veterans' Employment Service were to be transferred from the War Manpower Commission over to the Veterans' Administration.

Senator CLARK. You admit, Mr. Rice, that the Veterans' Placement Service is a sort of a stepchild of the War Manpower Commission?

Mr. RICE. I do.

Senator CLARK. It has never effected the purposes that Congress intended to have effected when it established it.

Mr. RICE. I admit that. There is more to be done, and that is to establish certain policies which have not heretofore been established as to the Veterans' Employment Service.

Senator CLARK. I think that is perhaps true, but, in fact, it was an entirely different set-up. They had no particular interest in the matter. It always seemed to me it militates, to a tremendous extent, to the effectiveness of the Veterans' Administration.

Mr. RICE. I think unless we implement the matter still further, no matter where we put it, by the adoption of policies that would give an inducement to employers to employ able-bodied veterans and disabled veterans we are not going to be successful in solving the problem.

The problem can be solved only in one of two ways: First, by solving the problem of all citizens, and, second, by solving it by preferred employment, if you please, in governmental departments and private employment of the able-bodied veterans and disabled veterans.

That could be done. In France, in Austria, in Germany, and in Belgium they had preferences not only as to governmental employment for which they were qualified, but also as to private employment, and they had effective preference, first as to disabled veterans, then as to able-bodied veterans. France provided, for example, that 10 percent of all of the employees of any employer having about 10 or more employees should consist of disabled veterans having 30 percent or more degree of service-connected disability. Austria had a somewhat similar law, except it required it must be a 40 percent or more degree of service-connected disability. Germany had a somewhat similar law, and so did Belgium.

In England they had a law which, in effect, provided unless 10 percent of all of the employees of the employer consisted of disabled veterans, or all veterans, that they should not have their name on the King's honor roll, and unless the name was on the King's honor roll they could not get any contract to furnish supplies or services to the Federal Government.

Now some such law as that could really implement the intention of Congress, to see to it that these men get the opportunity for preferred employment with private employers.

Senator MILLIKIN. How did it work out?

Mr. RICE. It worked out very well in England; it worked out very well in the other countries, except they had to have regional boards set up all over the country to evaluate the fairness or inequity, whatever it might be, on the part of the employer, because it was found he might be imposed with too much of a burden under certain circumstances if he were compelled to take disabled veterans.

There was a penalty. He had to pay a higher rate of tax if he failed to live up to the percentage requirement. Some voluntarily decided to do so rather than to assume the extra burden.

Senator MILLIKIN. Has the history of that been compiled?

Mr. RICE. The history of that was compiled several years ago and is available in the House Committee on Civil Service, in the hearings concerning veterans' bills.

I will be glad to put it in the record if you desire.

Senator CLARK. I would be glad to have you put it in the record. I think there is a very interesting possibility in that.

Mr. RICE. You will find, for example, in Belgium, if I may depart from my testimony a bit on that point, in Belgium, although I cannot remember exactly, they provided first preference for the combat-disabled men.

If there is any available job for which the combat-disabled man has any qualifications as to governmental employment, he gets it. Next is the service-connected front-line disability, if he served in the front lines. Then next is the service-connected disabled veteran, whether he was on the front line or not. Next is the widow of a combat deceased veteran, and next the widow of a service-connected deceased veteran, and next the able-bodied veteran.

They just had them graded right on down. They could not skip over anybody that had the qualifications in any of those preferred classes without the personal approval of the King. That system worked out pretty well until all the jobs in Belgium, particularly in the lower classifications of jobs, and even in middle classifications of

jobs, were filled by service-connected disabled veterans and widows of veterans.

Senator CLARK. That was probably because the King was an old soldier himself.

Mr. RICE. That is right. That shows the extent to which they have resorted in these other countries. England has not had an effective preference as to governmental employees, except that it has provided that certain types of jobs shall be held open only for disabled veterans who can qualify for those jobs, and that a civilian must not be appointed to certain types of jobs until every effort has been exhausted to find service-connected veterans. You will find that is true in Canada also.

Moreover, Canada has had a system that has been very effective, so as the service-connected disabled veterans are concerned, and one which we have been advocating here.

Let me point out that the average employer is fearful to give employment to a service-connected disabled veteran because he is afraid that it is going to increase the premiums on his workmen's compensation insurance. Now it is not true that insurance companies decide to increase their premiums because an employer hires disabled veterans, that is not true at all, and they would vehemently deny that any such consideration is given, or that they make any such representations to the employers.

The employers do know that the insurance rates are changed on the basis of the experience, first, in the industry, and then in that particular firm, and the employers therefore get the impression that if they employ handicapped people they will be running the risk of increasing those insurance rates.

So the average employer, who has not had considerable experience with the thing and who has not been made acquainted with the few surveys that have been made by the Westinghouse Electric, by the National Association of Manufacturers, and by the Ford Motor Co., is so fearful of doing it that he will turn down the average disabled veteran.

That is proving to be true during this war.

Senator MILLIKIN. Was there any foreign experience of the nations involved putting up their own funds to equalize that increased cost of insurance?

Mr. RICE. Yes. I was just about to state that in Canada, if a service-connected disabled veteran is injured on the job, then any workmen's compensation benefits that are payable to him are reimbursable by the Federal Government.

We have suggested the same thing in H. R. 2950. It would seem to be about the most effective policy that you could use.

Senator MILLIKIN. Something of that kind would have to be done, otherwise you would probably be lacking funds in your State compensation funds.

Mr. RICE. That is right. Mere procedure will not get jobs for these men. During the course of our last national convention of the Disabled American Veterans in New York City, three disabled veterans of World War II came to me and told me in spite of so-called minor service-connected disabilities, prospective employers had turned them down because of the risk of increasing rates on workmen's compensation insurance.

We get letters frequently about that. Too frequently the man does not know why he is turned down, but the real reason, in most instances, is because probably of that very fear. Many employers have also confidentially advised that that is a motivating reason why they do not extend employment to disabled veterans.

Now, taking up title V, relative to the transfer of the veterans' employment service from the War Manpower Commission to the Veterans' Administration, if it were enacted into law, we call your attention to the fact that one of the provisos therein states that the employees of the Veterans Employment Service shall themselves consist of War Veterans. We submit to you that ought to be "consist of war disabled veterans", that there is that preference granted by the government to the service-connected disabled veterans.

A man who has himself incurred some handicapping disability and has been able to overcome it by his own aptitude is in a far better position, sympathetically and effectively, to aid other veterans in overcoming their particular problems, than is a man who has not gone through that particular experience.

Title VI would provide unemployment allowances for former members of the armed forces, that they should be provided for through the Veterans' Administration.

Senator MILLIKIN. Does your organization limit the type of disability before one can be eligible?

Mr. RICE. No. If he was wounded, gassed, injured, or disabled while serving the country in the armed forces, he is eligible for membership.

Senator MILLIKIN. If it is from a disease, for medical reasons, would he be eligible?

Mr. RICE. Yes; if it is a disease incurred in service.

Senator MILLIKIN. If a man got tuberculosis, for instance?

Mr. RICE. That is right. He would be eligible.

Title VI would provide that the Veterans' Administration should have a new responsibility that it has not previously had, to provide unemployment allowances for former members of the armed forces.

It would require a very complicated, technically complicated interrelation and interchecking with State agencies and Federal agencies in determining the amount of the allowances to be provided for unemployed veterans, whether able-bodied or disabled.

It would provide also if the man were entitled to any allowances from any other sources, the weekly allowances payable by the Veterans' Administration should be reduced by the amount of such other allowances. That is going to be a tremendously difficult and complicated set-up for two Federal agencies and one State agency to work out.

Of course, our organization is very strongly in favor of granting accrued credit for unemployment compensation purposes for men who served in the armed forces. We believe the amount of those credits for unemployment compensation benefits should be accrued on the basis of the length of a man's service and then should be integrated and piled up on top of such other benefits as he may have earned prior to the time he was in service and any credits he had prior to the time he was inducted or enlisted in the service should be resumed during the time he was in service.

Therefore a man who was in a covered occupation before the war could have the benefit of an extended period of unemployment com-

pensation benefits and can get credit for both purposes, both as to the credit he had before he went into the service, and on the basis of the fact he was employed by Uncle Sam in the armed forces, and therefore given accrued benefits on that basis.

All of that could be integrated under the present set-up and could best be integrated by appropriate amendments to the Social Security Act and could be administered by the Social Security Board through the State boards under unemployment compensation.

We particularly call your attention to the fact that this act would set up different standards of eligibility than are now set up under the Social Security Board, and worst of all, would, in effect, provide there should be a deduction of other benefits that are to be provided for, whether it be workmen's compensation, unemployment compensation, or some other benefits that he might secure.

The enactment of another bill before this committee, introduced by the chairman of the committee and Senator Wagner, to provide for accrued credit for unemployment compensation and old-age insurance benefits not provided for in this bill, would, we believe, be a better approach to the solution of that particular problem.

Senator MILLIKIN. What bill is that?

Senator CLARK. That is the bill introduced by Senator Wagner, Senator George, and myself.

Mr. RICE. That bill, by the way, would also, as I indicated, provide old-age insurance benefits, which certainly ought also to be credited. A man ought by all means be entitled to credit for old-age insurance benefits on the basis of his employment in the armed forces of the United States in time of war. This bill would not so provide.

Now, Mr. Chairman and gentlemen of the committee, I have indicated that the Disabled American Veterans organization is very fearful and apprehensive about imposing upon the Veterans' Administration any additional jurisdiction other than it now has on behalf of service-connected and service-connectible disabled veterans in the form of national life insurance and Government insurance, and adjusted compensation from the First World War, and its various responsibilities relative to the hospitalization and domiciliary care for both service-connected and non-service-connected disabled veterans.

I desire also to call your attention to the fact that there are several ways in which the present laws could further be amended and liberalized on behalf of the service-connected disabled veterans. This Nation wants to boast that it has already provided generously for its veterans, and particularly for its disabled veterans.

I submit to you that the disabled veterans of this country are not fully provided for. A totally disabled man with a family of six or seven children gets only \$100 a month. He cannot raise those children according to the American standard of living, in a decent American way, on \$100 a month. There isn't any way that he can do so.

Canada, for example, provides dependency allowances for its totally disabled veterans and for those who are partially disabled, at the rate of \$25 for the wife, \$15 for the first child, \$12 for the second child, and \$10 for each additional child. So that a totally disabled veteran in Canada who has a family with any children, is infinitely better off in the matter of purchasing power and providing a decent standard of

living for his family than is a totally disabled veteran in this country.

I would like to submit for the record this chart, which gives the comparative dependency allowances provided for various groups of service men.

Senator CLARK. That will be included in the record.

(The chart referred to is as follows:)

Monthly allowances for dependents

Dependents of—	Wife only	Child or children with wife	Child or children but no wife	Parents and brothers and/or sisters entirely dependent	Brothers and/or sisters only entirely dependent	Parents and/or brothers and/or sisters partially dependent
Enlisted men in active military or naval service of the United States.	\$28 ¹	\$30 ¹ for first child, plus \$20 for each additional child.	\$20 ¹ for each child.	\$45 ¹ for first parent, plus \$18 for second parent or brother or sister, plus \$11 for each additional brother or sister.	\$37 ¹ for first one, plus \$11 for each additional one.	\$32 ¹ total for one or more.
Canadian veterans rated totally disabled. ²	\$25.....	\$15 for first child, \$12 for second, \$10 for each additional child.	\$15 for first child, \$12 for second, \$10 for each additional child.	\$10 for each parent.	None.....	None.
Social security old-age insurance beneficiaries. ³	\$5 to \$42.50	\$2.50 to \$21.25.	\$2.50 to \$21.25.	None.....	None.....	None.
United States veterans of World War I receiving compensation on temporary total rating ⁴ or veterans of World War II while pursuing vocational rehabilitation.	\$10.....	\$5 for each child.	\$10 for first child, plus \$5 for each additional child.	\$10 for each parent.
United States veterans of World War I and II receiving compensation on permanent ratings.	None.....	None.....	one.....	None.....	None.....	None.

¹ Plus compulsory allotment from pay of serviceman of \$22.

² Plus voluntary allotment of \$5.

³ Where the rating is temporary partial, such percentage of the amount payable on a temporary total rating is paid.

⁴ Insured worker receives benefits upon reaching age 65 in amounts ranging from \$10 to \$85; 50 percent additional thereto is paid as to a wife and 25 percent additional thereto is paid as to each dependent child.

NOTE.—76.4 percent of all World War I veterans have dependents—based on the 10,096 now receiving compensation on the basis of temporary ratings; 72 percent of them are married, of whom 61 percent have minor children—an average of 2.45 minor children per veteran, whereas 4.44 percent of them have 1 or more dependents, but are not married.

About 98 percent of all World War I and all of World War II disabled veterans receive compensation or pension on the basis of permanent ratings.

Statistics prepared by the Bureau of Labor Statistics show that as of June 15, 1940, the cost of living as to all items was 100.5, while, as of June 15, 1943—3 years later—the cost had risen to a level of 124.8.

Mr. RICE. If you will compare the chart, you will note that \$28 per month allowance is given to the wife of an enlisted man now in the Army, the Navy, or Marine Corps in addition to the \$22 that is allotted from his pay.

Canadian disabled veterans get \$25 for the wife. Social-security pays anywhere from \$5 up to \$42.50 for the wife, depending on how much the old-age-insurance credits have been accrued. Veterans of World War I who receive compensation on the basis of temporary total rating—and there are only two percent of them—and veterans of World War II, while undergoing vocational rehabilitation, receive \$10 a month, but there are 90 percent of the veterans that receive no dependency allowances for the wife or for any children whatsoever.

That, in my opinion, is one of the most crying needs for the disabled veterans of this country.

The principle of giving dependency allowances has long been acknowledged by the country, in many different ways, such as here indicated and in other State laws, but those who become totally disabled in the Nation's service get no dependency allowances. That ought to be No. 1 on the program, because it is really a crying need.

It is a shame that we permit America's totally disabled veterans to be compelled to raise families with no more than \$100 per month income. Many of the widows have had to resort to have their husbands go to domiciliary hospitals because it reduced the expense at home by going to the domiciliary hospitals.

If this country were more generous to the totally disabled veteran, he would not need to spend the rest of his life in domiciliary homes, he would get out of the place and live with his family as he should.

Senator MILLIKIN. What do you think it ought to be?

Mr. RICE. I think it ought to be at least the same as the Canadians provide for their disabled veterans. True, in Canada, as you will note there, they provide \$25 for the wife, \$15 for the first child, \$12 for the second, and \$10 for each additional child.

Senator MILLIKIN. Would you have an upper bracket on additional children?

Mr. RICE. I would not. I do not believe in any governmental law which provides for birth control in that method. We have that in our law now, and it ought not to be there. We have that in the widows and orphans law. In Canada, if he has 13 children, he gets an additional allowance for every single one of them.

The same is true of the man in the Army, he gets additional allowances for every single child. Why should that not be true if the man is no longer in the Army? If he has a total disability he ought to have just as generous dependency allowances as the man who serves actively in the Army. Certainly his needs are just as great for himself and for his children.

We of the Disabled American Veterans believe first things ought to be done first. There are many things that need doing on behalf of the disabled veterans of all wars, as indicated in this outline of the policies and objectives of the Disabled American Veterans which I have introduced into the record.

That is the third sheet in what has already been given to you there. That will indicate many deficiencies, many inadequacies, many inequalities and many inequities as to the various classifications of benefits for the different groups of disabled veterans and their dependencies, which merit primary consideration, in our opinion.

Time does not permit me to go into all of them, but I call your attention to the fact that probably the first one is to provide ade-

quate dependency allowances, the second one is to provide that compensation payments ought to be geared up to the increase in cost of living. Statistics will show the average cost of living has increased by more than 25 percent during the last 3 years.

What has happened? Labor unions—and I do not criticize them for it, I think they were very smartly managed to get their official hours changed from 40 to 48 and time-and-a-half for the extra hours, which gives them a 30 percent increase without any increase whatsoever in their hourly rates. The governmental employees followed the same tactics. They increased the number of hours from 40 to 48 and got an increase averaging 22 percent, and a minimum increase of 15 percent in any one place, and they did catch up somewhat on the increase in the cost of living.

What has happened to the disabled veterans? No such increase whatsoever, and those who have no other source of income have had, therefore, to resort to a reduction of their standard of living for themselves and their children. Something ought to be done about it.

H. R. 3356, which would give a flat increase of 15 percent to World War No. 1 and World War No. 2 veterans, is not adequate. It ought to be geared to the possibilities, to the trends in the cost of living, but it deserves immediate consideration.

Senator MILLIKIN. How about decreases?

Mr. RICE. Decreases also. What we are interested in is a constant purchasing power of the men.

Senator MILLIKIN. You believe that we ought to evolve a constant formula rather than a piecemeal formula?

Mr. RICE. I do. We have such a bill before the House committee, namely, H. R. 1111, which would provide for a 10 percent increase in all compensation payments of disabled veterans, and their dependents, for each 10 percent increase in the cost of living, to be computed each 6 months and to be put into effect as of the first of the fourth month thereafter. It is always easy to increase any amount by 10 percent. It is not so easy to increase it 12 or 13 percent. It could be very quickly done if the studies made by the Bureau of Labor Statistics showed the cost of living index figure had risen 10 percent—we would have the basic figure established as of the first 6 months of 1940—then any 10-percent increase above that would in turn justify a 10-percent increase in all of the compensation and pension payments, and would be good from now on, and it would decrease the same way.

I realize the men probably would not like to see a decrease, but, in the final analysis, they would see it is the best system, because it would give them a more or less constant purchasing power. That is the objective that was endorsed by our organization at its national convention in Louisville in 1941, before the war started, anticipating that this war was going to come, with its concomitant increases in the cost of living.

There would be no decreases below the basic amount now provided for by law.

Senator DANAHER. Mr. Chairman, before we get too far away from the chart—and I have just been examining it since you submitted it

to us a few minutes ago—first, what are the sources from which you got the statistics?

Mr. RICE. First, you have got Public Law 625 and Public Law 14, as to the dependencies. As to the Canadian veterans, there is an article that appeared in the current issue of the American Magazine, written by Ian McKenzie, who is the head of the Bureau of Pensions. I do not have that article, but I think it can be procured.

I think the legislative council of the Veterans' Administration probably has this figure.

As to social security, that was figured by the Social Security Board.

As to the amount of dependency allowances for veterans of World War I, that is in section 202 of the so-called World War Veterans' Act, and as to the dependency allowances for veterans of World War II, undergoing vocational training courses, that is in Public Law 16 of this Seventy-eighth Congress, and the same thing as to the last column where there are no dependency allowances.

Of course that is in all the basic laws administered by the Veterans' Administration pertaining to compensation and pensions.

Senator DANAHER. That poses a second question. In this last column you set out zero figures all across the page, but in the second to the last footnote you say:

About 98 percent of all World War I and all of World War II disabled veterans receive compensation or pension on the basis of permanent ratings.

Mr. RICE. That is right.

Senator DANAHER. Now, will you reconcile those to us, those statements?

Mr. RICE. You see, in the one above there there are some veterans who receive compensation on the basis of temporary ratings. A temporary rating is based on a total of \$80 a month, plus \$10 for the first dependent, plus \$5 for each additional dependent, and the percentage of the total having partial ratings is below that.

Probably 1½ percent of all of the veterans of World War I are now on a temporary rating and all veterans of World War II are on permanent ratings. They are based on \$100 a month and therefore are considered to be permanent ratings, and as to permanent ratings there are no dependency allowances.

You will note there are some interesting statistics there on the bottom of the page relative to the ones who have no dependents. It is true as to veterans of World War II not many would have dependents at the present time, but as the years pass on they would be acquiring more and more dependents, and comparing the dependency allowances as to those in service, we figure they ought to have the same dependency allowances.

Senator MILLIKIN. Thank you.

Mr. RICE. Mr. Chairman, I assume you do not wish to have me discuss the sections of each one of the various bills now before the committee, because I understood this was to be a general statement.

Senator CLARK. That is the purpose of the committee at the present time. The committee will, as soon as it is possible to obtain the

attendance of members from their other duties, the committee intends to go into the various bills in detail. This particular hearing was to go into the general situation.

Mr. RICE. I would like them to have the opportunity to testify concerning the specific provisions of each of such bills. That being the understanding, I have concluded my testimony.

Senator DANAHER. One question. Have you had an opportunity to examine S. 1656 yet, a bill which, in effect, would provide that no man shall be discharged from the service until his rating has been established and his status adjudicated?

Mr. RICE. I am heartily in favor of the principles of that bill. Before you came in, Senator, I outlined the fact that our organization has suggested to the War Department and the Navy Department and the Veterans' Administration that no man should be discharged from the service until all of his records have been assembled, both the record of the time of enlistment and any records made since then, and be made available to the examining doctor at the time of discharge.

I am not so insistent that he must have an adjudication prior to discharge, because I believe if all the records are assembled and made available for the examining doctors at that time, and those examinations are integrated with the medical manual of the Veterans' Administration so they use the same standards as we have suggested there, and then those records turned over to the regional office in the man's own State, that would be adequate, and then the adjudication could be promptly done if that procedure were followed.

So the adjudication prior to the discharge is not so essential as the fact that all the records are gathered together. If necessary, he should have a furlough during the intervening period of time.

Senator DANAHER. At least continue his status until he does get a rating.

Mr. RICE. Until all of the records have been assembled at least. I do not object to the rating being done before the time of discharge, but I fear there might be too many that would say, "Well, I don't want to do it," and they would fail to put in their application for fear it would interfere with their ability to get a discharge. If you had a separate requirement, as Senator Clerk suggests, that before the discharge the records must be assembled, then you could not have any possible basis for the man trying to get out quickly by waiving any claim which he would otherwise make.

If he does waive the claim—I might say the Veterans' Administration will state that it does not mitigate against him and it does not legally—it still has a psychological effect on the boards, just as it has had in the last 25 years after World War I.

Senator DANAHER. Thank you.

(A comparative analysis of benefits afforded veterans of World Wars I and II by Canada and the United States was submitted for the record by the Veterans' Administration and is as follows:)

COMPARATIVE ANALYSIS OF BENEFITS AFFORDED VETERANS OF WORLD WARS I AND II BY CANADA AND THE UNITED STATES OF AMERICA

October 1943

- I. Monetary benefits:
- A. Veterans—Service-connected disabilities.
 - B. Veterans—World War I, presumptive service-connected disabilities.
 - C. Dependents—Service-connected death of veteran.
 - D. Dependents—Non-service-connected death of veteran.
 - E. Veterans—Non-service-connected disability.
- II. Vocational rehabilitation—World War II.
- III. Reestablishment benefits—World War II:
- A. Reemployment rights.
 - B. Unemployment-insurance rights.
 - C. Civil-service preference.
 - D. Reestablishment ("out of work") grants.
 - E. Land Resettlement Act.
- IV. Hospitalization and domiciliary care.
- V. Insurance:
- United States:
 - War-risk insurance.
 - United States Government life insurance.
 - National-service life insurance.
 - Canada: Returned soldiers' insurance.
- VI. Burial benefits.

(NOTE.—Canadian rates vary with rank; the rates given in this study are for the first grade, which includes sub-lieutenant (naval); lieutenant (military); flying officer (air); and all ranks and ratings below. Emergency officers' retirement, under which certain United States officers of World War I may be paid higher rates, is not included. Rights are stated in general terms and reference is not made to details and exceptions. Canadian rates are stated in Canadian currency, exchange rate, October 1943, \$0.90.)

I. MONETARY BENEFITS

A. VETERANS—SERVICE-CONNECTED DISABILITIES

CANADA

Disabilities arising or heightened during service are pensionable if the applicant saw service in a "theater of actual war" and disabilities arising as a direct result of service are pensionable regardless of where applicant served.

Degree of disability:

Degree of disability	Month
100 percent	\$75.00
99-95 percent	71.25
94-90 percent	67.50
89-85 percent	63.75
84-80 percent	60.00
79-75 percent	56.25
74-70 percent	52.50
69-65 percent	48.75
64-60 percent	45.00
59-55 percent	41.25
54-50 percent	37.50
49-45 percent	33.75
44-40 percent	30.00
39-35 percent	26.25
34-30 percent	22.50
29-25 percent	18.75
24-20 percent	15.00
19-15 percent	11.25
*14-10 percent	7.50
*9-5 percent	3.75

Less than 5 percent: Single pay exceeding \$100 all ranks.

UNITED STATES OF AMERICA

Disabilities incurred in or aggravated by service are pensionable regardless of where applicant served with benefit of presumption of soundness at enlistment and presumption of incurrence of chronic constitutional diseases within 1 year of discharge.

Degree of disability:

Degree of disability	Month
100 percent	\$100
99-90 percent	90
89-80 percent	80
79-70 percent	70
69-60 percent	60
59-50 percent	50
49-40 percent	40
39-30 percent	30
29-20 percent	20
19-10 percent	10

No payments for disability less than 10 percent; certain rights accrue from service connection for a 10-percent disability.

ADDITIONAL ALLOWANCES FOR DEPENDENTS

Married veterans:	Month	None
Additional pension	\$25	
One child	15	
Two children	27	
Each subsequent child or additional	10	
Children and no wife same rates as above for children.		

SPECIAL ALLOWANCES

1. "Helplessness" allowance, not less than \$20.83 monthly, and not exceeding \$62.50 monthly.

2. Monthly additional "wear and tear" allowance to pensioners who have suffered an amputation. Leg amputation, \$4.50 monthly and arm amputation, \$1.83 monthly.

3. "Wear and tear" allowance to any pensioner who must wear an appliance which may cause wear and tear of clothing, not to exceed \$4.50 monthly.

(NOTE.—United States World War 1 veterans may receive certain higher allowances under Public, 141, 73d Cong., not stated here. Rates given are those uniformly applicable to World Wars 1 and 2 under Public, 2, 73d Cong.)

1. Anatomical loss or loss of use of one foot or one hand, or one eye, additional pension of \$85 monthly.

2. If anatomical loss or loss of use of both hands, or both feet or of one hand and one foot, or so helpless as to need regular aid and attendance, pension of \$150 monthly.

3. Anatomical loss or loss of use of both hands and one foot or of both feet and one hand, or blind, pension, \$175 monthly.

4. If blind and loss of one hand or one foot, pension, \$200 monthly.

5. If entitled to two or more of above rates, pension, \$250 monthly.

MEMBERS OF WOMEN'S RESERVES

Members of Canadian Women's Reserves have same basis of entitlement as men; rates are two-thirds those for men; no allowances for dependents.

WAC's, WAVES, SPARS, and MARINES on same basis as men and same rates.

B. VETERANS, WORLD WAR NO. 1, ONLY, PRESUMPTIVE SERVICE-CONNECTED DISABILITIES

No provision.

Section 200, World War Veterans' Act, 1924, and Public, No. 141, Seventy-third Congress, create a presumption of service incurrence of certain diseases which have developed prior to January 1, 1925. Disabilities found to be service connected under these provisions are compensated at the rate of \$75 per month for 100 percent disability if rating is permanent, no allowance for dependents, and at the rate of \$60 monthly for 100 percent disability if rating is temporary with following allowances for dependents:

	<i>Month</i>
Wife.....	\$7.50
Wife and 1 living child.....	11.25
Each additional child.....	3.75
Dependent mother or father or both, each.....	7.50

Ratings are made under the 1925 schedule which takes account of occupational variant. If and while the disability is rated as partial the monthly compensation and allowances shall be a percentage of the compensation that would be payable for total disability equal to the degree of the reduction in earning capacity resulting from the disability but no compensation is payable for a disability rated at less than 10 percent.

C. DEPENDENTS—SERVICE-CONNECTED DEATH OF VETERAN

	<i>Month</i>		<i>Month</i>
Widow.....	\$60	Widow.....	\$50
Widow and one child.....	75	Widow and 1 child.....	65
Widow and two children.....	87	Each additional child.....	13
Each additional child.....	10	No widow, 1 child.....	28
No widow, one child.....	30	No widow, 2 children.....	38
No widow, two children.....	54	No widow, each additional child.....	10
No widow, each additional child.....	20	Dependent mother or father \$45 or both, each.....	25
Dependent mother or father may be awarded not to exceed.....	15	Aggregate to widow and children or to children may not exceed.....	100
If the veteran leaves neither widow, child nor dependent parent, allowance may be made to dependent brother or sister not to exceed.....	15		
No limitation on aggregate amount.			

D. DEPENDENTS—NON-SERVICE-CONNECTED DEATH OF VETERAN

If veteran was in receipt of more than 50 percent pension at death, widow and children entitled to service-connected death rates, viz.

	Month
Widow-----	\$80
1 child-----	15
3 children-----	27
Each subsequent child an additional-----	10
Orphan child-----	30
2 orphan children-----	54
Each subsequent orphan child, an additional-----	20

No income limitation: Limited, however, to widows of veterans who had service overseas or whose disabilities arose as a direct result of service.

Widows and children of veterans who served 90 days or more or were discharged for disability who at time of death had a disability directly or presumptively incurred in or aggravated by service for which compensation would be payable if 10 percent or more in degree.

	Month
Widow but no child-----	\$80
Widow with 1 child-----	38
Each additional child-----	4
No widow but 1 child-----	15
No widow but 2 children-----	22
No widow but 3 children-----	30
Each additional child-----	8
Aggregate payments not to exceed-----	64

(Not to be paid if widow or a child alone has income of \$1,000 annually or widow and child or children have income of \$2,500.)

Foregoing applies only to widows and children of World War No. 1 veterans, not limited by veteran's place of service and including, as stated, presumptively service-connected disabilities.

E. VETERANS NON-SERVICE-CONNECTED DISABILITY, WORLD WAR I

(War Veterans Allowance Act, ch. 48, E. S. C. 1930, amended 1936, 1938.)

(Veterans Regulation No. 1 (a), part III, as amended.)

RATES

	Month	Month	
Single man-----	\$20	All-----	\$40
Married man or widower with child-----	40		

By order Apr. 20, 1943 (P. C. 1/8241) a supplementary allowance may be made as follows:

	Month
Single man-----	\$5
Married man or widower with child-----	10

SERVICE REQUIREMENT

Service in a theater of war or have been a disability pensioner.

Ninety days or discharge for disability incurred in service if less than 90 days, not limited to overseas veterans or service-connected pensioners.

OTHER REQUIREMENTS

(1) Sixty years of age or (2) permanently unemployable because of physical or mental disability or (3) "incapable and unlikely to become capable of maintaining himself because of economic handicaps combined with physical or mental disability."

"Permanent-total disability."

"A permanent-total disability shall be taken to exist when there is present any impairment of mind or body which is sufficient to render it impossible for the average person to follow a substantially gainful occupation and where it is reasonably certain that such impairment will continue throughout the life of the disabled person." Under governing regulations age and unemployability are factors for consideration in determining eligibility.

INCOME LIMITATION

Not to be paid to any person whose annual income exceeds \$1,000 if single or \$2,500 if married.

II. VOCATIONAL REHABILITATION—WORLD WAR II

REQUIREMENTS

Any "discharged person" who was discharged subsequent to July 1, 1941, and served in the forces of Canada during present war.

No disability required, nor is inability to resume pre-war employment a requisite; training may be granted to fit a veteran "to obtain better or more suitable employment."

Generally, out-of-work grant or training benefit may not be allowed in any case in excess of the number of months served or 52 weeks whichever is the lesser, and this grant must be received within 18 months of discharge from service or from hospitalization following service for a service-incurred disability.

In the discretion of the Minister of Pensions, benefit may exceed 52 weeks in following cases:

1. Veterans who resume university or other academic courses within 1 year and 3 months of discharge.

2. Veteran who is admitted to university or other academic course within 1 year and 3 months of discharge (1 year and 3 months limit may be waived in certain cases).

3. Veteran admitted to postgraduate or professional courses within 1 year of discharge or immediately following graduation from academic course. Provided such veterans (1, 2, 3) do not fall in two classes in an academic year and it is to the public interest that veteran be enabled to complete education.

4. Veteran, who, in opinion of the Minister, is unable to follow his pre-war occupation or principal post-war occupation or occupation for which he was previously granted training and has been unable to secure and hold steady employment though possessing a potential physical and mental capacity for work.

All fees, charges, etc., to be paid by Government. Transportation costs may be paid once (round trip) during training.

Service since December 6, 1941, and honorable discharge.

Ten percent or more service-connected disability incurred or aggravated after December 6, 1941, and need of vocational rehabilitation to overcome the handicap of such disability.

Training may be given in any trade or profession, no course of training to be approved in excess of 4 years. No training to be afforded beyond 6 years after the termination of the present war.

All fees, charges, etc., to be paid by Government. Transportation costs may be allowed.

RATES

	<i>Per month</i>
Single veteran.....	\$44. 20
Married veteran.....	62. 40
Additional allowances:	
Person in lieu of wife.....	18. 20
One child.....	12. 00
Second child.....	12. 00
Third child.....	10. 00
Each subsequent child not in excess of 3.....	8. 00

	<i>Per month</i>
Single veteran.....	\$80
Veteran and wife.....	90
Veteran, wife and 1 child.....	95
Each additional child.....	5
Dependent mother or father or both, each.....	10
Veteran, no widow, 1 child.....	90

(If entitled to pension in less amount than above, veteran shall be paid increased pension which, when added to the amount of pension to which he is otherwise entitled will aggregate an amount equal to above rates.)

If during training, trainee is paid wage, salary, or other compensation, maintenance allowance may be reduced as considered "equitable and just" but not below amount of pension, compensation or retirement pay veteran would be entitled to on account of service-connected disability.

Above grant not be reduced if veteran has a war pension rated at below 15 percent; where pensionable disability is rated between 14 percent and 60 percent, grant not to be reduced beyond point where such veteran shall receive in addition to pension:

1. Unmarried veteran, such amount as to give total allowance of \$55 monthly.

2. Married veteran such amount as to pay \$75 monthly plus additional allowance for dependents other than wife.

Where pensionable disability is rated above 60 percent shall be reduced to a point where such veteran shall receive in addition to pension:

1. Unmarried veteran, residual portion of the grant which is equal to one-fourth the rate of pension of the veteran.

2. Married veteran, residual portion of the grant which is equal to one-fourth the rate of pension of veteran calculated without including allowances for dependents other than wife.

II. VOCATIONAL REHABILITATION—WORLD WAR II—Continued

RATES—Continued

Otherwise, the grant may be reduced by the amount of salary, wages, so that income may not exceed amount of grant.

If veteran is required to live away from usual place of residence while pursuing course of training he may be allowed a living allowance of \$5 a week, additional.

MEMBERS OF WOMEN'S RESERVES

Members of Women's Reserves eligible for benefit subject to following limitations:

1. Rate of benefit may not exceed rate of pay at date of discharge.

2. No married woman veteran may receive benefit if her husband, in the opinion of the Minister, is capable of maintaining her and under legal obligation so to do.

3. "There shall be deducted from any benefit payable to a woman under this paragraph an amount equal to any amount which she is entitled to receive for the same period as pension (other than pension for a disability of her own) under the provisions of the Pension Act or any Order in Council which provides for pension administered under the Pension Act."

Members of Women's Reserves eligible for vocational rehabilitation under same terms as men veterans.

III. REESTABLISHMENT BENEFITS

A. REEMPLOYMENT RIGHTS

1. PRIVATE EMPLOYMENT

Subject to certain reasonable limitations employers are required, with respect to those who have left their employment to enlist in the armed forces, to reinstate them in employment under conditions not less favorable than those which would have been applicable had enlistment not taken place.

Application for reinstatement must be made within 3 months after discharge from service in Canada or from hospital treatment following discharge in Canada or within 4 months of discharge overseas or from hospital treatment following discharge overseas.

Subject to certain reasonable limitations employers are required, with respect to those who have left their employment to enlist in the armed forces, to reinstate them in employment under conditions not less favorable than those which would have been applicable had enlistment not taken place.

Application for reemployment must be made within 40 days after discharge.

2. PUBLIC EMPLOYMENT

"Former Dominion civil servants have their positions and their status and rights of superannuation preserved for them" (p. 293 "Discharged").

(a) A person who left employ of the United States Government, its Territories or possessions, or the District of Columbia, to perform military or naval service, such person shall be restored to such position or to a position of like seniority, status, and pay.

Application for reinstatement must be made within 40 days of discharge.

(b) Selective Training and Service Act of 1940 (Public No. 783, 76th Cong.) provides as to employment by the several States it is "the sense of the Congress that such person should be restored to such position or to position of like seniority, status, and pay."

B. UNEMPLOYMENT INSURANCE RIGHTS

Any discharged person who completes 15 weeks in insurable employment under the Unemployment Insurance Act, 1940, within any period of 12 months, whether continuous employment or not, shall be deemed—

(a) to have received unemployment insurance benefit equal to the period, if any, for which he received "out-of-work" benefit and

(b) to have been in insurable employment immediately prior to the commencement of said benefit period for a period equal to his service after July 1, 1941.

(NOTE.—Among other benefits from these provisions, the insured person on termination of a job, has preference in job placement by Employment Service.)

Legislation now pending in Congress would make some provision for inclusion of time spent in service in computation of unemployment insurance and other Social Security benefits.

Forty-six States, the District of Columbia, and Hawaii have enacted legislation to preserve credits of persons who are in the armed services; New Mexico, Louisiana, and Alaska have not enacted such legislation as of December 31, 1943.

C. CIVIL-SERVICE PREFERENCE

Veterans and widows of veterans who have served overseas or have pensionable disability, are given preference in appointments. A "primary" preference is recognized in case of disabled veterans whose disability is due to service.

All honorably discharged veterans have preference for appointment to positions in the classified service. This preference includes 5 points in addition to their earned rating on examinations; if veteran has service-connected disability 10 points is added to earned rating. Veterans are given preference in reduction in force and are released from age limitations; widows of veterans are given preference.

D. OUT OF WORK GRANTS

An order in council dated October 1, 1941, amended April 20, 1943 (P. C. 2/3241), provided as a reestablishment measure, an out-of-work grant payable for not more than 52 weeks during the 18 months following discharge from service or from hospitalization following service.

No comparable benefit. However, studies are being made and legislation is pending to create somewhat similar benefits.

Any person who served subsequent to July 1, 1941, is eligible provided such discharged person:

1. (a) is capable of and available for work but unable to obtain suitable employment, and (b) follows such course of training as minister may prescribe, to keep him fit for employment or for reemployment.

2. Engages in agriculture or other enterprise on his own account and is awaiting returns from such enterprise, or is temporarily incapacitated from accepting work or from taking training by reason of a disability.

3. The minister is of the opinion that, having regard to the special circumstances of the case, the grant will prove effective in reestablishing him.

RATES

	<i>Month</i>
Single veteran.....	\$44. 20
Married veteran.....	62. 40

Additional allowances for dependents:

	<i>Month</i>
Person in lieu of wife (to single veterans or widower).....	\$18. 20
1 child.....	12. 00
Second child.....	12. 00
Third child.....	10. 00
Each subsequent child not in excess of 3.....	8. 00

Above grant not to be reduced if veteran has a war pension rated at below 15 percent; where pensionable disability is rated between 14 percent and 60 percent grant not to be reduced beyond point where such veteran shall receive in addition to pension:

1. Unmarried veteran, such amount as to give total allowance of \$55 monthly.

2. Married veteran, such amount as to pay \$75 monthly plus additional allowance for dependents other than wife.

Where pensionable disability is rated above 60 percent above grant shall be reduced to a point where such veteran shall receive in addition to pension:

1. Unmarried veteran, residual portion of the grant which is equal to one-fourth the rate of pension of the veteran.

2. Married veteran, residual portion of the grant which is equal to one-fourth the rate of pension of veteran calculated without including allowances for dependents other than wife.

Otherwise, the grant may be reduced by the amount of salary, wages, so that income may not exceed amount of grant.

If veteran is required to live away from usual place of residence while pursuing course of training he may be allowed a living allowance of \$5 a week, additional.

MEMBERS OF WOMEN'S RESERVES

Members of Women's Reserves eligible for benefits subject to following limitations:

1. Rate of benefit may not exceed rate of pay at date of discharge.
2. No married woman veteran may receive benefit if her husband, in the opinion of the Minister is capable of maintaining her and under legal obligation so to do.
3. "There shall be deducted from any benefit payable to a woman under this paragraph an amount equal to any amount which she is entitled to receive for the same period as pension (other than pension for a disability of her own) under the provisions of the Pension Act or any Order in Council which provides for pension administered under the Pension Act."

NOTE.—The Order in Council referred to above includes provision for vocational rehabilitation and completion of education which, for purposes of comparison with somewhat similar provisions in the United States of America were included herein under the topic "Vocational rehabilitation."

E. LAND RESETTLEMENT ACT

(Veterans Land Act of 1942)

Veterans domiciled in Canada at enlistment and who have served in a theater of actual war or who have served not less than 12 months in places other than a theater of actual war, or have pension for service-connected disability, are entitled to benefits of the Veterans' Land Act. Provision may be made for—

1. placing veterans with selected farmers for practical instruction in farming;

2. supplying instructors and inspectors to assist veterans with information on farming. Aid may be as follows:

1. To full-time farmer to buy farm not to exceed \$3,600 in value of land and buildings and \$1,200 in value of chattels. Veteran repays only 60 percent of cost of land less cash payment of 10 percent and full cost of chattels at 3½ percent interest; principal amortized over 25 years; 10 percent of cost of land must be paid in cash. As Canadian veterans receive "deferred pay" and a "rehabilitation grant" of 30 days pay plus allowances, at discharge, it is assumed that these sums may be available to meet this cash requirement.

2. Loans not to exceed 60 percent value of property or \$3,200 on land and 60 percent value of chattels or \$2,500 whichever is lesser, may be made to full time farmers whose property is encumbered or in need of improvement. The entire amount borrowed must be repaid interest 3½ percent—repayment amortized over 25 years.

3. To part-time farmer, who wishes to operate a small farm while working in a nearby urban community loans may be made on same terms and in some amounts as to full-time farmer to buy farm.

4. To commercial fisherman, on same terms and in same amounts as to full time farmer to buy farm, chattels may be boat, engine, nets, fishing gear, etc., instead of farm animals and implements.

IV. HOSPITALIZATION AND TREATMENT

Veterans of World Wars Nos. 1 and 2 are entitled to hospitalization and treatment for service-connected disabilities. Hospitalization may be afforded for non-service-connected disabilities (1) within 1 year of discharge for not more than 18 months or the period of the veteran's service, whichever is the lesser; or (2) if the veteran is a pensioner and is unable to pay for treatment, for a limited number of diseases and injuries; or (3) emergency cases; and (4) a few other exceptions including veterans who had especially meritorious service.

Pension is suspended during hospitalization and, in lieu of pension, hospital allowances

While there is no similar legislation with reference to veterans in the United States of America, Federal legislation such as the Farm Security Act affords substantial aid to farmers and such legislation as the several Housing Acts may assist the urban veteran, also veterans have preference under Homestead Act and time spent in service applies on time required to establish homestead if entry made before enlistment and disabled veteran does not forfeit homestead if unable to return by reason of service incurred disabilities.

Studies are being made and legislation is pending to establish somewhat similar provision for members of United States forces.

Veterans of World Wars Nos. 1 and 2 may be afforded hospitalization and medical care by the Veterans' Administration for service-connected or non-service-connected disabilities. Out-patient treatment may only be given for service-connected disabilities. Preference is given in allocating beds, to veterans with service-connected disabilities. Veterans requesting hospitalization for non-service-connected disabilities are requested to state that they are unable to defray the cost of hospitalization.

Veterans who have neither wife, child, children, nor dependent parents, may not re-

IV. HOSPITALIZATION AND TREATMENT—Continued

are paid as follows in service-connected cases:

	Month
Veteran (male)-----	\$45
Additional allowances for dependents.	
Wife-----	\$41
Wife and 1 child-----	50
Wife and 2 children-----	59
Wife and 3 children-----	67
Wife and 4 children-----	75
Wife and 5 children-----	83
Wife and 6 children-----	92
No wife, 1 child-----	80
No wife, 2 children-----	89
No wife, 3 children-----	47
No wife, 4 children-----	56
No wife, 5 children-----	63
No wife, 6 children-----	72
Each child in excess of 6-----	10
No wife, dependent parents may each be paid-----	15

The terms and conditions of hospitalization and limitations thereon are much more restrictive than hospitalization benefits afforded veterans by United States of America.

Veterans who have dependants do not have any reduction of pensions or compensation during hospitalization.

Veterans hospitalized for nonservice-connected conditions may be paid special hospital allowances subject to deductions on account of pension, wages, salary, or other income as to the Department seems proper. These allowance may be paid only for a period equal to the period of service but not exceeding one year (and only within 18 months of discharge) and have been authorized as a measure of "post discharge reestablishment." The special hospital allowances are as follows:

	Month
Veterans (male)-----	\$44.20
Additional allowance for dependents:	
Wife-----	18.20
Person in lieu of wife-----	18.20
Parent or parents-----	15.00
First and second child, each-----	12.00
Third child-----	10.00
Fourth, fifth, and sixth child, each--	8.00

Provided also if veteran has no dependents, allowance shall be reduced by \$30 monthly, the allowance therefore would not exceed \$14.20 monthly in such case.

MEMBERS OF WOMEN'S RESERVES

Same terms and conditions as men.

The conditions of hospitalization are, in general, the same as those for men; the allowances are different and no allowances are made for dependents. The allowance for women veterans is as follows:

An allowance equal to 100-percent pension payable under Order in Council dated October 1, 1941 (P. C. 4/7635) less \$30 per month. As the 100-percent pension is, generally, \$50 monthly, the allowance, generally, would be \$20 monthly.

DOMICILIARY CARE

Canada affords certain war veterans a benefit somewhat similar to domiciliary care denominated "Veterans care." Following are the general terms and conditions of this benefit:

(1) Veteran must be permanently or temporarily totally disabled and (2) unable to defray expense of domiciliary care, (3) in receipt of pension, or awarded pension for disability received in theater of actual war. Veteran may be required to pay to Department all pension or other income to which he may be entitled while receiving domiciliary care. He may be paid not to exceed \$8.50 monthly for comforts and \$4.50 monthly for clothing.

ceive more than \$20 monthly if the disabilities are service connected and \$8 monthly if disabilities are nonservice connected while hospitalization is furnished by the United States or political subdivision thereof.

Certain Veterans' Administration facilities include space designed to afford domiciliary care for veterans of World Wars 1 and 11 (and others) who were (1) not dishonorably discharged from the last period of war service (2) are unable to defray expense of their care and (3) are suffering from a chronic, permanent disability which incapacitates from earning a living. While in receipt of domiciliary care veterans having neither wife, child, children, nor dependent parents may not receive more than \$20 monthly if the disabilities are service-connected and \$8 monthly if disabilities are non-service-connected.

V. INSURANCE

1. No insurance for service personnel during World War I.

2. Returned Soldiers Insurance Act passed in 1920, effective September 1, 1920. Designed for veterans who were, because of wounds or disease, considered a poor risk by insurance companies. Amount \$500 to \$5,000. No medical examination required.

Death and permanent-total disability benefits. Some 20,000 policies issued.

3. No insurance for service personnel during World War II.

1. War risk-insurance policies not to exceed \$10,000 were available to service personnel during World War I. Death and permanent-total disability benefits, 143,220 claims allowed 1918-20 (inclusive).

2. United States Government life-insurance policies not to exceed \$10,000 available to veterans of World War I, who are able to qualify physically. Death and permanent-total disability benefits—589,405 policies in force December 31, 1942.

From October 1917 to June 30, 1943, 283-147 United States Government term, converted, and national service life insurance claims had been allowed.

3. National service life insurance policies not to exceed \$10,000 available to service personnel during World War II. Examination waived for 120 days after enlistment. Death benefits, as of November 20, 1943, 13,290,178 applications had been received involving more than \$92,000,000,000.

VI. BURIAL BENEFITS

1. Burial of World War veterans (including World War II) may be paid for by the Government under two conditions (1) if death occurs during hospitalization for a service-connected disability and (2) if a pensioner's estate is unable to meet cost of last sickness and burial, as much as \$100 may be paid on the costs, not more than \$100 to be on cost of burial.

When death occurs during hospitalization for a service-connected disability, expenditure on account of burial shall not exceed \$75 for costs other than cost of the grave and the opening and closing thereof. Standard markers are provided in cases where burial expenses are paid by the Government.

NOTE.—At discharge a Canadian service person who has had over 6 months' service receives a clothing allowance of \$35; one who has had less than 6 months' service receives clothing allowance of \$27 in winter, \$17 in summer.

All discharged persons who have had more than 183 days continuous service receive at discharge a rehabilitation grant of 30 days' pay plus allowances for dependents.

Canada withholds a percent of the pay of overseas forces. The amount so withheld is paid at discharge in a lump sum, known as "deferred pay."

Measures are pending in the United States Congress which would provide cash allowances at discharge.¹

¹Since the foregoing study was made, legislation has been enacted to provide mustering-out pay, with a few limitations, to members of the armed forces of the United States, as follows:

\$100 to those who have served less than 60 days.

\$200 to those who have served more than 60 days exclusively within the continental United States, not including Alaska.

\$300 to those who have served outside the continental United States or in Alaska.

Senator CLARK. Any further questions? If not, the committee will continue the hearing, owing to the fact that several members of the committee are engaged on such work as the conference on the tax bill, but it will be at the first possible date, possibly this week.

In the meantime the committee will recess, subject to call.

(Whereupon, at 11:40 a. m., the committee recessed subject to call.)

VETERANS' OMNIBUS BILL

FRIDAY, FEBRUARY 11, 1944

UNITED STATES SENATE,
SUBCOMMITTEE ON VETERANS' LEGISLATION
OF THE COMMITTEE ON FINANCE,
Washington, D. C.

The subcommittee met, pursuant to notice, at 10:30 a. m., in room 312, Senate Office Building, Senator Bennett Champ Clark (chairman) presiding.

Present: Senators Clark (chairman), Connally, and La Follette.

Also present: Senators McFarland and Maybank.

Senator LA FOLLETTE. The subcommittee will please be in order. The senior Senator from New York is here this morning and we are very pleased to have him proceed in his own way to make any statement concerning S. 1617, and the related questions which are involved in it.

You may proceed, Senator.

STATEMENT OF HON. ROBERT F. WAGNER, UNITED STATES SENATOR FROM NEW YORK

Senator WAGNER. Mr. Chairman, in presenting my comments and suggestions on the pending legislation providing post-war benefits to veterans of the armed forces, I shall not go over the ground already covered by this committee, including the comprehensive testimony already presented to this committee by Commander Atherton, of the American Legion, fully explaining the objections and provisions of S. 1617—the so-called omnibus bill sponsored by the distinguished chairman of this subcommittee for himself, Senator George, and a number of other Senators, and which was introduced on January 11 of this year. As the subcommittee knows, there is also pending here the armed forces social-security bill introduced in November of 1943 by Senator George, Senator Clark, and myself, following the President's message.

All of us are agreed on the main objective—to deal justly and equitably with the demobilized veteran and his family, to care for the wounded, and to provide for the survivors of those who gave their lives at the call of their country.

The omnibus bill pending before the committee draws upon the background and broad experience of the American Legion. It goes without saying that I heartily concur in its objectives. Representatives of the Legion have conferred with me and with the chairman of the subcommittee on those phases of this bill which overlapped S. 1545;

namely, the protection of the social security rights—S. 1545 being the bill that I introduced together with the other members.

OLD-AGE AND SURVIVORS INSURANCE

It should be observed that S. 1545 provides comprehensive protection for the old-age and survivors insurance rights of all members of the armed forces under the Social Security Act. Payments would be made out of the Federal Treasury to provide credits in the old-age insurance fund for every month of military service since the Selective Service Act was adopted in 1940. The amount of the payment would be at the regular rate of old-age insurance tax for employers and employees, on a uniform wage base of \$160 per month. The protection is afforded to those millions of servicemen who are covered by the Social Security Act, who otherwise would lose benefit rights, for themselves in their old age or for their widow or orphans if they die. The bill also provides the same paid-up benefit rights for the millions of other servicemen who are not already under the old-age and survivors insurance system. This is done in order not to discriminate in providing a Federal benefit and in the hope and expectation that those now excluded may be brought into the permanent social-security system by future amendment of the act; such as, for instance, farmers and domestic servants who are not now in the act.

The sponsors of S. 1545 are very pleased to have the hearty and official endorsement of this provision on this title of their bill by the American Legion. As the subcommittee is probably aware, this title, on old-age and survivors insurance protection is not embodied in the omnibus bill. It is our hope that it may be considered and reported promptly, perhaps simultaneously with the omnibus bill.

EMPLOYMENT SERVICE

I introduced yesterday, with the approval of the Legion—that is, representatives of the Legion with whom I have conferred—an amendment to S. 1617 which is the nature of a substitute for title V of that bill relating to the Veterans' Employment Service.

Senator LA FOLLETTE. I would like to suggest, Senator, that amendment should be inserted in the record at this point.

Senator WAGNER. Thank you very much.

(The amendments referred to are as follows:)

[S. 1617, 78th Cong., 2d sess.]

AMENDMENT Intended to be proposed by Mr. WAGNER to the bill (S. 1617) to provide Federal Government aid for the readjustment in civilian life of returning World War II veterans, viz: On page 16, beginning with line 22, strike out all of title V down to and including line 8, page 20, and insert in lieu thereof the following:

TITLE V

CHAPTER VII—EMPLOYMENT OF VETERANS

SEC. 700. (a) In the enactment of the provisions of this title Congress declares as its intent and purpose that there shall be an effective job-counseling and employment placement service for veterans, and that, to this end, policies shall be

promulgated and administered, so as to provide for them the maximum of job opportunity in the field of gainful employment. For that purpose there is hereby created within the United States Employment Service, as established by the provisions of the Act of June 6, 1933, a Veterans' Placement Service Board, which shall consist of the Administrator of Veterans' Affairs, as Chairman, the Director of the National Selective Service System, and the administrative head of the United States Employment Service. The members of the Board may be represented by alternates. The Board shall determine all matters of policy relating to the administration of the Veterans' Employment Service of the United States Employment Service.

(b) The Chairman of the Board, through an executive secretary, who shall be the Director of the Veterans' Employment Service of the United States Employment Service, shall have direct authority and responsibility for carrying out its policies through the veterans' employment representatives in the several States.

(c) The public records of the Employment Service Division, National Selective Service System, and the Veterans' Employment Service of the United States Employment Service shall be available to the Board.

SEC. 701. The United States Employment Service shall assign to each of the States (the Territories and the District of Columbia), a veterans' employment representative who shall be a veteran of the wars of the United States and who shall be appointed, subject to the approval of the Board, in accordance with the Civil Service Classification Act of 1923, as amended. Each such veteran employment representative shall be attached to the staff of the public employment service in the State (the Territory or the District of Columbia), to which he has been assigned. He shall be administratively responsible to the Board, through its executive secretary, for the execution of the Board's veterans' placement policies through the public employment service in the State (the Territory or the District of Columbia). In cooperation with the public employment service staff in the State, he shall—

(a) supervise the registration of veterans in local employment offices for suitable types of employment;

(b) secure and maintain current information as to the various types of available employment in public works and private industry or business;

(c) promote the interest of employers in employing veterans;

(d) maintain regular contact with employers and veterans' organizations with a view of keeping employers advised of veterans available for employment and veterans advised of opportunities for employment; and

(e) assist in every possible way in improving working conditions and the advancement of employment of veterans.

SEC. 702. Where deemed necessary by the Board, there shall be assigned one or more employees of the staffs of local employment service offices, whose services shall be primarily devoted to discharging the duties prescribed by the veterans' placement representative.

SEC. 703. All Federal agencies shall furnish the Board such records, statistics, or information deemed necessary or appropriate in administering provisions of this title, and shall otherwise cooperate with the Board in providing continuous employment opportunities for veterans.

SEC. 704. Failure of the employment service of a State to cooperate in the execution of the policies of the Board shall be sufficient cause to withhold the funds made available to the State under the Act of June 6, 1933, until such time as the employment service of the State complies with the laws and regulations governing the Board's administration of its veterans' placement functions.

SEC. 705. (a) The Board through its executive secretary shall estimate the funds necessary for the proper and efficient administration of this title, such estimated sums shall include the annual amounts necessary for salaries, rents, printing and binding, travel, and communications. Sums thus estimated shall be included as a special item in the annual budget of the United States Employment Service. Any funds appropriated pursuant to this special item as contained in the budget of the United States Employment Service shall not be available for any purpose other than that for which they were appropriated, except with the approval of the Board.

(b) The War Manpower Commission shall from its current appropriation allocate and make available sufficient funds to carry out the provisions of this Act during the current fiscal year.

[S. 1617, 78th Cong., 2d sess.]

AMENDMENTS Intended to be proposed by Mr. Wagner to the bill (S. 1617) to provide Federal Government aid for the readjustment in civilian life of returning World War II veterans, viz:

On page 23, line 14, strike out the words "of paragraph (1)".

On page 23, line 18, strike out all after the period down to and including line 11 on page 24.

Senator WAGNER. Title V in its original form provides for the transfer to the Veterans' Administration of the employment service functions of the War Manpower Commission and the Selective Service System. General Hines, however, has questioned whether the Veterans' Administration should be weighed down with this additional responsibility, which in any case, to be really effective, must be coordinated with the employment service functions for the entire civilian population.

Several of the representatives of various veteran organizations have made exactly the same point. During the past few weeks, therefore, I have discussed this problem with representatives of the Legion, and in submitting a substitute for title V I believe that we have worked out an arrangement which will provide a more effective veterans' employment service than at the present time. A vitally effective veterans' employment service goes to the heart of the veterans' post-war reemployment problem.

The law creating the present United States Employment Service, which I sponsored over 10 years ago, specifically provided for a Veterans' Employment Service. The new provision which I introduced provides for the establishment of a Veterans' Service Placement Board within the United States Employment Service to consist of the Administrator of the Veterans' Affairs as Chairman, Director of the National Selective Service System, and the administrative head of the United States Employment Service. This makes it absolutely clear that the Administrator of Veterans' Affairs—General Hines—has a definite and official relationship with the Employment Service. This Board, of which General Hines will be Chairman, would determine all matters of policy relating to the administration of the Veterans' Employment Service.

This arrangement will make it absolutely certain that the policies of the Veterans' Employment Service are closely coordinated with the policies of the Veterans' Administration and moreover will also make certain that the Veterans' Employment Service will function as an integral part of the United States Employment Service. This is essential, not only to relieve General Hines from the necessity of day-to-day supervision over many administrative details involved in employment service responsibilities, but also in order to make certain that all of the job-finding facilities of the entire United States Employment Service are made available to every veteran throughout the length and breadth of this land.

My amendment specifically provides that it shall be the duty of the Veterans' Employment Service to carry out the following five responsibilities:

(a) Supervise the registration of veterans in local employment offices for suitable types of employment;

(b) Secure and maintain current information as to the various types of available employment in public works and private industry or business;

(c) Promote the interest of employers in employing veterans;

(d) Maintain regular contact with employers and veterans' organizations with a view of keeping employers advised of veterans available for employment and veterans advised of opportunities for employment;

(e) Assist in every possible way in improving working conditions and the advancement of employment of veterans.

It should be recognized that the present United States Employment Service referred to in my amendment has been operating on a Federal basis since Pearl Harbor with Employment Service offices in the several States and localities. This new provision for the Veterans' Employment Service which I introduced does not basically alter this wartime set-up. It is so framed as to leave open for future congressional action the decision as to whether the United States Employment Service should be operated permanently on an exclusively Federal basis or on a State-Federal basis. My own views on this issue favor an exclusively Federal plan as written into S. 1161 which is pending before the Senate Finance Committee and which places full weight of the entire National Government behind the Veterans' Employment Service under a single chain of command for maximum effectiveness in getting veterans reemployed on all jobs in any part of the country.

UNEMPLOYMENT INSURANCE

Title VI of the Legion's omnibus bill provides for a uniform national system of unemployment allowances for former members of the armed forces. This title follows practically verbatim the main benefit provisions of the unemployment-insurance provisions of my bill, S. 1545—that is, a maximum of 52 weeks of unemployment-insurance benefits, varying from \$15 to \$25 per week, according to the number of dependents. I heartily endorse title VI of the Legion's omnibus bill, which provides for unemployment-insurance benefits on a uniform national basis. The arguments advanced by National Commander Atherton for such a uniform national system seemed to me absolutely sound and were exactly the same reasons which impelled the sponsors of S. 1545 to formulate the unemployment-insurance provisions in that bill.

When I speak of S. 1545, I am speaking of the bill that I introduced with the two other Senators.

I should like to quote Commander Atherton's statement on this matter because I think the reasons and conclusions which he gives are 100-percent correct. Commander Atherton in his testimony before this committee said as follows:

Pending the period between discharge and placement in proper employment we consider it to be the obligation of the Federal Government to make a financial provision for the veteran.

We believe that these veterans should not be required to resort to the State unemployment compensation acts for several reasons:

1. Their services were rendered the Federal Government and the period of readjustment is a Federal responsibility.

2. Uniform treatment should be accorded all veterans, which is not possible under the existing State acts, due to the variation in the waiting periods, payment, and duration.

3. Many, possibly 50 percent or more, do not come under the existing State acts and therefore are ineligible for benefits.

4. This financial obligation if placed on the respective State unemployment compensation funds, might endanger the whole structure erected in the States for all citizens.

We, therefore, propose that a reasonable allowance be made to all veterans during a reasonable period of unemployment. When returned to work this allowance would cease and they could then be eligible under the respective State acts.

While the Legion bill has adopted all of the main unemployment benefit provisions of S. 1545, there are certain differences in the two bills upon which I have strong views. These differences are as follows:

1. The omnibus bill provides for a maximum of 52 weeks' unemployment insurance during the 24 months' period following final mustering-out payment, instead of a 15 months' period as provided in my bill. This is a good change and I am in complete agreement with the modification.

2. The portion of S. 1617 to which I take chief exception deals with disqualifications of ex-servicemen in situations where their unemployment is not involuntary. I have introduced an amendment on page 23 to strike out the phrase "of paragraph (1)" in line 14 and to strike out all after the period on line 18, down to and including line 11, page 24; I have discussed the amendment with representatives of the Legion, and I believe they have no objection to it.

Of course, provisions which prevent the payments of benefits to individuals whose unemployment is due to conditions within their own control are a necessary part of any unemployment compensation plan; and S. 1545 contains such provisions. All State and Federal unemployment compensation laws, and those of foreign countries, guard against the payment of benefits to individuals who are out of work because they have refused, without good cause, to accept a reasonable offer of suitable work, or have left their jobs of their own will, or have been discharged for misconduct. Such provisions, however, should not be so harsh and restrictive as to subvert completely the purpose of the legislation, and to limit the rights and freedom which the veterans of this war have fought to protect.

The language of the labor-dispute disqualification given on pages 22-23 of S. 1617 and the definition of "good cause" and "suitable work" on page 24 are substantially the same as those provided in S. 1545. However, the provisions regarding the period of disqualification given on pages 23-24 of S. 1617 are so severe and restrictive as to require substantial modification, in my opinion. These provisions are more restrictive than the present unemployment insurance laws of most States. They are inconsistent with the purpose of the bill, which is to assure protection to veterans whose unemployment is involuntary. They would undoubtedly create ill feeling and resentment when veterans find themselves denied the protection they have been expecting to get.

S. 1545 follows the sound principle of disqualification; that is, in proper cases, veterans are denied unemployment benefits only temporarily, through postponement of their rights for a certain period, say 4 weeks. In such cases, he suffers the consequences of his act

in the form of a temporary loss of benefits immediately following his voluntary act but retains his full benefit rights which he may exercise at a later date. Disqualification provisions of this kind existed in nearly all the original State unemployment compensation laws in this country and are found in the present British and Canadian unemployment-compensation laws.

Voluntary leaving: Under S. 1617, a veteran who voluntarily leaves his job without good cause may be denied benefits for the week of his leaving and for up to 4 additional weeks immediately thereafter. In addition to postponing his benefits for this period, the total amount of benefits to which he is entitled is actually reduced by the number of weeks of disqualification. To illustrate the unfortunate effects of this latter provision, let us consider the situation of a veteran, perhaps a young man whom any of us may know, who is entitled to only 4 remaining weeks to draw benefits, because of long previous unemployment covered by allowances. Let us also assume that he left his job for what you or I might think is a trivial reason, but apparently important to him, for otherwise he would not have quit. If some official or clerk found that the veteran did not have good cause for leaving, he could be disqualified under S. 1617 for a 4-week period, and, on top of that, would be denied any further benefit rights, because the remaining 4 weeks of his eligibility period had been canceled.

The unemployment compensation laws of 32 States contain no provisions for such cancelation of benefit rights. Moreover, the District of Columbia unemployment compensation law and the railroad law, enacted by Congress, contain no precedent for such a double penalty provision.

This provision really raises the vital question whether veterans should be encouraged, rather than penalized, when they seek that job which will enable them to make a greater contribution to our national output, or which offers an opportunity for the better life all of us are encouraged to strive for. This provision really limits unduly the cherished American right to leave one job in order to take a better one—better for the veteran, for the community, and for the Nation.

S. 1617 contains an additional penalty for the veteran who leaves his job voluntarily, by providing, in cases of repeated disqualifications, that no benefits whatsoever shall be payable to him until he shall have had 2 weeks of substantially full-time work or for such greater period of employment, without limitation, as the Administrator may prescribe (p. 24, par. (3)). However, if he is unable to obtain such employment, because no jobs are available in his occupation or his community he can obtain no further benefits under this program.

No such penalties as the requirement of reemployment, in cases of voluntary quitting, are found in 44 of the existing 51 State laws.

That is, it includes Hawaii, the District of Columbia, and Alaska!

On the surface, it may appear entirely proper to assign a heavier disqualification to a veteran who quits several jobs in succession, without good cause. Yet, we must face the question whether such an individual, who may have undergone the hardships of military life for 4 or 5 years, should be denied the fair protection of this program if he finds it difficult to settle down on the first job or jobs he happens to accept after returning to civilian life. Such a penalty may have

the effect of eliminating veterans from all protection under the law, if, after the war, there are several unemployed men for each available job.

We are all aware that many veterans, by reason of their military service, with its risks, and mental, physical, and emotional strains, will have great difficulty in adjusting themselves to civilian life and quickly settling down to regular jobs. After the hardships of 2, 3, or even 5 years of military life, in surroundings completely different from those of their former civilian existence, they may well require some time to adjust to permanent employment. In my opinion, they should not be discouraged if they wish to try their hands at several types of jobs; either jobs similar to their previous civilian work, or jobs which will use the skills and experience gained while in the armed forces, or something completely different from either. The seriousness of the problems of personal readjustment is recognized by the War Manpower Commission, which has exempted veterans of the present war from all existing restrictions imposed on civilians as to the type of jobs they may take, and as to their freedom in making job changes, during the first 60 days following their discharge from the armed forces.

Another ground for disqualification in this and other unemployment compensation laws, is discharge for misconduct. This disqualification is commonly applied to individuals who have been dismissed from their jobs for violations of company rules regarding such things as tardiness or absence without excuse, smoking on the job, quarreling with a supervisor or fellow worker, and the like. The same heavy disqualification penalties are applicable in such cases as are applied in cases of voluntarily leaving work without good cause. While the reasons I have already outlined apply in general to the disqualification for misconduct, there are additional considerations which require attention.

Twenty-seven State laws, including that of the District of Columbia, have no provision for cancelation of benefit rights in cases of discharge for misconduct. In addition, not a single State law requires that a claimant, so discharged, must remain disqualified until he has been reemployed.

Such disqualification provisions are especially undesirable in the case of veterans. We know that the ex-serviceman will not find it easy to adjust himself to the variety of rules, regulations, and working practices of civilian commercial and industrial establishments. Every new worker, whether he is a civilian or a veteran, has some difficulty in learning to live under the rules which govern his conduct in a modern department store or factory, although many such rules are intended for his own safety and protection. Relieved from the severe discipline of the armed forces, many veterans will not accept at once the host of "company rules" which they are expected to follow in their first civilian jobs. It is obvious that a veteran who is discharged for violation of rules governing smoking on the job, for example, will suffer a severe penalty in the fact of the discharge itself, since it will leave him without a job and require him to seek other employment. It seems to me that disqualification for a period of 4 weeks will prevent abuse of the unemployment allowance system. To go further and cancel the veteran's benefit rights would impose a penalty out of all proportion to his offense.

There is one more disqualification that deserves attention here—the penalty for refusal of “suitable work” or refusal to attend a training course to which a veteran is referred under regulations of the Administrator (p. 22, lines 8 to 14). Under S. 1617, this offense results in 4-week disqualification, plus further loss of benefit rights until the veteran has worked 2 weeks or longer, as prescribed by the Administrator. The severity of this latter requirement is matched by only 3 of the 51 State unemployment compensation laws.

I firmly believe that we should not pay benefits to individuals who are out of work because they have refused to accept suitable work without a good and justifiable reason. This is a genuine employment allowance, not a haven for the shiftless or the “gold-bricker.” At the same time, however, the penalty should be adapted to the problems at hand. Members of the committee will agree, after consideration, that the problem of determining what is “suitable work” for a veteran of Tarawa or the Italian campaign, possibly discharged with a slight physical disability, and what is “good cause” for refusing such work, might try the wisdom of a Solomon. Is work in the veteran’s pre-war occupation suitable for him today, although he may have learned new skills while in military service? Many a former retail clerk will come out of the war a skilled machinist, radio or television mechanic, airplane pilot or truck driver; he may have picked up some practical engineering experience, or developed qualities of leadership which would fit him for administrative or executive responsibilities.

Would a messenger boy’s job be “suitable” for an ex-messenger who comes out of the war a captain in a paratroop battalion—to cite an actual illustration? Would he have good cause for refusing his former employer’s offer of his old job back? A former architect or lawyer might have spent his military career as a stock clerk in an Army warehouse: Would a job as a stock clerk be suitable for him, and if so, would he have good cause for refusing it, even though no work at his former occupation might be available in his locality?

Many veterans may refuse to accept jobs for reasons which may not appear entirely reasonable to the administrative agency, but yet these reasons may be compelling to the veterans as a result of military experience. Disqualification for a stated—4 weeks’—period provides adequate protection against abuse. We should not add the further penalty in S. 1617, that benefit rights are suspended until the veteran obtains 2 weeks’ work or more, with no limit on the Administrator’s discretion. This may mean the complete denial of protection under the program to a veteran who refuses an offer of work in a period when jobs are hard to find.

I am satisfied that these added penalties were inadvertently transposed into this bill from a few of the State unemployment-insurance laws, which are not typical of the main body of laws on the subject and have no proper relation to a Federal plan of unemployment allowances for veterans. As I said earlier, representatives of the Legion were sympathetic toward my amendment once we had discussed the full implications of the penalty clauses.

Duration of benefits: I understand that it has been suggested to the committee that the duration of unemployment benefits in the bill be changed from a uniform maximum duration of 52 weeks to a variable

duration of from 12 to 52 weeks, depending upon the length of time the serviceman has been in the armed forces. I hope the committee will not accept any such change in the bill.

I am of the firm conviction that every serviceman should be entitled to receive the same amount of benefits, for the same maximum period of time if he is unemployed. When a serviceman goes into the armed forces—whether for a day, or a week, or a month, or a year—he severs his ties with his family, his community, and his employer. If when he returns he cannot find a suitable job—in the light of both his past experience and his experience in the service—I think he should be entitled to unemployment compensation for at least 1 year if he is unemployed. It must be kept in mind that if he isn't unemployed he doesn't get the benefits. But if he is unemployed, I think the serviceman and his family are entitled to adequate protection irrespective of the length of his military service. We know that the length of a person's service in the armed forces is in most casts a factor over which the individual has little or no control. For instance, in this war a man may serve a short period of time in some special or technical capacity in a particular campaign and become injured. Although his injury may be physically minor and he may recover very quickly it may alter his entire employment opportunities. In such a case he may remain unemployed for a considerable period of time and I think he should be entitled to the maximum duration of the benefits provided in the bill. He served his country to the best of his ability—that is the important fact—and he is unemployed because of his service.

Administration: I would like to make one more observation before concluding my remarks. In the preparation of the unemployment provisions of my bill I tried to frame every single detail so that the benefits could be paid quickly and simply—without delay. It was my intention that all the veteran would have to do would be to go into one of the 1,500 full-time local offices of the U. S. E. S., or one of the additional 2,000 part-time offices with his discharge certificate, and that the local office could determine the amount of his benefits right on the spot without the necessary papers having to go through any other intermediate State, regional or Federal office. Only if this is done can the veteran get his benefits promptly and without red tape. I urge the committee to see that the administrative provisions of any bill which is reported out gives the administrative agency complete authority to decentralize the administration at the local level and through the use of simplified procedures and forms without tying the hands of the Federal administrative agency to have to use some particular kind of machinery which may be cumbersome and time consuming.

Senator CLARK. Senator, that is precisely the reason that some of us are interested in having all these things under the Veterans' Bureau, because the Veterans' Bureau has established machinery for decentralizing it.

Senator WAGNER. That is why I agree with that provision of the bill, of course. We are all interested in seeing that the veteran gets what is coming to him promptly and this can be done by using the local employment office facilities for the administration of the program;

I wish to thank the committee for this opportunity to discuss these problems with you. I know that you will give consideration to all these various matters; and if I can be of any further help to the committee I shall be glad to do so.

Senator CLARK. Senator, I wish to apologize to you for being late this morning. I live practically in the country and it was very difficult to get down this morning. I am very sorry that I have been delayed in getting here.

Senator WAGNER. I am sure you will read the testimony.

Senator CLARK. The committee thanks you very much.

Senator WAGNER. You understand that the representatives of the veterans were with me several days, as you know, and we agreed on these amendments. I hope the committee will agree with them too.

Senator CLARK. Thank you, Senator. Senator McFarland.

STATEMENT OF HON. ERNEST W. McFARLAND, UNITED STATES SENATOR FROM ARIZONA

Senator McFARLAND. Mr. Chairman, I know every member of this committee is just as interested in the rehabilitation of the men and women returning from the service as I. The ex-servicemen have had no better friend than the distinguished chairman of this subcommittee, who has for many years championed their cause. I wish to express my appreciation to the chairman and the members of this committee for the privilege of appearing before you.

We all know that many of the ex-servicemen wandered over the United States without jobs or means of livelihood after the last war. Altogether too many boys found their way into the penitentiaries because of their inability to adjust themselves to changed conditions, many of whom could have been rehabilitated by the proper assistance and would have become just as good citizens as they had been soldiers. Had the money eventually paid these men been used for rehabilitation at the proper time, it is my opinion the misery of many could have been avoided.

I personally came in contact with such cases as county attorney of my county; as assistant attorney general of my State; and as superior court judge.

With the view in mind of avoiding the mistakes of the past, Senator Maybank and I, after giving careful study to this problem, introduced S. 1495, which provides for adjusted pay to be paid on the basis of double the amount paid veterans of the last war; that is, \$2 per day for service on this side, and \$2.50 for foreign duty with a limitation of \$1,000 to those without foreign duty and \$1,250 for those with foreign duty. The bill is a simple bill and provides for payment by issuance of a bond with the same provisions as the war liberty bonds now being sold, except that they are not cashable for 3 years; however, with proper approval, they may be used for educational purposes with tuition and books paid for by the Government, or for payment on a home or small business.

We personally feel that the bill is fair and the payments are based upon time spent in the service. However, since attending these hearings, I have observed that some of the members of the committee feel

that the adjusted pay question should be postponed until after the war. This is a question which I know your committee will carefully consider, and in the event that you agree with Senator Maybank and myself, that it would be better to provide adjusted pay now, we will, of course, appreciate your consideration of S. 1495. However, we recognize that the rehabilitation problem is the most important one confronting us, and constitutes the most important provision of our own bill.

We have, in conjunction with the national legislative committee of the American Legion, worked out an amendment to broaden and enlarge the provisions of S. 1617, which is backed by the Legion, and offer these amendments for your consideration.

I would like, Mr. Chairman, to have this amendment printed in the record at this point.

Senator CLARK. It will be included in the record.
(The amendment referred to is as follows:)

[S. 1617, 78th Cong., 2d sess.]

AMENDMENT, intended to be proposed by Mr. McFarland (for himself and Mr. Maybank) to the bill (S. 1617) to provide Federal Government aid for the readjustment in civilian life of returning World War II veterans, viz: On page 9, beginning with line 22, strike out down to and including line 20 on page 16, and insert in lieu thereof the following:

"PART VIII

"1. Subject to the provisions and limitations of this part, any person who shall have served in the active military or naval service of the United States at any time after August 27, 1940, and prior to the termination of the present war, who shall not have been dishonorably separated therefrom, and who shall have been separated therefrom after service of ninety days or more, or shall have been separated therefrom after less than ninety days of service for disability incurred in line of duty, shall, upon application to the Administrator of Veterans' Affairs, be entitled to pursue a course of education or training under this part. Such course of education or training may be any full-time course of education or training (including refresher courses) in any accredited educational or training institution selected by the veteran, if such institution finds the veteran qualified for and accepts him for such course of education or training. No course of education or training under this part in excess of a period of four years shall be approved, nor shall any training or education under this part be afforded beyond six years after the termination of the present war.

"2. While pursuing a course of education or training under this part, the veteran shall be entitled to a training allowance, to be paid by the Administrator of Veterans' Affairs, which shall be at the rate of \$50 a month, except that if the veteran is a man and is married, or is a woman and is married to a husband who is shown to the satisfaction of the Administrator of Veterans' Affairs to be dependent upon her for support, such allowance shall be at the rate of \$75 a month.

"3. When any veteran pursues a course of education or training at any institution under this part, the Administrator of Veterans' Affairs shall pay to such institution with respect to such veteran the customary tuition, laboratory, library, and other fees ordinarily paid by or for students at such institution; but such payments shall not include charges for board, lodging, or other living expenses. The Administrator shall not pay any part of such fees which is in excess of a rate equivalent to \$300 for an ordinary school year and shall not pay such fees for a period longer than the equivalent of four ordinary school years.

"4. When the course of education or training under this part consists of training on the job by an employer, such employer shall be required to submit monthly to the Administrator a statement under oath showing any wage, compensation, or other income paid by him to the veteran during the month, directly or indirectly; and based upon such sworn statements, the Administrator is authorized to reduce or discontinue the training allowance.

"5. Any person who, while pursuing a course of education or training under this part, is receiving a pension or compensation under other laws administered by the Veterans' Administration, shall be paid only so much of the training allowance provided under this part for any month as will, when added to the pension or compensation, aggregate the training allowance which would otherwise be payable for such month under this part. No person who receives vocational rehabilitation under part VII of this regulation shall be entitled to receive education or training under this part.

"6. Any public or private elementary, secondary, or other school furnishing education for adults, any business school, college, vocational school, or other educational institution, and any business or other establishment providing apprenticeship or other training on the job, shall be deemed to be an accredited educational or training institution for the purposes of this part, if and when accredited by the proper State educational authority agency or board.

"7. In carrying out his powers and duties under this part, the Administrator of Veterans' Affairs—

"(a) may prescribe such rules and regulations as he deems necessary or appropriate;

"(b) may employ such additional personnel and experts as are deemed necessary, and may utilize and extend existing Veterans' Administration facilities and utilize those of any other governmental agency as well as those maintained by joint Federal and State contributions;

"(c) shall consult with and may utilize the services and facilities of the respective State departments of education of the several States;

"(d) may enter into such agreements or arrangements with public or private institutions or agencies as he finds to be suitable and necessary to accomplish the purposes of this part; and

"(e) may accept uncompensated services upon such terms and conditions as he deems proper.

"8. Such rules and regulations of the Administrator may include such rules and regulations as he deems necessary in order to promote good conduct and cooperation upon the part of persons who are pursuing courses of education or training under this part. Penalties for the breach of such rules or regulations may with the approval of the Administrator extend to a forfeiture or discontinuance of any part of the benefits provided by this part."

Sec. 502. Paragraph 1 of part VII of Veterans Regulation Numbered 1 (a), as amended by Public Law 16, Seventy-eighth Congress, March 24, 1943, is hereby amended by deleting the date "December 6, 1941", in the first sentence thereof, and substituting the date "August 27, 1940".

TITLE IV—LOANS FOR THE PURCHASE OF HOMES, FARMS, AND BUSINESS PROPERTY

GENERAL PROVISIONS FOR LOANS

SEC. 600. (a) Any person who shall have served in the active military or naval service of the United States for more than ninety days at any time after August 27, 1940, and prior to the termination of the present war, who is not dishonorably separated therefrom, upon separation from active service shall be deemed to be a veteran eligible for the benefits of this title. Any such veteran may apply to the Administrator of Veterans' Affairs for a loan for any of the purposes specified in sections 601, 602, and 603. If the Administrator finds that the veteran is eligible for the benefits of this title and is in need of such loan, the Administrator shall submit the veteran's application for approval of the loan as provided in section 602, or require appraisal as provided in sections 601 and 603. When any such loan has been approved as provided in such sections, the loan shall be made by the Administrator of Veterans' Affairs.

(b) The aggregate of all loans made to any one veteran under this title shall be for such amount not in excess of \$1,000 as may be applied for by the veteran. Any such loan shall bear no interest for the first year after the loan is made, and thereafter shall bear interest at the rate of 3 per centum per annum, compounded annually. No guarantor of any such loan shall be required and no security for the loan shall be required except for a lien, which shall be a first lien where no other lien is required in the purchase of such property; otherwise it shall be a second lien.

(c) Any loan made under this title shall be repayable to the Administrator of Veterans' Affairs, and, except as otherwise provided in this title, shall be subject to such terms and conditions as may be prescribed by such Administrator.

PURCHASE OF HOMES

Sec. 601. (a) Any application made under this section for a loan to be used in purchasing residential property shall be submitted to the Federal Housing Administrator for his approval. Such Administrator shall approve the loan if he finds—

(1) that such loan will be used for part payment for such property to be purchased by the veteran;

(2) that such property has been approved by mortgage insurance under the National Housing Act, as amended, or meets the location and construction requirements for such approval; and

(3) that the purchase price paid, or to be paid by the veteran for such property does not exceed the appraised value thereof as determined by the Federal Housing Administrator.

(b) Any application for a loan under this section for the purpose of paying delinquent indebtedness, taxes, or special assessments, on residential property previously purchased for a home by the veteran shall be submitted to the Federal Housing Administrator who shall approve such loan unless in his opinion such loan is unsound or would not be in the interest of the veteran.

(c) No first mortgage shall be ineligible for insurance under the National Housing Act, as amended, by reason of any loan made under this title, or by reason of any secondary lien upon the property involved securing such loan.

PURCHASE OF FARMS AND FARM EQUIPMENT

Sec. 602. (a) Any application made under this title for a loan to be used in purchasing any land, buildings, livestock, equipment, machinery, or implements, to be used in farming operations conducted by the applicant, shall be submitted to the Secretary of Agriculture for his approval of the loan. Such Secretary shall approve the loan if he finds—

(1) that such loan will be used for part payment for real or personal property purchased or to be purchased by the veterans and used in bona fide farming operations conducted by him;

(2) that such property will be useful in and reasonably necessary for efficiently conducting such operations;

(3) that the character, ability, and experience of the veteran, and the nature of the proposed farming operations to be conducted by him, are such that there is a reasonable likelihood that such operations will be successful; and

(4) that the purchase price paid or to be paid by the veteran for such property does not exceed a reasonable appraised value therefor as determined by the Secretary.

(b) Any person who is found by the Administrator of Veterans' Affairs to have served in the active military or naval service of the United States for more than ninety days at any time after August 27, 1940, and prior to the termination of the present war, who shall not have been dishonorably separated therefrom, and who shall have been separated therefrom after service of ninety days or more, or shall have been separated therefrom after less than ninety days of service for disability incurred in line of duty, and who is found by the Secretary of Agriculture, by reason of his character, ability, and experience to be likely successfully to carry out undertakings required of him under a loan which may be made under the Bankhead-Jones Farm Tenant Act, shall be eligible for the benefits of such Act to the same extent as if he were a farm tenant.

PURCHASE OF BUSINESS PROPERTY

Sec. 603. Any application made under this title for a loan to be used in purchasing any business, land, buildings, supplies, equipment, machinery, or tools, to be used by the applicant in pursuing a gainful occupation (other than farming),

shall be submitted to the Secretary of Commerce for his approval of the loan. Such Secretary shall approve the loan if he finds—

(1) that such loan will be used for part payment for real or personal property purchased or to be purchased by the veteran and used by him in the bona fide pursuit of a gainful occupation (other than farming);

(2) that such property will be useful in and reasonably necessary for the efficient and successful pursuit of such occupation;

(3) that the character, ability, and experience of the veteran, and the conditions under which he proposes to pursue such occupation, are such that there is a reasonable likelihood that he will be successful in the pursuit of such occupation; and (4) that the purchase price paid or to be paid by the veteran for such property does not exceed a reasonable appraised value therefor as determined by the Secretary.

Senator McFARLAND. The proposed amendments take the place of title 3 and 4 of S. 1617. It will be noted from the amendment which we propose that the educational provisions are not limited to those whose education was interrupted by the war, but that all men and women returning from the services are given an equal right to these benefits. The man who has never had the opportunity of an education but who has been trained in the mechanics of an airplane while in the service, with a little vocational training could become an expert mechanic. Then there is the other boy who may have already finished high school who was at the time of his entry into the service trying to earn sufficient money to continue his education, and in a strict sense would not be classified as having his education interrupted. There is also the professional man who, after several years in the service, will need to take a refresher course.

It will be noted that paragraph 3 on page 11 of S. 1617 provides:

The provisions of paragraph 4 of part VII of this regulation shall be applicable to persons while following training or education under this part is omitted from the amendment.

The provisions of paragraph 4, part 7, provide that any person while pursuing a course of vocational rehabilitation shall be awarded the same benefits as if such disability were service-connected. This provision, I am informed, was placed in S. 1617 by mistake. It applies only to men who are receiving vocational education because of disabilities incurred while in the service, and has not application to men or women who may attend school under the provisions of this bill.

It will also be noted that the amount of tuition and fees is limited to \$300 for the ordinary school year. After careful consideration it was decided that this was a fair limitation. Paragraph 6 of the amendment, which was submitted on the floor of the Senate, defines the school to which the veteran may attend and provides for the appointment by the Administrator of a board of five, not less than three of whom shall be members of the faculties of educational institutions having educational scientific courses in the advance of the subjects taught in standard high-school courses, to pass upon any institution or establishment in each State in which veterans may desire to pursue a course of education or training. It was thought that this would be of benefit to the Administrator and would assist him in the selection of schools. However, I do not think there would be serious objection if this board were omitted.

However, Mr. Chairman, after further consideration of this problem it was thought advisable to eliminate this provision providing for a

board, and to provide on page 4 of the amendment, on line 9, after the word "part," "if and when accredited by the proper State educational authority, agency, or board." However, this is a matter which your committee may consider, and I am speaking now only for myself. I would see no serious objection to eliminating it altogether and letting the Administrator pick out the school, just as he does at the present time.

I have not attempted to outline in detail all of the provisions under this title, but have attempted to point out the principal changes made in the educational features. The provisions under title 4 for home and farm aid to veterans are entirely changed. After careful consideration all of us agreed that the ones provided in the original bill were not workable in that they provided for assistance through State agencies and no provision is made to aid purchasers of a business. Many of the States are prohibited from making loans under their constitutions. Anyway, the veteran problem is a Federal problem and should be so recognized. Usually aid furnished by States is restricted to veterans enlisting from the respective States; otherwise, these States would be burdened by men and women going there for such assistance.

There will, without question, be veterans who will want to go into other States to cast their lot for the future. Therefore, we have provided in our amendment for a loan not to exceed \$1,000, without interest the first year and thereafter to bear 3 percent interest, to be used in the purchase of a home, farm, or business property. The veteran first goes to the Administrator of Veterans' Affairs who may certify his eligibility for a loan to the various agencies for the purposes provided in the amendment.

I might state, Mr. Chairman, that one of the reasons we placed this provision in the bill was because of what has developed here before the committee. It seems to be the idea of the committee that everything should be cleared through the Veterans' facility, to which I agree, and to which those who helped me prepare this amendment agree.

It was our thought that we should provide for the utilization of existing agencies wherever possible rather than expand or provide for new ones, but in determining the agency to which applicants for a loan for a home should be referred—that is after they were given consideration by the Veterans' Administration—we were unable to select any particular agency. First, in the amendment which we offered on the floor, we set this up in the Federal Housing Administration. It was then called to our attention that the F. H. A. had not made loans in many of the small towns and villages. It was also called to our attention that this might afford some advantage to agencies through which the F. H. A. issues mortgage insurance. We wanted, and it is our hope that Congress will want these loans to extend to the man living in the small villages just the same as to those living in the metropolis. It was our desire to help the men, wherever they may be able to earn a livelihood, to secure a home in which to live.

We therefore suggest that the Veterans' Administration be given the authority to select the agency or even set up an agency within their department to pass upon these loans where it is found desirable, except in cases where the veteran requests that his application be referred to

the F. H. A. In that event, we suggest it be made mandatory upon the Veterans' Administration to refer his application to that department.

In regard to the purchase of farm machinery or payment upon a farm, we provide the application be referred to the Secretary of Agriculture. I do not think anyone will question the fact that this department is adequately equipped to give this service. Regarding a business, we provide that the application be referred to the Secretary of Commerce, who has adequate agencies for passing upon this loan. I shall not take your time to point out all of the conditions under which the loans may be made, for the reason that the amendment is self-explanatory.

When I was referring, Mr. Chairman, to these departments, I meant the Administrator of Veterans' Affairs, after he has certified that the veteran is entitled to a loan.

I would like to further state that this amendment provides for the extension of the benefits of the Farm Tenancy Act to these boys and girls returning from the services. Some of them may go into college, some may graduate from agricultural schools, and certainly they should have the benefits of this Farm Tenancy Act, even though they had never actually been a tenant.

We feel this would be money well invested. Many of the veterans will not need or want educational benefits and yet are just as much entitled to assistance from our Government to rehabilitate themselves as the boy who is in need of education. We must be fair to all. This small loan given at the proper time will, in my opinion, mean much to many men and women returning from the service.

Mr. Chairman, I cannot emphasize too much, I do not think, the necessity of rehabilitating every man regardless of whether he needs education or regardless of whether he just needs a little house in which to live with the wife that he has married during the time that he has been in the service. During the time they were in the service a great many of these boys have married, and will return without a home, and we need to help those boys.

Some of the boys may want to come back and purchase a service station. Well, this little \$1,000 loan will provide them a down payment on that service station.

I am not authorized to speak for the Secretary of Commerce, but Mr. Jesse Jones told me the other day that he was making surveys in order to determine just what help they could extend to these boys in the way of loans to purchase businesses on their return.

I thank you, Mr. Chairman.

Senator CLARK. Thank you very much, Senator. Senator Maybank, do you wish to make a statement?

STATEMENT OF HON. BURNET R. MAYBANK, UNITED STATES SENATOR FROM SOUTH CAROLINA

Senator MAYBANK. Mr. Chairman, I will not take much time of the committee, because it would be merely repetition for me to discuss the amendment that Senator McFarland and myself introduced to the pending legislation. I may say I hope the committee will give every consideration to it. In fact, I feel certain it will do that.

Certainly, in our section, where many of the boys will not be able to take the advantages of education, this amendment covers, as Senator McFarland has clearly stated, many provisions that I am certain will be useful to them in their rehabilitation.

I want to take this opportunity to thank the committee for the consideration they have extended to us.

Senator CLARK. Thank you very much, Senator.

Is Dr. Zook present?

STATEMENT OF DR. GEORGE F. ZOOK, PRESIDENT, AMERICAN COUNCIL ON EDUCATION

Dr. ZOOK. My name is George F. Zook. I am president of the American Council on Education. The members of the committee may know that the American Council on Education is our attempt in this country to federate the activities of various national organizations, associations, institutions, and school systems in connection with common problems in education which arise from time to time.

The council has attempted to be familiar with this problem of the education of the returning veterans from the war, ever since the issue was raised by the President at the time that the bill was signed reducing the selective service age from 20 to 18. We have had an opportunity to circulate the colleges, universities, and school systems to a very considerable extent in securing their ideas and opinions concerning the character of legislation that ought to be adopted by Congress with respect to this exceedingly important problem.

I think, therefore, that under the circumstances the council has a considerable amount of appreciation of what the institutions of higher education in particular think about the proper kind of legislation which ought to be adopted for this purpose.

Not very long ago the council, in carrying on its functions, called together the representatives of 21 of the most important national organizations in education in this country. All of those organizations sent representatives to that meeting. The conference has had now two or three meetings, at which it has considered the provisions which might be included in a bill of this kind. I am, therefore, coming this morning to speak as one of four representatives from that conference which has given extended consideration to the problem.

President Cloyd H. Marvin, of George Washington University, is the chairman of that group, and you will hear, I understand, three other representatives of the committee in a short time.

I should like to put in the record the names of these organizations, which I am sure you will agree are exceedingly important groups of citizens and educators:

- American Association for Adult Education.
- American Association of Junior Colleges.
- American Association of School Administrators.
- American Association of Teachers Colleges.
- American Association of University Professors.
- American Association of University Women.
- American Vocational Association.
- Association of American Colleges.
- Association of American Universities.

Association of Colleges and Secondary School for Negroes.
 Association of Land Grant Universities and Colleges.
 Association of Urban Universities.
 Council on Dental Education.
 Council on Medical Education.
 National Association of Secondary School Principals.
 National Association of State Directors for Vocational Education.
 National Association of State Universities.
 National Catholic Educational Association.
 National Council of Chief State School Officers.
 National Education Association.
 National University Extension Association.

I think, because of the contact which the council has had with the problem, I might be in a position to say that all of the other organizations of any consequence at all would join in the statements which we hope to bring to your committee at this time.

I am going to say what I have to say in endeavoring to answer several of the questions which must be prominent in your minds as you consider S. 1617 and the amendments which Senator McFarland and others have introduced to that bill.

The first question which anyone naturally would ask, I think, is the question as to whether the United States Government has an obligation to offer training and educational opportunities to men and women in the armed forces after the war.

There is, of course, just one answer to this question, and that is an answer in the affirmative. It is the answer of the President's committee, which was appointed for the purpose of considering this problem. It is the answer of the 21 organizations represented in this conference that I spoke of, and I believe it is the answer uniformly of every organization that you could consult in the field of education at all levels. The least we can do for the men and women who have been taken out of their normal pursuits of life, whose education has been so rudely interrupted, and who will be in great need of further training and education before they may be profitably employed, is to do something of this sort for them.

With the purposes of this bill, therefore, which is under consideration by this committee, the committee of 21 and all other educational organizations I am sure are in emphatic agreement.

The second question: What kind of education or training shall the veterans be entitled to? The committee believes strongly that each man should be allowed to select for himself the kind of education or training which he wishes. It agrees wholeheartedly, therefore, with what it understands to be the purpose of the amendment of the bill which is now before your committee, which reads as follows:

Any person who shall have served in the active military or naval service of the United States at any time after August 27, 1940, and prior to the termination of the present war—

omitting some words—

shall, upon application to the Administrator of Veterans' Affairs, be entitled to pursue a course of education or training under this part. Such course of education or training may be any full-time course of education or training (including refresher courses) in any accredited educational or training institution selected

by the veteran, if such institution finds the veteran qualified for and accepts him for such course of education or training.

We believe, therefore, that the committee has wisely made this provision sufficiently wide so that any form of education and training may be included. Our committee, however, believes strongly that there should be in the bill, as there is not at the present time, adequate provision for part-time attendance at institutions or schools other than is provided for in that part of the bill which has to do with training on the job.

There is no such provision in either the bill on the one hand, or the amendment on the other hand, at the present time. Our committee believes strongly that there should be such a provision.

Senator CLARK. What do you mean by that, Doctor?

Dr. ZOOK. I mean an individual who is employed for 7 hours a day at any kind of a job in industry or elsewhere, should have the benefit of financial assistance from the Government for any part-time educational work that he may wish to take in the evening or in the late afternoon, or at any other time that he is able to secure such training.

Senator CLARK. What about the so-called "short courses"? For instance, when I went to the University of Missouri—and the practice still obtains—they had what were known as "short-term courses" in agriculture, an 8-weeks' course in agriculture for active farmers that they can take during the wintertime when they are not busy on the farm.

Dr. ZOOK. Anything of that sort would be included.

Senator McFARLAND. I believe the amendment, Mr. Chairman, is broad enough to cover that.

Dr. ZOOK. It is broad enough to cover that kind of situation?

Senator McFARLAND. It was intended to cover it. How far, Doctor, would you go in giving assistance? Would you pay them this money? Of course there is not very much money, only a provision of \$50 a month. Would you only pay for their books and tuition?

Dr. ZOOK. The idea of the committee has always been that the tuition and fees of the individual should be paid. That is what we had in mind. That seems to us a simple act of justice for the individual who is sometimes in a rather low-paid position, but who wishes to use every opportunity he can to improve himself while he is employed.

Senator McFARLAND. I just wanted you to make a definite statement as to the assistance you wanted to give.

Dr. ZOOK. The third question which may properly be raised is what length of time for this educational training should a veteran be entitled to. Now, I do not need to tell you that this is a matter of judgment, of course. It is not easy to arrive at a solution of a problem like that uniformly. The amended bill offered by the Senator provides that no course of education or training in excess of a period of 4 years shall be approved. This may be a rather small point, Senator, but there is in the minds of school systems and colleges and universities always a question as to what one means by a "year." A school year in one State may be several months, while in another State it may be 9 months, and one or two of our States it is 10 months.

Ordinarily a university or college course in the States is 9 months.

Senator CLARK. An ordinary college year is two semesters, is it not, Doctor?

Dr. ZOOK. Yes; which ordinarily adds up to about 9 months. Therefore we think in this instance it might be desirable if you say a little more definitely exactly what is intended, and that it be a period of 36 months, which is, of course, 4 years of the usual academic year of 9 months.

I do not wish to press that as a matter of any great importance, but it will be a problem of administration unless it is given proper attention at this stage.

Senator McFARLAND. I might state, Doctor, there was some serious question about that particular provision, because when you say 36 months—and that is what we put in our original draft—some of these State universities do not have but a 9-month course, and the question then is what these boys are going to do during the summertime. So we thought it better to say “years” rather than school months. Some of the schools have summer courses, and they can go right through, and that was the reason why it was placed in the bill the way it was—I mean the amendment.

Dr. ZOOK. It seems to me that does not really clarify the situation, if I may say so. It really is as difficult to interpret it as the other is.

I believe that ordinarily it will be found that the most usual situation is a 9-month school or college year.

Senator McFARLAND. That is right.

Dr. ZOOK. I believe that it will be wisest to adjust this to what is the most usual situation.

Senator McFARLAND. But many schools do have summer courses which they carry right on through.

Dr. ZOOK. Yes.

Senator McFARLAND. I understand a great many of the vocational students now, at least, after the last war, went right through the summer courses.

Dr. ZOOK. You will notice the committee has not said these should be 36 continuous months.

Senator McFARLAND. I do not want to take up a lot of time of the committee, but the question was what these boys would do in the meantime, how they were going to live during the time they could not go to school. If they go to a State university, they may go to a law school, and there may not be summer courses, so what are they going to do during the summer months?

Dr. ZOOK. Of course the only answer to that is that they would have to do what every other citizen has to do when he takes time out during the summer in college years.

Senator McFARLAND. That is something the committee will have to decide, I am sure.

Dr. ZOOK. The fourth question which I have set down here is: Should the institution have the right to select their own students?

The committee believes firmly that they should have that right. The institutions have, during the present war period, given every evidence of willingness to adjust themselves and to make sacrifices in the education of the men who are now being trained for the armed forces, and I haven't any question in my mind—and there is a good deal of evidence to that effect—that the institutions will do everything

they possibly can to adapt themselves to the needs of these returning veterans.

But I do not need to tell you that institutions are not uniformly equipped to perform all educational services for every type of a returning veteran. Hence it is necessary for them to have this right, to make a selection of their students, and I am glad to say this principle is fully met in the amended bill. It says:

If such institution finds the veteran qualified for and accepts him for such course of education or training.

Senator CLARK. Doctor, does not that mean literally that the educational institutions of the country—and I speak to some degree from your side of the table, because I am a trustee of the George Washington University—does not that mean that the educational institutions are primarily concerned in building up, in expanding the educational system, rather than the interests of any veterans? It seems to me the principal question about the handling of this matter of the education of veterans is the fact that the thing is in the hands of people who are primarily interested, not in education, but in the veterans.

In other words, I agree that the college standards must be maintained, but it does seem to me that there is a suggestion in what you just said that there might be some people who might be more interested in expanding the educational system and getting governmental aid for the educational system than that the veterans should be taken care of, which should be, in my mind, the primary consideration for all of us.

Dr. ZOOK. I think there is no disagreement about that, Senator. There will, of course, always be institutions which seem overly anxious to have a large student body, and I do not see how there is any way to avoid a situation like that.

What I was trying to say originally was that the institutions have demonstrated as clearly as anybody could hope, I am sure that they are willing to make all kinds of sacrifices during the present war.

Senator CLARK. I am sure that is true.

Dr. ZOOK. The attitude of the institutions about that matter will be exactly the same after the war as it is during the war. I have heard many expressions of opinion of that kind.

Senator CLARK. I am sure that is true.

Dr. ZOOK. Although we here seem to be asking for something which amounts to the protection of the institution, I feel there is not any question but what they will give adequate attention to the needs of the veterans.

Senator McFARLAND. Doctor, along that line, isn't it protection for the boy to require him to meet the standards of the institution before he can enter the school? He has got to be qualified to take a course before he can do well himself, and it is some protection to him to meet those standards.

Dr. ZOOK. That is true, and what I shall say a few moments later, I shall try to bring out the fact that every attention should be given to meeting the needs of all of these young men and young women who will be asking for this work.

The fifth question is, What amount of compensation shall the veteran be entitled to while pursuing education or training? The present bill states that the compensation should be \$50 a month and \$75 for

married men. It makes no provision, however, for additional compensation for dependent children, and that, we think, is an important omission in the bill at the present time, because many of these married men are now going into the services, and others will be married immediately after they come back from the war, and unless some provision is made to give the father of dependent children some further assistance than is provided for in the bill at the present time, I think an essential act of injustice will be done.

The sixth question is, How shall the institution be compensated for the educational facilities provided for the veterans?

The bill at the present time provides the payment of the customary tuition and fees, not to exceed \$300 per year. The committee is in general agreement with this provision, except that it has not placed the \$300 limitation on the fees.

I pause here to remind the committee that if you are thinking of the welfare of men who wish to attend the medical schools of the country, and the dental schools of the country, nearly all of which charge necessarily rather high fees, it practically becomes impossible, therefore, for them to meet the expenses of tuition and fees when the maximum is placed as low as \$300 per year.

It may be desirable to set some maximum figure, but I am not at all certain that \$300 is altogether fair.

More important, however, is this situation: Due to the fact that the tax-supported institutions are free, or charge relatively low fees for instruction, some provision should be included in the bill to provide these institutions with compensation comparable to that charged in privately controlled institutions.

We are anxious that whatever is done in connection with this bill places the privately controlled institutions and publicly controlled institutions on a basis of equality before the United States Government. Under the provisions of the bill at the present time, a State or municipal institution would receive from the Federal Government considerably less in the way of reimbursement than would be provided for the privately controlled institution.

Senator CONNALLY. You mean to say, then, that the Government should pay the tax-supported institution more for the soldier than they charge the others?

Dr. ZOOK. There are, of course, Senator, two kinds of fees which most State institutions charge: One is for the student who resides within the State, and the other is for the student who resides without the State.

Senator CONNALLY. And the fee which is charged for students who reside without the State is usually somewhere near to the actual cost of instruction which is charged by the private institution. But the same principle holds, that if the Federal Government is going to make a reimbursement for this service, then it seems eminently proper that the reimbursement to the State institution should be upon the same level as it is for the privately controlled institution, otherwise the Federal Government is doing more for the privately controlled institution than it is doing for the State-controlled institution.

Senator CLARK. As a matter of fact, nearly all of the State institutions are what are called land-grant colleges, anyhow.

Dr. ZOOK. That does not mean that they get a very large amount of money from the Federal Government.

Senator CLARK. No; but they do get a very considerable amount of money. I know in my own State the University of Missouri is a land-grant college and they receive a substantial reimbursement.

Dr. ZOOK. For what purpose?

Senator CLARK. The Cadet Corps, the only service they perform.

Dr. ZOOK. The land-grant colleges receive very considerable sums of money from the Federal Government for extension courses off the campus, and to do research work in agriculture and home economics, and for such services as you mentioned there, but only \$50,000 per year, plus the income they secure from the original land grant, which is usually not a large amount is available for resident instruction, and hence the amount of money which the institutions receive from the Federal Government for instruction purposes is very small.

Senator CONNALLY. You did not answer my question. You mean, then, that the Federal Government should pay to the State-supported institution a larger allowance for tuition and fees than they charge other ordinary students; is that right?

Dr. ZOOK. Usually that amount will not be larger than the out-of-State tuition.

Senator CONNALLY. I know, but do you favor it now?

Dr. ZOOK. Yes; I do.

Senator CONNALLY. That is all I ask. As a matter of fact, the other institutions, the other colleges and schools outside of these tax-supported institutions suffer very severely now from competition. They really cannot compete with the State-supported institutions, in many cases, and it is because of their denominational aspects, or because of some traditions that these schools are able to survive.

So I do not see why the Government should come along and pay a State university that takes care of a soldier more fees than they charge a civilian in some other walk of life. I just cannot get that.

Dr. ZOOK. This work, which will be done by all institutions in effect, will be over and above the usual load which they will have to carry after the war.

Senator CONNALLY. They are all trying to get them, though. They want to increase their student bodies.

Dr. ZOOK. As I said, a considerable portion are always anxious to enlarge their student body.

Senator CONNALLY. I do not see why the Federal Government should pay that institution a larger fee, a larger commission, to give a soldier a course, especially when the institution selects the student, and it does not need to select them unless they are suited to take the proper courses. I do not see why they should pay the State-supported institution a larger fee than they charge a civilian.

Dr. ZOOK. There actually are institutions, Senator, such as the city colleges of New York, which charge absolutely no fees whatsoever.

Senator CONNALLY. I think that is a very fortunate situation.

Dr. ZOOK. That means that the student would go to those low-cost institutions, and those low-cost institutions would have to bear an undue burden that otherwise they would not have to bear.

Senator CONNALLY. Why would they have any more burden in the case of a soldier than in the case of anybody else?

Dr. ZOOK. For the simple reason that the student is naturally going to go to the low-cost institution.

Senator CONNALLY. They select these students. They do not need to select them if they do not want to.

Dr. ZOOK. That is correct.

Senator McFARLAND. I might say further the States support the Nation and after all the people are the one who pay the tuition, and not a hypothetical Federal Government. The Government is the people. It all works out the same, because the people are the ones who will have to pay for this. If the State of Arizona is going to get more money for these students, they are going to have to pay their proportionate part of it, just the same as they would if they provided it by the State agencies.

Senator CONNALLY. It seems to me that there is one point that you have to pretty well guard against, and that is to make some regulation about emigrating from the State, to keep from overloading some other State.

Dr. ZOOK. In effect, that means what I mentioned a moment ago, that you charge the out-of-State fee and just charge the same kind of a fee that the privately controlled institution does.

Senator McFARLAND. Under our amendment, the Federal Government would have to pay the out-of-State fee for out-of-State men.

Senator CONNALLY. If he is from out of the State you may charge him the fee, but don't put him out of the State and then charge him the fee back.

Dr. ZOOK. Perhaps I'd better go on.

Senator CONNALLY. Yes.

Dr. ZOOK. The seventh question: Should provisions be made for the guidance of returning soldiers relative to types of training and education which are available and which are needed in the post-war world?

I listened with a great deal of interest to what the senior Senator from New York said a few minutes ago about the fact that these men are away from normal life for 2, 3, or 4 years, and they will return without having any knowledge of what the post-war requirements are in the way of employment to any considerable extent, and the institutions to which they might go in order to prepare themselves for this.

We believe, therefore, firmly and strongly that provisions should be made in the administration of this act, both at the State and Federal level, to set up a system of guidance for these men.

Senator McFARLAND. Of course, Doctor, it is our opinion that the Veterans' Administration are the ones to do that, and that they have adequate facilities, and that they should have the complete supervision of these men. That is the way it is set up in our amendment.

Dr. ZOOK. Senator McFarland, if I remember correctly, no provision is made in the amended act relative to guidance at all.

Senator McFARLAND. I do not think it is necessary.

Dr. ZOOK. Well, it seems to our committee to be such an important matter—

Senator CLARK (interposing). I disagree with you there, Senator. I had the experience myself of being in the G-1 division as assistant chief of staff in charge of administration at the end of the last war, and we were authorized to send a quota of students to some of the best colleges and universities in Europe that we wanted to send them.

If the men wanted to go to Oxford, or Cambridge, or Sorbonne in France, and various other institutions, they could go there, but we did

not have any customers at all. They said they did not want to go to Cambridge, or to these other institutions, they wanted to come home.

Senator McFARLAND. Senator, you misunderstood me.

Senator CLARK. Unless the whole matter can be adequately presented to these men, as to whether they ought to pursue their education, I think most of them will say the same thing, that our fellows said. They said, "No; we want to go home and go back to work."

Senator McFARLAND. I did not mean the guidance was not necessary, I mean they have the power under their general supervision to provide the guidance without spelling it out in the bill.

Senator CLARK. I think that is true.

Dr. ZOOK. I would say, Mr. Chairman, that our committee feels that this is such a tremendously important aspect of this matter that it should be provided for definitely in the bill, both at the Federal level and at the State level, and especially at the State level.

Now I come to the eighth and last point which I have here, and that relates to the administration of this proposed act. The committee of representatives and educators from these 21 organizations are in unanimous agreement, particularly on the matter that education and training at all levels is, by our form of Government, left to the States, and by them delegated to the localities and privately controlled institutions which they charter.

This conception of education in this country is fundamental to our way of life, and it has been defended in this Congress and in many previous Congresses time after time in years gone by, not necessarily as extensively as it might have been in all instances. The acts which have been passed by the Federal Government relating to education have, in practically all instances, recognized this fundamental principle in American Government.

The first Morrill Act of 1862, the second Morrill Act of 1890, the Smith-Lever Act of 1914, the Smith-Hughes Act of 1917, and practically all the legislation that has ever been undertaken by this Congress and previous ones, has recognized the right of the States to control education.

So we, as a committee of representatives from these 21 organizations, wish to reaffirm before you our very deep belief in this old and fundamental principle in American life.

Senator McFARLAND. Doctor, along that line, of course, we made the change in our amendment after you saw the copy of it. The change I have made, is that satisfactory to your committee?

Dr. ZOOK. I should say that it is not satisfactory.

Senator McFARLAND. Why?

Dr. ZOOK. May I proceed, and I think I can give you the reasons.

Senator McFARLAND. Yes, sir.

Dr. ZOOK. We find unsatisfactory, therefore, the provisions in the bill which hand over the administration of this proposed act so completely to a Federal organization.

Senator CLARK. When you say the "bill" do you mean S. 1617, or do you mean some form of amendment?

Dr. ZOOK. I am talking about the amendment now primarily, and, of course, the same thing obtains in the original bill.

Senator McFARLAND. Not the amendment now. You may not have

gotten the amendment which I read, but it said, "If and when accredited." It said:

Any public or private elementary, secondary, or other school furnishing education for adults, any business school, college, vocational school, or other educational institution, and any business or other establishment providing apprentice or other training on the job, shall be deemed to be an accredited educational or training institution for the purpose of this part, if and when accredited by the proper State educational authority, agency, or board.

Dr. ZOOK. Then, of course, it is in the right direction, but it does not go anywhere near as far as it should.

Senator McFARLAND. It may not go as far as you want it to go.

Dr. ZOOK. I will try to spell this out in just a moment.

Senator McFARLAND. Pardon me for interrupting.

Dr. ZOOK. We believe the real administration of this act should be lodged in the duly constituted State agencies which have been set up in years gone by throughout the history of our State in the respective States, to control matters of education, and that in those States where inadequate provision has been made—and perhaps there are some—that this matter be left to the governors and to the legislatures to make appropriate provision for it by legislation.

Senator CLARK. What you want the Federal Government to do is supply the money and the students, and then you want to let the local authorities run the whole thing?

Dr. ZOOK. That is correct.

Senator CONNALLY. Doctor, I thoroughly agree with you as to your fundamental statement about control.

Dr. ZOOK. Most people do, but they put into Federal legislation a great deal that controls State education.

Senator CONNALLY. I agree with your fundamental principle. I disagree, though, with your conclusion that this bill interferes with that. All this bill does is turn the student over to the school. The Federal Government is in the position of the parent. We are simply furnishing the boy and the money, but after we send him to this school, we select him and send him, then he is under the jurisdiction of the State school.

Senator McFARLAND. But we want the supervision of the parent over the student, we want to retain the supervision of the student that the parent retains.

Senator CLARK. Doctor, what we are concerned about, at least I am, and I think the committee will be of the same opinion, fundamentally we are concerned about the interest of the veteran.

Dr. ZOOK. That is right.

Senator CLARK. And not the interests of your educational system. In other words, I am perfectly willing to utilize and expand the educational system and to supply the money, but I say the administration ought to be in the hands of some Federal agency who is interested primarily in the interests of the veteran rather than expanding the universities and colleges.

Dr. ZOOK. Would not you say that the administration of an educational matter should be in the hands of the educational organizations that deal with things of that sort?

Senator CLARK. Doctor, as far as I am concerned, I have no notion on earth of putting Frank Hines in the business of being an educator, but I do say that the Veterans' Administration is the proper place for

a veteran to look for relief and for the pursuance of such rights as he may have and, therefore, I say the whole system should be under the over-all control of the Veterans' Administration rather than the Bureau of Education, which is simply, of course, like all other Federal agencies, interested in expanding itself.

Dr. ZOOK. The committee quite agrees that the Veterans' Bureau should certify and pay these men, but that all of the educational functions should be carried out on the Federal and State level by the educational organizations already constituted and set up by the States and the Congress.

Senator McFARLAND. Wherein will that not be true right now? Except that they will not have personal supervision. They can only send them to the schools under this amendment which are accredited under the State set-up. What more should anyone want, except to expand the power of the State or Federal Government to supervise these men?

Dr. ZOOK. The setting up, as I said before, of guidance facilities, both at the State and Federal level.

Senator McFARLAND. Well, the Veterans' Administration have general authority for guidance over these boys. They are the ones that understand the problem of the man that is in the service. They are trained to understand a veteran's problems, and there is not any educational institution that is.

Dr. ZOOK. That is the very business of the educational institution.

Senator McFARLAND. It may be their business or it may not, but you have got to look at this thing from the viewpoint of the veteran and not the educator.

Senator CONNALLY. Did your organization pass any resolution or take any action with respect to this bill that we had up in the Senate recently that provided for \$300,000,000?

Dr. ZOOK. The American Council on Education?

Senator CONNALLY. Yes.

Dr. ZOOK. At the present time I am reporting for this committee of 21 organizations which met at the request of the American Council on Education.

Senator CONNALLY. Did this council pass any resolution respecting this educational bill that we had in the Senate some time ago providing for \$300,000,000?

Dr. ZOOK. No, sir.

Senator CONNALLY. You did not act on that at all?

Dr. ZOOK. No.

Senator CONNALLY. You took no official position?

Dr. ZOOK. No. I think this is, in a sense, about all I care to say, Mr. Chairman, except for three observations that I would like to complete with.

Many of these men will want short accelerated courses, some perhaps not altogether of college grade. As I said earlier, the colleges stand ready, in the post-war period, as they are doing now, to make sacrifices to meet the unusual needs of these men. Many already have made tentative provisions for that.

Secondly, for a large number of these men and women the war is already over. We talk about doing this in the post-war period. As a matter of fact there are some 500,000 or 600,000 men who have already been discharged from the United States Army.

Senator CLARK. A little better than a million, Doctor.

Dr. ZOOK. Some of those have been taken back into the services, so that the net now available is not as large as a million, I think, but there is a very large number, 500,000 or 600,000. There is, therefore, an urgency about this matter, which might not seem to be the case upon first examination.

Finally, I should like to impress upon the committee the fact that these ideas which have here been presented, and will be presented by the three following persons, are the ideas of educational organizations, and individuals, almost unanimously. That is one thing, at any rate, that educators agree upon quite thoroughly. Sometimes we disagree among ourselves, but here is one set of principles that are agreed to by practically all educators, and certainly by all educational organizations of any large consequence.

We wish, therefore, respectfully to urge upon the committee the very favorable consideration of the suggestions which have been offered here, and which will be offered by the other three men as they come along.

Senator CLARK. Thank you, Doctor. Mr. Jones.

STATEMENT OF CHARLES S. JONES, CHAIRMAN, SCHOOLS COMMITTEE, AERONAUTICAL CHAMBER OF COMMERCE OF AMERICA

Senator CLARK. Will you identify yourself for the record, Mr. Jones?

Mr. JONES. My name is Charles S. Jones, known in the aviation industry as "Casey Jones," and I represent the 19 technical schools of the Aeronautical Chamber of Commerce of America. This organization is composed of practically all the aircraft manufacturers, the accessory manufacturers, the engine manufacturers, together with other divisions of the industry, and I appear before you with the full authority of the board of directors and the backing of the aircraft industry. The schools are located in 13 different States, and have a total capacity of over 15,000 students.

In reference to bill S. 1617 under consideration, we are particularly interested in the educational chapter, title 3, chapter 5, for we feel that this or similar legislation will be passed by the present Congress to provide rehabilitation training for the returning veterans, and we believe that our schools are in a position to provide a constructive part in such a training program.

I would like to point out first that the aviation schools occupy a unique position in the educational field because all of our schools are approved by the Civil Aeronautics Administration as to curriculum, facilities, and the qualifications of our instructors, so we are already under the supervision of a Government department. Furthermore, a great many of the schools are also approved by the respective States in which they are located. My own two schools, the Casey Jones School of Aeronautics at Newark, N. J., and the Academy of Aeronautics at LaGuardia Airport, New York City, are approved by the departments of education of New Jersey and New York, respectively, and at the present time we are conducting aeronautical training under the direct supervision of these departments.

Senator McFARLAND. Mr. Jones, under our amendment there would be no difficulty of your schools qualifying, would there?

Mr. JONES. No; I do not think so.

Senator McFARLAND. The boy would be eligible to receive training in your schools?

Mr. JONES. That is right.

Senator McFARLAND. Thank you.

Mr. JONES. Many of the schools have been in existence for more than 10 years, all of them have materially contributed to the war effort by turning out trained technicians for both the industry and for the Air Forces. They are accepted as integral and necessary parts of the aviation industry, and for many years they were the sole source of trained employees for that industry.

When the first large aircraft-expansion program was announced by the President, the Air Forces selected 8 of these schools for a test program for training mechanics for the Air Force. This program was so successful that it was shortly expanded to include all of the 19 schools which I represent and, in addition, 10 other schools who do similar work but who do not happen to belong to the chamber of commerce. The program was continued up until June 30 of this year, at which time the training of technicians leveled off and the Army had established sufficient training facilities of its own to take care of its requirements, so the contracts were not renewed. However, during this period these civilian schools trained approximately 10 percent of the mechanics who went into the Air Force, and at the same time most of these schools continued to train civilian technicians for the industry. As evidence that the Air Forces were highly pleased with the program, I am quoting herewith the contents of a letter written to our school by the commanding general of the Training Command, which is self-explanatory:

On December 7, 1941, there was created an immediate need for a flow of technically trained personnel many times the total capacity of the schools operated by the Army Air Forces. To await construction of necessary training facilities would have meant a delay which would have seriously injured America's chances of victory in this global war.

Fortunately, America did not have to experience this set-back, for there was a small group of patriotic citizens willing to open "the home front." I am specifically referring to the owners of the civilian mechanics schools, who threw open the doors of their establishments to the training of Army Air Forces personnel at this very crucial moment. That theirs was a very substantial contribution to our ultimate victory is an obvious fact.

Lest this contribution be forgotten now that the expansion of this Army Air Forces has been accomplished, it is desired that there be conveyed to you and your staff an expression of heartfelt gratitude and appreciation from the Army Air Forces and particularly from the Technical Training Command.

Yours very truly,

WALTER R. WEAVER,
Major General,
United States Army, Commanding.

While I do not have the exact figures as to the total number of men turned out by these schools, it is estimated that they have trained well over a hundred thousand technicians for the industry and the Army, which represents more than three times the total number of people employed in the aircraft industry in 1937. The very fact that these schools were in existence prior to the present conflict and had available proper instructional facilities and well trained faculties, had much to do with speeding up our aircraft program and contributed greatly to the war effort.

As an interesting sidelight, you would be interested to know that we received a letter from one of the graduates of my school, who advised that 60 of the crew that raided the Ploesti oil fields in Rumania were graduates of our institutions, and I can assure you that we take great pride in the fact. We are willing to stand on our record.

As our schools have made a great contribution to the war effort, we feel that we can make an equal contribution to rehabilitation training. There is every evidence there will be a considerable demand for such rehabilitation training in aviation: First, because of the potentialities of aviation for the future; and, second, because a great number of men now enlisted in the Air Forces will need and desire upgrading training when they are mustered out, in order to qualify for commercial jobs. This is the particular type of training which our institutions are especially fitted to give. We appreciate that some aviation training will be given in the public schools, many of which have instituted excellent aviation courses during the present emergency, and we have the highest respect for the outstanding job of aviation training done by the Vocational Branch of the Federal Department of Education and by many of the States.

However, it must be remembered that changes in aviation both in design and construction occur very rapidly because of the great technological development of the art, and there is every reason to believe that this will continue for some time. The civilian schools are by their very nature forced to maintain the closest contact with the industry, and to adjust their courses to keep pace with these changes, and the private school is much more able to keep its courses flexible to meet this situation than is possible in a public institution. It is in this particular phase of the training that we believe our schools offer a special service, and one which will supplement that given by public institutions, and which will be required by the industry. This close contact with industry helps in the placement of graduates, of prime importance to any training program, and the private schools have long set up facilities to handle this situation. In the case of our own schools we are proud of our 10-year record of placing more than 95 percent of our graduates.

Senator CLARK. What do you mean by "placing"? Do you mean giving them a job as aviators when they come out of a school?

Mr. JONES. As technicians. That is one of the points brought up. We feel a private institution may have a little edge over the public institution because we have to place our graduates or we do not exist, and we think that is important when this thing is over.

Senator CLARK. In other words, you think a man might be a good airplane mechanic who could not spell very well, or might not care whether he can spell very well or not.

Mr. JONES. That is right.

Senator CLARK. I agree with you on that.

Senator McFARLAND. Of course, placing a man is one of the most important things. It does not do any good to educate a man unless he gets a job.

Mr. JONES. That is the way we feel about it.

Senator McFARLAND. You are quite right.

Mr. JONES. Experience indicates the cost per hour of training in private schools to be approximately the same as in the public. From

the viewpoint of the taxpayer it would be advisable to have the private schools used to capacity before going to the expense of constructing new public facilities.

For some years our schools have been training individual World War I veterans under currently effective rehabilitation programs, and already some 27 World War II veterans, plus a number of their wives, have enrolled on their own initiative in the 2 schools in which I am directly interested. A story printed in the Newark Evening News, which I am presenting for inclusion in the record, typifies our experience with this type of training, and gives some indication of the demand for it that may be expected. We would like to see in the proposed bill a definite statement to the effect that each veteran should be allowed the widest possible latitude in the selection of the institution where he is to receive his training.

And that has been done in your amendment.

Senator McFARLAND. I think so. He ought to be allowed to select the school.

Mr. JONES. That is right.

Senator McFARLAND. That is the democratic way.

Mr. JONES. We believe that any program should be adequately guided by Government authority as to curriculum, facilities, and faculty, and we know our institutions can meet these requirements. The rehabilitation training will provide a necessary stopgap in our reconstruction program. The education and training of thousands of young men was interrupted by their induction into the service, and upon their return to civil life they will have to compete for jobs with men of greater experience. An opportunity to continue their education until they can adjust themselves to new conditions will be a godsend—and one of the finest things a grateful Government can offer. We want to do our part in this program and feel sure that the qualified private technical schools should be included in the opportunities made available.

We sincerely appreciate the opportunity of appearing before your committee.

That was the statement that I had prepared. I had not seen this amendment until this morning, but I also want to bring up the point as to the limitation of \$300, which is in your amendment, because that is at the rate of \$25 a month on a school year of 12 months, and I can tell you from experience it is impossible to offer vocational training at that rate.

Senator CLARK. How much does it cost to go to one of these aeronautical schools?

Mr. JONES. It runs about \$50 a month.

Senator CLARK. We have one right across the river at East St. Louis.

Mr. JONES. Yes; I talked to them on the phone yesterday.

Senator CLARK. They are a very excellent school. How much does it cost to go there?

Mr. JONES. Most of the schools in our category charge on the yearly basis from \$500 to \$600.

Senator CLARK. That is \$50 a month?

Mr. JONES. That is right. If you want to limit the amount, that is all right, but it ought not to be done on a yearly basis, because we run 12 months a year; we do not run on a 9-month basis.

Senator McFARLAND. Mr. Jones, that was not, as I understand, the amendment. It was intended to limit it to \$300 for 9 months.

Mr. JONES. That is the point I wanted to make.

Senator McFARLAND. Any limitation you place on it is, of course, more or less arbitrary. I think most of us would like to see these boys go to their home schools as nearly as possible. That is the thing I had in mind.

The committee of the Legion were the ones that set the \$300 figure.

Mr. JONES. What I want to point out, it would be unfortunate to handicap the fellow who had the ability and wanted to go to a school. We could not possibly, in our school, give instruction at that rate.

For instance, take the welder; we could not buy the welding torches and gas at that rate.

Senator McFARLAND. I can see that that is a serious question that the committee could consider.

Mr. JONES. Otherwise we are in agreement with the bill.

Senator CLARK. Thank you, Mr. Jones.

(The article from the Newark Evening News of Wednesday, January 12, 1944, is as follows:)

MARINE VETERAN, BRIDE, TRAIN AS AIR MECHANICS

JOHN BING, GUADALCANAL MARINE VETERAN, AND HIS WIFE, LOIS, WORK ON AIRPLANE MOTOR IN MECHANICS COURSE

A marine veteran of Guadalcanal, his war bride, 4 former soldiers, and 1 former sailor are among 200 airplane-mechanics students being trained at the Casey Jones School of Aeronautics under the civil-service program. They will be graduated the middle of February and take jobs at the Army Air Depot at Rome, N. Y.

John Bing, then a private in the marines, and his wife, Lois, were married in Glenville, N. Y., August 7, 1942, the day the marines invaded Guadalcanal. Three weeks later Bing was off to Guadalcanal himself.

Bing underwent Jap bombing and strafing attacks while his engineers outfit helped repair Henderson Field. There he was bitten with the aviation bug, and also, unfortunately, by Guadalcanal mosquitoes, which filled him with malaria. Brought back to this country for treatment, he was honorably discharged.

FIRST MARRIED ENROLLEES

Mrs. Bing decided she and her husband had enough of separation in their short married life and chose the course at Casey Jones because they could be together. The course provides that as many women as men be given the training. The Bings are the first married couple to enroll, although other couples have been graduated together after marriages in midterm.

The four soldiers and the sailor at the school also were given medical discharges. They entered the course through Selective Service, which looks out for the future of men returned to civilian life by the armed forces.

Andrew Pavone, of Brooklyn, a floorman for a New York brokerage firm before he volunteered for Navy service last February, developed an arthritis condition in his feet. Like the others, he could have returned to his old job, but he had become interested in aviation while in the service.

HURT IN TRAINING

An expert grader and marker of women's apparel, Orlando Meazzi, of Brooklyn, entered the Army in November 1942. While taking antitank artillery training at Camp Croft he tore knee ligaments going over an obstacle course. His leg failed to mend and he was honorably discharged. He was placed in the airplane mechanics school after the New York State rehabilitation office contacted him.

Robert Smith, of 156 Union Avenue, Long Branch, entered the Army April 11, 1940, and was honorably discharged January 26, 1941, because of a chronic

stomach trouble. He went back to his old job of cab driving and later worked at an aircraft factory in Burbank, Calif. He enrolled in the mechanics course because "It is also contributing to the war effort."

LOOKS TO FUTURE

Alfonso Medy, of 350 East Jersey Street, Elizabeth, receives a medical discharge June 18 because of respiratory allergies. He worked for a time as a plumber's helper and on the assembly line at General Motors eastern aircraft division at Linden. He took up the mechanics course because he thought it offered a good future.

Edward Kirschman, of Brooklyn, was honorably discharged October 23, because of a knee injury. Five days after his discharge the U. S. E. S. gave him an interview and arranged for him to take the mechanics course. All are required to work for a year under civil service and after that Kirschman has the promise of a job with American Airlines.

The CHAIRMAN. Is Dr. Givens here?

Dr. GIVENS. Yes, sir.

Senator CLARK. Come forward, please.

**STATEMENT OF DR. W. E. GIVENS, EXECUTIVE SECRETARY,
NATIONAL EDUCATION ASSOCIATION, WASHINGTON**

Dr. GIVENS. Senator Clark and Senator McFarland, if the hearing is to be extended, if it would be more convenient for you, it would be convenient for us three to come back at some other time.

Senator CLARK. It so happens the full Finance Committee is scheduled to meet tomorrow. We are a subcommittee of the full Finance Committee. The full committee is expected to meet also on Monday, and it will be necessary to take a recess after the conclusion of the hearing today until Tuesday.

I am just advised that the hearing will be continued to Monday. If it is entirely convenient for you, Doctor—they have been ringing the bell for a quorum in the Senate—I would recess the hearing until 10:30 Monday morning, at which time you will be the first witness, and we will be very glad to go right straight through with the program, if that is entirely convenient to you.

Dr. GIVENS. It is more than agreeable to the other two gentlemen. It so happens that I have to be out of the city on Monday. I could say everything I have to say in 10 minutes.

Senator CLARK. You may proceed.

Dr. GIVENS. My name is Willard E. Givens. I am executive secretary of the National Education Association. I am speaking for the 21 national organizations that Dr. Zook presented. I served as chairman of the subcommittee of those 21 national organizations.

Very briefly, I want to say our 21 organizations have discussed the problem with the veterans' organizations, the Veterans of Foreign Wars and the American Legion, and I think there is no disagreement at all on general principles. I think we are all together on the general principles.

Briefly, this educational opportunity ought to be available to all returning military personnel. It ought to be available for the length of time that Senator McFarland has in his legislation—4 years.

We believe that all institutions that are now functioning satisfactorily are worthy institutions, or they would not be held in the esteem that they are held in.

Senator CLARK. Doctor, you do not mean to say everybody should have 4 years, do you?

Dr. GIVENS. If they want it.

Senator MCFARLAND. You mean if they need it.

Senator CLARK. I have a boy in the marines who is 20 years old, who was a senior at the University of Missouri studying journalism.

Dr. GIVENS. He will not want it, will he?

Senator CLARK. There is no rhyme or reason to say he is entitled to 4 years, that the Government should send him to school for 4 years more. He can go ahead and get an A. B., an A. M., and possibly a Ph. D., and several other things in 4 years, but I do not think he is entitled to it.

Dr. GIVENS. I believe, Senator, a boy who has offered his life to defend his country and who desires further training, I think that is the best investment the Government could make. I do not think your boy would need it. He probably will not need it, anyway.

Senator CLARK. I want to give every boy that has been in the Army, the Navy, or the Marine Corps all possible opportunities.

Dr. GIVENS. That is all we want.

Senator CLARK. At the same time I do not want to build up the idea of a kid living off the Government and going to school instead of going to work.

Dr. GIVENS. We do not want that either. It is my opinion that 85 percent of the boys that want this training will be in only a few months, generally, in one of these refresher courses to prepare them for a specific job.

The point I want to make is any boy who has served his country and comes back, it ought to be open to him to get what he wants. Some of the boys will want to go the whole 4 years, and if they do, I think they ought to be taken care of.

Senator MCFARLAND. Don't you think the limitation of the pay, \$50 a month, and then having to make their grades in the schools to meet the standards which you fellows have built up since I got out, will be quite a limitation?

Dr. GIVENS. I think they ought to face the same limitations that any other students face, whatever those are.

The other point I want to make is that the institutions that are now set up and functioning can readily take care of the returning veterans.

I think the point that Senator Clark has brought out, that most of them, all as far as I know, are going to do everything in their power to try to give the veteran everything that the veteran needs is a good one. We found our regular colleges and universities have taken care of over 9,000,000 people, that we helped to train for this war situation, including the war industries. The institutions are there and they are ready to do their part in this program, all of them, public, private, trade schools, schools that will give extension work as well as the regular institutions and graduate universities, and so forth.

May I repeat again that we have discussed this, and I think there is no fundamental difference at all on the general principles back of the legislation. I think it is a very worthy legislation, and we are in agreement on the general principles, so far as we have discussed them and understand them.

The question that arises is the question of administration. The 21 national organizations took action on the important principles involved in this legislation, the first one being that the educational features of this act be administered through the United States Office of Education. Let me make that specific, if I can.

We discussed this at great length. We think we are all agreed on it, and I am very strongly of the opinion that everything that has to do with the veteran as a veteran should be handled through the Veterans' Administration.

These are the things that seem to me ought to go down through the educational channels. Maybe it can be done by cooperation between the Administrator of Veterans' Affairs and the Commissioner of Education. Anyway that could be worked out and worked out satisfactorily, I think would be helpful, but I think the educational function would be, briefly, when these institutions are O. K.'d, as Senator McFarland has amended his bill, by the educational agencies and boards, and if there is any question about those from the standpoint of an institution, that is not giving a square deal to the veteran,—and there will be some of those spring up—the Office of Education ought to have the final approval of the educational institutions that are worthy to carry on the program.

Senator McFARLAND. Doctor, right there, if they are not giving a square deal to the veteran, don't you think you can go to the Veterans' Administration and say, "Here, I want to change over to this other school; I do not like it out there"?

Dr. GIVENS. I think the veteran will leave the institution and go to another one without bothering anybody.

Senator McFARLAND. He will get along like any other boy does, except for some minor supervision and adjustment in his life, which the Veterans' Administration should be able to help him in.

Senator CLARK. Doctor, as I suggested a little while ago, I have no notion of setting up General Hines, excellent administrator though he is, as an educator, putting him in the education business, but I would much rather, in the final analysis, much rather have a professional veteran, which, after all, the head of the Veterans' Administration must be, than a professional educator in charge of this thing.

The only justification in Congress appropriating Federal funds and going into this program at all is not to expand the educational institutions of the country; it is to take care of the veterans, and therefore I say he is the fellow, that ought to handle the matter in the last analysis.

I do not expect him to enter into the details of the matter, because I think he ought to be authorized to and directed to employ such other governmental agencies as may exist, but, in the final analysis, I want to say it is the primary interest of the veteran that controls the whole business.

Senator McFARLAND. Doctor, do you feel that this amendment which we have submitted today removes a lot of the objections which you had at the time we met with you and with Dr. Marvin?

Dr. GIVENS. That is right. Personally, I think Senator McFarland's amendment, if it is administered the way I hope it will be, and believe it will be, will pretty well take care of the State level, and that is the big thing we are interested in.

I think that our educational agencies, institutions, and schools, and so on, function as good as they can to give to the veteran those things that they are equipped to give to veterans. I think we have no quarrel with Senator Clark. I think we are talking from a little different viewpoint.

We want the veteran taken care of as a veteran by the Veterans' Administration. All that we want is that we not get our wires crossed.

Senator CLARK. I want the veteran to have the right to know one certain person, one common agency, that he can go to and apply for whatever benefits he is entitled to, without being pushed around from pillar to post, as happened in the last war.

Dr. GIVENS. We want the same thing.

Senator CLARK. You do not have to quarrel with me about the public-school system. I am a graduate from the public-school system, from the first grade to the University of Missouri.

Senator McFARLAND. You graduated about the same time I did.

Senator CLARK. I am a little younger.

Dr. GIVENS. If I may say just a word further, on this Federal level, we are concerned about this, Senator Clark, because of the fear we have that if it is not handled properly on the Federal level, it will not get back into the channels when it gets down at the State levels.

I am thoroughly in agreement with everything that has to do with the veteran, that it ought to go right down through the Veterans' Administration, but on the educational programs and what is going on in the institutions, we want to keep that in the hands of those who are responsible for the institutions.

Senator McFARLAND. This would provide that. The Veterans' Administration would not have anything to do with the way the institutions are run, or the courses of study.

Dr. GIVENS. It would seem to me, Senator McFarland, if three or four of us get together and talk it over and get some agreement on what the relationship should be on the Federal level, and put it in the law, it might be satisfactory.

I think you are meeting the State level, but are getting the wires crossed before it gets down to the State level. That is what I am worrying about now. If it leaves Washington in educational channels, it stays in educational channels. That is what we would like to see done, if we can.

As to the amendment that you made, Senator McFarland, I would like to suggest just one additional word for your consideration. On account of the peculiar set-ups we have in some places, I think in a few States it might be better if you added the word "authority" along with "agency" or "board". As you have it now, it reads, "accredited by the proper State agency or board."

There are some States that do not have boards, but they have a State superintendent.

Senator McFARLAND. The way it reads, Doctor, is "educational authority, agency, or board."

Dr. GIVENS. You left the word "authority" out when you read it.

Senator McFARLAND. That is my fault. It is in the amendment as submitted. I sometimes skip words.

Dr. GIVENS. I think, gentleman, that is all I have to say.

Senator CLARK. Thank you very much, Doctor. Is Mr. Pullen present?

Mr. PULLEN. Yes, sir.

**STATEMENT OF THOMAS G. PULLEN, STATE SUPERINTENDENT OF
EDUCATION, STATE OF MARYLAND**

Senator CLARK. Mr. Pullen, you understand it is going to be necessary for the committee to be recessed very shortly. I understand your statement will not take very long.

Mr. PULLEN. No. My name is Thomas G. Pullen. I am State superintendent of schools in Maryland, and chairman of the legislative committee of the National Council of Chief State School Officers.

I am in hearty agreement with the positions expressed here by the people representing education. I had a formal statement which I have thrown out, so I will stick to just one point.

Senator CLARK. I would like to have you include your formal statement in the record, if it is prepared.

Mr. PULLEN. I think the subject has been covered so much that it would be superfluous to insert my formal statement in the record.

The important point that State superintendents are interested in is that education on a State level be operated by the State educational agencies. Please understand me, sir, as a veteran myself, that school people are interested in seeing that the veterans educational opportunities are taken care of.

It seems to me there are one or two practical considerations here that ought to be considered. The first is that certain obligations are imposed upon educational agencies, particularly the matter of accreditation. We must realize that the veterans are going to want kinds of training or training in certain institutions that have never been accredited.

In other words, a great many States do not accredit trade schools, beauty parlors, and various types of education. Regardless of whether the State agencies have charge of these programs or not, they will be put in a position of setting up an organization to cover all phases of education in which this group is interested.

Then again there is another very practical consideration, it seems to me, and that is that there may be large groups of men who want a particular type of training in the secondary schools of a particular State. Now who is to determine the number of classes and how to set those classes up?

Now, if the matter is in an agency other than a State educational agency, our program can be upset considerably. For instance, suppose you have in a certain community 100 men that wanted a particular type of training and you have set up your schools to take care of them, and your Veterans' Bureau comes in with its program, the actual operation of it, the setting up of the program, must be in the hands of the educational people or there will be confusion.

Senator CLARK. Why is that true, Mr. Pullen? In my State, for instance—I use that as an example because I am extremely familiar with it—suppose a boy wants to train as an aeronautical mechanic; we have a State superintendent of schools, we have a very excellent educational department in the State, but the training as an aeronautical mechanic would necessarily be in a private school.

Mr. PULLEN. That is true.

Senator CLARK. Why should you say, if that boy wants to take that, that he should be compelled to go to the State superintendent of schools and an educational system that never had that thing in contemplation at all? Why should not the Veterans' Administration say, "All right, now, here is the nearest aeronautical college right across the river,"—as it is right across the river from me there in East St. Louis, and why should not they say, "All right, we will recognize that school and send this boy there"?

Mr. PULLEN. Who would do the recognizing, sir?

Senator CLARK. I think the Veterans' Administration should do it.

Mr. PULLEN. Well, sir, it has been my job for nearly 10 years to visit various types of educational institutions, from universities to trade schools and the like, and I assure you that that is a highly professional job.

Senator CLARK. I am very familiar with the business of the State superintendent of schools. I had a hand in electing him, and several of them in Missouri, and I have always been more or less familiar with the business of the department of education.

It seems to me where the consideration is not a general educational consideration; that is, keeping up an educational standard, but where the education should be primarily in the interest of the veteran himself, taking care of him, it seems to me the best people that I know of to determine where a boy should take that kind of training is not the professional educator, or ordinarily in a State educational system, but it ought to be in somebody who is primarily interested in the veteran himself.

Mr. PULLEN. Senator, I think we misunderstand each other. I agree to all of that, but my point is this: That the educational department is the one department in your State, and in my State, that is set up to protect individuals, be they veterans or not, from the kinds of institutions that would exploit them. That is my point, and that is a professional job.

Senator McFARLAND. Why does the veteran need any more protection than the ordinary individual?

Mr. PULLEN. I do not know that he does, but he needs some kind of professional protection.

Senator McFARLAND. Well, he has got it under this amendment.

Mr. PULLEN. I do not see that he has, sir.

Senator McFARLAND. Wherein hasn't he? He can only go to such schools as are accredited by the proper State educational authority, agency, or board. Now, what more protection would he need? What more protection could you afford him except to say to him, "You have got to go to this particular place," or, "You cannot go to some other place"? That is what none of us wants to say.

Mr. PULLEN. That is true. I say to you are imposing an obligation on the State department to accredit any and all kinds of institutions. That would mean, sir, in our State, the expansion of our State department.

Senator McFARLAND. Is not that what you want to do?

Mr. PULLEN. That is exactly right.

Senator McFARLAND. There is nothing mandatory in this about your accrediting these schools.

Mr. PULLEN. Well, there must be, if these people are going there. Senator McFARLAND. No; there is nothing mandatory. They just could not go there if it was not a good school.

Mr. PULLEN. I am still afraid we misunderstand each other on this whole point.

Senator CLARK. What you are concerned about, as I understand it, is primarily that the Federal Government supply the money, supply the students to expand the educational system and then have no further control of the matter.

Mr. PULLEN. No, sir; I think the Veterans' Bureau ought to have entire control of the individual, certify him for eligibility, pay his bills, let him select his own institution, but I think the State educational authorities should have something to say about the type of institution, or about the institution to which they go.

Senator McFARLAND. Well, now, what do you mean by that? The State educational authority has this much power, under this amendment that we are suggesting, and that is they have the authority to accredit that school and say whether it is an accredited institution for the purpose of the courses which they give. Now what more would you want, if you do not want supervision over an individual?

Mr. PULLEN. Have you figured what it would cost your State department to do that properly, sir?

Senator McFARLAND. Well, do you want them to do it, or don't you want them to do it?

Mr. PULLEN. Yes; I want them to do it. I say if you figure the practical aspect of that, how much would that cost your State department to render that kind of service?

Senator McFARLAND. What do you want? Do you want the Federal Government to give you some money to do it?

Mr. PULLEN. Not in Maryland, sir. I think you will find it necessary to do that, because that is a big job in itself. There are thousands of different kinds of education that these people will want. That is just one phase of the problem.

I do not think we are in disagreement at all. I am trying to say there is a practical aspect that has not been considered.

The next point is this—I understood you to say, Senator, that a million men have been discharged.

Senator CLARK. I think a million and a quarter.

Mr. PULLEN. We may have brought back into our county several million men who may want an education, and the majority of them will take it on a level lower than a college. Now unless the educational authorities have some control—and when I say control—I mean authority and power—to set up the kind of courses that these people want, you are going to cause confusion if it is all in the hands of another group. Suppose, for instance, in the State of Maryland we were faced with, say, 100,000 extra people who wanted an education on a secondary level—

Senator McFARLAND (interposing). What do you think is best? It would seem to me that the amendment that we have offered here meets all of the objection which you had, at least the other day in the conference, and it seems to me all of the objections you state now. I do not see what more you want, if you pass upon the courses, which you have the right to do now, unless you want supervision of the individual.

Mr. PULLEN. No, sir; I am not concerned with that, and I do not think that is our responsibility, but I am saying the State authority should have sufficient control of the situation so as to provide the kind of opportunities that these people want, and again coming back to your point that their interests are paramount, the Veterans' Bureau cannot do that?

Senator CLARK. Why cannot the Veterans' Bureau do that?

Mr. PULLEN. Because it becomes a part of the operation of the regular school, Senator. Those private schools that can take care of the maximum number, well and good, but the great majority of them will be thrown upon the public school system in one way or another.

Senator CLARK. Mr. Pullen, let me make this suggestion. In Missouri we have a State superintendent of schools.

Mr. PULLEN. Yes, sir; I know.

Senator CLARK. Who runs what I consider a very excellent department of education.

We have for many years had a long controversy between the University of Missouri and the State normal schools and teachers' colleges on the upper level of education, and some of us considered for years that the State department of education unfairly discriminated against the University of Missouri on behalf of the teachers' colleges and we had to go out and beat one of two superintendents of schools to establish the principles that we thought ought to operate.

What I am seeking to avoid is getting the question of veterans' welfare mixed up in such question as that. Why should a veteran who served his country, has been wounded or not wounded, he comes home and wants to go to school, why should he be injected into such questions as I indicated, as existed in my own State in the past?

Mr. PULLEN. Senator, I am sure there is a misunderstanding. From all the testimony that has gone in here this morning on the actual operation of the school system, I do not believe that the veteran should be subjected to any question of that kind. It is possible, of course.

What I am trying to say is that this is going to throw a burden on the school system with the school system having no control over it, or any power to do anything about it. Of course, I stand on the fundamental principle that education should be under the direction of educational agencies.

Senator CLARK. I agree with you on that, but I also stand on the fundamental proposition that aid to veterans should be in the interest of veterans instead of in the interest of education; I mean educational institutions as such.

Mr. PULLEN. I agree with that, sir, but I am sorry that that point is injected in it, because I do not feel it belongs in it.

Senator McFARLAND. Is not the difference between Senator Clark and you this: Senator Clark wants the veteran to come back from the service, and when he comes back from the service, as I understand his position, he wants him to go to one agency.

Senator CLARK. Go to one agency for his rehabilitation, education, or what have you. He ought to be able to go to one central place to find out what his rights are, and take advantage of that, if he wants to.

Senator McFARLAND. That is right. Now, the Veterans' Adminis-

tration, or its agents, can sit down and talk to that man. They will take his record before he entered the service; they will take his record in the service and what he did while he was in the service, and advise with him and counsel with him, just like a boy would with his father, and say, "I think you would be better off if you would go to such and such a school. You are properly equipped to go to such a school. If you can go there, we will certify you there." The boy would say, "I would rather go some place else." They say, "That is all right; we will certify you there if you can get in, but we do not think you have the background for that."

What would you want to do? Would you say I am talking about the Veterans' Administration being in the educational system?

Mr. PULLEN. No, sir; I will go with you almost as far as you have gone.

Senator McFARLAND. Just how far do you go?

Mr. PULLEN. Here is where I stop: Suppose the group says to 150 men, "Here, you go to that particular school," and you would be setting up a hard problem for the educators of that school.

Senator McFARLAND. It is up to the institution whether it wants to take them or not.

Mr. PULLEN. I am thinking about the public schools.

Senator McFARLAND. I cannot conceive of any public school that will not want to take care of their own State boys, whether they be large in number or small in number; but whether they want to take care of our Arizona boys in Maryland, I don't know. We would be glad to have your Maryland boys come out to Arizona. I don't know whether you want Arizona boys back here or not. Whether you did or not would probably depend on whether you first could take care of your own boys and then take care of some more, but no place in this bill does that duty devolve upon the administrator, nor is he given authority to say to a school, "You have got to take that boy."

It is entirely up to the institution.

Mr. PULLEN. Senator, I am very much afraid you are reading into this something entirely different from what I intended to say, certainly from what I mean to say. We will take care of the children of Maryland people.

Out of some \$20,000,000 that we spent for education last year, \$300,000 was Federal money. I am trying to show you the practical proposition of sending a large number of students into the public schools with the school authorities having nothing to do with it. That is all I am talking about.

Senator McFARLAND. They will know about it when they go to make the application. How do you know how many students are coming from outside today?

Mr. PULLEN. We predict within 2 percent. I do not want to prolong this, sir. I promised to stop in a short while.

Senator CLARK. That is all right.

Mr. PULLEN. I am still convinced that there are practical points here that we would not disagree upon if we all understood them, and I certainly do not want to be put in the position of saying we do not place the interests of the veterans first.

Senator McFARLAND. I do not think anyone accuses you of that.

Mr. PULLEN. And, secondly, we would take care of our own insofar as possible.

Senator MCFARLAND. I do not think anyone would ever cast any such insinuation upon you. I will say this, I know you have the interests of the veterans at heart just the same as any of the rest of us. We are just having a little discussion here as to how we will proceed.

Mr. PULLEN. I still think I have a point, Senator, and I would appreciate the opportunity of talking to you in private and explain what I am trying to say, because, honestly, I think it has considerable merit.

Senator MCFARLAND. I will be glad to talk to you any time.

Mr. PULLEN. Thank you very much.

Senator CLARK. The committee will take a recess until 10:30 Monday morning.

(Whereupon, at 12:55 p. m. the committee recessed to 10:30 a. m., Monday, February 14, 1944.)



VETERANS' OMNIBUS BILL

MONDAY, FEBRUARY 14, 1944

UNITED STATES SENATE,
SUBCOMMITTEE OF VETERANS' LEGISLATION
OF THE COMMITTEE ON FINANCE,
Washington, D. C.

The subcommittee met at 10:30 a. m., pursuant to adjournment, in room 812, Senate Office Building, Senator Bennett Champ Clark (chairman of the subcommittee) presiding.

Present: Senators Clark (chairman) and Danaher.

Also present: Senator McFarland.

STATEMENT OF L. H. DENNIS, EXECUTIVE SECRETARY, AMERICAN VOCATIONAL ASSOCIATION, INC.

Senator DANAHER. Mr. Dennis, please indicate your name and your status for the record.

Mr. DENNIS. L. H. Dennis, executive secretary of the American Vocational Association; representing the American Vocational Association and as a member of the committee appointed by the conference of 21 educational associations also representing that conference.

Senator DANAHER. Would you also, sir, elaborate just a bit more on what agencies and the type of agencies that would be included in the American Vocational Association? Now, I know, but I would like the record to show.

Mr. DENNIS. The American Vocational Association represents the thousands of administrators, directors, supervisors, coordinators, trainers of apprentices, and other instructors in the great system of public vocational schools in this country. In less than 3 years our American public vocational schools have trained over 9,000,000 persons for war production industries and in preinduction classes.

The vocational war production training program was adjusted almost overnight to meet our war production needs in industry and on the farms of the Nation. This brief statement of the contribution of the public vocational schools to the war effort is inserted at this point because it has a direct bearing on our testimony with respect to S. 1617, the proposal that is before our consideration this morning.

The American Vocational Association wholeheartedly supports the efforts of you gentlemen in Congress to assist veterans to readjust themselves to civil life and peacetime pursuits following their return from war service. One definite service of value to our returning veterans would be to make it possible for them to secure such training as will more adequately fit them for employment. These veterans do not wish charity. They desire a chance to qualify for and secure

employment which will permit them to support themselves and their families. Training of various types suited to their individual cases and needs will be of great assistance in preparing for and securing employment. The veterans' training program as envisioned in S. 1617 aims to make such training facilities ready and easily available for returning veterans.

The schools and colleges of this country can provide the needed training without any new administrative agencies.

The large majority of the returning veterans who will seek training will undoubtedly need and seek such training as the vocational schools can supply. The vocational schools can and will carry their share of the task. They now have the Federal, State, and local administrative staffs for the purpose. It would be a serious mistake to encumber the educational machinery of this country with any additional layers of administration on Federal, State, or local levels. All educational agencies, schools, and institutions can and will readily cooperate with the Veterans' Administration and the United States Employment Service in providing the training facilities needed.

Any new educational machinery for the purpose is entirely unnecessary and would merely clutter up the educational process. I would like to point out that I have emphasized in that statement the word "educational," that any new educational machinery would be unnecessary. Furthermore, the public would look with suspicion upon the creation of new educational administrative staffs on any level to make this training program possible. The reason for this is that no new educational machinery is necessary.

The vocational schools of this country have very effectively demonstrated that millions could be trained on relatively short notice through existing vocational schools. The number of returning veterans to be trained will not be as large as the number that have been trained for war production purposes and in preinduction classes.

In connection with this legislation, the vocational schools of the country are not concerned with seeking either funds or students. The payment of tuition of veterans in vocational schools will in each case be less than the cost of providing the instruction under the provisions of this bill. Hence, our support of this measure is not based upon any expectation of securing any substantial Federal financial aid to extend the program of vocational education.

As far as trainees are concerned, returning veterans who will be in need of or who will seek vocational training will invariably go to the vocational schools without solicitation. We are not interested in building up or maintaining student bodies. Vocational courses in vocational schools are operated only in response to a need, and the training stops when the need is met. This will be true with respect to vocational training service for the returning veterans.

The vocational schools are interested in making their services available to the returning veterans as needed. This can best be done if all of this vocational training continues under the administration and supervision of experienced vocational educators under existing Federal, State, and local duly constituted educational agencies.

The confidence and cordial support of a tremendous group of educators throughout the entire country can be brought to this splendid effort to render needed service to returning veterans if the program

as set up by proposed legislation makes it clear that existing educational machinery will be used and that no additional duplicating or overlapping educational machinery on any level is contemplated.

Administrative procedures can be developed under this bill that will make it possible for the Veterans' Administration to have contact with and serve every returning veteran who desires guidance and training. At the same time, the control, administration, and supervision of training programs can and should remain with existing experienced educational agencies and institutions.

Senator DANAHYER. Thank you very much, Mr. Dennis.

Mr. DENNIS. Thank you, Senator.

Senator DANAHYER. Mr. Floyd.

STATEMENT OF WILLIAM MCKINLEY FLOYD, NATIONAL COMMANDER, REGULAR VETERANS ASSOCIATION

Mr. FLOYD. My name is William McKinley Floyd, national commander, Regular Veterans Association. We represent the entire armed forces.

The Regular Veterans Association believes this bill covers too much for one man to administer. It is quite a broad bill, but we will go on record in favor of one officer or the officers of one administration handling this. We feel that the Veterans' Administration should be the one to handle it, providing there is one man or woman from an organization that is recognized by the Veterans' Administration put on the council, who will see that all members who are entitled to this provision of the armed forces are taken care of.

Section 401, chapter IV, page 7, lines 12 to 25, and on page 8, lines 1 to 12, should be stricken, and we would like to see this committee substitute H. R. 4006 for it, as it has its merits.

In submitting this bill, covering the payment of Victory bonus bonds to members of the armed forces serving in the present war, we of the Regular Veterans Association would like to make the following suggestions covering certain aspects of this proposed bill:

It is our thought that in addition to the provisions for cashing the bonds as set forth in section 5 (a) of the bill, satisfactory identification should also be provided by requiring that one fingerprint of the serviceman to whom the bond is issued appear on the bond, thereby protecting the holder.

In addition, we would like to call attention to the provisions of subsection (b) of section 3, whereby the finance officer or disbursing officer of each unit would issue the Victory bonus bonds to the serviceman in question upon discharge. Since these divisions of the military services are trained and organized in such a manner that the issuance of these bonds could be handled without undue confusion, and since this would alleviate the necessity of creating a new branch of Government service, wherein the personnel would have to be trained and an efficient system for handling this work set up, the burden on the taxpayer would be appreciably lessened.

We of the Regular Veterans' Association believe that the issuance of Victory bonus bonds could be satisfactorily financed by conducting an extensive bond sale to be known as the Armed Forces Victory Bonus Bond Sale. It is our opinion that only one sale would be needed and

that every citizen of the United States would gladly and willingly buy a bond for this purpose as a token of their appreciation for the services of the men and women of the armed forces.

On page 10, line 25, we of the Regular Veterans' Association believe that this is a Federal affair only, that no State or Territory should take care of this matter, for each State will be fighting for its schools, and we believe that there should be some age limitation as to who shall take advantage of this act.

If these schools are in the post, it will make us a better standing armed force, as they are the ones who are going to remain in the service after this is over. These men are being taken out of the schools now, and if these boys have a chance, if such a branch is set up for the Army and Navy in these camps, it will enable us to and will help each and every American citizen to become a better man in the service. It will help the morale of the armed forces, and it will help the boy when he comes out after he has served a year or more.

That is all. Thank you.

Senator DANAHER. Thank you very much, Mr. Floyd.

STATEMENT OF JAMES A. STILES, DIRECTOR, NEW YORK STATE APPRENTICESHIP COUNCIL, ALBANY, N. Y.

Mr. STILES. Mr. Chairman, I represent the New York State Apprenticeship Council. It is a State agency created by law similar to 25 other such State agencies that are set up throughout the country for the promotion, maintenance, development, and establishment of apprentice training in those States in which the councils operate. We operate in close cooperation with the Federal agency charged with a similar responsibility.

My remarks are going to be limited entirely to the proposed amendment as presented by Senator McFarland. It appears to us that agencies such as ours have been overlooked in the drafting of the measure, and it is, therefore, my purpose to call the matter to your attention and offer for your consideration a proposed amendment to the amendment which, in our opinion, would enhance the benefit to be derived from the proposed amendment to the bill.

These State apprenticeship councils, 26 in number, as I have already stated, are already working with the veterans' bureaus throughout the country in attempting to rehabilitate returning servicemen into their normal places in the scheme of things in the country. In doing so we have already submitted directories of programs that are already in existence to the Veterans' Bureau, making known to them opportunities for placement, opportunities for training of these veterans. We feel that we have been doing a worthwhile and commendable job, and we would like to be placed in a position where we will continue to operate in that fashion.

In order to be made part of the recognized plan as set forth in the amendment, we therefore offer the following amendment:

On the proposed McFarland amendment to Senate bill 1617, strike out starting with line 3 on page 4 to line 5 on page 5, and substitute in lieu thereof the following language:

6. Any public or private elementary, secondary, or other school furnishing education for adults, any business school, college, vocational school, or other

educational institution shall be deemed to be an accredited educational or training institution for the purposes of this part if and when accredited by the proper State educational authority, agency, or board. Any business or other establishment providing apprentice training shall be deemed to be an accredited training institution for the purposes of this part if and when accredited by the proper State apprenticeship agency where such an agency exists and in the absence of such an agency approval shall be by the Federal agency established under Public, 308 (75th Cong.).

Now, that will have for its intent and purpose the setting up of a recognized State agency as being the accredited agency for approving such businesses or establishments where apprentice training is taking place, and in those States, other than the 26 that have such apprentice agencies, it will then leave it in the hands of the Federal agency set up for that purpose.

Senator McFARLAND. What agency is that—the Veterans' Bureau?

Mr. STILES. No; at the present time it is the Federal Apprentice Training Service. They are charged under Public, 308, with that responsibility for the establishment and maintaining and supervising of apprentice-training programs in those States where there are no State agencies to carry out that function.

I will leave copies of the proposed amendment for your consideration.

Thank you, gentlemen.

Senator DANAHER. You are certainly welcome.

Is there any other witnesses here who wishes to be heard at this time?

STATEMENT OF FRANK HALEY, NATIONAL SERVICE DIRECTOR, MILITARY ORDER OF THE PURPLE HEART

Mr. HALEY. Mr. Chairman and gentlemen, my name is Frank Haley. I am national service director of the Military Order of the Purple Heart. There is just one short statement I would like to make before this committee relative to the position of the Military Order of the Purple Heart on S. 1617.

Senator DANAHER. We will be very happy to have your statement.

Mr. HALEY. I first want to say that while our organization does not at any time object to any enactment of laws that will prove beneficial to veterans, to all veterans, we, however, feel that in enacting laws for veterans we should start at the beginning.

I think everyone will agree that the man that was actually wounded in action with an enemy, that shed his blood for his country and his flag and our institutions, he is the one man that should be given first consideration by Congress and by the country as a whole. I think that should follow in the case of any man who has a service-connected disability, who contracts an injury or a disease while serving his country.

This bill, S. 1617, we feel perhaps goes too far in that it provides that any person who serves in the active military or naval service for 90 days at any time on or after August 7, 1940, and so on, shall be entitled to education, shall receive at the hands of the Government an education, when his educational program was interrupted through his entering the service. It is a question in our mind—and there are at least two reasons for that—whether or not it would be advisable to go that far, in saying

that every man and woman who had been in service would have the opportunity to apply for it, would be entitled to an academic education, a college education. No one would be able to tell now how many service men and women may apply for such an educational program. It is possible that a great number of them would apply, and there might be definite reasons for that. Assuming that after this war is over and they are all back home that there would be a lack of employment, that these service men and women would not be able to get jobs or get employment of any kind, and if this proposition was open to them perhaps thousands and hundreds of thousands—we do not know how many—would apply for this, and under this act they would be entitled to it. They may not in reality apply simply because they want an education, but they have nothing else to do. They probably have no visible income, and this would be one means whereby they could get, at least to a small extent, some income which would perhaps tide them over for a given length of time. No one can tell what expense it may involve, or how much money it may run into, but it would undoubtedly run into large figures.

I think we should consider that this expense, the cost of this education of every ex-service man or woman who decides to apply for it and get that education, we must consider that it has got to be paid for. Well, I take it that perhaps the veterans themselves returning home from this war would have to pay their share of that cost, and what we fear is that it may run into such tremendous figures that there would be a danger of the country demanding, and perhaps Congress taking steps, to amend and change and curtail this expense some place. That would mean that not only would those veterans suffer, but the ones who really would suffer would be the wounded and the disabled veterans. They are the ones that certainly would be hit first and hit the hardest.

We, the Military Order of the Purple Heart, question seriously the advisability of passing this act as it stands at the present time. We, however, insist that a man or a woman that was wounded in action, or a veteran who has a service-connected disability, should be entitled to this education, if their educational program was interrupted, and that program we certainly insist should be picked up where they left off and carried to a conclusion irrespective of whether \$50 a month would do that or whether it would require more. We feel that those are the first and they should be taken care of first.

Mr. Chairman, I appreciate the opportunity and privilege of being permitted to appear before this committee the second time, and I thank you on behalf of my organization.

Senator DANAHY. You are entirely welcome, Mr. Haley.

Is there any other witness who wishes to be heard?

STATEMENT OF MILLARD W. RICE, NATIONAL LEGISLATIVE REPRESENTATIVE, DISABLED AMERICAN VETERANS

Mr. RICE. Lest there be any misunderstanding, may I call your attention to the fact that when I first appeared before the committee I was advised by the chairman of the entire committee, Senator George, that the hearings now being conducted were for the purpose of exploring generally into the legislation pertaining to veterans that

might come before this committee and not pertaining to any specific bill, and it was, therefore, understood that I would subsequently be given the opportunity, as a witness, to testify concerning the specific provisions of the various sections of any bill that the committee might contemplate to act upon. If that understanding has been changed I would like to know it and, therefore, would like the opportunity to testify concerning the specific sections of any bill on which the committee might be contemplating to take action.

Senator DANAHER. Are you contemplating to do so now, Mr. Rice?

Mr. RICE. I had not thought about doing so now, but I would endeavor to do so if that is the understanding of the committee. I was under the understanding, as I say, that this was first to be in the nature of a general statement. I had wished to make an additional general statement, and then, if there is to be no further opportunity to go into the specific provisions of the bill that the committee may have in mind to act upon, I would like the opportunity of testifying concerning such bill and to be advised on what bill that is.

Senator DANAHER. You have stated the understanding of the present occupant of the chair, and if you wish to make any additional general statement at this time you may do so, or if you wish to discuss any specific section of any bill you may do so.

Mr. RICE. I do not wish to impose upon the committee any more than to cover what the committee intends to act upon, and I therefore still would like to reserve the opportunity to testify concerning the specific provisions of any bill that the committee may contemplate to act upon.

I would like to make this additional statement. I previously appeared before the committee to express the apprehension of the Disabled American Veterans as to the enactment of the proposed Legion omnibus bill, S. 1617, on the ground that it embraces so many objectives and would prove to be so extensive that it would probably tend to jeopardize the proper administration of existing laws pertaining to the service-connected disabled veterans and service-connected disabled veterans and their dependents.

We are very fearful, if all of that responsibility would be shifted over to the Veterans' Administration by S. 1617, if it were to become their responsibility in addition to their tremendously expanding responsibilities incident to the increasing number of disabled veterans, that the interest of disabled veterans would suffer.

May I call the attention of the committee to the fact that there is a bill before this committee which would have an entirely different approach to the problem, the bill introduced by Senator McFarland.

Senator McFARLAND. That is S. 1495. That is not this amendment, that is the bill?

Mr. RICE. That is S. 1495. It would provide for an entirely different approach to the matter of taking care of the post-war adjustment of able-bodied men, without building up a tremendous bureaucracy in the Veterans' Administration, such as would be necessitated by the enactment of S. 1617. If S. 1495 were to be enacted into law it would provide for adjusted compensation of the veteran on the length of the man's military service, and then every man would feel he was receiving what he was entitled to and that he was provided for. If he wanted to redeem a portion of that adjusted-service certificate

because of unemployment or because he wished to pursue a course of vocational training or post-war education, or because he wanted to buy a farm or a home, or make improvements on it, he could do so. It would be entirely on the basis of his own option, and he would feel that he had earned whatever he was getting.

Generally I would like to state to the committee that our organization would have no objection to that method of administering the various kinds of post-war adjustment for able-bodied veterans even by the Veterans' Administration, because it would not necessitate the building up of a tremendous bureaucracy within the Veterans' Administration, such as would be necessary if S. 1617 were to be enacted into law.

There is a bill on the House side, with which I am more acquainted, and which is very similar to the bill introduced by Senator McFarland, the so-called Brooks bill, H. R. 3849, I believe it is, which would, in effect, provide that every man should be entitled to adjusted compensation computed on the basis of \$1 for each day of service in this country and \$1.25 for each day of service overseas, with a total limit of \$1,000 if he was serving in this country, and a total limit of \$1,500 if he was serving overseas, plus \$100 for each time he might have been wounded. This certificate would be issued to the man at the time of discharge or as soon thereafter as the amount could be computed, and would mature within 10 years thereafter, but could be redeemed by partial payments at any time before then for certain purposes, such as unemployment, desire to pursue post-war education or vocational training courses, or to purchase a farm or home or make improvements thereon. Every recipient of such adjusted-service certificate would feel that he had earned the face amount of that certificate, and would feel he had earned the opportunity for an education or vocational training or getting a farm started by reason of the payment that he might get out of that adjusted-service certificate. It would not be necessary to have any tremendous supervising bureaucracy in order that that kind of adjusted compensation could be put into effect. It would not be necessary to have the Federal Government, through any agency, advise the man what he ought to do or what he ought not to do. He would be the judge, he would know when he used it up it would be gone, or if he wished to save it until maturity he could expect interest on it at the rate of 3 percent per annum, and if he wished not to redeem it at that time he could continue to receive interest at the rate of 3 percent per annum until he did wish to redeem it. In the meantime it would act as an insurance certificate for the benefit of his beneficiaries. It would embrace all of the objectives that have been enunciated a couple of times by the President, and all of the objectives, in effect, that are enunciated in the so-called Legion omnibus bill, but would be entirely based upon the man's length and place of military service, it would be proportionate to that, and it would not permit a governmental agency to grant one man with 90 days' service a 4-year course of training, and another man with 2 years of military training a 6-month course of post-war education.

So much for the general statement, gentlemen, and with the understanding that in the event the committee does propose to take action concerning any specific bill, I would like the opportunity to testify concerning the sections of that bill.

Senator CLARK. Mr. Rice, we will be very glad to hear you. The committee proposes to take action on S. 1617.

Mr. RICE. I was advised by the chairman, if I may recall it to your attention, on January 24, that this was intended to be merely in the nature of general hearings. I was so advised by the chairman of the entire committee, Senator George.

Senator CLARK. Of course that is true, but it is the intention of the committee to take up S. 1617 and report it at an early date.

Mr. RICE. Will there be specific opportunity to testify to the individual sections of the bill, such as was indicated at the early part of the hearings?

Senator CLARK. We will be glad to hear you now, Mr. Rice.

Mr. RICE. You put me at a disadvantage because I had not been prepared to testify as to the individual sections of the bill, but if there is no specific opportunity I will take advantage of it now.

Senator CLARK. You will be given an opportunity, but it is the intention of the committee to take the bill up for consideration at a very early date.

Senator DANAHER. Let me state, Senator, for your information, before you had opportunity to join us I had said to Mr. Rice that he had his option either to proceed now to go into the specific sections of the bill, or he could do so later.

Senator CLARK. This is in the nature of general hearings. In other words, we have had before us more or less all the bills that have been presented on this subject.

Mr. RICE. Since I did not come prepared to testify as to the individual sections of the bill and I was given to understand I might have that opportunity, I would like to have that opportunity at a later time.

Senator CLARK. We will give you an opportunity to do so, but I would like to suggest it is the intention of the committee to go forward with this matter at an early date.

Mr. RICE. Then I will have an opportunity to testify as to the individual sections of S. 1617 or any other bill to be taken up for consideration?

Senator CLARK. We will take up all the bills before us.

Mr. RICE. Then I would like an opportunity to testify as to them also.

Senator CLARK. I am not speaking for anybody on the committee except myself, but Senator Wagner made some very excellent suggestions at the last meeting of the committee, and Senator Wagner's amendment should probably be included in the bill. I also had the same impression as to the amendment introduced by Senator McFarland and Senator Maybank. I think we ought to try to get a comprehensive bill that people can understand, where men will know where to go, but I think both Senator Wagner and Senator McFarland and Senator Maybank made very, very valuable suggestions.

Mr. RICE. I would then wish to address myself to those amendments, as well as the general bill.

Mr. CLARK. We will be very glad to hear you.

Senator McFARLAND. Do you have, Mr. Rice, a copy of the amendment which we suggested to S. 1617?

Mr. RICE. Yes, I do.

Senator McFARLAND. Very well. Does your copy contain the amendment which we later made?

Mr. RICE. Yes; it does.

Senator McFARLAND. Very well.

Mr. RICE. I take it the committee will resume its hearings, then, at a later time?

Senator CLARK. Yes.

Mr. RICE. Thank you very much.

Senator CLARK. Is there anybody else who desires to be heard on these various matters? If not, the committee will recess subject to call.

(Whereupon, at 11:45 a. m., the committee recessed subject to the call of the Chair.)

VETERANS' OMNIBUS BILL

WEDNESDAY, FEBRUARY 23, 1944

UNITED STATES SENATE,
SUBCOMMITTEE OF VETERANS' LEGISLATION
OF THE COMMITTEE ON FINANCE,
Washington, D. C.

The subcommittee met, pursuant to notice, at 10 a. m. in room 312 Senate Office Building, Senator Bennett Champ Clark (chairman) presiding.

Present: Senators Clark (chairman), Connally, Millikin, and La Follette.

Also present: Senator McFarland.

Senator CLARK. The committee will come to order.

Mr. Ketchum, did you desire to make a statement at this time on Senate Bill 1617?

STATEMENT OF OMAR B. KETCHUM, NATIONAL LEGISLATIVE REPRESENTATIVE, VETERANS OF FOREIGN WARS OF THE UNITED STATES

Mr. KETCHUM. Mr. Chairman, and gentlemen of the committee: For the benefit of the reporter here, my name is Omar B. Ketchum. I am the national legislative representative of the Veterans of Foreign Wars of the United States.

I am here this morning with the national legislative committee of the Veterans of Foreign Wars. This committee has been meeting in Washington for the past 2 days and will be here throughout the remainder of the week. I want to make a preliminary statement on S. 1617 this morning, and I think the committee will recall that I have been before this committee on one other occasion in connection with this bill.

Senator CLARK. I will say in that connection, Mr. Ketchum, that you have made some very valuable suggestions.

Mr. KETCHUM. Thank you, Senator. I think I pointed out to the committee at that time that most of the features incorporated in S. 1617 were in conformity with the program of the Veterans of Foreign Wars, that we had adopted such a program in our national encampment, but there were some features of the bill with which we were not completely in agreement.

Our national legislative committee, since they have been here for the last 2 days, have been giving serious consideration to this measure, and I might say they have been in contact with the group representing the American Legion, to determine whether there are any serious dif-

ferences in our viewpoints that could be ironed out so that both organizations might support this bill. I am very happy to say that the committees did meet and they reached an agreement. There are certain definite changes which the Veterans of Foreign Wars would like to recommend be incorporated into this bill.

I do not think all of those amendments are in shape at this time to present to the committee and undoubtedly we will just have to briefly and sketchily mention those sections. I think there has been some question and there now is an agreement on the fact that there should be some change.

Senator MILLIKIN. You will present the amendments?

Mr. KETCHUM. That is right, Senator, we will present the amendments either to this committee in another hearing or in executive session. It is our belief, with all of the amendments that have been offered and the new amendments that will be offered, that a new bill probably, a clean bill incorporating all of these things should be introduced. In that way you can have one definite bill.

So at this time I should like to present the chairman of our national legislative committee, Mr. Paul C. Wolman, of Baltimore, Md., who will just speak briefly on the conference between the two groups and just mention some of the points on which an agreement was reached, but which will be presented in detail to the committee at some subsequent date.

So at this time I would like to introduce the chairman of our national legislative committee, Mr. Wolman.

Senator CLARK. All right, Mr. Wolman, we will be glad to hear you.

STATEMENT OF PAUL C. WOLMAN, CHAIRMAN OF THE NATIONAL LEGISLATIVE COMMITTEE, VETERANS OF FOREIGN WARS OF THE UNITED STATES

Mr. WOLMAN. Mr. Chairman and gentlemen, my name is Paul C. Wolman. I am chairman of the national legislative committee of the Veterans of Foreign Wars. I hail from Baltimore.

I know you gentlemen of the committee are desirous of getting into the other meeting, and so I want to very briefly and sketchily offer a couple of suggestions that have been agreed upon.

May I first say, gentlemen, that the Veterans of Foreign Wars is deeply appreciative of the consideration that has been given by you Senators, so many of whom have joined in the sponsorship of S. 1617. The amendments and suggestions that the Veterans of Foreign Wars may have to offer are not in any way to be considered as criticisms leveled at the drafters of the bill. However, there are a few thoughts that we have to offer.

At a conference yesterday, which was the second of two held yesterday with representatives of the American Legion National Legislative Committee, and its special committee, the two organizations agreed on the general principles of S. 1617, and that the amendments that had been proposed will meet a number of pressing needs for the veterans, as we can see them at this time. So that the record may be complete and clear, however, the members of my committee desire me to state the fact that this bill, which does include a number of items and may in itself seem like a rather all-inclusive bill, is not to be con-

sidered as a complete discharge of obligations that the country may owe to servicemen, and particularly to disabled servicemen, and especially those servicemen who have had combat or foreign service.

Senator CLARK. I will say, Mr. Wolman, I do not think it was the idea or intention of anybody that this was to be an all-inclusive bill.

Mr. WOLMAN. Yes, sir; now, then, if I may just take a couple of sections of S. 1017, the committee believes with reference to section 101 of that bill, which refers to a hospitalization program, that it might be a good idea to earmark a specific sum, such as \$500,000,000, for hospitalization purposes.

General Hines, as I understand, is of the opinion that it will take about \$500,000,000 to complete that program. The section, as it is here, says, "such hospitals as may be needed." We are just wondering whether it would not be a good idea at this time, while the war is still on, to have some sum earmarked as part of the war cost.

Senator CLARK. You mean hospital construction?

Mr. WOLMAN. Yes, sir.

Senator CLARK. I think that is an excellent idea.

Mr. WOLMAN. Going to section 104—and I am only referring to those sections on which we have some suggestions to offer—

Senator MILLIKIN. What is the merit of earmarking \$500,000,000?

Mr. WOLMAN. Otherwise, when it becomes necessary to put up hospitals, it will be necessary to include the required amount for appropriation each time a program is to be put through, and each time it is done the general public, and particularly those who are not familiar with veterans' interests, will say, "Here, the veterans are coming asking for more money. Why did they not tell us how much they would need in the first place so we could give them the amount that would be necessary?"

Senator MILLIKIN. Has General Hines definitely stated that \$500,000,000 was necessary?

Mr. WOLMAN. As I understand it, that is the amount he set. Is that right, Mr. KETCHUM?

Mr. KETCHUM. The general said the over-all cost would reach somewhere around that figure when the present program and the new program, the over-all program, becomes necessary for the peak load of World War I and World War II.

Senator CLARK. What is the present authorization for the present program, Mr. Ketchum? Have you got that figure in mind?

Mr. KETCHUM. Of the present program?

Senator CLARK. Yes.

Mr. KETCHUM. There is no figure in this bill.

Senator CLARK. I know it is not in this bill, but there is a program in a bill.

Mr. KETCHUM. The program he is completing at this time is \$30,000,000.

Senator McFARLAND. I take it you feel that a plan should be made now for receiving these men and not to wait until they come back.

Mr. WOLMAN. Yes; an over-all plan, so to speak.

Senator CLARK. Of course, in all probability the Veterans' Administration will receive certain hospitalized soldiers from the Army and Navy who will be turned on them as the load of the Army and Navy diminishes. It does not seem to me we can afford the Veterans' Ad-

ministration to be put into the position of waiting until that time comes. In other words, the Veterans' Administration has got to be prepared to take care of these men as they come from under the jurisdiction of the Army and Navy.

Mr. WOLMAN. That is right.

Senator CLARK. There should not be any time when the Veterans' Administration should not be prepared to take over the load as it is turned over to them from the Army and Navy.

Senator McFARLAND. What I was wondering was whether the \$500,000,000 is a guess or an estimate.

Senator CLARK. I think that will be cleared up by the testimony of General Hines.

Mr. KETCHUM. If the Senator will permit me, the present program calls for the completion of 100,000 beds. In addition to that the General has estimated he will receive approximately 100,000 beds from the War and Navy Departments. In addition to that there will be an additional construction of another 100,000 beds, making the over-all fixture 300,000 beds. It is estimated that the existing program and the program which will follow on the additional 100,000 beds will cost approximately \$500,000,000, and it was believed that it would be better at this time to earmark this \$500,000,000 rather than to be coming back to the Congress from time to time for an additional \$50,000,000 or \$75,000,000 when money may become a little tighter after this war is over, it might be a little more difficult to get that money.

But by earmarking it now and recognizing our obligation at this time we think it might be a better plan.

Senator CLARK. Proceed, Mr. Wolman.

Mr. WOLMAN. On section 104, which says, very briefly:

No officer or enlisted man or woman shall be discharged or released from active duty until his or her certificate of discharge or release from active duty and final pay, or a substantial portion thereof, are ready for delivery."

And so on, the joint conference of the American Legion and the Veterans of Foreign Wars representatives yesterday believe that they should have some amendment to it so as to prevent a man from being kept in the service too long.

Now just what phraseology should be embraced in the amendment we are not at this moment in a position to offer. However, we do recommend that something be done that would facilitate the prompt discharge of the men instead of having the men find it necessary to wait around camps too long and stir up the type of sentiment that has appeared in the public press many times when a man had to wait an awfully long time to get a discharge. Just what wording that should be we do not know at this moment, but the joint group will be glad to work with the committee on it.

Skipping to section 300, "Reviewing authority," on page 5; we feel that the wording of that is a bit too severe and should be liberalized some. We have reference particularly to the words in line 16, "moral turpitude". Those of us who are lawyers realize that the expression "moral turpitude" covers a multitude of sins, and if you get back to your common law definition of "moral turpitude" and what some court martial may determine moral turpitude to be, it might be so severe that it may take away from the discharged veteran some of the

privileges that you gentleman of Congress would like to see the man get.

We suggest, therefore, that some expression for liberalizing that section might be embodied.

Now, then, on page 7, title II, the mustering-out or demobilization pay, you gentlemen have been kind enough to see that that has been taken care of, so with your permission I will skip right over that title immediately. Of course, that title will be stricken out of the redrafted bill.

On title III under "Education of veterans," Senators McFarland and Maybank have been kind enough to draft an amendment that carries the same number and which was introduced on January 28, the legislative day January 24 of this year. It is quite inclusive. However, we would like to offer just a couple of suggestions.

On page 4—

Senator CLARK. Is that the Maybank amendment?

Mr. WOLMAN. Yes. On that amendment it was believed that some plan should be worked out with reference to those who shall pass upon the educational institutions that shall be permitted to grant courses of education to the servicemen. First, the joint committee thought that that could be decided by the boards of education of the respective States. Then we found that a number of States do not have boards of education, and other States have boards of education that apply only to the lower classes of schools and hardly get above the secondary schools.

We think something should be, or might be, worked out which will meet with the approval of those who are better versed in the courses of education and types of schools that should qualify, so there may not spring up throughout the country mushroom schools for political purposes in order to receive large sums of money and where the veterans themselves will not get the greatest benefit.

Senator McFARLAND. That has been a very great problem.

Mr. WOLMAN. I understand. You gentlemen have been working awfully hard on it, and you have done a great deal of research. We are wondering whether, with your wise and mystic powers, something could not be worked out on that.

Senator McFARLAND. Maybe we can broaden our suggestion a little bit.

Mr. KETCHUM. I think, Senator, the thought was we did not want to be in a position of advocating a duplicate board of education in the various States, that the thing could well be amended so that it would be subject to the approval of the proper board.

Senator McFARLAND. You have our suggested amendment?

Mr. KETCHUM. That is right.

Senator McFARLAND. I mean the suggested amendment to the amendment now, with another proposition to take care of the cases in which the State boards did not function or did not have the facilities.

Mr. KETCHUM. That is the point. We did not want to bypass any constituted boards of education. We think they should be very much in the picture.

Senator McFARLAND. That is right.

Mr. WOLMAN. Getting back to page 6 of your amendment, line 28, as to those who may be eligible for the benefits of the title, we believe

that there should be excepted from those who are privileged to have the benefits of this educational course, as well as a lot of other benefits, those men who have been discharged on their own initiative for occupational reasons, except those who have had foreign service.

In other words, if a man has asked to be discharged in order that he might get back to his own type of work, or to some occupational job, if I might refer to it that way, this man on his own initiative has been discharged and should not be expected to ask for as many privileges as a man who remained in the service for the period of his full period of service.

Senator CLARK. You mean that a man who is inducted into the Army and Navy and stays for the duration until he is discharged, not being discharged on his own volition, is entitled to certain rights or benefits which the man should not be entitled to who is discharged on his own volition?

Mr. WOLMAN. That is right. We do except, however, those men who have gone overseas and who have been in combat service for any period of time and then have come back and gotten their discharge. We have always believed that the man who has been in combat service is entitled to just a little more privilege than the other man.

Mr. Ketchum reminds me too, that that same formula has been followed out in the mustering-out pay. There is a precedent, therefore, for having it.

Getting down to page 8—

Senator CLARK. You are still speaking on the amendment?

Mr. WOLMAN. Yes, sir; pages 8, 9, 10, and 11. There was quite a discussion in the conference of representatives of the Legion and the Veterans of Foreign Wars yesterday as to the best method of handling the plan of purchasing homes and farms. As I gather it, the result of that conference was that we would suggest that instead of the plan as outlined there it might be a good idea—and again I would say that we have not attempted to work out the phraseology of the amendment to route the loans through the medium of the Veterans Administration to the F. H. A. or the Federal Land Bank, as the cases may require, so that veterans may borrow sums up to 95 percent of the purchase price of a home or a farm instead of the plan for lending \$1,000, and for a veteran to show his good faith and his desire to either put himself on a farm or buy a home for himself he should put down 5 percent of the purchase price.

We felt, too, that these privileges are intended primarily for those men with modest means, and the suggestion was in the case of a home the cost is not to exceed \$7,500, or a farm not to exceed I think we said \$12,500. We would like that to be given further careful thought, if possible.

Then, getting over to page 10 also of the amendment, and I am beginning at line 9 where it says, "who is found by the Secretary of Agriculture, by reason of his character, ability, and experience to be likely successfully to carry out undertakings required of him under a loan," and then we get down to section 603 where a similar situation exists insofar as the Secretary of Commerce is concerned, and we are wondering whether some other plan might be set up rather than putting it in the hands of the Secretary of Agriculture or the Secretary of Commerce to pass up the requisites, so to speak, or the qualifications of the individual, or his character.

In other words, to be brutally frank, we believe that a man who might have served a term in prison could perhaps make a good farmer after he got out and on his feet.

SENATOR McFARLAND. That was not the qualification we had thought of or intended. The only object of that provision in the amendment was this, that a great many boys think they want to go to the farm who have no farm background at all, and it would be doing them an injustice if they did not know how to farm or did not know the first principles of farming, to go and buy them a farm tomorrow and put them out on a farm. We thought they ought to have some guidance. Now that kind of a boy, instead of starting out to farm at that stage, who has never lived on a farm and who does not know the first principles of farming, he could go to school and learn to farm, but he may think and a lot of us think, we can do things that we cannot do. It would not do him any good and it would not do our country any good to let him go in and try, because he would only waste his own time and make a failure. That was the reason we thought we needed this guidance for him. That was spoken of the other day.

I had a talk with Secretary Wickard. They are making quite a little research and study of this question, too. He agrees with me that a boy either has to have some education in regard to farming or he has to have a farm background. He cannot just go out and start without some kind of farm background.

He gave an example of his own son-in-law who wants to be a farmer and who never lived on a farm. He is now in the service. He started in to read up on farm literature and is trying to get a background. Of course, his wife, who was Secretary Wickard's daughter, has a farm background, which will help considerably. It was to help the individual. We did not think it would be any help to an individual to encourage him to do something that he did not know how to do.

MR. WOLMAN. Senator, I am in perfect accord with the thought that there should be somebody to pass on the qualifications of the person's ability to do that kind of work. We are wondering whether some other mode can be worked out rather than that the Secretary of Agriculture be shouldered with that additional responsibility as well as the others he now has.

SENATOR McFARLAND. Well, of course, the Agricultural Department is anxious to educate boys in farming. I believe they will be most helpful to them, because that is their business. They have made a business of farming. Farming is more a business now than it used to be. It is quite an industry. I think personally that the Agriculture Department can be a big help to the boys. Maybe the wording should be changed. I am not sold on any particular wording, it is just the objective that we all have in mind that we are concerned with.

MR. WOLMAN. The general principle of supervising or training for that type of work is strongly approved by both groups.

SENATOR McFARLAND. Another thing the Secretary had in mind was this: Some of these boys are not going to want to go in and take a 3-year agricultural course or a 4-year agricultural course. He said there ought to be a short course for those boys so they could go in and spend 6 months and then come out and make a living.

I really believe that the Agricultural Department has given this farm problem a lot of study, and I really think they are one department

that are equipped to do a good service, if we can just get it lined up properly.

Mr. WOLMAN. The same thought would be applicable to section 603 with reference to plans being submitted to the Secretary of Commerce for practically all loans.

Senator McFARLAND. The Secretary of Commerce tells me he is making a survey of loans that they might be able to make to men in the service when they come back along different industrial lines.

Senator MILLIKIN. Well, Senator, I would like to probe that a little further. Is there anything in your bill about industrial loans?

Mr. WOLMAN. That is section 603, Senator McFarland, on page 10.

Senator McFARLAND. This was our thought in respect to that: For instance, you take a lawyer—well, you are a lawyer yourself, and you know how your law books get behind. You might have a law library that was up-to-date when you left for the service, but if you were out for 3 years your law library is practically of no value to you. You have the Pacific Reports—well, probably you do not have them in this part of the country, but you have the Atlantic Reports, and those books are just grinding out. And of course it was our thought—I am just giving that as an example—it was our thought that this \$1,000 loan might help you to buy these books on time, but you are not able to make the payment for a while because you have got to get your fees started, and this \$1,000 loan would help you along that line.

Mr. WOLMAN. Now then, getting back to the next title, that is, title V on page 16, "Employment of Veterans," that has been covered by Senator Wagner's amendment, I understand.

Senator MILLIKIN. Mr. Chairman, backing up just a moment, I understood your point originally went to the moral qualifications of the servicemen. What was your suggestion on that?

Mr. WOLMAN. That should be liberalized somewhat. The character of the individual should be considered in a liberal sense.

Senator McFARLAND. A man that has got character enough to fight for his country should have character enough to start in on the ordinary line of work.

Mr. WOLMAN. We hope that those administering it will be just as liberal in thought as you are.

Senator MILLIKIN. You cover that in your proposals?

Mr. WOLMAN. Yes, Senator. Now Senator Wagner's amendment, on page 3 of that amendment, beginning at the bottom of page 2, section 701, we are very much in a quandary as to just how its purpose can be accomplished. We are eager to put some teeth, to use a slang expression, into the section so that those people who are working for the United States Employment Service would be compelled to see that a preference is given to veterans where lists are made out. We are very much in a quandary as to just how that can be accomplished.

The experience of the veterans' organizations has been that in places where the United States Employment Service representatives are veteran-minded we have gotten excellent service and everything has been done to comply, while in other sections where those employees are not veteran-minded as in the first example, there has not been much sympathy toward the veterans in making up the lists that were sent out to employers. They did not put as fair a sprinkling of names of veterans in those lists as they might.

Senator CLARK. It has been your observation, has it not, that the Veterans' Placement Service has been a red-headed stepchild from the very beginning?

Mr. WOLMAN. Unfortunately, yes. It is only in places where the veteran's placement representative has been strong in his ability to use some power that the veteran received the consideration he should receive.

Senator CLARK. Frequently when you strike such a fellow as that he has had to back his superiors in the service, as well as the general situation that had to be taken into consideration.

Mr. WOLMAN. That is correct. We hope you gentlemen might find some way to bridge that gap for us.

Senator MILLIKIN. Mr. Chairman, this is an entirely personal view, but many of us are anxious for the day to return when we would reemphasize our State employment systems. Have you gentlemen given thought to that, on the relation of the employment of veterans to the State employment systems? Personally I am not interested in permanent aggrandizing of Federal agencies.

Mr. WOLMAN. At our conference we did not, but to mention a personal experience, in my own State General Reckord, whom I think you all know, was chairman of the committee in my State and I was the secretary of the committee representing all the veteran groups, and we struggled around, got information from all the States, and we did get passed in the Maryland Legislature a bill which we think has pretty strong teeth in it. That is working out quite well in our State. We would like to throw out a hint to the other veterans' organizations that might be within hearing of my voice, that a similar plan might be considered in other States, so the veterans will get the privileges which they should.

Now, getting back to your original draft, title VI on page 20, section 800, on line 16, we believe there should be excepted from those receiving the privileges the same type of men I mentioned before, namely, those who had been discharged on their own initiative the same as the mustering-out bill.

Then with reference to the pay plan, it will be observed in the original draft of the bill that no period of time had to be served in order to be entitled to the privileges. Any discharged veteran might be entitled to a maximum of 52 weeks of unemployment pay.

The suggestion was offered by Mr. Colmery, who is here this morning, which we think is a good one, that a scale be worked out so that for each month's service the veteran shall be entitled to 8 weeks' allowances with a maximum of 52 weeks. Mr. Colmery has several suggestions that he wishes to offer, and he has those down with more particularly, and I think he can go into them with greater detail.

Again, if I may say so, I think it was a happy arrangement in getting together the representatives of the American Legion and Veterans of Foreign Wars in a conference where we might agree on those things that we believe might be helpful. I think if this bill, as has been suggested by the Legion and our committee, with the permission of the chairman, will be recommitted to the committee and redrafted embodying the amendment that you gentlemen have been kind enough to offer, as well as the suggested changes that I have tried to sketchily outline, and such others as may be found to be pertinent, and sent back with a new number and may be regarded, if I may be boastful enough

to say, so as to be the result of the joint conference and efforts of the representatives of the American Legion and Veterans of Foreign Wars, and under the kind sponsorship of you Senators and as many others as would join in on it, it would then, generally speaking, meet what we think are many of the immediate needs of the servicemen.

Another thing that has been called to my attention. If I might revert to the original draft, in section 301 on page 6, it has been suggested that the boards instead of being authorized, be actually constituted. I will just read a few lines of that section:

The Administrator of Veterans' Affairs is hereby authorized and directed to confer with the Secretary of War and the Secretary of the Navy for the purpose of establishing boards of review in the War and Navy Departments—
and so forth.

We believe instead of its being worded that way there should be something more, and on line 6, instead of saying "for the purpose of," it should say "and assist in the establishment of the boards," so that those boards actually are established instead of saying that they might be.

Now, if I may impose on the time of you gentlemen for just one moment longer, I would like to present to this committee the members of our national legislative committee, and I will ask these gentlemen to rise so that you gentlemen of the committee may better know them. I think you do know most of them.

Mr. Alex Miller, of Iowa; Judge H. T. Kern, of Tennessee; Mr. Robert Christenberry, of New York; Mr. Merle Hopper, of Michigan; Mr. J. B. Klawam, of California; and Mr. Lyle Biggs, of Wisconsin.

Senator CLARK. Thank you, Mr. Wolman.

Mr. WOLMAN. Thank you very much.

Mr. KETCHUM. I just want to close with this one word, Senator: We have given a lot of consideration to this bill, which is a very important bill. I do want to remind the committee, the same as I have done every time that I have come here, that we feel H. R. 3356 and H. R. 3377 are badly needed and they should not be deferred any longer than necessary. We would like to see the committee report out those two bills. We believe they are very important.

The House has already taken action and we trust this committee will take action.

Senator MILLIKEN. I think it is a very commendable thing that you gentlemen and the Legion have gotten together. What effort has been made to get together with the Disabled Veterans?

Mr. KETCHUM. Frankly, I cannot answer that, Senator. I do not know whether any effort has been made. I know we have been conferring with the Disabled American Veterans and the Purple Heart, and the Regular Veterans Association. I know from my conversations with them that they feel as though certain phases of this bill do not represent their views. There was some difference of opinion in our organization on that matter. Our committee, however, feels that that has all been straightened out. I cannot speak for the other organizations, as to whether they are satisfied that any of these changes meet their objectives. As far as I am concerned, I am perfectly willing to confer with them at any time, because I have great admiration and respect for those who represent the Disabled American Veterans, the Purple Heart, and the Regular Veterans Association.

STATEMENT OF JOHN STELLE, SPECIAL COMMITTEE ON REHABILITATION, THE AMERICAN LEGION

Senator CLARK. Governor, you represent the rehabilitation committee of the American Legion, do you not?

Mr. STELLE. It is a special committee on rehabilitation.

All I have to say is this: We are very happy to say that the two groups have joined together on this bill which I think is important not only to the returning veterans but to the country as a whole. It is so important that Mr. Baruch has made such a statement in his report, and the President has taken definite action by a directive.

We think some action should be taken by the Congress and such a law be put into effect. We join with the Veterans of Foreign Wars, and they join with us, in the hope that this committee take this bill, because there are some necessary amendments in it.

Tomorrow we would like to have the privilege of having Mr. Harry Colmery give some more details on the recommended minor amendments or major amendments to this bill.

All I can say is that we ask for action. We have a lot of friends in the Senate like yourselves and the other members who are on that bill that would like to be on that bill. We would like to have this subcommittee recommend it to the whole committee, to rewrite it, bringing out a new bill which would bring to the friends of the servicemen and those who are interested in this measure an opportunity to show their interest by being on the bill. I think everybody is waiting anxiously for this bill. They want a bill. We know you men have given a lot of study to it, and we will give our combined effort to anything that will help get this bill over. We hope that the bill goes over and that we may get your help so as to straighten out all the jurisdictional problems that we might have on the bill.

I thank you.

Senator CLARK. Thank you, sir. It will be necessary to abbreviate this session this morning by reason of the fact that the Foreign Relations Committee is meeting, on which five members of this committee are also members, and it is a very important meeting. This committee will resume its hearings tomorrow morning at 10:30.

We have a communication from E. H. Rietzke, president, National Council of Technical Schools, which will be included in the record at this point.

(The communication referred to is as follows:)

NATIONAL COUNCIL OF TECHNICAL SCHOOLS.
Washington, D. C., February 14, 1944.

SECRETARY, SENATE COMMITTEE ON FINANCE.
Senate Office Building, Washington, D. C.

DEAR SIR: This is in connection with the educational provisions of S. 1017 as amended.

Because of the late date at which I was notified of the subcommittee hearing on this bill it was impractical to request a personal appearance. For that reason it is respectfully requested that this letter be included in the record of the hearing on S. 1017.

The National Council of Technical Schools has membership located from coast to coast. These schools are all among the leaders in their respective fields, two having been in operation more than 50 years, two almost 40 years, and most of the others between 10 to 20 years. Schools represented on the board of trustees are American School of Aircraft Instruments, Glendale, Calif.; Bliss

Electrical School, Takoma Park, Md.; Capitol Radio Engineering Institute, Washington, D. C.; Chicago Technical College, Chicago, Ill.; Curtiss-Wright Technical Institute, Glendale, Calif.; Lincoln Aeronautical Institute, Lincoln, Nebr.; Midland Radio and Television Schools, Kansas City, Mo.

These schools provide technical training at the level between the trade school and the 4-year engineering college. My own institution (Capitol Radio Engineering Institute, in Washington, D. C., and Silver Spring, Md.), for example, normally offers an intensive radio engineering course which covers, in 1 school year of 11 months, the semester-hour equivalent of the final 2 years of engineering college work with the purely cultural subjects omitted.

Due to the practical nature of the work offered by these schools, the placement of graduates, even during abnormal depression years, has been very high. These schools have grown to leadership in their respective fields because of the quality of their training and the acceptance by industry of their graduates.

Regarding S. 1617 as amended. We are fully in accord with the intent of this bill and with most of its provisions as they apply to veteran education. We believe, however, that the provision limiting the compensation of the school to \$300 per year will tend to defeat the main purpose of the bill—that is, to provide in 1 year the training that will fit the returning veteran for a productive future in civil life.

Many of these men who have received short wartime courses in aviation, electricity, and radio, for example, in the armed forces, will wish to pursue such vocations in civil life. The technical school provides the means whereby within the year the veteran can get the intensive training in these specialized subjects in a down-to-earth manner as desired by industry. In almost all cases the active head of the good technical school is "industry-minded" because he, himself, has had years of experience in the industry from which his school prepares its graduates.

Such schools keep their courses up to date with industry; they install the most modern equipment with which to train their students; they maintain a high instructor-to-student ratio; they provide a large ratio of laboratory-to-classroom hours; they employ as instructors men who in addition to their academic background have had broad industrial experience and hence command salaries in excess of those ordinarily paid to teachers. For these reasons their operating costs per student are higher than those for schools of the more strictly academic type.

As an average pre-war figure, the tuition charged by most schools of this type was in the order of \$50 per month. Since these schools are mostly privately operated and faced with strong competition, I believe it is a fair assumption that as a whole their tuition fees are not excessive for the services rendered.

I believe that instead of by means of direct limitation in dollars, the desire of your committee to prevent exorbitant or inequitable charge by the educational institution could be obtained by providing somewhat as follows: The compensation to the school for tuition and supplies shall not exceed that normally charged by the school for similar training and shall not exceed the pre-war fee charged by the school for the same service. If a dollar limit is desired, it is my recommendation that it be based on a per month rate of \$50 rather than on an annual rate. This would enable the school to offer an intensive course of more than the conventional academic year and enable the student to obtain the maximum training within the specified time.

It is respectfully requested that these recommendations be given careful consideration by your committee.

Sincerely,

E. H. RIETZKE,

President, National Council of Technical Schools.

(Whereupon, at 10:45 a. m., an adjournment was taken until 10:30 a. m., Thursday, February 24, 1944.)

VETERANS' OMNIBUS BILL

WEDNESDAY, MARCH 8, 1944

UNITED STATES SENATE,
SUBCOMMITTEE OF VETERANS' LEGISLATION
OF THE COMMITTEE ON FINANCE,
Washington, D. C.

The subcommittee met, pursuant to adjournment, at 10:30 a. m., in room 312 Senate Office Building, Senator Bennett Champ Clark (chairman) presiding.

Present: Senators Clark (chairman), George, Connally, Lucas, Vandenberg, La Follette, and Brewster.

Also present: Senators Thomas (Utah), Brooks, and Wiley.

Senator CLARK. The committee will come to order. Senator Wiley, did you desire to make a statement?

STATEMENT OF HON. ALEXANDER WILEY, UNITED STATES SENATOR FROM WISCONSIN

Senator WILEY. Yes, Senator.

Senator CLARK. Let me ask you, Senator, have you been furnished with the committee print of Senate Bill 1617?

Senator WILEY. Yes, Senator.

Senator CLARK. It is simply a redrafting to meet certain suggestions that have been made in previous hearings of the committee. They were not available until this morning and there has not been much time to distribute them. The redraft simply represents some of the changes that have been suggested in previous hearings of the subcommittee.

Senator WILEY. Mr. Chairman, as you note from the original bill that you presented on the floor of the Senate, I am one of the cosponsors of this bill. I previously, on November 8, 1943, introduced S. 1566. I have just now been handed a reprint of the present bill that you and I are cosponsors of. I haven't had time to go over this new reprint. I want to speak just generally in relation to the idea back of the bill that I think is paramount, and which means, if it becomes law, that we will meet a very serious threat to the future peace and economy of this country, we will meet that head-on, and I hope solve it.

As is pretty well known, after the last World War and until just recently there was no thought that the Veterans' Administration had jurisdiction while the veteran was still in the service to be planning and thinking how to place him back in civilian life from which he was torn to become a soldier.

To amplify that thought, let me say that we have taken, and will take, in the neighborhood of 12,000,000 or 13,000,000 service men and women, took them out by the roots out of civilian life, put a good many of them through the hell of war, the impact of all that war means, and put them into a regimented system of life, no matter if they are unscarred physically and mentally, and thrust them back upon the economy of this country without attempting, as I say, to unwind what we had wound up.

It seems to me the big idea back of this whole bill is just that. Take an instance. You might say peace is to come in 6 months, and a boatload of 5,000 veterans are leaving the service. Heretofore they would come to America and the Veterans' Administration would practically have no jurisdiction until they are discharged. Now this bill contemplates, as did the previous bill—at least I had that in mind when I introduced it—that before the veteran leaves the service his problem becomes the problem of the Veterans' Administration. Perhaps on shipboard there may be hundreds of boys who were farmers but who may have become electricians or technicians of some sort. They haven't a job, necessarily, and it will be the function of the Government to reach out before they touch the shores of America and help provide them with jobs.

But more than that, there will be this situation: These men have been scarred. You cannot go through the hell of war without a scar. I can cite a number of instances. I just had one a few days ago. This fellow came up from Alaska. It was apparent that he was not only nervous but he had gone through something from which he needed, as I say, to be unwound. He needed the attention, the consideration, almost the prayers of men who understand the hell that he has gone through.

For me, sir, that is the chief idea back of this bill. I haven't the time to go into the various angles of it. I would just like to ask the chairman a couple of questions. I have had a number of letters from my State indicating that they feel if this matter of veterans' unemployment payment is placed into the Veterans' Administration that it might interfere with the set-up in the respective States. In other words, they felt here was a case where the Federal Government was liable to use this as an opportunity to open up the whole scope of Federal jurisdiction in relation to unemployment.

Now I would like to ask what modification has been made or what has been done about that?

Senator CLARK. There has been some disagreement on that subject, as you know. The whole purpose of this measure, and the whole aim of it has been that all of the benefits that the veteran is entitled to from the Federal Government may be placed in one agency, so that the veteran will have one place where he can go and find out about all of these rights he has without being pushed around from one to another of 8 or 10 agencies.

Every agency that would like to have the jurisdiction is, of course, apprehensive that they are going to lose some rights. It is not the intention of the bill to do anything of that kind or to put the Veterans' Administration into all kinds of different businesses, because it is contemplated the Veterans' Administration will employ all of the different agencies of the Government that may be most suitable to employ in that direction, but there is not an over-all direction to the Veterans'

Administration. The veterans should have one place to go to and find out all about all of their rights and take advantage of all the benefits that the Government sees fit to extend to them.

That is the whole purpose of the bill and everything in it is to expedite that aim.

Senator WILEY. I am glad to get the chairman's clear-cut statement because that agrees with the statement I have received in letters. I feel the matter of veterans is a question for Federal jurisdiction. I feel the Veterans' Administration is the agency that should have full and complete authority. It seems to me in providing that the Veterans' Administration shall look after what might be called the unemployment insurance feature of it in no way would open up the door so it would interfere with the States' rights in relation to employees in industry.

Senator CLARK. It does not seem to me that that is the objective.

Senator WILEY. I thank you, Mr. Chairman, for the opportunity to make a statement. I shall, of course, be very interested in seeing the final print of the bill when it has been worked out.

Senator CLARK. Thank, you, Senator.

Is General Tompkins present?

General TOMPKINS. Yes, sir.

Senator CLARK. General, will you come forward, please, sir?

STATEMENT OF BRIG. GEN. W. F. TOMPKINS, GENERAL STAFF CORPS, WAR DEPARTMENT

Senator CLARK. General Tompkins is on the General Staff of the War Department. Is that correct, General?

General TOMPKINS. Yes, sir.

Senator CLARK. General, have you had an opportunity to consider this bill and do you have any observations to submit on it?

General TOMPKINS. Yes, sir; I have a prepared statement which I will read with your permission, sir.

Senator CLARK. We will be very glad to have you do that.

General TOMPKINS. Mr. Chairman and members of the committee, I am Brig. Gen. William F. Tompkins, General Staff Corps, and have been designated as the War Department witness to appear before the committee in connection with your consideration of S. 1617. With your permission, I should like to read a prepared statement after which I shall try to answer any questions which the members of the committee desire to ask.

At the outset may I invite your attention to the fact that the War Department has not been asked to render a formal report upon this bill and its various amendments and was only yesterday informed that a witness would be permitted to testify before the committee today. For these reasons, there has not been time to submit the views of the War Department to the Bureau of the Budget. The views contained in this statement therefore are only those of the War and Navy Departments which were formulated in a joint conference between representatives of those Departments yesterday afternoon, and have not been cleared by the Bureau of the Budget.

Senator CLARK. May I interrupt you? As one member of the committee, I am always glad to hear the opinion of the War Department,

the Budget Bureau, and all the rest of the Government agencies, and I am sure the committee would like to hear them in this case.

General TOMPKINS. Yes, sir.

Senator CLARK. I was interjecting that as representing the attitude of at least one member of the committee.

General TOMPKINS. My statement will deal only with those portions of the bill and its proposed amendments with which the War and Navy Departments are closely concerned.

One of the provisions of the original bill, section 104 of title I, to which an amendment has been offered by Senator McCarran on January 17, provides in effect that whenever a member of the armed forces is to be honorably discharged or released from active duty for a disability, the Secretary of War or the Secretary of the Navy, as the case may be, shall notify the Administrator of Veterans' Affairs of such a contemplated action and permit him to make a physical examination of the individual and determine what benefits he is entitled to under the laws pertaining to the Veterans' Administration and that no such individual shall be discharged or released from active service until the Administrator of Veterans' Affairs has adjudicated his claim for pension or compensation or both, the amount of such pension or compensation, or whether the individual is entitled to vocational rehabilitation under title III of the act. The net effect of such a provision is to cause the Army or the Navy to retain the individuals in the service indefinitely until their claims for pension or compensation are adjudicated. Such a course would seem to be manifestly unfair to the individual concerned because he might have a job waiting for him and want to get out of the service immediately and be perfectly willing and eager to leave the service and take the job, and later perfect his claim for such pension or compensation as he may be entitled to. Yet under the proposed law, he would be restrained from doing this until an adjudication has been made.

Both the Army and the Navy have agreed with reference to this provision that it would be very unsatisfactory to remove completely from their control the right to determine when an individual is to be discharged and to place that responsibility in an entirely different department of the Government. At this juncture I should like to point out at the time this bill and the amendments thereto were written, there had been discharged from hospitals and released from the service persons who had found themselves in financial difficulty because they were receiving no compensation of any kind from the Government. Two things were done to correct this situation; the first was the timely passage by Congress of Public Law 225 providing for mustering-out pay, which afforded any service man or woman the opportunity of quickly obtaining a sum of money which was deemed to be adequate to carry them over the period in which they were looking for a job or were waiting for a claim for pension or compensation to be adjudicated. The second thing which was done was to revise the procedures in connection with the discharge of enlisted men for disabilities. These new procedures, worked out in connection with the Veterans' Administration, are fully set forth in War Department Circular No. 18, dated January 10, 1944, and the amendments thereto.

I have some copies of those available.

Senator CLARK. We will appreciate them.

(War Department Circulars Nos. 18 and 84 are as follows:)

CIRCULAR }
No. 13 }

WAR DEPARTMENT,

WASHINGTON 25, D. C., 10 January 1944.

TRANSMITTAL OF PENSION APPLICATIONS AND RELATED RECORDS TO THE VETERANS ADMINISTRATION (AR 615-360).—

1. The purpose of this circular is to insure that procedures in connection with the discharge of enlisted men for disability are expedited in order that the Veterans Administration may receive promptly the records necessary to the adjudication of pension claims. It is to the advantage of the individual and the desire of the War Department that every enlisted man about to be discharged for disability file an application for pension prior to discharge.

2. In accordance with the provisions of paragraph 16d, AR 615-360, the commanding officer will insure that each enlisted man who is to be discharged for disability is carefully advised of his right to file an Application for Disability Pension (Veterans Administration Form No. 526) and that he is counselled as to the advisability of doing so before discharge, while the necessary clinical and other records are more readily available for transmission to the Veterans Administration. It is emphasized that the line of duty finding of the War Department is not binding on the Veterans Administration in determining pension and other rights under the laws administered by that agency.

3. Hospitals handling the discharge of enlisted men under Certificates of Disability for Discharge will request clinical records from other hospitals and photostat of the original report of physical examination on entrance into the military service from The Adjutant General as soon after admission as the ward officer anticipates that the man may go before a board of medical officers as provided in paragraph 9 AR 615-360. It is important that these records are requested at the earliest possible date. One of the principal reasons for requesting these records in advance of the time the board of medical officers meets is to cut down the time between the date of discharge and the date the records required under the provisions of paragraph 16e, AR 615-360, are transmitted to the Veterans Administration Facility. It is expected that the necessary records will be available for transmittal to the Veterans Administration Facility at the time of discharge. In those cases where the board of medical officers determines that the man will not be discharged, records requested prior to such determination will be held with the clinical records at the requesting hospital.

4. a. Requests for clinical records and photostat of the original report of physical examination on entrance into the military service will be submitted in the form indicated, Exhibits A and B. Installations requesting such records are directed to reproduce the request forms locally. Requests will be submitted to the appropriate hospitals and The Adjutant General in duplicate. Care will be exercised in typing and verifying the name and Army serial number of the enlisted man when originating such requests as errors are now delaying the transmittal of many records requested by hospitals. The hospital or The Adjutant General, upon receipt of such requests, will retain one copy and will use the other copy as a transmittal letter when sending the clinical records or photostat of the original report of physical examination on entrance to the military service to the requesting hospital.

b. All requests to The Adjutant General for photostats of the original reports of physical examination on entrance into the military service will be addressed completely as follows:

Enlisted Branch, A. G. O.,
P. E. R. Section,
Munitions Building,
Washington 25, D. C.

5. Air mail will be used to request and transmit clinical records and photostat of the original report of physical examination on entrance into

the military service when such mail will cause the request or documents being requested to reach the addressee earlier than regular mail. The routine use of TWX or telegram is to be discontinued. If weather or other conditions prevent the use of air mail from points where such mail is normally used, TWX or telegram may be used. Air mail will not normally be used in transmitting bulky records to the Veterans Administration Facility.

6. Hospitals receiving requests for clinical records will forward the necessary records as soon as practicable and not later than 48 hours after receipt of the request. Steps are being taken to reduce drastically the time now required by The Adjutant General to prepare and transmit photostats of the original reports of physical examination on entrance into the military service to requesting hospitals. In the event that the clinical records or photostat of the original report of physical examination cannot be readily located, the hospital receiving the request or The Adjutant General, respectively, will notify the requesting hospital as to the action being taken to locate such records within 10 days after receipt of the request. If it is impossible to locate the records, the requesting hospital will be so notified and in turn will promptly notify the appropriate Veterans Administration Facility.

7. When a hospital is closed, and clinical records are not available at such an installation on request, the service command in which the hospital is located will notify the other service commands where to direct requests for clinical records from such hospitals. The other service commands in such instances will in turn notify all military hospitals within the geographical limits of that service command, including hospitals under the jurisdiction of the Army Air Forces and Army Ground Forces. Every effort will be made by the service command concerned to provide advance notice of the closing dates of such hospitals.

8. a. Within 24 hours after receipt of the photostat of the original report of physical examination on entrance into the military service, hospitals will transmit all available records to the appropriate Veterans Administration Facility, except that—

- (1) Under no circumstances will any records be transmitted to a Veterans Administration Facility until the enlisted man has been discharged.
- (2) In the event it is impossible to locate the photostat of the original report of physical examination on entrance into active military service, all available records will be transmitted to the appropriate Veterans Administration Facility as soon as advice is received from The Adjutant General to the effect that it is impossible to locate the original report of physical examination. See paragraph 6.

b. The transmittal to the Veterans Administration Facility of the application for pension or a signed statement to the effect that the enlisted man does not desire to file such an application, W. D., A. G. O. Form No. 40 (Certificate of Disability for Discharge), clinical records *on hand*, and photostat of the original report of physical examination on entrance into the military service will not be delayed pending receipt of clinical records from other hospitals. Clinical records received subsequent to the transmittal of records to the Veterans Administration Facility, as provided under a above, will be transmitted to the appropriate Facility as soon as such records are received.

9. Each hospital requesting clinical records from other hospitals will submit a monthly report in memorandum form reflecting the time required to obtain clinical records from such hospitals. The first report will be submitted by 8 March 1944, for the month of February 1944, and thereafter the report will be submitted by the third day of each month. The report

will be prepared in accordance with paragraph 10 and will be submitted in duplicate as follows:

a. *Army Service Forces hospitals.*—To the service command, which will retain one copy and transmit the original to The Surgeon General.

b. *Army Air Forces hospitals.*—To the Headquarters, Army Air Forces, which will retain one copy and transmit the original to The Surgeon General.

c. *Army Ground Forces hospitals.*—To the Headquarters, Army Ground Forces, which will retain one copy and transmit the original to The Surgeon General.

10. The report referred to in paragraph 9 will be entitled, "Report of Time Required to Obtain Clinical Records from Other Hospitals," and will reflect the following data:

a. Total number of requests where clinical records were received within 5 days after date requested.

b. Total number of requests where clinical records were received within 10 days after date requested.

c. Total number of requests where clinical records were received more than 10 days after the date requested. In such cases the name of the hospital from which the records were requested and the number of days elapsing between the date requested and the date received will also be shown.

11. a. Under the provisions of paragraph 16e, AR 615-360, W. D., A. G. O. Form No. 40 (Certificate of Disability for Discharge), and other required records are transmitted to the Veterans Administration Facility nearest to the point of discharge. The Veterans Administration Facility in turn transmits such documents to the particular Veterans Administration Facility having jurisdiction over the location shown on W. D., A. G. O. Form No. 40 as the mailing address of the discharged enlisted man. This procedure will be discontinued.

b. To expedite the transmittal of records to the Veterans Administration Facility which will adjudicate the claim, hospitals will in the future transmit W. D., A. G. O. Form No. 40 and related records required under the provisions of paragraph 16e, AR 615-360, direct to the Veterans Administration Facility which will adjudicate the claim. Paragraph 16e, AR 615-360, indicates the addresses of the Veterans Administration Facilities to which W. D., A. G. O. Form No. 40 and related records are to be sent. In addition, descriptive maps will be distributed to all hospitals, without request, which will reflect the area over which each Veterans Administration Facility has jurisdiction.

12. If after every reasonable effort has been made to induce the enlisted man to file an application for pension he does not desire to do so, he will be requested to sign a statement in the form shown in Exhibit C. This statement will be executed in an original only and will be transmitted to the appropriate Veterans Administration Facility in lieu of the statements referred to in paragraphs 16d(1) and e(1)(e), AR 615-360. As soon as the procedure established in this paragraph is put into effect, it will not be necessary to attach a copy of the statement required under paragraph 16d(1), AR 615-360, to the man's service record.

13. In all instances where a man has filed an application for pension, the hospital will advise the man the location of the Veterans Administration Facility which will adjudicate his claim. The purpose in giving this information to the man is to prevent inquiries being received by the War Department which should be sent direct to the Veterans Administration Facility which is to adjudicate the claim.

14. a. In the event the patient is to be discharged to the care of Veterans Administration Facility, all required records will continue to be transmitted to the appropriate facility in accordance with the provisions of paragraph 16e(4) and (5), AR 615-360. However, the procedure established by this circular requiring the prompt request and transmittal of clinical records and

photostats of the original reports of physical examination on entrance into military service applies to all cases to be handled in accordance with section II, AR 615-360.

b. Paragraphs 8c and 16d(1), e(1) and (3), AR 615-360, are modified by this circular.

15. Commanding officers of installations where hospitals are located will require appropriate officers under their jurisdiction to study this circular within 48 hours after its receipt. They will then conduct necessary conferences and inspections to insure that all concerned are acquainted with these policies and that a uniform understanding of the standards and procedure is achieved. The Commanding Generals, Army Ground Forces, Army Air Forces, and Army Service Forces, will cause necessary corrective action to be taken in instances where the provisions of this circular are not being accomplished.

16. Jurisdictional areas of Veterans Administration Facilities.

Forwarding address of discharged enlisted man as shown on W. D. A. G. O. Form No. 40		Veterans Administration Facility to which records are to be sent
State	County	City
Alabama.....	Entire State.....	Montgomery 10, Ala.
Arizona.....	Entire State.....	Tucson, Ariz.
Arkansas.....	Entire State.....	Federal Building, Little Rock, Ark.
California.....	a. The following counties: Imperial Orange San Luis Obispo Inyo Riverside Santa Barbara Kern San Bernardino Ventura Los Angeles San Diego	Los Angeles 25, Calif.
	b. The following counties: Alameda Marin Santa Clara Amador Mariposa Santa Cruz Butte Mendocino Shasta Calaveras Merced Sierra Colusa Monterey Siskiyou Contra Costa Napa Solano Del Norte Nevada Sonoma Eldorado Placer Stanislaus Fresno Plumas Sutter Glenn Sacramento Tehama Humboldt San Benito Trinity Kings San Francisco Tulare Lake San Joaquin Tuolumne Madera San Mateo Yuba	San Francisco 21, Calif.
	c. The following counties: Alpine Modoc Lassen Mono	Reno, Nev.
Colorado.....	Entire State.....	Old Custom House, Denver 2, Colo.
Connecticut.....	Entire State.....	Newington, Conn.
Delaware.....	Entire State.....	New Custom House, Philadelphia 6, Pa.
District of Co- lumbia.	Entire District of Columbia.....	Veterans Administra- tion Bldg., Washing- ton 25, D. C.
Florida.....	Entire State.....	Bay Pines, Fla.
Georgia.....	Entire State.....	Atlanta, Ga.

Forwarding address of discharged enlisted man as shown on W. D., A. G. O. Form No. 40		Veterans Administration Facility to which records are to be sent
State	County	City
Idaho.....	Entire State.....	Boise, Idaho.
Illinois.....	Entire State.....	Hines, Ill.
Indiana.....	a. Entire State, except counties listed in b below.....	Indianapolis 44, Ind.
	b. The following counties:	Hines, Ill.
	Lake La Porte Porter	
Iowa.....	Entire State.....	Des Moines 13, Iowa.
Kansas.....	a. Entire State, except counties listed in b below.....	Wichita 2, Kans.
	b. The following counties:	Excelsior Springs, Mo.
	Atchison Douglas Johnson	
	Brown Jackson Leavenworth	
	Doniphan Jefferson Nemaha	
		Wyandotte
Kentucky.....	Entire State.....	Lexington, Ky.
Louisiana.....	Entire State.....	333 St. Charles St., New Orleans, La.
Maine.....	Entire State.....	Togus, Maine.
Maryland.....	Entire State.....	Ft. Howard, Md.
Massachusetts.....	a. Entire State, except counties listed in b and cities listed in c below.	Post Office Building, Boston 9, Mass.
	b. The following counties:	Federal Building, Providence 2, R. I.
	Bristol (except towns of Mansfield and Easton)	
	Dukes	
	Nantucket	
	Barnstable	
	c. The following cities:	Federal Building, Providence 2, R. I.
	Carver Marion Middleboro	
	Lakeville Mattapoisett Rochester	
		Wareham
Michigan.....	Entire State.....	Dearborn, Michigan.
Minnesota.....	Entire State.....	Minneapolis 6, Minne- sota.
Mississippi.....	Entire State.....	Federal Building, Jack- son 107, Miss.
Missouri.....	a. The following counties:	Jefferson Barracks, Mo.
	Adair Jefferson Phelps	
	Audrain Knox Pike	
	Bellinger Laclede Pulaski	
	Boone Lewis Rails	
	Butler Lincoln Randolph	
	Callaway Macon Reynolds	
	Camden Madison Ripley	
	Cape Girardeau Maries Schuyler	
	Carter Marion Scotland	
	Clay Miller Scott	
	Cole Mississippi Shannon	
	Cooper Moniteau Shelby	
	Crawford Monroe St. Charles	
	Dent Montgomery St. Francois	
	Dunklin Morgan St. Louis	
	Franklin New Madrid Ste. Genevieve	
	Gasconade Osage Stoddard	
	Howard Pemiscoat Warren	
	Iron Perry Washington	
		Wayne

Forwarding address of discharged enlisted man as shown on W. D. A. G. O Form No. 40			Veterans Administration Facility to which records are to be sent
State	County		City
Missouri.....	b. The following counties: Andrew Douglas Nodaway Atchison Gentry Oregon Barry Greene Ozark Barton Grundy Pettis Bates Harrison Platte Benton Henry Polk Buchanan Hickory Putnam Caldwell Holt Ray Carroll Howell Saline Cass Jackson St. Clair Cedar Jasper Stone Chariton Johnson Sullivan Christian Lafayette Tanoy Clay Lawrence Texas Clinton Linn Vernon Dade Livingston Webster Dallas McDonald Worth Davies Mercer Wright De Kalb Newton		Excelsior Springs, Mo.
Montana.....	Entire State.....		Ft. Harrison, Mont.
Nebraska.....	Entire State.....		Lincoln 1, Neb.
Nevada.....	a. Entire State, except counties listed in b below..... b. The following counties: Clark Lincoln		Reno, Nev. Los Angeles 23, Calif.
New Hampshire.....	Entire State.....		Federal Building, Manchester, N. H.
New Jersey.....	Entire State.....		Lyons, N. J.
New Mexico.....	Entire State.....		Albuquerque, N. M.
New York.....	a. The following counties: Allegany Jefferson Oswego Broome Lewis Schuyler Cattaraugus Livingston Seneca Cayuga Madison Steuben Chautauqua Monroe St. Lawrence Chemung Niagara Tioga Chenango Oneida Tompkins Cortland Onondaga Wayne Erie Ontario Wyoming Genesee Orleans Yates Herkimer		Batavia, N. Y.
	b. The following counties: Albany Kings Rockland Bronx Montgomery Saratoga Clinton Nassau Schenectady Columbia New York Schoharie Delaware Orange Suffolk Dutchess Otsego Sullivan Essex Putnam Ulster Franklin Queens Warren Fulton Rensselaer Washington Greene Richmond Westchester Hamilton		Bronx 63, N. Y.
North Carolina.....	Entire State.....		Fayetteville, N. C.
North Dakota.....	Entire State.....		Fargo, N. Dak.

Forwarding address of discharged enlisted man as shown on W. D. A. G. O. Form No. 40		Veterans Administration Facility to which records are to be sent		
State	County	City		
Ohio.....	a. The following counties:			
	Allen	Harrison	Paulding	
	Ashland	Henry	Portage	
	Ashtabula	Holmes	Putnam	
	Belmont	Huron	Richland	
	Carroll	Jefferson	Sandusky	
	Columbiana	Knox	Seneca	
	Coshocton	Lake	Stark	
	Crawford	Lorain	Summit	
	Cuyahoga	Lucas	Trumbull	
	Defiance	Mahoning	Tuscarawas	
	Erie	Marion	Wayne	
	Fulton	Medina	Williams	
	Geauga	Morrow	Wood	
	Hancock	Ottawa	Wyandot	
	b. The following counties:		Brecksville, Ohio.	
	Adams	Greene		Montgomery
	Athens	Guernsey		Morgan
	Auglaize	Hamilton		Muskingum
	Brown	Hardin		Noble
	Butler	Highland		Perry
	Champaign	Hocking		Pickaway
	Clark	Jackson		Pike
	Okermont	Lawrence		Preble
	Clinton	Licking		Ross
	Darke	Logan		Scioto
	Delaware	Madison		Shelby
	Fairfield	Meigs		Union
	Fayette	Mercer		Van Wert
	Franklin	Miami		Vinton
	Gallia	Monroe		Warren
				Washington
			Dayton, Ohio.	
	Oklahoma.....	Entire State.....		
	Oregon.....	Entire State.....		
Pennsylvania....	a. The following counties:			
	Adams	Juniata	Pike	
	Bradford	Luzerne	Perry	
	Berks	Lycoming	Philadelphia	
	Bucks	Lehigh	Sullivan	
	Cumberland	Lebanon	Schuylkill	
	Chester	Lancaster	Susquehanna	
	Columbia	Lackawanna	Snyder	
	Carbon	Montour	Tioga	
	Dauphin	Monroe	Union	
	Delaware	Montgomery	Wyoming	
	Franklin	Northumberland	Wayne	
	Fulton	Northampton	York	
	b. The following counties:		Pittsburgh 15, Pa.	
	Allegheny	Clinton		McKean
	Armstrong	Crawford		Mifflin
	Beaver	Elk		Mercer
	Bedford	Erie		Potter
	Blair	Fayette		Somerset
	Butler	Forest		Venango
	Cambria	Green		Warren
	Cameron	Huntingdon		Washington
	Centre	Indiana		Westmoreland
	Clarion	Jefferson		
	Clearfield	Lawrence		
				Muskogee, Okla.
				Portland 7, Oreg.
				New Custom House, Philadelphia 6, Pa.

Forwarding address of discharged enlisted man as shown on W. D. A. G. O. Form No. 40		Veterans Administration Facility to which records are to be sent
State	County	City
Rhode Island.....	Entire State.....	Federal Building, Providence 2, R. I.
South Carolina.....	Entire State.....	Columbia, S. C.
South Dakota.....	Entire State.....	Federal Building, Sioux Falls, S. Dak.
Tennessee.....	Entire State.....	Murfreesboro, Tenn.
Texas.....	a. Entire State, except counties and cities listed in b, c, and d below.	Waco, Tex.
	b. City of Texarkana.....	Federal Building, Little Rock, Ark.
	c. The following counties: Culberson Hudspeth Presidio El Paso Jeff Davis Reeves	Albuquerque, N. Mex.
	d. The following counties: Armstrong Gray Oldham Briscoe Hall Parmer Carson Hansford Potter Castro Hartley Randall Childress Hemphill Roberts Collingsworth Hutchinson Sherman Dallam Lipscomb Swisher Deaf Smith Moore Wheeler Donley Ochiltree	Muskogee, Okla.
Utah.....	Entire State.....	Salt Lake City 3, Utah.
Vermont.....	Entire State.....	White River Junction, Vt.
Virginia.....	Entire State.....	Roanoke 17, Va.
Washington.....	a. Entire State, except counties listed in b below.	Federal Office Build- ing, Seattle 4, Wash.
	b. The following counties: Clark Klickitat Wahkiakum Cowlitz Skamania	Portland 7, Oreg.
West Virginia.....	a. Entire State, except counties listed in b below.	Huntington 1, W. Va.
	b. The following counties: Brooke Marshall Hancock Ohio	Pittsburgh 15, Pa.
Wisconsin.....	Entire State.....	Wood, Wis.
Wyoming.....	Entire State.....	Cheyenne, Wyo.
Alaska.....		Federal Office Build- ing, Seattle 4, Wash.
Guam.....		Veterans Administra- tion Building, Wash- ington 25, D. C.
Hawaii.....		Do.
Panama Canal Zone.		Do.
Philippine Islands.		Do.
Puerto Rico.....		Do.
Samoa.....		Do.
Virgin Islands.....		Do.
All foreign coun- tries.		Do.

EXHIBIT A—Form for request for photostat of physical examination

LAST NAME	FIRST NAME	MIDDLE INITIAL	SERIAL NO.	DATE
<p>REQUEST FOR PHOTOSTAT OF PHYSICAL EXAMINATION</p> <div style="display: flex; justify-content: space-between; align-items: flex-start;"> <div data-bbox="186 389 786 646" style="border: 1px solid black; padding: 10px; width: 45%;"> <p>ENLISTED BRANCH, A. G. O.</p> <p>P. E. R. SECTION</p> <p>MUNITIONS BLDG., WASHINGTON 25, D. C.</p> </div> <div data-bbox="850 400 1449 657" style="border: 1px solid black; width: 45%;"></div> </div> <p style="text-align: center; margin-top: 20px;">SUBMIT IN DUPLICATE—DO NOT FOLD—NO SIGNATURE REQUIRED</p>				

(Over-all size of paper, 3¼ inches by 8 inches)

(Print name of your hospital, address, and Attention: Registrar, in the open block above.)

EXHIBIT B—Form for request for clinical records pertinent to CDD case

LAST NAME	FIRST NAME	MIDDLE INITIAL	SERIAL NO.	DATE OF HOSPITALIZATION	DATE OF REQUEST
REQUEST FOR CLINICAL RECORDS PERTINENT TO CDD CASE					
REQUESTING HOSPITAL			TRANSMITTING HOSPITAL		
[Empty box for requesting hospital name and address]			NAME OF HOSPITAL		
			ADDRESS		
			CITY AND STATE		
			ATTENTION: REGISTRAR		
SUBMIT IN DUPLICATE—DO NOT FOLD—NO SIGNATURE REQUIRED					

(Print name of your hospital, address, and Attention: Registrar, in the open block above.)

(Over-all size of paper, 3¼ inches by 8 inches.)

EXHIBIT C—Statement to Veterans Administration

Name of Hospital

Address

City and State

(Date)

To the Veterans Administration Facility:

I have been told that I am to be discharged from the Army on account of disability and that I should file an application for disability pension under the laws administered by the Veterans Administration.

I have decided not to file a pension application now.

I understand I may do so later.

(Signed name)

(Serial No.)

(Over-all size of paper, 8 inches by 8 inches)
original only

[A. G. 220.811 (8 Jan 44).]

BY ORDER OF THE SECRETARY OF WAR:

G. C. MARSHALL,
Chief of Staff.

OFFICIAL:

J. A. ULIO,
*Major General,
The Adjutant General.*

CIRCULAR }
No. 84 }

WAR DEPARTMENT,
WASHINGTON 25, D. C., 24 February 1944.

ARMY NURSE CORPS—Appointment, qualification—Changes in AR 40-20	Section I
COMMERCIAL ACCOUNTS—Payment, submission of documents	II
INSECTICIDE—Issue of aerosol, 1-pound dispenser	III
UNITED STATES ARMED FORCES INSTITUTE—Prisoners of war—Changes in AR 350-3100	IV
VETERANS ADMINISTRATION—Area offices	V

I. ARMY NURSE CORPS.—Pending the printing of changes in AR 40-20, 5 April 1943, paragraph 3f(5) of those regulations is rescinded and the following substituted therefor:

3f (5) (a) A professional examination ordinarily will not be required, though it may be when deemed necessary by The Surgeon General. An applicant will not be eligible for appointment unless she is—

1. A graduate of a school of nursing approved by The Surgeon General, or has a record of desirable postgraduate training or experience;
2. A registered nurse, and
3. A citizen of the United States.

(b) The applicant's qualifications will be evaluated on her record as a student and on her performance as a nurse.

[A. G. 822 (14 Feb 44).]

II. COMMERCIAL ACCOUNTS.—1. It is the policy and intention of the War Department to discharge all valid financial obligations incurred under contracts (formal or informal, written or oral) for supplies and services on a current basis. Available information indicates that in numerous instances disbursing officers have been unable to satisfy these obligations promptly because of the failure of contracting and receiving officers to furnish procurement instruments and receiving reports in correct form and/or at the proper time.

2. Failure to discharge these obligations promptly and to the complete satisfaction of vendors subjects the War Department to justifiable criticism, particularly after satisfactory performance has been had from the contractor, and will inevitably result in a disruption of procurement processes. Furthermore, as and when cut-backs in war production are dictated by the military situation, debts due contractors must be paid with the utmost dispatch so that funds become available for the conversion of industry to civilian production. This latter objective is impossible of accomplishment if the present accumulation of unpaid accounts is not drastically reduced now.

3. It is of utmost importance, therefore, that contracting and receiving officers not only recognize the vital importance of submitting procurement instruments and receiving reports to disbursing officers in such form and at such time as will permit payment, but also take immediate action to bring the level of unpaid accounts to an irreducible minimum.

4. To insure the attainment of this objective, commanding officers of all installations at which contracting, receiving, and disbursing officers are located will, as an element of routine administration, conduct periodic inquiries to determine the currency of payment of these accounts, and

will be responsible for whatever corrective action is necessary. In those highly unusual cases where local solution cannot be achieved, full written report thereof will be made through proper channels to the Fiscal Director, Headquarters, Army Service Forces, Washington 25, D. C., Attention: Receipts and Disbursements Division.

5. The contents of this circular will be brought to the personal attention of all concerned.

[A. G. 130 (16 Feb 44).]

III.—INSECTICIDE.—1. Attention is directed to Circular No. 239, War Department, 1943, which establishes basis of issue for insecticides and pest control equipment.

2. Pending revision of Circular No. 239, War Department, 1943, insecticide, aerosol, 1-pound dispenser, is authorized for issue to hospitals of all United States Army transports and hospital ships embarking from United States ports of embarkation for oversea areas where there is risk from mosquito-borne diseases. This allowance will be one dispenser per ten hospital beds.

[A. G. 438 (21 Feb 44).]

IV.—UNITED STATES ARMED FORCES INSTITUTE.—Pending the printing of changes in AR 350-3100, 30 July 1943, paragraph 8c of those regulations is added as follows:

8c. *Prisoners of war.*—The fees provided for in *a* and *b* above do not apply to personnel of the United States armed forces held as prisoners of war in enemy territory. Such personnel will not pay fees, but will automatically become members of the United States Armed Forces Institute on application for educational courses.

[A. G. 853.0 (21 Jan 44).]

V.—VETERANS ADMINISTRATION.—1. Paragraph 11, Circular No. 13, War Department, 1944, is amended by adding subparagraphs *c*, *d*, and *e* as follows:

11c. With a view to expediting further the initial adjudication of claims for disability pension filed by enlisted men who are discharged for disability and who make application for this benefit at the time of discharge, the Veterans Administration will establish a branch office in each of the nine Army service commands. It will be the function of the area office located within the territorial limits of a particular service command to adjudicate initially all claims for disability pension filed by World War II veterans who are discharged for disability from hospitals located within such limits and who make application at the time of discharge. The area office will inform the veteran by letter to his home address of the award or disallowance of his application and the first payment of any pension allowed will be mailed to his home address by the disbursing officer for that area. Thereafter, the records will be transferred to the Veterans Administration facility having jurisdiction of the veteran's home address, and the veteran will be informed of that action by the area office.

d. Effective 1 March 1944, military hospitals within the territorial limits of an Army service command, except the Third and Fourth Service Commands, will transmit W. D. A. G. O. Form No. 40 and related records required under the provisions of paragraph 10c, AR 615-300, to the Veterans Administration area office listed below which is located within the limits of the service command in which the hospital concerned is located. The records of

men who do not file an Application for Disability Pension (Veterans Administration Form No. 520), but in lieu thereof sign a statement as prescribed by paragraph 12, will also be sent to the area office.

- (1) Veterans Administration Area Office No. 1
17 Court St.,
Boston 8, Mass.
- (2) Veterans Administration Area Office No. 2
120 Wall St.,
New York 5, N. Y.
- (3) Veterans Administration Area Office No. 5
8 E. Chestnut St.,
Columbus 15, Ohio.
- (4) Veterans Administration Area Office No. 6
U. S. Custom House,
Chicago 7, Ill.
- (5) Veterans Administration Area Office No. 7
Old U. S. Custom House,
St. Louis 1, Mo.
- (6) Veterans Administration Area Office No. 8
1000 Main St.,
Dallas 2, Tex.
- (7) Veterans Administration Area Office No. 9
140 Montgomery St.,
San Francisco 4, Calif.

6. The opening date for Veterans Administration area offices to be established in the Third and Fourth Service Commands will be announced at a later date. Hospitals located within the limits of these commands will continue to comply with the provisions of paragraphs 11b and 10 until further notice.

2. So much of paragraph 11b, Circular No. 13, War Department 1944, as is in conflict with the above is rescinded.

3. Paragraph 13, Circular No. 13, War Department, 1944, is rescinded and the following substituted therefor:

13. In all instances where a man has filed an application for pension, the hospital will advise the man of the procedure set forth in paragraph 11c.

[A. G. 220.811 (18 Feb 44).]

BY ORDER OF THE SECRETARY OF WAR:

G. C. MARSHALL,
Chief of Staff.

OFFICIAL:

ROBERT H. DUNLOP,
Brigadier General,
Acting The Adjutant General.

AGO 209

General TOMPKINS. When this new system of anticipating the discharge of disabled personnel and promptly handling their claims has had a chance to prove itself, it is understood it will be only rare cases where more than 10 days will be needed between the time a claim is filed and adjudication thereon is had.

Senator LUCAS. General, will you briefly tell us what that order is? General TOMPKINS. I would like to ask that Major Joynt explain that. Major Joynt, will you explain circular 13?

Senator LUCAS. I do not want a long discussion on it.

Major JOYNT (Maj. John B. Joynt, Adjutant General's Office, Control Division, Army Service Forces). As soon as it is determined that a man is going before the board for disability discharge we collect the necessary papers. This will be several days in advance of the discharge, so at the time of discharge we will not only have the pension applications which he files with the Veterans' Administration, but we also have the various records which the Veterans' Administration will need to promptly adjudicate the claim once they receive it. Under the new procedure the discharge will be effected within 3 days after the board of officers determines that the man should be discharged for disability.

It is contemplated that he will leave the post in the morning on the third day after the board meets. We purposely time it so he will leave in the morning when the transportation is not crowded. That is it in general. If you want more details I will be very glad to give them to you.

Senator LUCAS. That is all right. Thank you, sir.

General TOMPKINS. The War Department and, I understand, the Navy Department therefore urge the committee to give the present system now in operation an opportunity to work rather than impose the restrictions contained in title I of S. 1617 and the amendments offered thereto. If future experience indicates needed legislative change, appropriate legislation can be obtained at that time.

One of the proposed amendments of title I of this bill would give an individual waiting for the determination of his claim by the Administrator of Veterans' Affairs the right to request and be granted a terminal furlough with full pay and allowances, including dependents allowances for the period until his discharge is effective. This provision, in substantially the same form, has been previously commented upon by the War Department and the Navy Department and it is the combined view of both services that such a provision would result in a situation which would be unsatisfactory to both the Army and the Navy. Many complicated and difficult questions would arise while men are on a furlough status and away from the control of the service they are members of, which would make their control a most difficult problem especially when the volume of discharges increases to a large number.

The War and Navy Departments have carefully considered those provisions of title I requiring the Secretary of War and the Secretary of the Navy to permit representatives of the veterans organizations, as specified in section 2 of the act of June 29, 1936, and such other organizations recognized by the Administrator of Veterans' Affairs in the presentation of claims under laws administered by the Veterans' Administration, to function in military or naval installations from which persons are discharged from the military and naval service. It is assumed that such representatives would function at those military and naval installations for the purpose of advising servicemen as to their rights to pensions and other benefits. The commanding officers of the military and naval installations would be required under the bill to provide any necessary space and available equipment for such representatives.

The War and Navy Departments deeply appreciate the spirit of cooperation exhibited by the personnel of the many veterans organizations in their desire to be of assistance to members of the land and naval forces awaiting discharge for disability. However, it is believed that these provisions of the bill would have unfortunate results for the following reasons:

The War and Navy Departments feel that it is imperative that the information disseminated among the personnel at military and naval hospitals and installations should be closely scrutinized and examined in order to avoid the receipt of possibly inaccurate information by such persons. But, under the proposed legislation, no such right of control is provided. Moreover, the War and Navy Departments are now making every effort to present accurate information to all such servicemen concerning their rights to pensions and other benefits.

The military and naval hospitals and discharge installations are generally loaded to capacity, and as the war progresses, the need for all available space at such places will become more acute. It is manifest that to require military and naval hospitals and installations to furnish the representatives of all veterans organizations with any necessary space and available equipment will be most impracticable.

The act of Congress, approved April 24, 1912, authorized the President to employ the American Red Cross to serve directly with the armed forces at Army and Navy hospitals and installations. The assistance to military and naval personnel at such hospitals and installations is now being adequately rendered by the American Red Cross, and the War and Navy Departments do not believe that any additional personnel from veterans organizations in this connection is necessary. It is felt that the efforts of representatives of veterans organizations could be used to greatest advantage if they are directed toward assisting the men after discharge, particularly in view of the steps now being taken to ensure that military and naval personnel will be fully advised as to their rights.

I might add, Mr. Chairman, that the War Department is now having printed a handbook which shows all the rights which a veteran is entitled to and which will be placed in his hands before discharge. That is in process of being printed and I imagine it will be out in the matter of 10 days or 2 weeks.

Section 301 of the bill would authorize and direct the Administrator of Veterans' Affairs to confer with the Secretary of War and the Secretary of the Navy for the purpose of establishing boards of review in the War and Navy Departments, composed of five members each. Such boards would review, upon the request of a former officer or enlisted man or woman, the type or nature of his or her discharge or release from active duty. Such review would be based upon all available records of the service department relating to the person requesting such review, and such other evidence as might be presented by such person. Witnesses would be permitted to present testimony either in person or by affidavit, and the person requesting review would be allowed to appear before the appropriate board in person or by counsel. The term "counsel" would be considered to include, among others, accredited representatives of veterans' organizations recognized by the Veterans' Administration under section 200 of the act of June 29, 1936, Public Law 844, Seventy-fourth Congress. Such boards would have authority to change, correct, or modify any discharge or release from active duty in accord with the facts presented to the boards.

It is significant that the boards would have authority to change, correct, or modify any discharge or release from active duty. The unlimited authority granted to such agencies would transcend the powers of the President and the powers of the courts martial, as established by statute, with demoralizing effect upon the administration and discipline of the Army and Navy. For these reasons, among others, the War and Navy Departments have strongly opposed a number of bills, similar in purpose, introduced in the Congress during the past 10 years.

The authority to change, correct, or modify a public record is contrary to the principle of the inviolability of a public record, a principle uniformly upheld by the decisions of the courts and opinions of the Attorney General of the United States. In the records of the War and Navy Departments mistakes of fact may be noted and additional facts or evidence placed with the records, but the records themselves must stand untouched. The War and Navy Departments believe that to authorize corrections or alterations in their records is unsound.

The Congress has been liberal in dealing with the veterans whose service has been "honest and faithful," whose discharges were honorable, or whose injuries or disabilities were incurred "in line of duty." Existing laws, however, confer no favors on deserters, men who enlisted fraudulently, or those convicted of crime or violation of law or regulations. Should the proposed legislation be enacted it would open the way for conferring favors upon many persons who shunned their responsibilities, disobeyed orders, committed crimes, or were otherwise unfaithful to the trust reposed in them, thus placing them in the same class, and entitling them to the same benefits, as those whose service has been "honest and faithful."

With respect to title III of the proposed bill dealing with the education of veterans it is suggested that this committee give consideration to the incorporation of the provisions of S. 1509, which has already received the general approval of the Army and Navy, in lieu of the provisions of title III.

Senator CLARK. What is S. 1509?

General TOMPKINS. That is the Thomas bill, what is known as the Thomas bill. It has been revised. I have a copy of it.

Senator CLARK. Senator Thomas is not here right now.

General TOMPKINS. I understand a good many changes have just been made in S. 1617 which probably have satisfied the objections made by the War and Navy Departments.

Senator LUCAS. Do I understand the War and Navy Departments are in favor of the Thomas bill?

General TOMPKINS. The general provisions, the general principles of the bill.

Senator CLARK. General, may I ask what interest the War and Navy Departments have in that particular title of the bill? After they are discharged from the Army or Navy, what do the Army or Navy have to do with them? It would be somewhat beyond the purview of the War and Navy Departments.

General TOMPKINS. They simply suggest that you might give consideration to it. We have no suggestions as to the administration of the bill or any of the specific details of it.

Senator CLARK. We are glad to have your views. Is there anything else?

General TOMPKINS. I appreciate the opportunity to appear before the committee to express the views of the War and Navy Departments, and hope you will give earnest consideration to the elimination from this bill of the undesirable provisions described.

Senator CLARK. Any questions, Senator George?

Senator GEORGE. No, sir.

Senator CLARK. Senator Lucas?

Senator LUCAS. No.

Senator WILEY. Might I ask a question?

Senator CLARK. Yes.

Senator WILEY. Have you a copy of the bill in front of you?

General TOMPKINS. Yes.

Senator WILEY. If you refer to section 103, which is at the bottom of page 3 and the top of page 4, I wanted specifically to get your interpretation of that part of the language on page 4 where it says:

The Administrator of Veterans' Affairs shall have authority to place officials and employees designated by him in such Army and Navy installations as may be deemed advisable—

then we come to it—

for the purpose of adjudicating disability claims of, and giving aid and advice to, members of the Army and Navy who are about to be discharged from military service.

Now, my question is about the phrase "who are about to be." I have in mind the situation that I mentioned in my brief remarks here today of what I think is the imperative need to the Republic and to these boys when they are about to come back to this country, as they are coming back now, a good many of them, before they even enter a ship there is need of men who can give direction and guidance to them because of their, let us say, mental, physical, and psychological condition.

Now the phrase "who are about to be discharged"—do you think that is broad enough so that it would mean the Veterans' Administration could have representatives in Europe on any of the battlefields, you might say, that when the wounded are about to be sent back the Veterans' Administration could have a representative there to counsel, to advise, to encourage, and so forth?

General TOMPKINS. Mr. Senator, I think anything the Veterans' Administration wished to do would probably be accepted by the War and Navy Departments. We work with them 100 percent. I do not believe there would be any difficulty about making any arrangement which they desire.

Senator WILEY. I think that answers the question. In other words, "who are about to be discharged" must be considered as a limiting phrase, it might not reach far enough back so it would mean the Army and Navy would have jurisdiction on the sea or on the Continent.

General TOMPKINS. I feel the War Department and the Veterans' Administration would certainly work that out without any difficulty.

Senator WILEY. Thank you.

Senator CLARK. Are there any further questions? If not, thank you very much, General.

Governor Stelle, do you wish to make a statement?

Mr. STELLE. Not now.

Senator CLARK. Mr. Ketchum.

STATEMENT OF OMAR B. KETCHUM, NATIONAL LEGISLATIVE REPRESENTATIVE, VETERANS OF FOREIGN WARS OF THE UNITED STATES

Mr. KETCHUM. Mr. Chairman and gentlemen of the committee; my name is Omar B. Ketchum. I am the national legislative representative of the Veterans of Foreign Wars of the United States.

Mr. Chairman, 2 weeks ago today I came here in company with the national legislative committee of the Veterans of Foreign Wars and at that time advised this committee there had been a conference between the Veterans of Foreign Wars and the American Legion, and that we had agreed to certain changes which should be made in a bill previously identified as S. 1617 and popularly called the G. I. Bill of Rights, and on that morning the chairman of our committee just briefly outlined some of the suggested changes.

This morning the committee has before them what is identified as a committee print, with no bill number, but it is the revised draft of former S. 1617 and is the bill which the Veterans of Foreign Wars and the American Legion have agreed upon.

It is to be regretted that the spokesman representing the War Department did not have a copy of this revised bill at the time his report was prepared.

Senator CLARK. This bill was just printed this morning.

Mr. KETCHUM. That is correct. We are very sorry that the general did not have the benefit of the revised draft before he prepared his report to the committee. I think if the War Department will examine this committee print they will find that some of the objections, or most of the objections which they raise have been eliminated from this bill. No doubt, however, their objection to that portion of the bill which would grant the right of accredited veterans' organizations to send agents into the Army and Navy installations to advise with the personnel who are about to be discharged, no doubt their objection would still stand, because that chapter remains approximately the same as it was in the original S. 1617.

Senator WILEY. Was that the language I read, sir?

Mr. KETCHUM. No; the language you read had to do with the Veterans' Administration sending representatives in.

Senator WILEY. Yes.

Mr. KETCHUM. The objection made by the War Department was, as I understand it, they were objecting to permitting representatives of accredited veterans' organizations being permitted to come into the hospitals and advise with personnel who are about to be discharged. I cannot agree, of course, with the objections of the War Department on that. We believe that those men who are serving the American Legion, the Veterans of Foreign Wars, the Disabled American Veterans, and other accredited organizations fully understand the rights of the men who are about to be discharged and that they could render invaluable aid to these men.

Senator CLARK. You would probably know as much about it as the Red Cross, would you not?

Mr. KETCHUM. I would say, without attempting to be unduly smart, Senator, it is my belief that they would know more about it than some of the War Department personnel and some of the Red Cross personnel who are at the present time attempting to advise these men.

So far as their objection to holding these men in the service until everything has been adjudicated is concerned, I am sure that if the

War Department will read the revised print, or the committee print, they will find that language has been greatly altered and will meet the objections which they have raised.

Senator LUCAS. Mr. Ketchum, how many accredited organizations are there now? How many accredited veterans' organizations?

Mr. KETCHUM. Under the bill specified here, which refers to the act of June 29, 1936, Public Law No. 844, Seventy-fourth Congress, I think that specifically sets forth the American Legion, the Veterans of Foreign Wars, the Disabled American Veterans, and the United Spanish-American War Veterans, I think it sets forth those four. Of course, the Administrator of Veterans Affairs may accredit such other organizations in addition to those specified in the law as he may see fit—I don't know, but the representative of the Veterans' Administration can probably tell you how many others. This says "accredited representatives of veterans' organizations specified in section 200 of the act of June 29, 1936." It does not say all groups that are accredited, it says "accredited representatives of the veterans' organizations specified in the act of June 29, 1936." I think the War Department ought to understand this does not say everybody that is accredited by the Veterans' Administration, only the accredited veterans' organizations.

Senator CLARK. It would be limited to those set forth in the law and which are specifically recognized under the authority of law.

Mr. KETCHUM. That is right. So it would be very definitely limited. I understand there are probably 50 groups that are accredited, not veterans' organizations, you understand, but 50 groups that are accredited by the Veterans' Administration. This bill does not provide that they shall all go in. This is limited to accredited veterans' organizations.

Senator LUCAS. I see.

Mr. KETCHUM. Another point, the War Department made opposition to the section on reviewing discharges, and the spokesman pointed out it probably would be unwise to set up this board to consider the discharge of anybody who wanted a discharge reviewed. I do not think there is a veteran organization in this country that cannot bring before this committee examples of some very, very unsatisfactory discharges, I mean unsatisfactory from the standpoint of the determination which has been made on them. We can even show you discharges that have been issued indicating the man was discharged before he ever went into the service. Those are errors.

Now, the only way you can correct those errors under the existing law would be to appeal to the Congress. There are mistakes being made constantly in discharges and we believe there should be a procedure to permit those discharges to be reviewed.

I might say the general did not have the advantage of the new draft before him when he made objection to that.

Senator LUCAS. What page, sir?

Mr. KETCHUM. The reviewing authority on page 6. There has been a change made in that. This is the language, evidently, that the War Department did not have before them at the time they made this report. Now, I am speaking of the board that is authorized to be set up under this bill. This appears on page 7, line 17:

Such board shall have authority to change, correct, or modify any discharge or release from active duty in accord with the facts presented to the board. The Articles of War and the laws for the Government of the Navy are hereby

amended to authorize the Secretary of War and the Secretary of the Navy to establish such boards of review, the findings thereof to be subject to final approval of the Secretary of War or the Secretary of the Navy, respectively.

Now, I think that answers the objection from the War Department that there would not be any control whatever over the action of this board. It takes it, in the final analysis, back to the Secretary of War and the Secretary of the Navy in the matter of the findings of the board. As I say, it is to be regretted that the War Department did not have this committee print in front of them at the time they wrote their report.

Now, let me point out something else. The War Department report mentioned what was referred to as title III on education of veterans, that is now title II, education of veterans, and the objections which were pointed out in there to a large extent have been met, because the language of this new title is, to some extent, the language of the original Thomas bill, S. 1509.

Senator CLARK. A serious effort has been made, and is being made, to adjust the differences between the original print on the subject of education and S. 1509 introduced by Senator Thomas, also the amendment introduced by Senator Maybank and Senator McFarland.

Mr. KETCHUM. That is correct.

Senator CLARK. A very serious effort is made to adjust the differences.

Mr. KETCHUM. That is correct. I might say further, Senator, that title II that is now in the committee draft meets every suggestion that was offered by the special board appointed by the President to make a study of an educational program for the returning servicemen. This incorporates every point that that board made. So it is a sincere effort to meet the suggestions of the special board, to meet the ideas of Senator Thomas and to meet the ideas of this organization and we believe it is a very splendid section in there at the present time.

I shall not take up any further time except to make this one statement, Mr. Chairman and members of the committee: There was an article that appeared in one of the local Washington newspapers last evening which made reference to an adjusted-service pay bill which is sponsored by five veterans' organizations, and the article in the newspaper would lead one to believe that the adjusted-pay bill was introduced as a direct attack on this so-called bill of rights.

I want to say for the record that the Veterans of Foreign Wars—and I cannot speak for the other four groups who join with the Veterans of Foreign Wars on the adjusted-service pay bill—but for the Veterans of Foreign Wars, we do not consider the adjusted-service pay bill in any way incompatible or inconsistent with this so-called bill of rights. We believe that there is every reason for the Congress to consider both bills.

One of them is a strictly adjusted-service pay. This committee print which you are considering is a schedule of potential benefits set up for the returning servicemen of World War II and has no relationship whatever to the other bill which has been introduced. So I want this committee to know, and the press to know that the Veterans of Foreign Wars are wholeheartedly in support of this new revised bill which is identified as the committee print this morning, and that our action in joining in support of an adjusted-service pay bill does not

mean that we are opposed to this bill. We are wholeheartedly with the American Legion on this committee print. I want to make that clear so that the press would not, in the future, attempt to say, insofar as the Veterans of Foreign Wars are concerned, that we were trying to put another bill into the Congress that would emasculate or destroy this bill.

Senator CLARK. I think that is very clear. The two bills are on entirely different subjects.

Mr. KETCHUM. That is entirely right.

Senator CLARK. The only connection between them is that they both deal with the subject of veterans and benefits to be given the veterans by the Government.

Mr. KETCHUM. That is correct, sir. Our organization is on record for an adjustment of the pay of the men who serve and the bill we have proposed in common with the other veterans' organizations would provide a definite reward to every person who serves, from the buck private to the four-star general on the basis of length and type of service. We say it is strictly an adjusted-service pay act and has no relation to this bill.

If there are no questions, Mr. Chairman, I shall be glad to vacate the chair.

Senator LUCAS. I just want to make this one statement, sir, before you leave: I think the fact that your organization has joined with the American Legion in agreeing upon this type of legislation is an indication that you have made a real contribution to the veterans who are coming back from World War II.

Mr. KETCHUM. Senator, I appreciate your saying that, but I do want you to know that in joining on this bill we are merely following out the mandates of our own encampments. Everything that is in this bill the Veterans of Foreign Wars are on record for and were endeavoring to secure through other individual bills. We are for it, of course. We think it is a splendid thing.

Senator LUCAS. I am very happy that these two great organizations have now come in with legislation upon which they both agree.

Mr. KETCHUM. That is right.

Senator LUCAS. I hope that all veterans' organizations may finally get together on this bill.

Mr. KETCHUM. As you pointed out, Senator, what has happened, the two organizations have correlated their two individual programs and have united them together in this one bill.

Senator CLARK. Let me say, Mr. Ketchum, in addition to the efforts of the veterans' organizations, a very sincere effort has been made to get together with the idea of the Senators who could be considered more or less authorities. Senator Wagner has been consulted.

Mr. KETCHUM. That is correct.

Senator CLARK. It is substantially in conformance with the purpose of the bill which he has introduced. I think this present bill, while it does not in all respects meet with Senator Wagner's ideas, very largely coincides with the views he expressed before this committee. Efforts have been made to do the same thing with Senator Thomas' bill and Senator Maybank's amendment, to reconcile the views of all concerned on the controversial issues in the bill.

A very sincere effort has been made in getting this revised print to meet the views of people who have been interested in the subject, and some of who are considered authorities on every phase of it.

Mr. KETCHUM. There is one other point. Some of the officers representing the War and Navy Departments this morning did see this committee print at the last moment. They raised a question as to one section. I think they had no general objection to the section but they thought there should be the word "pension" put in. That is in section 104 on page 4, line 12. The War Department raises the question, or at least one of the officers did to me, I forget which one it was, as well as a Navy captain raised the question as to whether that should not be more definite when it says he has executed a claim. They say that language is so broad that it might mean any type of claim, and they would like to see that pinned down to a pension claim or compensation claim, so it would not be so broad as to cover some question of insurance or many other things which the veteran might take up with the Veterans' Administration.

I am not speaking for the Legion but I will say for our organization I would have no objection to the word "compensation" or the word "pension" being inserted between the words "a" and "claim," if they want to tie it down to a little closer language there.

Are there any further questions?

Senator CLARK. Thank you, Mr. Ketchum.

Mr. Rice.

STATEMENT OF MILLARD W. RICE, NATIONAL SERVICE DIRECTOR, DISABLED AMERICAN VETERANS

Mr. RICE. Mr. Chairman and gentlemen of the committee: My name is Millard W. Rice. I am the national service director of the Disabled American Veterans, the organization that is composed exclusively of America's disabled and wounded war veterans.

Mr. Chairman, I regret to say that I have not had the opportunity of looking over the committee print, which was just made available this morning. In several respects it is different from the mimeographed copy of the proposed substitute for the bill that has been before the committee, and I have had no opportunity to make the detailed comparisons that ought to be made to testify concerning all of the sections and titles of this bill, but there are several observations that I should like to make concerning it.

The bill, in its amended form, is considerably less objectionable than the original bill that was introduced before this committee in that the benefits provided for therein have been modified to conform more nearly with the length of a man's service and the sacrifice that he has made, but it is still objectionable in several respects in that most of the administration of the additional benefits for able-bodied veterans would be imposed upon the Veterans' Administration in addition to its vast, expanding responsibilities on behalf of the service-disabled veterans. We of the Disabled American Veterans are very apprehensive that if the Veterans' Administration is to be imposed with a lot of responsibilities as to which it has not had any past experience that its Administrator, its Assistant Administrators, and its chiefs of claims would have to take up so much time in the consideration of new problems and policies and procedures on behalf of the able-bodied veterans that the proper solution of the problems of the service-disabled veterans will naturally suffer.

For that reason we believe several of the titles of this bill wherein it is provided the Administrator of Veterans' Affairs should administer those benefits should be transferred to some other more appropriate agency.

Title I would provide, in effect, that the Veterans' Administration should be made a war agency, and would provide for the expansion of hospital facilities and a speedier adjudication of claims. That is on the whole a very good title, but most of the objectives therein can be accomplished administratively.

May I state that the most important objective is that all of the records pertaining to any man who has suffered any kind of disability during the time of his service should be made available prior to his final predischARGE examination, and that those records should then immediately be made available to the Veterans' Administration? The War Department, as well as the Navy Department, has made much progress toward that end, but if the Congress should call upon the War Department and the Navy Department not to discharge any man until all official records and all medical records were first assembled and available to the doctor at the time of the examination, then a lot of the rest of the procedure that is outlined in this bill for the pre-adjudication of the claim prior to discharge would be unnecessary.

We of the Disabled American Veterans believe that such a procedure would be much preferable and would be in line with the recommendation made by the general representing the War Department this morning, that there would be no interference with the functions of the War Department or the Navy Department, but that the primary thing that is of interest to the disabled man, that is that all records should be available, would have been accomplished. That would probably not require any legislation if the War Department and the Navy Department should announce such a policy. Their department circular No. 13 has very closely approached toward that objective but has not yet made it an absolute requirement that such records should be made available prior to the last pre-discharge examination and should thereafter immediately be turned over to the Veterans' Administration.

There has been much progress made, in that such records as are available shall be immediately turned over to the Veterans' Administration. The Veterans' Administration in turn has also made much progress in speeding up the adjudication of claims of disabled veterans by stating that they will make the adjudication on the basis of such records as are available, and if their right is clearly established they will immediately make the necessary adjudication as to those claims and then defer action in the event additional evidence is necessary as to the rest of the claim.

Senator CLARK. Now, Mr. Rice, let us be fair in this. Do you say some of the things can be done by administrative action?

Mr. RICE. That is right.

Senator CLARK. And some have been done by administrative action?

Mr. RICE. That is right.

Senator CLARK. Most improvements that have been made—and I apply this not only to the Veterans' Administration but to the War Department and to the Navy Department, and all the rest of them—were made as the result of legislation; isn't that true?

Mr. RICE. That is correct.

Senator CLARK. Then why do you object to writing it into the legislation?

Mr. RICE. I do not object, but I think the legislation might take a simpler form if it would provide that all the records should be made available prior to the man's discharge and prior to the time he is given the last examination, and then the matter of the adjudication of the claim is more or less immaterial. That can be made after his discharge if the records are first made available prior to his last examination. We, therefore, recommend that the bill be amended to so provide.

Chapter III of title I, to provide for the reviewing authority, is a very good provision and embodies the objectives previously in other bills that have been before Congress for several years, as to which no action has yet been taken. There is a necessity for some action as to the changing of the discharge certificates, or at least as to changing conditions of eligibility as to certain claims, as to benefits that might otherwise be provided by the Veterans' Administration.

I would suggest that be a further amendment to section 301 so that it would, in effect, provide that the authority should rest entirely with the Secretary of War and the Secretary of the Navy. In other words, to delete the first language in there that has reference to the Administrator of Veterans' Affairs and it should state, "the Secretary of War and the Secretary of the Navy are hereby authorized and directed to establish boards of review", and so forth, and put the responsibility directly upon the War Department and the Navy Department, to make it a directive from Congress; whereas, in the language as it is now in that section it would be the expression of the wish that the War Department and the Navy Department might, in cooperation with the Veterans' Administration, arrange to establish such a board of review.

Toward the end of that section where it states: "To change, correct, or modify", I would insert the words "or to cancel and reissue in modified form any discharge or release from active duty in accordance with the facts presented to the board. The reason for that is a discharge certificate might be changed on its face and there might be x-ed through the objectionable words, but still the words are legible to anyone to whom the discharge might be presented. That has already occurred. There have been changes on the discharge certificate which did not arrest the impression which was given on the first entry of such discharge certificate.

Senator LUCAS. Do you consider it is a very serious objection? Do you consider what you say now about section 301 is a very serious objection?

Mr. RICE. I think the War Department and Navy Department under the language that is now used could decide that they did not want to establish any such board.

Senator CLARK. Do you have the revised copy, Mr. Rice? It says:

The Administrator of Veterans' Affairs is hereby authorized and directed to confer.

Mr. RICE. That is right, he confers with him. Then what do they do?

Senator CLARK. It says, "to establish boards."

Mr. RICE. That is not a directive, as I see it, from Congress, it is the expression of a wish that that will be the result. On that, if you elimi-

nate the reference to the Administrator of Veterans' Affairs I see no reason why there be need to confer about it. The directive from Congress directly to the War and Navy Departments that they shall establish such boards of review, so they can direct them to do that, Senator Lucas, or rather, can direct them to issue a new certificate

Senator LUCAS. My question was directed to the statement you made.

Mr. RICE. I think it would be more sure if the Congress itself directed the formation of such a board.

Senator LUCAS. It does not seem to me to be very material.

Mr. RICE. There have heretofore been failures to comply with the expression of a wish by Congress, and it seems to me any doubt could be removed by a very simple change in that language. I do think it is important that it be clear that a new certificate, or a modified certificate, can be issued to the man, so that the first entries are not obliterated or crossed out and are still apparent to the man.

As to title II, it would provide opportunity for education to the discharged veterans of World War II where they have had not less than 6 months of military training, having changed the bill from 3 to 6 months, and would give them an opportunity for 1 year of training, and in the event that a special board should decide that their aptitudes were such, in effect, that they might profit by it, they could be granted a period of 3 more years of such training, provided that that training must not exceed the length of service of the men. This proviso is much better and much more proportioned to the sacrifice made by the men than was the original provision, but it would still provide that the vocational training should be administered by the Veterans' Administration though a separate service to be established in addition to the present vocational rehabilitation set-up as to the service-connected disabled veterans.

Senator LUCAS. Do you agree that paragraph 10 (a) in title II is adequate?

Mr. RICE. Senator Lucas, I personally believe that the matter of the post-war education of able-bodied veterans should not be the responsibility of the Veterans' Administration.

Senator LUCAS. I am not talking about the administration of it, I am only asking you what the substance of section 10 (a) there is. Under this new print provisions have been liberalized, as I understand you to say, more in conformity with your views.

Mr. RICE. I think, as a matter of fact, they have been contracted somewhat. Heretofore the basis of eligibility was 90 days of service. This has been made to require 6 months of service before they would become eligible for the completion of any educational course of training. It cannot be equitably worked out the way it is, as I see it, but it is probably more equitable on the basis of service than the prior bill.

Senator LUCAS. Does that paragraph as it is now written satisfy your organization, standing alone?

Mr. RICE. May I declare this, Senator: We do not feel we should testify as to the precise benefits to be given to the able-bodied veterans, except insofar as they might interfere, in our opinion, with the benefits provided for disabled veterans, and except on the general basis that there ought to be post-war adjustment applied to veterans generally.

Senator LUCAS. You commented at some length on section 10.

Mr. RICE. That is right.

Senator LUCAS. It seems to me it is a very important provision. I am trying to get from you an expression of opinion as to whether or not you or your organization believes that is adequate.

Mr. RICE. So far as section 10 (a) itself is concerned, I have no objection to that. Our objection goes to the fact that the educational courses to be provided under title II would become the responsibility of the Veterans' Administration.

Senator LUCAS. I understand that is a fundamental objection.

Mr. RICE. We believe it ought to be made the responsibility of some agency other than the Veterans' Administration.

Senator CLARK. Mr. Rice, that is a fundamental difference in this bill. I would like to ask you when you have changed your position on it? I recall very well indeed having numerous conferences with you and hearing some very eloquent testimony from you in this committee on this precise question when the rehabilitation bill was before this committee, and later before the Senate last year, when the only question involved was as to whether that activity of vocational education for veterans should be put into the Veterans' Administration or should be part of a general scheme to be put into the Social Security Administration, and you pointed out very cogently the absolute necessity of all veterans' activities being joined in one agency so the veteran would know that he had one place to go where he could be fully taken care of, which was then my position, and still is. I want to know when you changed your mind about it?

Mr. RICE. As a matter of fact, I have not changed my mind since that time. It is true I did very persistently insist that the Veterans' Administration should be charged with all of the governmental responsibility as to the service-disabled veterans, and I still so insist. It ought to continue to be the agency primarily to deal with the problems of the service-disabled veterans. It should have the responsibility of administering all governmental benefits for the service-connected disabled veterans and their dependents and other disabled veterans as to whom they now have jurisdiction. I have not changed my mind about that at all.

I did appear, it is true, before the Committee on Education and Labor and almost had a misunderstanding with Senator La Follette because of my insistence upon that point, but I do not think there is anything inconsistent between what I said then and what I am saying now.

Senator CLARK. The only difference between Senator La Follette and myself on that rehabilitation business is on that specific point.

Mr. RICE. Yes.

Senator CLARK. As to whether all veterans' benefits should be in one administration or whether they should be scattered around as part of a general scheme.

Mr. RICE. I think it is rather ironic, if I may point it out, that at the time I appeared before this committee and the House Committee on World War Veterans' Legislation on a bill to provide that the veterans of World War II should be the responsibility of the Veterans' Administration, I endeavored to persuade the committee that the bill should be sufficiently broad to include all service-connected disabled veterans, not merely World War II veterans but all veterans, and also that the bill should be further liberalized as to the

service-connected disabled veterans, but at that time there was a fear that the cost to provide vocational rehabilitation to some World War I veterans and others who might need vocational training would be too heavy, and the committee failed to pay any attention to my recommendation at that time. The committee has changed its mind, if I may say so frankly, and has decided to go much more extensively into it and to include all the able-bodied veterans of World War II but there is nothing so far which would extend the privilege of vocational rehabilitation as to veterans of World War I who may still need that vocational rehabilitation training. We believe that ought to be done.

I believe there is provision in H. R. 2950, which I would like to introduce in the record at this moment, which ought to be incorporated in this bill and which, if enacted, would give the Veterans' Administration the responsibility and the authority to provide needed vocational rehabilitation for service-connected veterans of all wars, in peacetime service.

Senator LUCAS. Let me get your position straight, if I may. Do I understand you to say it is the opinion of your organization that all disabled men, or, rather, the service-connected disabled men in World War II, should be administered through the Veterans' Administration?

Mr. RICE. That is right.

Senator LUCAS. Then any man who comes out of World War II without a disability and is seeking any benefit from the Government, education or otherwise, that individual should not be under the jurisdiction of the Veterans' Administration?

Mr. RICE. It is not quite so categorical as that, because I would not take away from the Veterans' Administration any of its present jurisdiction or responsibility. As to disabled veterans suffering with non-service-connected disabilities, or as to the insurance, or as to domiciliary care, or as to widows' and orphans' benefits that are granted veterans, any of the present jurisdiction which they now have should be retained by the Veterans' Administration. It is having a vast expanding job right now that is necessitating a vast expansion of its facilities and its personnel to take care of the problems of the disabled veterans without also taking care of the problems of able-bodied veterans.

Senator LUCAS. Just briefly, what would you understand those problems of the able-bodied veterans to be under this legislation?

Mr. RICE. Under this proposed legislation to provide them an opportunity to complete educational courses, to be permitted to make loans up to \$1,000 in order to purchase or improve farms or homes or business equipment, and also to provide unemployment compensation benefits to veterans in the event of their unemployment, the same measured on the basis of the length of their service, all of that to be done by the Veterans' Administration, and we believe that might better be done by some other Federal agency.

Senator LUCAS. Would you put all those responsibilities and duties under some other Federal agency?

Mr. RICE. I would.

Senator LUCAS. Or would you leave them in some separate agency, depending on the kind and character of problem that it is?

Mr. RICE. Exactly so. If I could be permitted to make the recommendation, it would seem the matter of post-war education of able-bodied veterans should be the responsibility of the Office of Education, through the State offices of vocational education. Possibly it should be the responsibility of the State agencies alone, as it was after World War I, and aided in part by the benefit a man might redeem from such adjusted-service pay that he might be entitled to under another bill before this committee. That, we believe, would be a better approach to the whole problem, in that it would also provide the same benefits on adjusted-service pay to the disabled veterans, whereas this bill practically provides nothing for service-connected disabled veterans that they are not entitled to. The adjusted-service pay would give every man adjusted compensation, including the service-connected veteran.

Then if they wanted to redeem it for certain purposes, such as education, to liquidate indebtedness, to take care of their obligations, to buy or improve a farm or home, or because they were unemployed, they would be able to do so, within the limitations of the legislation that might be enacted to that end. That would require no interference with the States' rights, it would require no bureaucratic control or discretionary authority to decide whether or not he could use it for this purpose or that purpose, it would not upset any system whatsoever that already exists, it would be an adjusted-service pay that the veteran had earned comparatively to what civilians were able to earn during the time that the veteran was in military service.

Senator LUCAS. Each of these proposals that you just set forth there, found in this measure, have little or no relation to one another.

Mr. RICE. That is right. That is why they ought to be in different agencies.

Senator LUCAS. You said you are willing to put all those in one agency.

Mr. RICE. No; I did not mean that. I did not mean under some other one agency, but I meant under some other agencies. The unemployment compensation benefits, for example, ought to come under the Social Security Board and its boards on unemployment compensation. The State loans as to agriculture could come under the Farm Credit Administration. I would assume there are several such agencies there, I am not sure whether they are in the Department of Agriculture. The business loans could come under the R. F. C., probably, or the Department of Commerce, and in the matter of homes it could come under the Federal Housing Administration.

Senator LUCAS. It would be very easy for the head of the Veterans' Bureau, in administering the problem as a whole, to bring in one of the three men in connection with farm loans and put him in a room pretty close to him and thereby administer it as well as the agency itself might administer it.

Mr. RICE. I am not wanting to detract from the ability of the Administrator of Veterans' Affairs. The point is he certainly would have to devote a considerable amount of time to such problems.

Senator CLARK. Mr. Rice, your proposition comes down to this, then, doesn't it, as to the disabled veteran, he should have one agency that he would be entitled to go to to find out all of his rights or the benefits that the Government has provided for him, but as to anybody ex-

dept the disabled veteran, he should be shoved from pillar to post, from 18 to 20 agencies, as happened after the last war until the Veterans' Bureau was established?

Mr. RICE. Gentlemen, if I may point out, the difficulty following the last war was not as to the able-bodied men primarily but as to the disabled veterans.

Senator CLARK. The disabled man was in the same situation as the man who was not disabled. I don't know what his rights were, but he had to go from one agency to another. I have had the experience myself, in handling the claim of an old comrade, of writing to one agency and being told that they were not the right agency, and writing to somebody else and being told the same thing, and before we went through with it we had to go to seven or eight agencies.

Mr. RICE. I grant there may be some difficulty about these matters. That is the only reason we have the Veterans' Administration. May I point out there is a very distinct difference between what the Government should do for its service-connected disabled veterans and the able-bodied veterans.

Senator CLARK. That has always been the point, Mr. Rice, but the able-bodied veterans are the people who have made the fight in this country for the disabled veterans.

Mr. RICE. Of course.

Senator CLARK. There has never been a desire by anybody to put the rights of anybody ahead of the rights of the disabled veterans. It is the able-bodied veterans of the last war who made the fight to take care of the disabled veterans, and here you come on behalf of the disabled veterans protesting against rights for the able-bodied veterans.

Mr. RICE. I am not protesting against the rights for the able-bodied veterans. I do not appreciate having my words twisted that way. I protested against submerging the activities on behalf of the disabled veterans of this country and probably jeopardizing those benefits, as was previously done in the enactment of the so-called Economy Act. We do not want that to happen again at the expense of the American disabled veterans. We fear very much overloading the Veterans' Administration, and it might result in exactly that. I call your attention again respectfully to the fact that there are several bills, as to which here is great need for the veterans, that have been shoved out of the way. This bill has been given the right-of-way and later on we can take care of the pressing problems of the disabled veterans. First things ought to be done first, and matters of first importance are those matters on behalf of the service-connected disabled veterans and their dependents.

Senator CLARK. This will be the greatest benefit to the service-connected disabled veterans, this bill which is now under consideration, if it is passed, than has ever been enacted into law, in my opinion.

Mr. RICE. I am sorry I must disagree with the Senator, because I fear it may do exactly the opposite. It will cause the public to think the country is going to be divided between veterans and nonveterans. The public will think the Veterans' Administration is to take care of all veterans, that all veterans will be problem cases. As a matter of fact, all the veterans should be infiltrated with the fact, as far as possible, to again become American citizens.

Senator LUCAS. You do not want it to be in the record that you feel the American Legion or Veterans of Foreign Wars are doing anything to push aside legislation that is vital to the disabled men in this country, do you?

Mr. RICE. I have not said it, Senator, and I have not implied it.

Senator LUCAS. I thought you said certain bills have been pushed aside for this bill which you thought were much more meritorious and you were afraid the disabled men might suffer as the result of it.

Mr. RICE. Yes; I am afraid the disabled veterans may suffer as the result of. Perhaps when I say "pushed aside" I am using the wrong words, but at least they are not now being considered. If I could be permitted to testify concerning that, I would like very much to do so.

On the matter of employment, for example, as to the disabled veterans, that there are certain of the disabled veterans of World War I, in spite of the fact that there is now a shortage of labor, who cannot get employment because of the fear on the part of the employers that by employing disabled veterans they would run the risk of increasing the premiums on insurance payments. Unfortunately, it is not for the committee, but I suggest it for incorporation into the minutes and adding it to this bill if the committee deems proper. Such legislation would provide that the Veterans' Administration should reimburse the private employer, or the private insurance company, or the compensation fund, as to all benefits paid out on the operation of the State workmen's compensation act as to a service-connected disabled veteran who was employed by a private firm.

Then the disabled man would be put on a par, as it were, with every able-bodied person to secure employment. As a matter of fact it would be an inducement for the employers to give suitable employment to the service-connected disabled veteran. That I consider of greatest importance to the disabled veterans coming out of this war. An increasing number right now are finding they cannot get employment because of that one handicap. Canada, since the World War, has had such legislation.

Incidentally, Senator Clark, you requested that I submit to the committee a résumé of the laws in effect in other countries pertaining to veterans' preference. They appear in hearings concerning H. R. 6497 before the House Committee on Civil Service in the year 1937.

Senator CLARK. The committee would be very glad to have them incorporated.

(The matter referred to is as follows:)

STATEMENT SUBMITTED BY MILLARD W. RICE, NATIONAL LEGISLATIVE REPRESENTATIVE, VETERANS OF FOREIGN WARS OF THE UNITED STATES

VETERAN EMPLOYMENT LAWS IN OTHER COUNTRIES

During May 1936, the Honorable Joe Starnes, Member of Congress from Alabama, and the author of H. R. 6407, at my suggestion, requested the legislative reference service, of Congress, to furnish him with a complete set of translated copies of, or verified reports concerning, the veteran employment and civil-service preference laws of other countries which were engaged in the World War, as well as such statistics concerning the number and percentage of veteran employees in each of the respective countries as might be available. This material was furnished to Congressman Starnes during December 1936 and subsequently he turned it over to me.

In some instances photostatic copies of the original statutes were furnished. In other instances some of the material had been secured from the Interna-

tional Labor Office, at Geneva, Switzerland. The information dates back to as far as 1921 and up to as far as 1933.

In my résumé of the laws existing in each such country, I shall not indicate the original source of material, or the dates of same, and it may therefore be that, after a more careful survey and study of original sources, it might be found that the situation may be somewhat different than as reported herein. Nevertheless, the following brief résumés will at least indicate that there has been a greater solicitude in many other countries, as to the employment of war veterans, and particularly of disabled war veterans, than has been the case in the United States.

The résumé as to each country is not intended to be absolutely complete but rather as brief as possible.

CANADA

The Civil Service Commission of Canada is obligated to prepare and maintain a special list of persons in receipt of pension by reason of their services in the war, who (1) have from causes attributed to such services lost capacity for physical exertion to an extent which makes them unfit efficiently to pursue the avocations which they were pursuing before the war; (2) have not been successfully reestablished in some other avocation; and (3) desire to be placed on such lists.

Age limitations and physical requirements shall not apply to any person with military or naval service who had had active service overseas, or who had served on the high seas during the World War, and who had been honorably discharged, if the commission certifies that he is of such an age and in such a satisfactory physical condition that he is unable to perform the duties of the position for which the appointment is sought.

In all examinations for entrance into the civil service, the persons named on such special list who are found to possess the necessary qualifications shall be named, in the order of merit, on the list of successful candidates above all other candidates; and all other persons who have been on active service overseas on the military forces or who have served on the high seas in a seagoing ship of war in the naval forces of His Majesty, or of any of the allies of His Majesty during the war, who have left such service with an honorable record or who have been honorably discharged, or that the widows of such persons, and who, in either case, obtained sufficient marks to pass such examinations, shall, irrespective of the marks they have obtained, be named in the order of merit, on the list of successful candidates next after candidates who are on the special list, and above all other candidates.

Immediately after each examination a list of the successful competitors in the case of a competitive examination, and of successful candidates in order of merit in other examinations, shall be made out and published in the Canada Gazette.

The veterans are exempted from all examination fees.

As a result of this legislation the returned man secured an absolute lien on all positions for which he could qualify. Special efforts were made to acquaint returned soldiers with the opportunities thus opened to them.

Special preference has also been given to returned men by provincial and municipal administrations. Competitive examinations shall be of a character fairly to test and determine the relative fitness and ability of candidates actually to perform the duties of the class to which they seek to be appointed, and any investigation of training and experience, and any test of technical knowledge, manual skill, or physical fitness that, in the judgment of the commission, serves to this end may be employed.

Appointments to the civil service are restricted to those who are not natural born or naturalized British subjects.

From the 1st of September 1918 to the 31st of December 1934, out of the total of permanent and seasonal and temporary appointments of 180,374 made by the Civil Service Commission, 43,523 have been returned soldiers, or 24.13 percent.

As to private employment, it has been noted that for some years pensioners were experiencing difficulty in obtaining employment, due to a feeling on the part of certain employers that by reason of the service disabilities of workmen in receipt of pension, the cost of employers liability would be materially increased. Therefore, in December 1921, authority was granted the Civil Service Department to assure the cost of compensation in respect of pensioners of

20 percent and upward who suffer injury or disease while engaged in industry.

The Soldiers' Settlement Board have advanced the sum of \$144,532,438 for a land settlement among returned soldiers, about one-third of such advances having been repaid.

ENGLAND

Of the 32,600 men now serving in the established general and departmental clerical classes, about 23,000, or 80 percent, are ex-service men, nearly 18,000 having been originally recruited during or after the war in a temporary capacity, without competitive examination.

With a few unimportant exceptions the recruitment of temporary clerical personnel during the last 12 years has been limited to ex-service personnel. The practice of reserving temporary clerical work to ex-service personnel represents the declared policy of successive government.

An extensive plan of providing vocational training, graduated off through placement training into private employment, was followed in Great Britain for several years following the termination of the World War, in as many as 600 different occupations, with grants from the civil liabilities fund having been given in certain trades, such as tinkers, handymen, etc., to enable the men after training to set up in business on their own account.

As a result of this vocational training it was found that during 1923 while the unemployment among adult males insured under the Unemployment Insurance Act was as high as 12 percent, unemployment among former vocational trainees amounted to only about 7 percent.

The British Government adopted several methods of organizing the means of finding employment for disabled veterans, the chief among which are:

(a) The national system of employment exchanges.

(b) The national scheme for the employment of disabled men on a percentage basis, i. e., the King's Roll of Honor.

(c) The establishment of the King's Roll National Council and the King's Roll local committees.

(d) Grants to enable certain types of disabled men to set up in business on their own account.

(e) Grants-in-aid of institutions, such as the Lord Robert's memorial workshops, established for the purpose of providing employment for the severely disabled.

The employment exchanges were in existence since before the World War, and immediately tackled the problem of securing employment for veterans and disabled veterans, taken up in this country only since the passage of the Wagner-Peyser Act in 1933, providing for the establishment of the Veterans' Placement Service within the set-up of the United States Employment Service.

Local employment committees functioning in cooperation with the employment exchanges in Great Britain consist mainly of representative employers and workers.

Under the King's Roll employers generally are requested to employ 5 percent of disabled men and those employers who comply with this requirement are authorized to use a "seal of honor" on their letter paper, and the British Government generally follows the policy of giving its contracts only to those employers who are entitled to be on the King's Roll. This precedent has also been followed by most of the local authorities, as to contracts concerning municipal affairs.

It has been the policy of the Government to give preference of appointment, first, to disabled veterans, and then to other veterans, prior to the employment of other applicants equally qualified. The total male staff of the Ministry of Pensions in 1930-31 numbered 3,370, of whom 95.3 percent were ex-servicemen, and of whom in turn 56.8 percent of them were disabled by the war. The total male staff in all Government departments, October 1, 1932, was 238,925, of whom 157,794 were ex-servicemen, constituting 66.04 percent of the total male employees.

At the end of 1935 the total number of civil-service employees of the British Government was 327,417, of whom 47,653, or 14.56 percent, were disabled war veterans and of whom 113,597, or 34.55 percent, were other war veterans, making a total of 161,255 war veterans, constituting 49.25 percent of the total number of civil-service employees, a percentage of at least three times, if not four times as high, as in this country.

BELGIUM

The civil-service preference laws for veterans appear to be particularly specific in little Belgium.

Any person employed in a State, provincial, or communal office, or in an undertaking placed under State, provincial, or communal control or holding a public-service concession, who honorably served in the army during the war shall be reinstated in his grade and employment immediately on demobilization.

For purposes of promotion and increments in salary or wages the time spent with the colors shall be reckoned as service.

If the fitness of certain men is reduced by disablement or disease so that they cannot normally carry out their former duties, they shall retain the privileges of their grade in an employment which corresponds to their actual qualifications.

Candidates for admission to employment in State, provincial, or communal offices and undertakings shall be classified in four lists.

1. War-disabled ex-service men entitled to a pension for wounds, disabilities, or diseases contracted or aggravated as the result of service in a combatant unit.

2. (a) War-disabled ex-service men entitled to a pension for wounds, disability, or disease contracted or aggravated by military service during the war.

(b) Belgian service men of all ranks who actually took part in the campaign.

(c) Belgians who, although not mobilized, have received recognition for acts of signal civic devotion during the war.

3. (a) The children who were under age on August 1, 1934, of:

(1) Belgian service men who were killed in the course of the operations of war or who died as the result either of wounds received in action or of diseases contracted or aggravated by military service during the war.

(2) Belgians who were shot by the enemy or who were deported and died as the result of the privations and ill treatment to which they were subjected.

(3) Belgians who were not mobilized and were killed as a result of the war.

(b) Belgians who were mobilized but did not come under any of the previous heads.

(c) Belgians who were not mobilized and were wounded as a result of the war.

4. All other candidates.

Candidates registered in the first list above who obtain passing marks shall be classed before all others.

Candidates in the second and third lists who obtain passing marks shall be entitled to have their marks increased by 10 and 7 percent, respectively.

Except where special qualifications are required by law, by tests, or examinations other than competitive examinations, the appointing authority shall give preference first to candidates in the first list, then in the second list, then in the third list, and then finally, in the fourth list, although discretionary authority is specifically reserved for the appointing authority.

The Crown is given the authority to cancel appointments made by provincial or communal authorities or by the poor-law authorities in contravention of the provisions of the Civil Service Act.

For purposes of seniority, time spent by a disabled veteran in the war and time spent in the hospital, or on leave without pay, after discharge, owing to wounds or disabilities, shall be counted as part of his civil-service employment period and if he had been employed by the Government prior to the World War, such time spent in military service shall count double for seniority purposes.

No figures were available as to the number of veterans employed by the Government in Belgium, but judging by the various specific provisions for preference, the percentage of war veterans, and particularly of disabled war veterans, who were employed by the Federal Government, and by the various provincial and communal governments, must be very high indeed.

FRANCE

The time spent with the colors by employees in any State office, or workers and employers in State undertakings, shall be reckoned as an equivalent period of civil service in calculating the length of their service for the purposes of pension and promotions and seniority.

If he had to be discharged because of service-incurred disability prior to the demobilization of the unit to which he belonged, then such difference of time

shall also be counted for seniority, promotions, and pension purposes within the civil service.

Certain paid positions in the gift of the State and of local administrations go by preference to the war-disabled pensioners.

Practically all industrial and commercial undertakings, which employ regularly more than 10 wage earners (male or female) over 18 years of age, whether French citizens or aliens, shall employ a certain number of war pensioners in proportion to their total staff, generally provided as 10 percent thereof. The same thing is applicable as to all agriculture and forestry undertakings which employ regularly more than 15 wage earners.

Lists of the war pensioners still employed must each year be furnished by each employer to the authorities. Such war pensioners must be paid not less than the customary current wage in the trade and in the district, except where it may be shown that the pensioner is conspicuously inferior to other workers in the same category, his wage may be reduced by not more than 20 percent with his concurrence.

Any head of an undertaking who has failed to employ the number of pensioners fixed and give the notice specified as to their employment or nonemployment shall be liable to pay a tax at the rate of 6 francs per working day per pensioner, not so employed.

Pensioners whose physical invalidity exceeds 60 percent shall be entitled to 2 weeks' notice of dismissal in the case of a worker paid by the day or the week, and 2 months' notice, in the case of a worker paid by the month, unless a longer period is customary or is provided for in the contract.

A war pensioner rated as disabled to the point of 80 percent or more, shall count as two.

Vocational training was provided for the war-disabled veterans, and very extensive means were taken to find suitable placement for them.

An interesting survey has been made by the Ministry of Labor of France as to the employment of war-pension holders in large industrial and commercial undertakings, showing the percentage of so employed in the various industries and trades, as influenced by nature and severity of disability.

A significant conclusion of the survey was that the output of war pension holders generally approximates to the normal, and that this result has to a large extent been attained by means of a judicious selection of work, sometimes by the employers, who have organized the work in a suitable way, and sometimes by the disabled men themselves, who have changed their occupation for a more suitable one. This survey also showed that more often the disabled men under consideration hold lower and less well-paid posts than those which they occupied before the war, and that therefore such disabled veterans have been able only partly to escape the consequences of their wounds and disabilities, most of them having had to go down to a lower occupational and wage level, although their output of such lowered occupations appears to be on a par with that of other employees.

ITALY

Positions becoming vacant in public administrations should be assigned in certain proportions to disabled ex-service men, without competition. Proportions of posts so assigned vary, according to the nature of the posts to be filled, from one-tenth to one-half of the available posts. The same policy is in effect as to all private employers; to the end that a certain percentage of the employees of each employer must consist of war disabled veterans. Failure to adhere to such percentages subject the employer to severe fine. At least 5 percent of all employees in addition to the first 10 must consist of war-disabled veterans. The Provincial Employment and Unemployment Council coordinates the placement of veterans, and sees to it that the law is made effective.

Veterans and disabled veterans are given exclusive preference relative to the development of certain State projects, such as the development of the Muscatine Marshes near Rome, etc. These laws are reported to work out very effectively, and the percentage of unemployed ex-service men in Italy is reported to be very small.

POLAND

Employers of labor in agriculture, commerce, industry, and transport shall employ 1 disabled man affected by a severe injury for every 50 manual or non-manual workers employed, through the public employment exchanges, as to

the veterans in the areas formerly under the Governments of Russia, Austria, and Germany. Failure to comply with the law subjects the employer to prosecution and fine.

YUGOSLAVIA

War orphans, children of disabled persons, and other beneficiaries under the Pension Act shall be entitled, when their qualifications are equal, to priority of admission into all public establishments in which the pupils are maintained wholly or partly at the expense of the state, or of the public authorities.

Disabled veterans and veterans and war orphans shall be entitled to priority over other candidates in case of appointment to public office.

Disabled persons may not be dismissed, nor may their applications be refused by reason of their loss of physical capacity, provided that they can perform the regular duties connected with the post for which they are applicants or which they already hold, without danger to themselves or others.

Disabled persons, officers of the Regular Army, military officials, and regular noncommissioned officers, shall be maintained on active service with the troops, or in the administrative services of the Army, if it is proved by medical examination that they are still fit to perform their duties.

Disablement shall not be a bar to promotion.

Disabled persons shall be appointed to posts not requiring particularly strenuous work or previous preparation or to the posts which they held prior to disablement.

The communes named by the Minister of Social Welfare and the provincial authorities shall be bound to employ disabled persons resident in the commune or province, to the extent laid down in a regulation of the Minister of Social Welfare after agreement between the provincial authorities and the provincial association of disabled men.

The Minister of Social Welfare shall grant subsidies to beneficiaries under the present act and to professional associations of disabled persons, in order to enable the said persons or associations to obtain or to improve an independent economic situation.

Severe fines are imposed for violation of the act, by the appointing officer.

AUSTRIA

The war service of war-disabled men, employed under civil service, for purposes of promotion and pension, is doubled before being added to their civilian service.

Industrial undertakings of all kinds are bound to employ at least 1 man disabled in the war for the first 20 employees, and at least 1 further man disabled in the war for each additional 25 employees, provided that such privileged war-disabled employees must be disabled to the degree of 45 percent or more, or those disabled to the degree of 35 percent or more, who are unable to find employment without the assistance of such preferred status.

In undertakings where more than 80 percent of the workers are women, war widows entitled to compensation under the War Pension Act shall be taken into account up to half of the compulsory number.

A compensatory tax is imposed upon those employers, based upon the number of such disabled veterans which they have failed to employ in accordance with such law.

GERMANY

Every employer who desires to fill a vacancy among his employees shall be bound to give the preference over other candidates to a disabled man suitable for the post.

The Federal Minister of Labor has the power to order, subject to the approval of the Federal Council, that the Federal Government, the governments of particular States and other public bodies shall fill a specified proportion of their vacancies for employees, or certain kinds of vacancies, with disabled men.

The Federal Minister of Labor has the power to order private employers to reserve for disabled men in general, or for special classes of disabled men, certain kinds of vacancies for employees which are specially suitable for such men.

The Federal Minister of Labor also has the power to order that every private employer shall fill a specified proportion of his vacancies with disabled men, whereupon he shall not fill the vacancy on his own account, unless the central

welfare office fails to inform him of a suitable disabled man within 6 days of the notification of vacancy. Such compulsory employment of disabled men applies as to those who have been rated as disabled to the degree of 50 percent or more, by reason of disability incurred in service, or who suffering with service-incurred disability of 33.33 percent have been unable, because of such disablement, to secure employment.

Every employer is bound to install and maintain work rooms, plants, machines, and tools of such kinds and nature, in conformance with his particular undertaking as may be necessary to regulate the undertaking in such a way that the greatest possible number of disabled men may be employed therein.

Disabled men may not be dismissed by an employer upon less than 4 months' notice thereof.

Severe fines are imposed for each contravention of the law and regulation pursuant thereof, except the fine may not be imposed if the employer proves that at least 10 percent of his total number of employees consists of such disabled veterans.

A survey showed that the unemployment percentage for seriously disabled veterans was only 4.46 percent, as compared with the general unemployment percentage of 14.44 percent, in March 1924 as the result of such laws.

Ninety-five percent of the disabled veterans in employment are in receipt of full wage rates fixed by collective agreement, their average output being about 60 to 75 percent of the normal average, in spite of suffering with disability of more than 50 percent average.

Although the methods for obtaining the objective had not been the same in other countries, or in any two countries, it does most certainly appear that there has been a much more serious effort to provide the opportunity for employment, both through governmental agencies, and through private employment, for war veterans, and for disabled veterans, in most other countries, than has been the case in the United States.

This material has been submitted to establish that there is ample justification for enacting into law the provisions of H. R. 6497, in the amended form which we have submitted in my testimony.

By comparison with the laws in effect in other countries, it will be noted that there is a precedent for practically every provision embodied in H. R. 6497, and it is our contention that this bill does not in effect go nearly as far in guaranteeing preference of governmental employment to veterans as do the laws of any other country, and that therefore this bill, by comparison, is mild in its provisions.

H. R. 6497 ought to be enacted into law during this session of Congress, lest the failure of the Federal Government to set a real example of extending preferred employment to qualified veterans and disabled veterans, should result in such comparative neglect of providing the opportunity for employment to war veterans, that their increasing unemployment should impel the necessity of much more extensive pension legislation.

Mr. RICE. I wanted to go to the individual sections of the bill. As far as education is concerned, again I want it clear that our organization does not object to the education being extended to the able-bodied veterans, but we do not believe that such education should not become the responsibility of the Veterans' Administration and jeopardize the educational opportunities and other benefits provided for the service-connected disabled veterans.

As to the loans for the purchase of farms and homes and business property, we believe in and endorse the principles of the proposed legislation, but again recommend strongly that it should become the responsibility of other agencies than the Veterans' Administration to provide for the proper functioning of the provisions in title III. Otherwise the objectives, so far as the veterans generally are concerned, are splendid, and we concur in those objectives but believe they ought not to be imposed upon the Veterans' Administration.

May I call your attention to the fact since veterans are citizens they ought to be subject to deal with Federal agencies as other citizens do with respect to their respective problems? It is true that we believe

able-bodied veterans should be entitled to certain preferences, to make up to them for the loss by reason of being employed by the Federal Government during their time of service in time of war.

As to title IV, concerning the employment of veterans, it is a much better title than it was when it was before the committee before, but may I state we feel some apprehension about the Administrator of Veterans' Affairs being named as the Chairman of the Board which is to be in charge of the Veterans Employment Service. There seems to be some doubt, that we have not fully been able to resolve in our minds, as to whether or not there would be two agencies in effect that would have that responsibility, or one agency. I do believe it is desirable that the Administrator of Veterans' Affairs should be represented on the Board, but I express considerable doubt as to whether or not he should be the Chairman, because generally it is the Chairman who has the administrative responsibility. He should have an advisory responsibility, and a strong advisory responsibility, as to the effectiveness of the Employment Service.

I am happy to note that title IV has been so changed, however, as to leave the Employment Service in the United States Employment Service, where it properly belongs. It is a much better title now than it was before. The only change I should possibly recommend would be as to the advisability of the Administrator of Veterans' Affairs having the Chairmanship of that Board. I think it would be better if the Director of the United States Employment Service were the Chairman and the Administrator of Veterans' Affairs were one of the members on that Board.

I also recommend strongly that section 601 be amended. I think the American Legion and the Veterans of Foreign Wars will concur in this recommendation.

Parenthetically, may I say I have not had the opportunity to be in the conferences concerning this bill, as I would like very much to have, and I think there would be a closer proximity to uniformity of opinion on that matter had we had those conferences.

I would like to recommend strongly that section 601 line 12 be so amended as to insert the words "wounded or service connected disabled" prior to the word "veteran," and then after the word "of" to adjust the grammatical mistake and say "of one of the wars" so he does not need to be a veteran of more than one war. It seems to me if preference is to be extended to disabled veterans then every State veterans' employment-service officer should be himself a wounded or disabled veteran. I cannot believe the representatives of the other veterans' organizations would not be in full accord with that recommendation.

Title V, which would provide for unemployment compensation benefits to members of the armed forces, is an infinitely better title than it was when the bill was originally proposed before this committee, and we have no objection to the title as it is now framed, except we do not believe it should become the responsibility of the Veterans' Administration but that it ought to be integrated with the unemployment-compensation responsibility of the Social Security Board in cooperation with the State boards of unemployment compensation. However, we are inclined to believe that this title could have been made somewhat more proportionate to a man's military

service if he were given earned credit on the basis of the length of his service at an arbitrary wage, as it were, and then those credits would be available for draft by the State boards of unemployment compensation, so there would not need to be any Federal supervision whatsoever but would be an earned credit as though the Federal Government had been an actual employer of these men during their time of employment in military service, and then such credit could be drawn by the various State governments and in no way interfere with the present laws, and such credit could be added to the existing credit that might be provided for under existing laws on the basis of past covered employment and on the basis of the amendments of State laws themselves.

It would seem to me that such an approach would be fair, rather than the one providing the direct benefit by the Federal agency. Then such credit as the man had prior to the military service should be frozen in his favor. Most of the States, I understand, have so provided, but there ought to be some Federal legislation which would, in effect, provide that honor upon the States to see to it he had a freezing of the credit that he had accrued prior to the time that he was in military service.

Now, if this is to be an omnibus bill may I again emphasize the desirability of the incorporation of the provisions of H. R. 2950 to extend the opportunity for vocational training to all service-connected veterans, and also to reimburse the cost of workmen's compensation payments as to the employment of service-connected disabled veterans, and also to encourage the matter of employment for service-connected disabled veterans for governmental agencies, and to remove the fear that now exists on the part of the Civil Service Commission that by the employment of disabled veterans it might increase the cost and burden that may be entailed in the civil-service retirement funds. We recommend the inclusion of the provisions of H. R. 1016 which would, in effect, provide if a man was to be an unusual risk to the civil-service retirement fund but was otherwise qualified to perform the duties of the Federal job, he should be exempted from the provisions of the Civil Service Retirement Act and then, if appointed, should come under the provisions of the Social Security Act as to old-age-survivorship insurance.

May H. R. 1016 be incorporated in the record at this point?

Senator CLARK. Yes.

(H. R. 1016 is as follows:)

[H. R. 1016, 78th Cong., 1st sess.]

A BILL To provide for the Federal employment of qualified persons whose physical condition is considered to constitute a bad risk for a civil-service retirement fund by exempting such persons from the provisions thereof, by making them subject to the provisions of title II of the Social Security Act, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 8 (a) of the Act of May 20, 1930, as amended, is hereby amended by changing the final period thereof to a colon, and by adding the following: "Provided further, That if any applicant for a Federal civil-service position, who has otherwise established qualifications therefor, has been found to be suffering with such ailment as, in the opinion of the Commission, is calculated to shorten such person's life expectancy period, and might therefore impose an abnormal risk upon the civil-service retirement fund, then the Commission shall nevertheless place such person's name on any such register as he may otherwise have qualified for, subject to the requirement that, if appointed

to a Federal position, such person will not be subject to, or a beneficiary of, the provisions of this Act: *Provided, however,* That under such rules as it may issue, the Commission may, within six months after the appointment of any officer or employee, declare any such officer or employee to be not subject to, or a beneficiary of, the provisions of this Act."

SEC. 2. That section 209 (b) (6) of the Social Security Act, as amended, is hereby amended to read as follows:

"Service performed in the employment of the United States Government, or any instrumentality of the United States, which is (A) wholly owned by the United States, or (B) exempt from the tax imposed by section 1410 of the Internal Revenue Code by virtue of any other provision of the law, if such service is subject to another retirement system.

SEC. 3. That section 1426 (b) (6) of the Internal Revenue Code is hereby amended to read as follows:

"(6) Service performed in the employ of the United States Government or of any instrumentality of the United States which is (A) wholly owned by the United States, or (B) exempt from the tax imposed by section 1410 by virtue of any other provision of law, if such service is subject to another retirement system."

Mr. RICE. This we believe to be exceptionally important because many Federal appointing officers have turned down disabled veterans who were qualified to perform the duties of the job because of that very fear that they would be loading up the civil service retirement fund. In several instances the Civil Service Commission has so stated. For what reasons the man was not advised, but the real reason was that fear. You could hardly expect private employers to give an equal break to the service-connected disabled veteran because of their fear of increasing the premiums on group insurance unless the Federal Government also eases the way for service-connected disabled veterans to be employed by it, if they are otherwise qualified to perform the duties of that position.

Again may I make reference to the fact that the disabled veterans who are now totally disabled are being compelled to live on the grossly inadequate sum of \$100 per month, with no dependency allowances whatsoever, and we do believe there is a crying need for giving them some dependency allowances, the same as Canada provides for its disabled veterans, that is, a sum of \$25 for the wife, \$15 for the first child and \$12 for the second child, and \$10 for each additional child, that would enable the veteran somewhat more adequately to take care of the needs of his family. It is rather ironic, I submit to you, to have a man who serves his country in the armed forces and who receives \$50 a month as a buck private and of that sum he sends \$22 to the wife, and just as much or a little more by the Government, plus some small sum for his children. If he has a wife, or a wife and children, he has an income from around \$700 to \$3,000 a year, and then if he becomes totally disabled he is discharged and receives \$100 a month. He cannot possibly maintain a family, according to a decent standard of living, on \$100 a month. There is a crying need for that kind of legislation.

I do not know that it is appropriate for inclusion in this bill to the extent as it was introduced in S. 1783, which would embody such objectives as we believe there is real reason for that legislation to be enacted.

There is also before this committee what I would consider to be an equitable approach, which would give the service-connected disabled veteran the same opportunity for post-war assistance as would be accorded to the able-bodied veteran through the introduction of S. 1760 by Senator Johnson of Colorado.

Incidentally, may I say that several veterans' organizations have sponsored that bill erroneously under the impression it would go to the Senate Committee on Military Affairs, but it has been referred to this committee, and we believe it should have the consideration of the committee—that is the present so-called G. I. bill or rights—because it is the most equitable approach toward the solution of the post-war adjustment of veterans, by granting them adjustment on the basis of their service, or the discharged man in World War No. 2 would get an adjusted-service bond which would mature in 10 years, which would draw interest at the rate of 3 percent per annum during the first 5 years and 3 percent compounded during the last five years, and one-fifth of which would be redeemable in each succeeding 5 years after its issuance in the event the man needed it, and all the disabled veterans would get the benefits under that legislation in proportion to the other benefits.

Senator CLARK. That bill is not before the committee at this time. The committee does not intend to include that in this S. 1617. That deserves an entirely separate consideration on its own merits.

Mr. RICE. Mr. Chairman, I urge it because I fear the members of the committee would naturally be disposed to evaluate the consideration of such proposed legislation in the light of what it might previously have passed upon. Since we do consider it about the most equitable way to approach the problems of all veterans, and particularly since it would prove beneficial to the disabled veterans in proportion to their services, we believe this proposed legislation ought to have very serious consideration from this committee, if not incorporation in this bill.

Senator CLARK. It is of such importance that it will have full consideration of this committee, but it is an entirely different bill, on an entirely different subject, as I see it.

Mr. RICE. Gentlemen of the committee, I have completed my statement. Thank you very much for the opportunity.

Senator LUCAS. One question before you leave. If the responsibility for the administration of this measure assuming that it would come to law, was so amended as to meet your objections, would you be for the bill then?

Mr. RICE. Yes; certainly. I have declared that we are for the general objectives.

Senator LUCAS. In other words, there is no disagreement with respect to the objectives and the purposes of the bill?

Mr. RICE. Not if properly administered.

Senator LUCAS. Your whole disagreement comes down to the fact that you want to see divided responsibility insofar as the administration is concerned?

Mr. RICE. Insofar as the able-bodied are concerned, not so far as the disabled are concerned.

Senator LUCAS. All right.

Mr. RICE. That is right. Our reaction to the provisions of this bill is set forth in an open letter addressed to Senator Clark which I now offer for the record.

(The above-mentioned letter is as follows:)

AN OPEN LETTER

March 13, 1944.

HON. BENNETT CHAMP CLARK,
*Chairman, Senate Finance Subcommittee on Veterans' Legislation,
 United States Senate, Washington, D. C.*

MY DEAR SENATOR CLARK: To clarify our position concerning the so-called G. I. Bill of Rights, now before your committee, we address this letter to you.

Fundamentally, the G. I. Bill of Rights would provide benefits to veterans of World War II primarily on the basis of their needs, with some limitations based upon length of service, whereas we have contended that post-war adjustments for all World War II veterans should be based upon the length and place of their service, such as an adjusted service pay method would make feasible, which, incidentally, would also be equally applicable as to all service-connected disabled veterans, in addition to such benefits as they might be entitled to on the basis of their service-connected disabilities under other laws, thus following the precedent established following World War I.

We think it exceedingly inadvisable for the Veterans' Administration to be designated as the Federal agency to take care of the proposed post-war adjustment for able-bodied veterans, not because we are opposed to needed adjustments for able-bodied veterans, but because:

(1) The Veterans' Administration already has tremendous responsibilities, which are necessitating a vast expansion of its facilities, and its personnel, in order adequately to take care of the more pressing problems of service-disabled veterans and their dependents;

(2) The officials of the Veterans' Administration would thereby necessarily have to spend considerable time in making determinations as to policies and procedures in the handling of new responsibilities as to able-bodied veterans, for which they have had no background of experience;

(3) The Veterans' Administration and its officials would thereby be overloaded with new responsibilities which would inevitably lessen the time given to its primary responsibilities for our war disabled and their dependents and would probably lower the efficiency, and add to the confusion, within the Veterans' Administration—just as heretofore has happened as to other overloaded Federal agencies;

(4) The great increase in the annual appropriations to, and the expenditures of, the Veterans' Administration, would subtly cause Congress and the general public to become impressed with the vastness of such expenditures for the post-war adjustments of veterans and disabled veterans, thereby probably causing a false impression as to the actual provisions for the Nation's disabled veterans and their dependents, in turn making it much more difficult to obtain badly needed liberalizing, corrective legislation and policies, to eliminate existing inadequacies, inequalities and inequities as to the Nation's benefits for its service disabled and their dependents;

(5) Such segregation, within the Veterans' Administration, of proposed post-war adjustments for able-bodied veterans, would probably cause the public to classify all veterans as "problem cases," by reason of the false assumption that the post-war problems of able-bodied veterans, as citizens, should be administered differently than the post-war problems of citizens generally, which, in turn, might well tend to arouse antagonism against veterans generally, leading up to the possibility of another economy act at the expense of America's service disabled and their dependents;

(6) Such concentration in the Veterans' Administration would give rise to the demand for much additional legislation on behalf of unemployed able-bodied veterans, to eliminate previous inequalities and to meet rising needs, on the false assumption that any post-war economic depression as to America's veterans can be solved separately from the post-war economic problems of citizens generally;

(7) A precedent would thereby be established which other groups of citizens would probably point to in demanding enactment of "special group" legislation to underwrite their economic problems, which would inspire and intensify continuing demands, by bloc pressures, for "class legislation"; and

(8) Agreements by the Veterans' Administration with many other Federal and State agencies would thereby be necessitated, unnecessarily getting it involved into complicated questions concerning "States' rights."

If your committee should decide to provide the proposed benefits for able-bodied veterans—education, readjustment, or unemployment allowances, and

loans for buying or improving farms or homes, or establishing a business—then the bill should, by all means, be amended, so as to provide for the administration of such benefits by some Federal agency other than the Veterans' Administration.

All of these post-war adjustments could be provided for, without any interference with States' rights, with very little bureaucracy, on an "earned rights" basis, by the adoption of a plan for adjusted service payments, to be issued in the form of a bond, the amount of which would be computed on the basis of the length and place of service, and a portion of which could be made redeemable prior to maturity, if needed, while pursuing educational courses, or while unemployed, or to buy or improve a farm or home, or to get started in business.

The Nation-wide publicity attendant upon the G. I. Bill of Rights has generally left the impression that all rights of all veterans of World War II would thereby be provided for, whereas, as a matter of fact, very little, not now provided for by law, would thereby be extended to service disabled and their dependents.

If the bill is really to be a G. I. Bill of Rights, it most certainly ought to be amended, not only to divorce the Veterans' Administration from having to administer proposed benefits for able-bodied veterans, but also so as to include the following:

(1) Amend section 104 of such bill to read as follows:

"Sec. 104. No officer or enlisted man shall be discharged or released from active duty until his or her official record, including all medical records, shall first have been assembled and made available for review prior to and during the time of his or her final pre-discharge examination, nor until his or her certificate of discharge or release from active duty and final pay, or a substantial part thereof, are ready for delivery to him or her, or to his or her next of kin or legal representative: *Provided*, That the originals, or photostatic or certified copies, of all official and medical records of any such discharged person, who was noted as having any wound, disease, ailment, disability, or defect, shall, promptly after his or her discharge, be transmitted to the Regional Office of the Veterans' Administration having jurisdiction over the place of his or her permanent residence, and shall thereupon be adjudicated, even though no formal claim for benefits may have been filed, to determine his or her entitlement to benefits on the basis of any disability."

(2) Amend section 301, so as to provide for the issuance of a new "amended certificate" or "certificate in lieu of original discharge," where a change in the type or character of the former discharge has been agreed to by the War Department or the Navy Department;

(3) Add a new title to such bill to authorize the Veterans' Administration to provide vocational rehabilitation for all service disabled veterans (now limited to service-handicapped veterans of World War II) and, in order to remove the fear on the part of employers that they might increase their workmen's compensation costs by employing disabled veterans, to authorize the Veterans' Administration to reimburse all private employers, insurance companies, or State workmen's compensation funds, as to payments made to service-connected disabled veterans, or, in the event of their death, to their next of kin, on the basis of the operation of any State Workmen's Compensation Act—as per the language provided for in H. R. 2950;

(4) Add a new title to the bill to provide for the Federal employment of qualified veterans whose physical conditions are considered to constitute a bad risk to any civil service retirement fund, by exempting such disabled veterans from the provisions thereof, and by making them subject to the provisions of the old-age insurance provisions of the Social Security Act—as per the language outlined in H. R. 1016;

(5) Add a new title to the bill, in effect to provide the same dependency allowances for the service-connected disabled veterans of this country, as have long been provided for the service-connected disabled veterans in Canada, at the rate of \$25 per month for a wife, \$15 for the first minor child, \$12 for the second minor child, \$10 for each additional minor child, and \$10 for each dependent parent, added to the compensation payable to totally disabled veterans, with proportionate amounts of such total amounts to be payable as to those veterans rated as partially disabled—as per the language in §. 1783, which you recently introduced;

(6) Add another title to provide increases in the basic amounts of compensation or pension payable to service-connected disabled veterans, and also to permanent and total non-service-connected disabled war veterans, in part to meet

the increase in the cost of living—as would be provided for by the incorporation of two bills now before your committee, namely, H. R. 3356 and H. R. 3377;

(7) Add another title to increase the pensions payable to widows of war veterans who have died in service, or who have died by reason of service-connected disabilities, from \$50 to \$60 per month (the same as long provided for in Canada), as per the language in H. R. 841; and

(8) Add another title to provide payment of full compensation for their service-connected disabilities, for single veterans, during periods of their hospitalization (reduced to \$20 per month under existing law), as would be provided for by the enactment of the language in H. R. 902.

Other highly justifiable legislative bills, on behalf of various groups of other disabled veterans and their dependents, which we believe also merit the favorable consideration of your committee, are identified in the Congressional Record reprint entitled "Outline of Policies and Objectives of the Disabled American Veterans".

Whatever your committee may now decide upon as to the post-war adjustments for able-bodied veterans, on the one hand, and for service-disabled veterans and their dependents, on the other hand, will almost surely have its repercussions down through the years, and we are, therefore, again impelled to call to your attention the desirability of taking care of first things first—adequate provisions for America's service disabled veterans and their dependents.

Respectfully yours,

MILLARD W. RICE,
National Service Director, Disabled American Veterans.

Senator CLARK. Are there any questions? If not, thank you very much, Mr. Rice.

Mr. Stelle, do you wish to make a brief statement at this time?

STATEMENT OF JOHN STELLE, REPRESENTING THE AMERICAN LEGION

Mr. STELLE. Mr. Chairman and gentlemen of the committee, I have nothing but the kindest regards for Mr. Rice.

Senator CLARK. I understand you represent the American Legion.

Mr. STELLE. Yes. As you all know, we appeared before the committee on S. 1617. Since then the Veterans of Foreign Wars have joined together with the American Legion and have submitted a bill which we had hoped that all veterans' organizations could have joined in. Mr. Rice was asked to join in which Mr. Sullivan, of the American Legion, with Mr. Ketchum and with Mr. Odum, from the Veterans' Administration, who went over this bill and tried to do every possible thing to correct any mistakes in this rewritten bill.

We believe, based upon the experiences that we had back in 1919, beyond any reasonable doubt that the administration of all of these so-called benefits to the veterans should be under the Veterans' Administration. The Veterans' Administration is the one administration in Washington that has decentralized itself down to the various communities as near as possible to the point where, as your chairman well stated, the man has one bureau to contact and not be caught in the maze of many bureaus. With all respect to Mr. Rice, he will see it after World War II is over, as we experienced after World War I, where a man who is apparently an able-bodied man and who applied for some of these benefits, and a service-connected disability showed up several months afterward, as many of your Senators have found out in your experience in handling the veterans in your respective States.

This bill has been headed by the Veterans' Administration, channeled down through the respective bureaus. The unemployment allowances, you will note, are channeled down through the respective

States. The employment is channeled down through the U. S. E. S. The education is a very simple thing. The man himself decides where he wants to go, whether it is the University of Wisconsin, or the university in Nevada or Illinois, or Yale. He himself decides. He qualifies himself and in turn his discharge qualifies him for the benefits, and it is channeled down to the States.

Now, then, the President, by directive, has directed during the war and 6 months thereafter all of these benefits under General Hines as an individual, who is the work director of our country. This bill directs General Hines, by an act of Congress, to be the veterans' employment director and educational and retraining director, and to carry on that which has been done by a directive during the war. If, as some have stated, you change it to other bureaus, you will have an entanglement of a directive during the war and a change after the war.

God knows, these veterans when they come home, will have to be taken care of. You are spending many billions of dollars to teach these boys to be the worst killers the world has ever known, and if we do not spend a few billions of dollars to retrain them, we will certainly not do our job.

I know every Member of this Congress has made a thorough study of this. In talking to practically every one of them I know all of them, all of you gentlemen have made a thorough study of this. We are only trying to implement and help. The American veterans' associations—the American Legion and the Veterans of Foreign Wars—are trying to help you in your work, give you our experience that we have gained all through these years with the veterans. They are your boys, your neighbors' boys, and our boys.

Your committee has given a lot of work to this. We ask you to expedite it and do those things that will pass a bill for the benefit of yourselves, your country, and ourselves. We are only helping the Congress. We appreciate the attentiveness of this committee and any other Member of this Senate, and we hope your committee will write a bill that will do the most for these returned veterans, and in doing that you will be doing a benefit to our country.

Thank you.

Senator LUCAS. Governor, let me ask you a question. You spoke, in the early part of your remarks, about the Veterans' Bureau going into the local communities and setting up agencies.

Mr. STELLE. No, Senator Lucas; they have already decentralized themselves, as General Hines stated, 106 times. In other words, they have 106 places over the country like the Hines Hospital, and the hospital in Dwight, and the Marion Hospital in our State.

Senator LUCAS. We have three agencies in Illinois at the present time?

Mr. STELLE. I think three agencies in Illinois.

Senator LUCAS. Is not one of the points you are making with respect to merging all these agencies into one?

Mr. STELLE. Yes.

Senator LUCAS. If a veteran in southern Illinois, for instance, wanted to make an application for a loan in southern Illinois, what he would do would be to go to Marion, if that is one of the places where the agency is located, and he would be able to deal, so to speak, with his own people in making the application?

Mr. STELLE. That is right.

Senator LUCAS. It may be you can do that at the present time with respect to getting the loan—I am not sure about it—through some agency that is set up. Probably you can.

Mr. STELLE. It is channeled back down. Then the man, after he qualifies himself on the loan under this bill with the Veterans' Administration applies to any loan agency or any bank.

Senator LUCAS. Any problem, regardless of what it might be under this bill, would be channeled through the agencies that are set up at the present time throughout the country?

Mr. STELLE. That is right; headed by the Veterans' Administration and channeled back down.

Senator LUCAS. Yes.

Senator CLARK. Is there anything further?

Mr. STELLE. We might say, as you know, Senator, the Legion has gone on record in the matter of H. R. 3356 and H. R. 3377. As you know, that urges consideration for the disabled veterans that Mr. Rice has spoken of.

Senator CLARK. Miss Borchardt.

STATEMENT OF SELMA BORCHARDT, VICE PRESIDENT, AMERICAN FEDERATION OF TEACHERS

Senator CLARK. You represent the American Federation of Teachers?

Miss BORCHARDT. Yes; the educational organization affiliated with the American Federation of Labor.

First of all, we feel that, inasmuch as almost one-half of the members of our armed forces carry a trade-union card, an active trade-union card, that we trade-unionists have a very real and very vital interest in the proposed legislation.

As the representative of the American Federation of Teachers, I am addressing myself to the section of the bill which deals with training and placement for the servicemen.

May I ask at this point if Mr. Woll, the chairman of the committee on education of the American Federation of Labor, who is also chairman of the A. F. of L. committee on post-war planning, may have permission to file his statement on it?

Senator CLARK. We will be very glad to have that.

Miss BORCHARDT. Thank you. Our members are very eager to preserve the citizens' benefits for these veterans which are contained in many acts previously enacted and then to give them their veterans' benefits in addition thereto. The special consideration of veterans' training and retraining is one of those benefits.

When the first draft of the training bill came before us we were simply shocked at many of the unfortunate provisions in it, and many of the vitally essential principles that were omitted from it. We are very happy to see that most of those unfortunate provisions have been deleted. For example, the original bill would have denied 93 percent of the men in the service the benefit of training by a stilted process of selection. That bill provided that those servicemen who were "selected" should have training. The bill also provided that service-

men should be assigned for training, thereby denying a man the right to determine for himself the kind of training he wanted.

Senator CLARK. You are referring to the first Thomas bill now?

Miss BORCHARDT. Yes. We are grateful to you gentlemen for having eradicated many of those unfortunate provisions which were in the original bill. It is good to know that we may come here and plead a just cause and win, but we do feel there should be further recognition given to the fact in every possible way that education is not limited to a classroom. I say this even though, or perhaps because, I speak as a teacher. We feel, especially when the men come back from the active service they will not want to return to a formal academic classroom. Neither emotionally nor physically will they be conditioned for that. Yet they should have the opportunity for practical training. Actually only about 7 to 10 percent of the men in the service are planning an academic college course. But the original draft of the bill seemed to place great emphasis on the purely academic approach.

We in the American Federation of Teachers believe that the social, the moral, the practical value of education cannot be measured in terms of credits of an approved institution. We believe that something far more real and more vital is needed.

This bill does now—we are very happy to see the improvement—take formal recognition of the Federal apprenticeship program. To implement this further, and to set a pattern for a further development of a practical social program, we are wondering if there could be a provision in the bill that the Veterans' Bureau, in cooperation with State agencies, may establish other training centers including resident training centers. For example, in New York State there are being established 11 regional training centers for the post-high-school student; centers not of academic credit alone, but rather to fit men and women to do a good job. We should like to see some consideration given to having the Veterans' Bureau in cooperation with the State authorities establish residence centers—at least to grant; that authority to do so may be provided for them, because such centers, which would be very different from the formal established schools will be needed, we feel. The part-time continuation school, the Danish Volk high school merit serious consideration. The British program on this as now planned is excellent.

Then, we feel also that clarification is needed in regard to the unemployment compensation provided in relation to training. There is a provision in the bill that those receiving training benefits may not get unemployment compensation. This provision is unjust. Let us say that a man is a building-trades workman, who will take a part-time job in the building trades. If he takes part of his day on training at full time in practical work and then he is out of employment on his regular full-time employment job, he would then, according to this bill, have to give up either his unemployment-compensation benefits or give up his training benefits. We know you gentlemen do not want this. This is a matter of wording in the bill that we would like to have straightened out.

We feel you do not want to jeopardize the rights of a man who goes to work and who may then be periodically unemployed. We ask please that this be straightened out; that the wording be corrected, for we think that that is your actual intent.

Then, the next specific thing is in reference to guidance which is on page 12.

Senator CLARK. That is the original print?

Miss BORCHARDT. That is the present committee print.

Again, may I say I am speaking as a member of a professional teachers' organization, I am speaking as one who has the academic labels, but one who received a real education in the trade-union movement. The reference to guidance, we think, needs amplification. We think the man should have the right to decide whether he wants the guidance offered and not have it forced upon him. We believe that the Administrator should make the guidance available to him but not require him to take it. Unfortunately today too large a number of the so-called guidance experts are richly endowed academically and not so rich in experience. We believe that the best form of guidance for these men is complete occupational information. In giving this labor can help greatly. That leads to the next point; that we should like to have put into the Veterans' Bureau at this time, an advisory board of some form on which labor, industry, and agriculture would help plan a sound, truly social but practical guidance program. We ask that such a board be authorized by statute rather than leave it to an Executive directive. We think an advisory board on this question composed of members of labor and industry, and agriculture would afford the veteran a far more practical and realistic program than would be evolved by a group composed entirely of academicians. Today, persons who have had training in so-called vocational guidance are called experts often because they had a course under a person who also had a course in vocational guidance. I repeat: We feel the greatest values of work guidance come through occupational information; and to interpret that occupational information correctly, we should like to see in the Veterans' Bureau, definitely established by law, a provision for an advisory group on guidance, but taken from labor and industry, and agriculture as well as education so that practical experience would help guide the veterans.

Then, we want to say we are very happy to see the improvement in the language of the bill regarding placement for this draft of the bill preserves the special veterans' service in the general U. S. Employment Service, giving the veteran thereby the benefits of all service. May we ask, however, that the section in chapter VI referring to the functions of the Veterans' Placement Service be amended to recognize employees as well as employers. We think training and placement concerns the employee quite as much as it does the employer. Yet this bill refers only to the employer.

In conclusion may I again express our appreciation to you for the many appeals we have made which you have already heeded.

I thank you.

Senator CLARK. Thank you very much, Miss Borchardt.

(The following statement was later received for the record:)

STATEMENT OF MATTHEW WOLL, CHAIRMAN, COMMITTEE ON POST-WAR PLANNING AND CHAIRMAN, COMMITTEE ON EDUCATION OF THE AMERICAN FEDERATION OF LABOR

The American Federation of Labor is deeply interested in the proposed Servicemen's Aid Act. This interest is the natural interest of a group of American citizens, coupled in this case with the fact that many thousands of the members of the armed forces are members of the American Federation of Labor; men who look to us to protect their interests as citizens and trade-unionists as much now, while they are on the fighting front, as they do while they are actively engaged in work at home.

The revised form of the bill, as it is now before the committee, commends itself to us far more favorably than any of the earlier drafts. It is our belief that every possible consideration must be given to these men who are to return to civil life after service with the armed forces. We recognize that this act is but one of the specific proposals which must be enacted to help effect the re-establishment of a civil economy for the community, in general, and for each worker in particular.

I would, at this point, address particular attention to title II, chapter IV, which deals with proposals relating to the education of veterans. This portion of the bill is a marked improvement over the original proposals regarding training and retraining for veterans, for it enunciates an equitable program to which all members of the armed forces are eligible, and in which all members of the armed forces may participate of their own free will for their own betterment. We are grateful to the committee for having made the improvements in the bill as originally proposed, so that now all members of the armed forces are eligible, and each man is allowed to make his own selection regarding the type of training he may desire. The fact that the original draft of the bill did not observe these fundamental principles gave us great concern and we are very happy to find that our suggestions in this regard have been heeded.

Title II, chapter IV, in its present form meets our approval in general. We would, however, suggest a few fundamental changes:

Section (c) provides for the appointment of an advisory council on which shall serve the representatives of several governmental agencies and six representatives of the public. The bill now proposes that of the six members of the council representing the public, "That at least four of whom shall be leaders in the field of education." We submit that the language herein proposed would take cognizance only of formal classroom education; that indeed some of the finest education is of an informal type and that practical "learning by doing" must be recognized in a training program for the returning soldier. We, therefore, suggest that provision be made in the language of the bill for the recognition of labor, agriculture, and industry in a board, which is to plan for the education of the serviceman.

We would point out further that section (d) refers continually to "approved educational institutions." This is the language which would be employed by formal academicians. We submit emphatically that training is not limited to "approved educational or training institutions," but that the best type of training is often attainable under other provisions. We, therefore, request that an amendment be inserted in this point, which would provide for "other specified training conditions hereinafter authorized."

Section (g) should likewise be amended to make funds available for informal, practical training on the job.

Section (i) provides that "the Administrator may arrange for educational and vocational guidance to the persons eligible for education and training under this Act." We submit that such guidance should be made available to the serviceman who desires to take advantage of it, and that no person should be compelled to accept such guidance unless he applies for it. We would further point out that at the present time, "guidance work" is largely academic; given by academically trained persons often lacking all practical experience in industry, labor, or agriculture. It is our belief that the best form of guidance that could possibly be afforded these men is full and accurate occupational information. We would, therefore, request that the language of this section be amended to make the guidance available to all men and rather than that it be given to all men, and furthermore we urge that there be established within the Veterans' Bureau, by statute, the means for labor, agriculture, and industry to formulate policy and give advice regarding practical problems of guidance.

Section (k) authorizes the establishment within any State of an educational agency for the purpose of advising and assisting the selecting of both the educational or training institutions, which shall be declared eligible under this act. We request that the word "institution" here be further amplified so that it shall expressly include "all other means or media" (such as trade-unions could well establish). This enlarged interpretation of the training institution should be provided throughout this section, wherever the word "institution" is used.

Section (l) gives the definitions for training institutions. We request that page 15, line 12 (of the committee draft of the bill) be amended to read "shall also include business or labor or other organizations or establishments." A similar change in language is necessary in line 21. We are grateful to the committee for expressly including Federal apprenticeship training.

Title IV, chapter VI, referring to provisions for employment of veterans, in the present form of the bill also marks a great improvement over the draft of the bill in its earlier forms. We are very happy to see that the veteran will have a Veterans' Placement Service Board within the United States Employment Service, so that he shall have the full benefit of a well-coordinated national service available to all citizens with the educational benefits available to him as a veteran.

We would furthermore point out the need for participation of labor and other industries on the Veterans' Placement Service Board. In chapter IV, under title IV, the Board authorized to be established expressly provided for public representation on the advisory board. We submit that the need for public representation on the board dealing with veterans' placement is also of tremendous importance. We would further submit that the value of this Board would be greatly enhanced if representatives of labor and other groups, deeply concerned with the practical adjustments of the veterans' problems, were represented.

Section 601 under this chapter, defines the duties of the Employment Service in relation to the veterans. Page 26, line 7, sets forth the duties of the Employment Office to "promote the interests of employers in employing veterans." We request that the language be amended to read "to promote the interest of employers and employes in employing veterans."

(d) Line 9 of this same section, similarly omits employees and we request that this section be amended to read "maintain regular contact with employers, employes and veterans' organizations with a view of keeping employers and employes advised of occupational opportunities and of veterans available for employment * * *."

On behalf of the American Federation of Labor, I wish to extend to the members of this committee our sincere appreciation for their efforts to serve the best interests of the members of our armed forces, a large proportion of whom are members of the American Federation of Labor.

Senator CLARK. The committee had hoped to finish the hearing on this bill this morning, but there are several departments it will be necessary to be heard from and some witnesses will be scheduled whom we were unable to hear today.

We have a letter from the C. I. O. Maritime Committee of February 22, 1944, which will be inserted in the record at this point.

(The letter referred to is as follows:)

C. I. O. MARITIME COMMITTEE,
Washington, D. C., February 22, 1944.

Senator WALTER F. GEORGE,

Chairman, Senate Finance Committee,
Senate Office Building, Washington, D. C.

DEAR SIR: Our office has made a careful study of S. 1617, a bill to provide Federal Government aid for the readjustment in civilian life of returning World War No. 2 veterans, and finds that it will meet some of the needs of the members of our armed forces when they return home.

Careful consideration has also been given to the amendments which have been proposed. We feel that the amendments offered by Senators Maybank and Wagner are meritorious and should be made a part of the bill when adopted by Congress.

Having gone over most of the testimony on this measure, we are of the opinion that the discussions contained therein are sufficient. We do not therefore desire to burden you or your committee with the necessity of going over similar discussions, which in the main would give no additional information for the consideration of your committee. We endorse the testimony given in favor of this measure and particularly that presented by Warren H. Atherton, national commander of the American Legion.

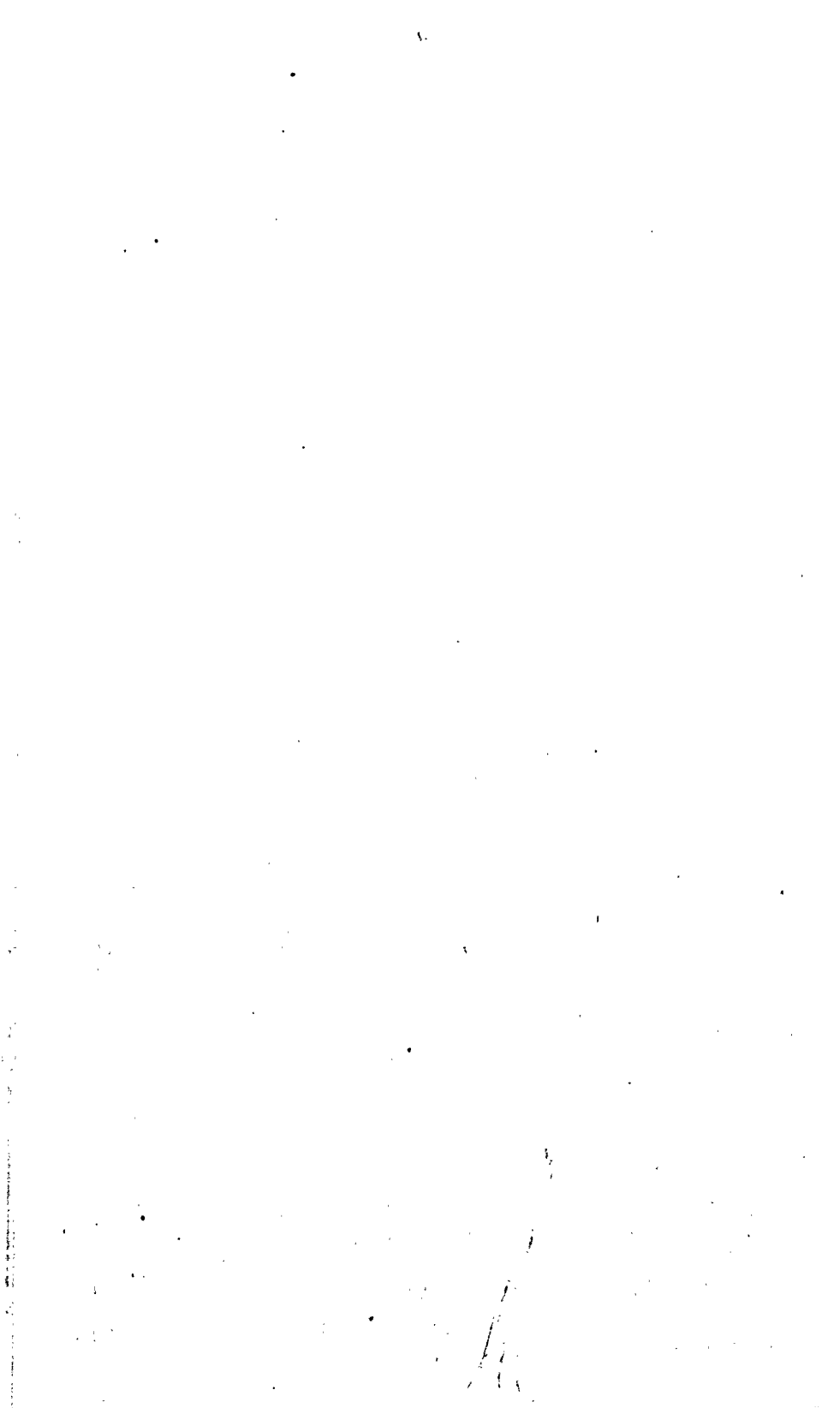
We hope that your committee may be able to prevail upon the Senate for speedy enactment of this legislation. May we request that our communication be made a part of the recorded hearings on this measure.

Sincerely yours,

HOYT S. HADDOCK.

Senator CLARK. The committee will take a recess until 10:30 Friday.

(Whereupon, at 12:25 p. m., the subcommittee recessed to 10:30 a. m., Friday, March 10, 1944.)



VETERANS' OMNIBUS BILL

FRIDAY, MARCH 10, 1944

UNITED STATES SENATE,
SUBCOMMITTEE ON VETERANS' LEGISLATION
OF THE COMMITTEE ON FINANCE,
Washington, D. C.

The subcommittee met at 10:30 a. m., pursuant to adjournment, in room 312 Senate Office Building, Senator Bennett Champ Clark (chairman) presiding.

Present: Senators Clark (chairman), George, Connally, Millikin, Lucas, and La Follette.

Senator CLARK. The committee will please come to order.

STATEMENT OF HON. CLAUDE R. WICKARD, SECRETARY OF AGRICULTURE OF THE UNITED STATES

Senator CLARK. Mr. Secretary, we are very happy to have you here this morning. You have been furnished with a copy of the last draft of this proposed measure, have you, Mr. Secretary?

Secretary WICKARD. Yes, sir.

Senator CLARK. Mr. Secretary, the committee will be very happy to hear your views about this bill, particularly as it affects the matter of agricultural loans and matters in which the Agricultural Department would be concerned.

Secretary WICKARD. Mr. Chairman, I have rather hastily read the bill. I was particularly interested in the provision for making loans to the veterans who want to undertake some kind of farming operation.

First I want to say, in a very general way, I think the proposed legislation with regard to these loans is of a desirable type. I think also there is going to be a need for this type of loan to a lot of veterans, but I would like to confine my remarks mostly to some rather basic information which this committee may wish in its consideration of the bill.

First I would like to state our best information indicates there are about 1,500,000 farm boys now in the armed services. Perhaps half of those boys could go back to their own communities and to the farms which they left and start in some place about like they left off when they went into the armed services. That is, they may go on their father's farm, in partnership with him, or become tenants in the neighborhood, perhaps marrying and settling down. For the most part those boys would not require too much aid. They might obtain it from people who knew them, from their parents, or from an in-

heritance that might be made available to them. That only takes care of about half of the boys that are now in the armed services who formerly were on farms, and the question is, I think, what we are going to do about the remaining half, plus some others who have not farmed but who may feel that they want to farm.

That brings up the question of how many other farms might be available to these men who do not have some peculiar circumstance which will permit them to start in but who will have to depend upon outside aid and guidance in finding it for them and carrying on the farming operations. I take it for granted you, in this proposed legislation, are trying to aid those boys, and I think that is a desirable objective.

Senator CLARK. That is precisely what we are trying to do, Mr. Secretary.

Secretary WICKARD. First, there are some rather favorable circumstances to help. One of them is that because so many older people have stayed on their farms during the war in order to carry on the food production, there is an unusually large number of farms, or there will be an unusually large number of farms which will be available to farm boys or others who wish to farm, on which there is no son or no immediate relative to carry on. I presume perhaps in the next 5 years there might be 350,000 of those farms available for someone to take over who is not in some direct way connected with the ownership of the farm.

Now, we also estimate that there might be an almost equal number, we will say 250,000 or 300,000 more farms that might be developed in the irrigation projects of the Northwest, in territory not now put to farm operations, like the irrigated districts in the Northwest, or districts which can be irrigated, such as Grand Coulee and other such areas. Also in the Mississippi Delta and in the Southeast where drainage is a limiting factor, so far as farm operations are concerned.

Also we might find 10,000 new farms on land now used for military services which has been taken over from private ownership, 7,000,000 acres, I think, of that kind of land.

Senator LUCAS. How much did you say?

Secretary WICKARD. About 7,000,000 acres. The armed services have taken over about 20,000,000 acres altogether, but about 7,000,000 acres of that 20,000,000 acres has been land which has been farmed and which was in private ownership, which could be returned to be farmed if military services are entirely through with that land for their purposes.

Senator CLARK. They came down to Missouri and took 10,000 acres of the best land in the State, which has been farmed since the Spanish land grant and which they have put a munitions plant on which they do not need any more.

Secretary WICKARD. That is the type of land that I say there might be 10,000 farms set up on, that is now occupied by the military services.

Senator LUCAS. Some of that is now being reconverted to farm lands.

Secretary WICKARD. Yes; some of that is now being leased to farm uses this year, and we hope there will not be any land which will not be used for some necessary purpose this year.

Senator LUCAS. I dislike to interrupt you, Mr. Secretary, but I would just like to make one observation on the very point we are discussing.

Secretary WICKARD. Surely.

Senator LUCAS. It deals with the very vital problem of manpower on the farms, as I see it. We have heard quite a bit of discussion, both in and out of the Senate, on this manpower problem on the farms. Just recently we had a plant at Illiopolis, Ill., that had occasion to set back their fences approximately a mile, which turned back around 2,000 acres of military land, reserved for military purposes, to farming. They figure the average farm in this territory, which has some of the finest soil in America, averages about 160 to 200 acres to the farm, and much to my surprise, and I think it is interesting to the Senate and the country, practically 76, so I am told—I will check this—there were 76 bidders for that 2,000 acres with approximately 10 or 12 farms. It was demonstrated, to me at least, that 76 people in that section of Illinois had the tools, equipment, cash, and manpower to go in and take care of some 10 or 12 farms at this particular time. The strange thing is that the average price—and this is just a little off the subject, Mr. Chairman—

Senator CLARK. That is all right; go right ahead.

Senator LUCAS. It is not too immaterial, but the average price that they paid on bids for that land was close to \$23 per acre for this coming year, in cash. That is all I was going to say.

Secretary WICKARD. I want to thank you, Senator, for that information. It is indicative of the fact that there must be in that area at least enough machinery and labor to operate the land.

Senator LUCAS. Here is one further thing, Mr. Secretary, while I am on that point. As I understand, there are two schools of thought in Government as to what should be done with this farm land, this 7,000,000 acres that you have talked about, when this war is over. I hope that those who finally fix the policy—I am only speaking for myself now, and it is maybe not so material insofar as this hearing is concerned, but since I have you here I can talk to you and make a public record of it, and I want to do it. I want the Government to know that insofar as this Senator is concerned, I would like to see a policy inaugurated whereby the owners of these lands, or their immediate relatives if the owner has passed away, should have the first opportunity to repurchase that land from the Government for the same price that the Government paid that family for it.

As the Senator from Missouri a moment ago said, in my State, around Illiopolis, between Decatur and Springfield, they took some 15,000 acres of the finest land that lies outdoors, the same as they did in Fulton County, in my home district, from families that had lived there for 100 years in one spot, and they want to go back. In all fairness to them, and as an equitable consideration, I am going, as one Senator, to do all I can to impress upon those in charge of that policy to give to those homeowners the first opportunity to buy that land back.

I am sorry, Mr. Chairman, that I took all this time.

Senator CLARK. That is all right, Senator. I heartily agree with you on that.

Go ahead, Mr. Secretary.

Secretary WICKARD. I think I would just like to say a few words about the type of administration or guidance that might be given to these young men who are going to try to locate on the land in some capacity. The first thing is that we want to select young men who like to farm and who know something about farming, or who are willing to learn about farming, before we establish them on the farm. We want to be very careful in that selection, because you can do those young men a great disservice by putting them into farming, either because they do not like to farm, they soon become unhappy, or because they are in a type of farming which they do not happen to like and in which they will not make a success because they do not either have the knowledge or aptitude for learning about that type of farming. Farming is a skilled operation.

Senator CLARK. A fellow that does not know anything about farming might starve to death on a good piece of land.

Secretary WICKARD. Yes. My theory is we should not encourage too many men to go farming before they learn about some of the vicissitudes involved in agriculture. It might be a surprise to some young man to know that you have to work 7 days a week and sometimes 15 hours a day and then have your entire effort destroyed by a hailstorm in an hour or two, or something of that kind. Those who have lived on farms know what that means. Others may learn and not be too unhappy when they face conditions of that kind, but we do not want to encourage a lot of people to farm, paint farming in a glowing manner, and then have the man, after 2 or 3 or 4 or 5 years, unhappy and lose, you might say, the most productive years of his life in an occupation for which he was not suited for one reason or another.

That does bring up the proposition of selection. I am happy to say in this proposed legislation you do provide some means for making the selection. One of the things that I think every young man ought to do before he starts to farm is serve some time as what you might say an apprentice. The boy who was brought up on the farm, who started in perhaps before he went to school, learned a few simple tasks about the farm, but the boy who was not brought up on the farm might well work with some farmer in the neighborhood which he has selected and find out how he likes farming, learn something about the farm and, you might say, he would get some training in service. It would be much better, it seems to me, for him to do that than to try to farm without having had some apprenticeship.

There is another thing I would like to call to your attention. I again would like to caution that you do not hurry too much to put these men on the land. We ought to learn ourselves about some of the problems that they will run into. We ought not to discourage them from the standpoint of saying, "Well, you ought to wait several years." Let us find opportunities for them to work, especially those who have not been on the farm in the neighborhood which they select, and perhaps let them take a little training in an agricultural college, something like that, so that they will find out whether they want to farm or not, or find out about the kind of farming that they would like to do.

Senator MILLIKIN. Is there any experience in other countries on this?

Secretary WICKARD. Yes. Canada is already putting some of their men back on farms, some of their veterans. We have had quite a little experience on that in our own country, as you know, especially in your State and the West, where there have been State activities and Federal activities in establishing veterans on farms. There have been some cases where the whole project, you might say, more or less fell because you did not either have the right people or the project was not so organized as to be economically sound.

Senator MILLIKIN. I was wondering if you had any experience that took into contemplation the problems which you are mentioning. Has any country put soldiers back on the land?

Secretary WICKARD. Canada at the present time is providing for some local committees and some supervision to help these young men get started. That is what I like about the proposal in this bill; it provides for that same thing. I am just trying to say why I think that provision is desirable.

I said something about the selection of the farmer, just a very few simple things that someone had in mind.

Senator CLARK. Mr. Secretary, just on the point that you covered, I would like to call your attention to the language in this proposed bill on page 22. The applicant will first have to be found by the Administrator of Veterans' Affairs to be eligible; that is, as to his service condition.

Secretary WICKARD. That is right.

Senator CLARK. Then there is this language beginning on line 21:

and who is found by the Secretary of Agriculture, by reason of his ability and experience to be likely successful to carry out undertakings required of him under a loan which may be made under the Bankhead-Jones Farm Tenant Act, shall be eligible for the benefits of such act to the same extent as if he were a farm tenant.

Secretary WICKARD. Yes.

Senator CLARK. We are trying to hook up first the selection of eligible men, that is, the determination of eligibility by the Administrator of Veterans' Affairs.

Secretary WICKARD. Yes.

Senator CLARK. That is, he has to be a qualified veteran. Then, in receiving this farm aid he has to qualify to the Secretary of Agriculture as to his probable ability to be able to carry on in that activity.

Secretary WICKARD. I am just saying, Mr. Chairman, I think it is very desirable, rather than leave this young man to his own devices, or perhaps what would be even worse, leave him in some place where some real-estate people might get to him.

Senator CLARK. That would be unthinkable. Some fellow in the city might say to him, "Why don't you go out here to a farm?" and paint the beauties of farm life, and yet some fellow who would not know anything about farming might starve to death on some good farm.

Secretary WICKARD. Yes. There are some farms that would be like trading horses, that nobody can make anything out of because of one condition or another. We want to get for these young men a farm large enough to provide a good living for him, farms that are fertile enough to produce the things he will have to produce, and then also that are reasonable enough in price so this young man is not saddled

with a big debt that he cannot pay off, that would waste the most productive years of his life.

I think somehow there ought to be some guidance provided for these young men who go out on the farms. A young man who has had a lot of experience, or who perhaps can rely on his father, would be fairly well on the way toward making a good farmer, but I am talking about the fellow who you might say hasn't any relatives in the neighborhood. There are possibilities, I think, of maybe creating a committee of local farmers, maybe the county agent could help organize the committee, or agricultural leaders, who would help this fellow in selecting the kind of agriculture, equipment, and so on, that are necessary, the things that they know have proven to be successful, as far as the operation of a farm in that community is concerned. You will find whenever a majority of farmers follow a certain practice in a neighborhood, there is a good, sound reason for that. They found that those practices are sound, from the standpoint of production and maintaining their income.

I think I have about covered all I had in mind. I hope that the Department of Agriculture does not seem to be in a position of wanting to step in to supervise the selection of farmers and the guidance of these young men. I hope some agency does undertake it and does it from the standpoint of trying to help these fellows get started. They are going to have trouble in adjusting themselves in a lot of instances. I hope we do not lead a lot of people to think there are opportunities in agriculture that are not there.

One thing we must avoid is overcrowding the land. Before the war we had some indications of overpopulation of our agricultural resources. There are going to be a great many replacements in agriculture. A great number of older people will want to quit. It seems to me it is desirable, when we think about this idea of locating these young men on the farm, that we, so far as possible, practice what I might term as "infiltration" in the neighborhood rather than colonization, as we have sought to do sometimes in the past. I think the young men are going to be happier if they are going to receive neighborhood help and guidance, and I think there is much more chance of their surviving that way than if they are all put in one area where they do not have the benefit of the advice of people who have lived there a long time and who know about the conditions and can help them in many ways—keeping up their morale.

Senator LUCAS. Under a fellow is a genius in agriculture, we almost have to infiltrate under present conditions. It is not like it was 40 years ago. I think you are right, Mr. Secretary, on that phase of it.

Senator CLARK. Do you really think it is very much better to take these fellows and scatter them around on old farms, in old communities, rather than take a new development and put them in a new colony, all of whom might be inexperienced on the land, and leave them to their own devices?

Secretary WICKARD. The Department has had experience under the Bankhead-Jones Farm Tenant Act and the Farm Security Administration; we have had experience of that kind, and I think the record of the Bankhead-Jones tenant-purchase activities indicates that if these men are given proper credit, proper aid, proper local supervision, the aid of the people in the neighborhood, that they can pay off the

farms. Those borrowers are now making prepayments ahead of what they were expected to pay or what they had to pay under the terms of their loans. We have had that experience, and I think we have had patterns there which we could well follow in locating these veterans.

Senator CLARK. I am sure the experience of the Department will be very helpful in this whole operation.

Are there any other questions, Senator La Follette?

Senator LA FOLLETTE. No.

Senator CLARK. Senator Millikin?

Senator MILLIKIN. No.

Senator CLARK. Senator Connally?

Senator CONNALLY. No.

Senator LUCAS. Can the Secretary tell the committee offhand the number of defaults under the Bankhead-Jones Farm Tenant Act?

Secretary WICKARD. I cannot tell you exactly. It is very, very small. The total amount of money paid in is more than the obligations.

Senator CLARK. The system has more than carried itself?

Secretary WICKARD. That is right, as a whole.

Senator CLARK. Yes; I understand.

Secretary WICKARD. I might find that out and furnish that to you.

Senator LUCAS. It is not necessary for the record.

Secretary WICKARD. It is very, very small. I do want to point out that, of course, during the past few years there have been good prices and rising values which have helped them—that enabled them to go ahead.

There is one other thing that might be considered, not particularly in connection with this bill but in connection with the long-term financing which these young men ought to have if they buy farms, and that is that we ought to have a variable-payment plan, such as the Farm Security Administration has now, so if he has good crops and good prices he pays more than in the years when he has a poor crop or some misfortune. That is why we are having these large prepayments now, because we do have the variable-payment plan in operation.

Senator CONNALLY. He has an option to pay more?

Secretary WICKARD. He is required to pay on the amount of money he earns during the year. If it is a low amount he does not have to pay so much, but if he does make money he pays more.

Senator LUCAS. Is that the Farm Security Administration plan?

Secretary WICKARD. That is right.

Senator LUCAS. It is very interesting to get that information, in view of the many protests that we have had on the Farm Security Administration and the fight we originally had on the bill.

Secretary WICKARD. I want to say at the present time the Farm Security Administration is not operating the Bankhead-Jones tenant purchase in certain areas because land prices are getting pretty high. Mr. Hancock, who is the Administrator, has indicated we may have to abandon more or less this purchase activity. We hate to see that done, but, on the other hand, I think it is a wise thing to do, because, as I said a while ago, let us not buy a lot of high-priced land that these fellows are going to have a hard time paying for. I am greatly worried about the advance in land prices at the present time. It has happened too many times, as after the last war. Some men have made some money out of farms that bought land in 1919, when they were mustered

out of the service, but that was because they had the tenacity to hold on for 10 years.

Senator LUCAS. What has been the average increase in farm lands since the war?

Secretary WICKARD. Prevailing prices of the farm lands in the United States now are about one-third higher than they were on the average in the period of 1935 to 1939, but the rate of increase is even more alarming, that is, the curve is going up pretty rapidly. In the last year in 9 States the increase was higher than it was during the boom period in the last war.

Senator LUCAS. That is the reason for that \$25-per-acre cash.

Secretary WICKARD. Yes; people are bidding for land.

Senator CONNALLY. Mr. Secretary, along the line you suggest, on account of the increase in price of land it makes the obligation on these purchasers a little high. That is one of the criticisms—I don't know whether it is just or not—that I have heard as to the Farm Security Agency. In many cases they thought they overloaded these purchasers. In other words, they built them a house which was better than anybody else had in the neighborhood, it has put in all the modern improvements, and by the time the total was figured, it was difficult for the purchaser to meet the payments.

Secretary WICKARD. I think in some instances it did look like he was assuming quite a load. As I said a while ago, perhaps we have been very fortunate because prices have gone up and there haven't been many defaults, the number of defaults has been very small. I think your idea is right, that in the future we do not want to load these men with too much indebtedness.

Senator CONNALLY. A man on one side of the road is buying his own place, he has been taking it out of the farm for years, and the Government comes along and builds a new house across the road, a better house than this man has got, and builds it on credit, and by the time you add it all up it gives much more to the purchaser than the man across the road, and the man across the road is kicking because the Government is doing so much for his neighbor and is not doing anything for him. It seems to me we ought to be very careful not to overload the purchaser, because to overload him and have him fail is worse than not to have him try at all.

Secretary WICKARD. That is right.

Senator CLARK. Thank you very much, Mr. Secretary. Your statement has been very helpful.

Is Mr. Ferguson here?

STATEMENT OF B. C. BOVARD, GENERAL COUNSEL, FEDERAL HOUSING ADMINISTRATION

Mr. BOVARD. My name is B. C. Bovard. I am general counsel of the Federal Housing Administration. Mr. Ferguson asked me to come in his stead.

Our only suggestion pertains to the possible ambiguity of the language.

Senator CLARK. The committee will be very glad to hear you, Mr. Bovard.

Mr. BOVARD. We find on page 20 of the committee reprint certain requirements that the approving agency is required to meet in order

to have one of these loans eligible for insurance. It is the second requirement that concerns us particularly; that is, the one that begins on line 10—

that the nature and condition of such property, and the terms on which such property is to be purchased, are such as to afford adequate protection for the veteran.

Now, the terms on which such property is to be purchased presumably may require a determination that the contract of purchase is in a form that meets the laws of the particular State, and also that the form of deed to the purchaser is in such form as to protect him, and on the question of title, that he is getting a good title, that the seller of the property has a title.

Those, of course, are determinations which the F. H. A. is not equipped to make at all. I would assume that, in all probability, the committee has in mind by "the terms" the financial terms of payment, that they are within the reasonable ability of the veteran to pay.

I would like to suggest that the wording of this requirement No. (2) be amended something along this line:

That the contemplated terms of payment required in any mortgage to be given in part payment of the purchase price or the construction cost bear a proper relation to the veterans' present and anticipated income and expenses; and that the nature and condition of the property is such as to be suitable for dwelling purposes.

With respect to the wording that is now in the committee print, the requirement that the nature and condition of the property are such as to afford adequate protection for the veteran, that is a little difficult for us to determine. We would much prefer to determine that they are suitable for dwelling purposes, and I am inclined to think that probably is what the committee has in mind.

Now, with respect to the provisions of subsection (b), which appear on page 20, authorizing a loan to be used for the purpose of paying delinquent indebtedness, taxes, and special assessments on a property which the veteran may have bought previous to his going into the Army and which have become delinquent during the course of his service. The requirement here is that the agency shall approve such loan unless, in its opinion, such loan is unsound or would not be in the interest of the veteran. That condition is a little difficult for us to determine, as to whether "unsound" means unsound from the point of view of the lender or from the point of view of the veteran, and also as to whether or not it would be in the interest of the veteran. We would much prefer, and we believe it would be much easier to work, if lines 23 and 24 were stricken out and a substitution made to "approve such loan if it finds that such loan will be used for such purpose." Then the Administrator, if he is satisfied that this loan will be used for the purpose of paying delinquent indebtedness, taxes, and special assessments, and so forth, on this property, could assume it would be in the best interest of the veteran to do that.

Senator LUCAS. Now, is it your contention that the language you have suggested in lieu of lines 11 and 12 and lines 23 and 24 in paragraph (b) carry out the intent of the committee?

Mr. BOVARD. That is what we would assume.

Senator LUCAS. What you are attempting to do is to place definite language in there so there will not be any question about it and the

administration of it will come along in exactly the way that you think the committee wants it?

Mr. BOVARD. That is exactly true, sir.

Senator CONNALLY. You say "satisfied that the land is being used for that purpose." It looks to me like it would be your business to see that it is used for that purpose, otherwise you would be loading them up again.

Mr. BOVARD. Of course, the mechanics of closing the loan, I assume, would be handled by the Veterans' Administration. I do not know how that would work out. Presumably the Veterans' Administration turns over the application to the F. H. A., the F. H. A. makes its findings and turns it back to the Veterans' Administration, under such requirements as may be drawn up, of course, I assume, by the Veterans' Administration working jointly with the F. H. A., such rules and regulations as might be put into effect.

Senator CONNALLY. Does F. H. A. pass on titles, and that sort of thing?

Mr. BOVARD. No; we do not.

Senator CONNALLY. You turn that over to the borrower, the bank, or whoever it is that makes the original loan?

Mr. BOVARD. Yes.

Senator CONNALLY. All you do is just O. K. the financing?

Mr. BOVARD. That is right. Of course, the mortgagee under our system assumes the risk on the title. We do not pass on that at the time the mortgage is insured, but when it comes to issuing debentures the mortgagees have to give us good title, title that is satisfactory to us.

Senator LUCAS. Under this bill all you do is make an examination and recommendations to the Veterans' Bureau. The Veterans' Bureau has got to pass on it under this bill; is that right?

Mr. BOVARD. That is right. We have no attorneys in our local offices. We could not act as the veteran's attorney, in advising him as to whether his title is good, whether the deed is good, and so forth.

Senator CONNALLY. Then, in F. H. A. operations, he would have to go through the same process, would he, that an ordinary borrower goes through; that is, have a bank examine the title and turn it over to the Veterans' Administration?

Mr. BOVARD. Yes. If the balance of the purchase price should be refinanced by an F. H. A. loan, of course with respect to that F. H. A. mortgage he would have to go through the usual procedure and get the money from the bank on an F. H. A. commitment, under the regular procedure. The first mortgage may very well be made by any institution, it may not be an F. H. A. mortgage at all. The veteran presumably would have to or should get some attorney to advise him with respect to the title on his property. Our agency could not do that very well.

The question occurred to us as to whether or not the committee might intend these loans to be available for a veteran who owned an unimproved lot, to use this \$1,000 in buying material or entering into a contract with a contractor to build a house on his own property. There is some ambiguity in that, in view of the fact that the bill speaks all along of purchases of property; that he can use this money for the purchase of property. I do not know whether the committee would

intend to permit the veteran to use this money for building a house on property which he already owns.

Senator CONNALLY. It is certainly within the spirit of the act. That would be a more desirable situation than to buy new land.

Senator CLARK. That is certainly the intention. If we have not correctly expressed it, I would like very much to have your suggestion about it. A man that already owns his lot would certainly be in a better position to build than somebody else.

Mr. BOVARD. I would suggest certain amendments along that line.

Senator CLARK. Let me ask you, Mr. Bovard, do you have those amendments in shape so you can turn them over to us for the record?

Mr. BOVARD. Yes; I have.

Senator CLARK. Very fine.

Mr. BOVARD. There was a possible ambiguity, in our mind, in connection with a leasehold estate, such as the Baltimore ground rent situation, in that it was, of course, required that this loan be not more than a second lien. Now, it is, of course, conceivable that a veteran may be buying a leasehold estate in Baltimore, a 99-year lease, subject to a ground rent, and then would have a first mortgage, maybe an F. H. A. mortgage or some other mortgage, to secure the major portion of the purchase price, and this lien for the \$1,000 loan might, in effect, be construed as a third lien. If that were the interpretation, why, I would suggest that lines 12 and 13, except the last words on line 12 as now written, be stricken out, and the following substituted—

Senator LUCAS. What page of the bill is that?

Mr. BOVARD. Page 19.

Senator CLARK. That is the committee print, the revised bill?

Mr. BOVARD. Yes; that is the committee print. We suggest this language be inserted:

subject only to a lien covering the balance of the purchase price or construction cost and such ground rents as may arise from the purchase of a leasehold estate.

Senator CLARK. What do you propose to strike, Mr. Bovard?

Mr. BOVARD. Strike lines 12 and 13 except the last word on line 13 as now written, and substitute the following:

subject only to a lien covering the balance of the purchase price or construction cost and such ground rents as may arise from the purchase of a leasehold estate.

Senator CONNALLY. Is that ground rent in this 99-year leasehold a nominal sum or is it a substantial sum?

Mr. BOVARD. Well, it, of course, depends on the arrangement originally, but sometimes it is quite a sum. Usually I think it runs around maybe 6 percent of the money that was originally invested there by the holder of the fee.

Senator LUCAS. That is true only in a few jurisdictions, is it not?

Mr. BOVARD. That is true in a few jurisdictions. The possibility occurred to us that language might be worked out to make it clear that this lien could be a third lien if you regarded the ground rent as a first lien.

Senator LUCAS. The ground rent is probably the first lien, all right.

Mr. BOVARD. Yes. Those are the only suggestions that we have.

Senator CLARK. Are there any questions of Mr. Bovard? If not, thank you very much, Mr. Bovard.

Governor Stelle, did you wish to make a statement?

Mr. STELLE. Yes, Mr. Chairman and members of the committee. As you recall, the representatives of the Army and Navy came in with certain proposals, and after about 8 hours of study I think we have some amendments that will be satisfactory, or that are satisfactory to the veterans' organizations and the Army and Navy. We have these amendments drawn on the bill.

Senator CLARK. These amendments do not have anything to do with title II, do they, Governor, that is, the educational section?

Mr. STELLE. We think they have.

Senator CLARK. The Army was in here the other day making recommendations about the educational section, which I think is none of their business.

Mr. STELLE. We received an apology for it.

Senator CLARK. We will be glad to hear from the Army and Navy on anything that concerns them.

STATEMENTS OF COL. WILLIAM E. CARPENTER, GENERAL STAFF CORPS, WAR DEPARTMENT; AND CAPT. T. H. HEDERMAN, BUREAU OF NAVAL PERSONNEL, NAVY DEPARTMENT

Colonel CARPENTER. We ask that on page 2, line 13, the word "permanently"—

Senator MILLIKIN. What page are you reading from?

Colonel CARPENTER. On page 2 of the committee print, on line 13, the word "permanently," which is the last full word on that line, is changed—

Senator CLARK. That is to be stricken?

Colonel CARPENTER. That is to be stricken, and inserted in place thereof should be the word "suitably," so that it would read, "suitably constructed."

Mr. STELLE. The reason for that change is there might be some facilities that the Veterans' Administration wants to take over from the Army or the Navy that might not in the past have been called a permanent construction.

Senator LUCAS. It might be suitable but not permanent.

Senator CLARK. We have a lot of buildings on Constitution Avenue constructed during the last war as temporary buildings, that they were not able to get rid of at all.

Colonel CARPENTER. One of the cases referred to by representatives of the Navy this morning was a post which the Navy considers a temporary construction but which, in fact, is a very fine place.

Colonel CARPENTER. On page 4, line 12, following the word "claim", insert the words "for compensation, pension, or hospitalization."

Senator CLARK. This is the section, Senator, that has to do with the discharge of soldiers, with the provision that they should be protected in their rights before they are discharged.

Colonel CARPENTER. On page 5, chapter II, section 200, line 13, after the word "permit", strike out "the" and insert the words "the assignment of", striking out the words "functioning of" in line 14, so it will read, "are hereby authorized and directed to permit the assignment of such accredited representatives"; strike out the word "in" and insert "to", so it will read, "to military or naval installations," and after the word "installations" in line 15, insert "on shore."

Senator LUCAS. "authorized and directed to permit" what, now, again?

Colonel CARPENTER (continuing reading):

to permit the assignment of such accredited representatives to military or naval installations on shore.

Senator CLARK. That simply allows them to assign the representatives of these organizations to naval installations but not to ships.

Colonel CARPENTER. That is correct, sir.

Senator LUCAS. What is an accredited representative?

Colonel CARPENTER. As we understand it, it is a representative who is accredited by the Administrator of Veterans' Affairs under section 200 of the act of June 29, 1936.

Senator CLARK. Those organizations are specifically set forth in that statute?

Colonel CARPENTER. Yes, sir.

Senator CLARK. And authority is given to the Administrator of Veterans' Affairs to enlarge that, and that is also set forth in the act, specifically.

Colonel CARPENTER. Yes, sir; as a matter of fact, he has accredited at least 14 that I know of.

Senator CLARK. All the organizations in this act refer to the act authorizing the Veterans' Administration to make the selection?

Colonel CARPENTER. If I understand you correctly, sir, that is right.

Senator CLARK. That is what we are trying to do.

Senator LUCAS. It looks to me, from the language, it is pretty broad.

Senator CLARK. It is limited by statute already.

Senator LUCAS. I know it is limited by statute.

Mr. STELLE. Senator, refer back to the top of the section here. It starts the whole section there, Senator.

Senator LUCAS. Oh, yes.

Senator CLARK. It states, "of accredited representatives of the veterans' organizations specified in section 200 of the Act of June 29, 1936."

Colonel CARPENTER. At the end of line 16, after the word "service", insert the following language:

for the purpose of giving aid and advice to persons about to be discharged: *Provided*, That nothing in this section shall operate to affect measures of military security now in effect or which may hereafter be placed in effect.

That was written by the Navy, but we are in accord on it.

Senator LUCAS. That does not mean that you just threw a lot of restrictions around the fellows to keep them from doing something?

Colonel CARPENTER. I would like to have Captain Hederman explain that.

Captain HEDERMAN. That is a saving clause, Senator. There are so many things going on in certain areas as to preparations, things that I do not even know about, that we think it advisable to put this language in.

Senator LUCAS. I appreciate that.

Captain HEDERMAN. There are times that we could not permit anyone within a certain area for periods of, say, a week or so, preparation periods.

Senator CLARK. Certainly you do not want these fellows that are in there trying to help the men about to be discharged mixing up with matters of strategy or matters of discipline.

Captain HEDERMAN. No, sir.

Senator LUCAS. On the other hand, we do not want the Army or the Navy to keep any fellows from doing a real job.

Captain HEDERMAN. It is put in there for the purpose of military security.

Colonel CARPENTER. In section 201, line 17, page 5, after the word "promulgated"—

Senator LA FOLLETTE. May I suggest, Mr. Chairman, instead of our trying to write this into the bill, that they furnish us with typewritten copies of their amendments? I suggest that the Colonel just give us the language as we go over it and then later furnish typewritten copies of the amendments, and then we will not have to stop, writing it in.

Colonel CARPENTER. Section 201 should be amended to read as follows:

The necessary regulations shall be promulgated by the Secretary of War and the Secretary of the Navy, in conjunction with the Administrator of Veterans' Affairs, to accomplish the purpose of the foregoing paragraph and in the preparation of such regulations the national officer of each of the recognized organizations responsible for claims and rehabilitation activities shall be consulted. The commanding officer of the military or naval installations shall cooperate fully with such authorized representatives in the providing of available space and equipment for such representatives.

Now, in the next section, which appears on page 6, section 800, the first part of that section down to the first proviso is amended to read as follows:

The discharge or dismissal by reason of the sentence of a court martial of any person from the military or naval forces, or the discharge of any such person on the ground that he or she was a conscientious objector who refused to perform military duty or refused to wear the uniform or otherwise to comply with lawful orders of competent military authority, or as a deserter, or of an officer by the acceptance of his or her resignation for the good of the service, shall bar all right under any laws administered by the Veterans' Administration.

Senator CONNALLY. Right there, it looks to me like that is pretty harsh, just because he might have been tried by a court martial and condemned. It would react not only on him but on his family, and it seems to me that is wrong.

Colonel CARPENTER. Senator Connally, I believe you will find, sir, that that provision already exists in the law.

Senator CONNALLY. That does not make it right because it is already in the law. There are a lot of laws that ought to be changed. We would not be in existence if we had to stick to all the laws already passed.

Senator CLARK. Read that over again, Colonel. I cannot see any objection to it.

Colonel CARPENTER (reading):

The discharge or dismissal by reason of the sentence of a court martial of any person from the military or naval forces, or the discharge of any such person on the ground that he or she was a conscientious objector who refused to perform military duty or refused to wear the uniform or otherwise to comply with lawful orders of competent military authority, or as a deserter, or of an officer by the acceptance of his or her resignation for the good of the service, shall bar all right under any laws administered by the Veterans' Administration.

Senator LA FOLLETTE. Without raising any question as to Senator Connally's statement, as a matter of fact, if I follow you correctly, this

redraft is a somewhat more liberal provision than the original language.

Colonel CARPENTER. Yes, sir.

Senator CONNALLY. I take issue with that statement, Senator.

Senator LA FOLLETTE. It leaves out "any offense involving moral turpitude or willful and persistent misconduct."

Senator CONNALLY. If he or she is guilty of mutiny or treason, or spying, or any offense involving moral turpitude or willful and persistent misconduct, that language would be all right.

Senator CLARK. That "willful and persistent misconduct" might take in anything.

Senator CONNALLY. Instead of those instances, you come along with a broad, shotgun statement.

Senator CLARK. I agree with Senator La Follette that the language perhaps is more liberal than the language in the original law. If you say "willful and persistent misconduct," that might be construed to mean to fail to button your shirt.

Mr. STELLE. We feel that is more liberal.

Senator CONNALLY. Suppose a fellow went to sleep on his post, that is a very serious offense. Suppose he was out there fighting around and innocently went to sleep on his post, he would be fired from the Army.

Colonel CARPENTER. That offense would be triable by a general court martial.

Senator CONNALLY. Certainly. I do not want to raise any issue about it, but it seems to me the language you offer now is much harder on the soldier than the old language. Of course, if he is guilty of mutiny or treason, nobody would say a word, but a lot of what we would regard as an insignificant offense is subject to court martial. There pass over our desks every day cases of that kind, that are fairly trivial, and yet they discharge them for it. It is considered absent without leave if he stays over 48 hours—is that right. What is the time?

Senator CLARK. Ten days, it used to be.

Senator CONNALLY. They fire them out for A. W. O. L. sometimes, don't they?

Colonel CARPENTER. I think you will find in any case where a man is tried by court martial and all of the procedure that is necessary is followed, that his case is so exhaustively examined and reviewed that, if anything, the Army, and I believe the Navy, lean over backward to see that he is given every opportunity to clear himself.

Senator CONNALLY. To get stuck.

Colonel CARPENTER. To defend himself in every respect. There are cases which have occurred where people have seen fit to resign from the service rather than defend the trial.

Senator CONNALLY. Well, now, with all due respect to the Army and Navy, we know how hard it is to dodge a court martial. If you have got a capable judge advocate, why, it is too bad for the defendant.

Senator LUCAS. You might say that none of them are ever acquitted.

Senator CONNALLY. Some of them are acquitted, but darned few that I ever found were acquitted. It is probably necessary in time of war to be pretty rough, but I think they are very rough. I say that

with all due respect to the Army and Navy. Most of these general courts are composed of officers that are not lawyers and they cannot see a defense at all.

Senator CLARK. Suppose you let us have that amendment in writing and the committee will consider it in executive session.

Colonel CARPENTER. There is another one in section 301.

Senator LUCAS. You strike out "for any offense involving moral turpitude"?

Colonel CARPENTER. That is stricken out under the present writing.

Senator LUCAS. All right.

Colonel Carpenter. Such offenses as you have reference to would be included in the language as it is now written.

Senator LUCAS. I did not know that was stricken out. I was going to talk about that for a little while, because there is quite a bit to be said on "moral turpitude," as I recall, Senator.

Senator CONNALLY. My theory about it is to go ahead and name these serious offenses. That is all right. Mutiny, of course, and treason, that is fine, that ought to be considered, but there are a lot of these little things that a court martial might convict him of. He gets his pants kicked off, he is kicked out of the Army, goes home humiliated, and the family is in a hard way. I think he is the boy that ought to have a little help.

Captain HEDERMAN. Incidentally, Mr. Chairman, we have found out that one reason why that "treason" was stricken out is that that is not triable by a military court. An offense of treason has to go over to the Department of Justice, and that should be out anyway.

Senator CLARK. An officer is usually tried by a military commission.

Captain HEDERMAN. Not for treason. Treason goes to the Department of Justice.

Senator CLARK. Go ahead, Colonel, and give us the other one.

Colonel CARPENTER. Section 301 is rewritten and will read as follows—

Senator CLARK. That is striking out the entire section?

Colonel CARPENTER. Yes, sir.

Senator CLARK. All right.

Colonel CARPENTER. It will read as follows:

The Secretary of War and the Secretary of the Navy after conference with the Administrator of Veterans' Affairs are authorized and directed to establish in the War and Navy Departments, respectively, boards of review composed of five members each, whose duty it shall be to review, upon the request of a former officer or enlisted man or woman, the type and nature of his or her discharge or dismissal, except a discharge or a dismissal by reason of the sentence of a court martial. Such review shall be based upon all available records of the service department relating to the person requesting such review, and such other evidence as may be presented by such person. Witnesses shall be permitted to present testimony either in person or by affidavit and the person requesting review shall be allowed to appear before such board in person or by counsel: *Provided*, That the term "counsel" as used in this section shall be construed to include, among others, accredited representatives of veterans' organizations recognized by the Veterans' Administration under section 200 of the Act of June 29, 1936 (Public Law No. 844, 74th Cong.). Such board shall have authority to change, correct, or modify any discharge or dismissal, except a discharge or dismissal by reason of the sentence of a court martial, in accord with the facts presented to the board. The Articles of War and the Laws for the Government of the Navy are hereby amended to authorize the Secretary of War and the Secretary of the Navy to establish such boards of review, the find-

ings thereof to be subject to final approval of the Secretary of War or the Secretary of the Navy, respectively.

Senator CLARK. Now, would you say that instead of making it permissive you make it mandatory; that it imposes the duty directly on the Secretary of War and the Secretary of the Navy to establish such a board?

Colonel CARPENTER. Yes.

Senator CLARK. Then the only other amendment you make is, you exempt from the jurisprudence of that review board dismissals by reason of court martial?

Colonel CARPENTER. That is right.

Senator CONNALLY. I think those are the only things that ought to be reviewed. Very frequently after the last war the Judge Advocate General maintained a board of review that reviewed all the court martials and mitigated their punishment, softened them down after the pressure and furore of war was over.

Senator CLARK. If you remember, Senator, there was a very bitter controversy that arose during the last war as to the security of court-martial procedure, the unfairness of it at that time, and as the result of that the whole manual of courts martial was changed, and there were a great many mitigations of a great many sentences resulting from that.

Senator CONNALLY. I am for proper discipline, but most of this would be post-war stuff right here. Why they could not go into a court-martial case, I do not know. Courts martial are not holy; they make mistakes. I do not see why they should not reexamine the case, because a man has been discharged by a court martial. I think he is out just as much when he is discharged by the Army or Navy as by a court martial.

Senator LUCAS. Did not Congress give a medal to Billy Mitchell after being court-martialed?

Senator CLARK. There was a change of rank, to give him a major generality. That also passed the Senate.

Colonel CARPENTER. Senator, if the committee desires it, I would like to have the opportunity to ask Colonel Marisette, who is the chief of the military justice section of the office of the Judge Advocate General, to explain for the benefit of Senator Connally the procedure in connection with court martial that is now followed, because I believe you will have an entirely different idea about the procedure when you hear about all the steps that they go through to protect the man's interest. He went over before a committee in the House this morning. I would like to have him come here, sir, because he is an expert on that and understands it.

Senator LUCAS. He is probably being court-martialed over there. This amendment would meet the objection made here by the representatives of the Disabled Veterans.

Mr. STELLE. Yes. We are submitting this to the committee.

Senator CLARK. Colonel, if you will have those amendments reduced to writing and submit them to the committee, we will consider them. If it is not possible to hear them in the hearing this morning, we will take them up in executive session.

Mr. STELLE. The reason for putting this in there has been a decided change of the procedure of court martial.

Senator CLARK. That was the result of this tremendous controversy that took place during the last war.

Senator CONNALLY. All of which proves they were not sacred. (The following letter was submitted for the record:)

AMERICAN OSTEOPATHIC ASSOCIATION,
Washington, D. C., March 15, 1944.

In re Servicemen's Aid Act of 1944.

HON. BENNETT CHAMP CLARK,
Chairman, Senate Finance Committee,
Subcommittee on Veterans' Legislation,
Washington, D. C.

DEAR SENATOR CLARK: The American Association of Osteopathic Colleges, an affiliate of the American Osteopathic Association, has followed with interest your legislation S. 1617, and now S. 1767, which would provide education and training for persons who served in the active military or naval service on or after September 16, 1940, and desires to express to you the fullest appreciation of the opportunity of this expression which may be of use to you in further consideration of this measure.

Public Law 16 approved on March 24, 1943, provides vocational education and training for veterans of World War II who have service-connected disabilities. Title II of your Bill S. 1767, extends eligibility for vocational education and training to all other veterans of World War II, i. e., those not covered under Public Law 16, provided they have served a minimum of 6 months prior to the termination of the present war, and shall have obtained a discharge other than dishonorable.

Paragraphs 4 and 11 of the bill provide that the trainee may have his choice of approved educational institutions, inside or outside the State of his residence, which is included in the list of approved educational institutions furnished by the State educational agency of the State where the institution is located, such list to be compiled in accordance with standards prescribed by the Administrator of Veterans' Affairs. In that connection it is our suggestion that in the case of professions requiring state licensure for employment, the trainee be accorded the privilege of education and training in any institution which is approved by the appropriate state licensing authority in the state in which the trainee intends to begin his practice, provided that is accepted by the institution.

Osteopathic graduates are licensed in all the States, and the bureau of professional education and colleges of the American Osteopathic Association is the generally accepted accrediting authority for colleges of osteopathy and surgery. Institutions approved by that authority include the following: College of Osteopathic Physicians and Surgeons, Los Angeles, Calif.; Chicago College of Osteopathy, Chicago, Ill.; Des Moines Still College of Osteopathy, Des Moines, Iowa; Kansas City College of Osteopathy and Surgery, Kansas City, Mo.; Kirksville College of Osteopathy and Surgery, Kirksville, Mo.; and Philadelphia College of Osteopathy, Philadelphia, Pa.

Paragraph 9 provides that the Administrator may arrange for educational and vocational guidance to the trainees, and states that he shall from time to time make information available respecting the need for training, education, and general personnel in the various trades, crafts, and professions. In this connection we note the proviso which states: "That facilities of other Federal agencies collecting such information shall be utilized."

It is, indeed, logical that in the determination of shortage areas for the purpose of vocational guidance, the Administrator should take into consideration such studies as have been made and will be made by other Federal agencies, especially those made in consultation with the organized professions or trades involved. For instance, in December 1942, the Selective Service System in Occupational Bulletin No. 41 announced that the War Manpower Commission had certified that there are serious shortages of persons trained, qualified, and skilled to engage in the practice of medicine, dentistry, veterinary medicine, and osteopathy.

As a matter of information, the occupational definition of the practice of osteopathy as included in the Dictionary of Occupational Titles, Supplement, Edition II, July 1943, War Manpower Commission, reads as follows:

"OSTEOPATH; doctor, osteopathic; osteopathist; physician, osteopathic; surgeon, osteopathic (medical serv.) 0-39.06. Diagnoses, prescribes for and treats

diseases, disorders and conditions of the human body, in accordance with the scope of regulatory laws in all the States; majors in manipulative procedures for the detection and correction of disorders and affections of the bones, muscles, nerves, blood vessels, and other tissues of the body structure; employs auxiliary medical appliances, devices and other aids to diagnose, and to support, immobilize, or otherwise adjust bodily impairments and, as legally qualified in varying degree in most States, practices obstetrics, surgery, internal medicine, or other branches (specialists) of medical science."

In 8 States and the District of Columbia (Colorado, Delaware, District of Columbia, Kentucky, Massachusetts, New Hampshire, New Jersey, Ohio, and Texas), osteopathic and medical candidates take the same examination before the same examining board and receive identical or equivalent licenses to practice. In the remaining States the examining and licensing boards are osteopathic, medical, or mixed and grant limited or unlimited licenses as the case may be. In 30 States, the District of Columbia, and Hawaii, osteopathic candidates are licensed to practice major surgery (Arizona, California, Colorado, Delaware, District of Columbia, Florida, Georgia, Hawaii, Indiana, Iowa, Kentucky, Maine, Massachusetts, Michigan, Missouri, Nevada, New Hampshire, New Jersey, New Mexico, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, Tennessee, Texas, Utah, Virginia, Washington, West Virginia, Wisconsin, Wyoming). In most of the remaining jurisdictions, osteopathic candidates may resort to minor surgery on proper occasions. Minor surgery may be said to be the surgery usual to the office practice of a general practitioner.

All States require graduation from a professional osteopathic college. Every State requires high-school graduation and college work as a prerequisite for entrance to the professional osteopathic college; while this requirement is not specifically mentioned in some States, it is implied by the fact that students must graduate from approved osteopathic colleges, and these colleges require high school graduation and at least 2 years of college work for entrance.

It is observed that S. 1767 makes specific provision for refresher courses. We heartily approve this provision. It was our privilege to suggest the inclusion of such a provision in similar legislation pending before Congress. Undoubtedly many veterans, who though already licensed to follow the various civilian professions, will feel they require refresher courses of full or part-time attendance for extended periods in recognized institutions in order that they may as confidently resume their places in their former lines of endeavor.

The American Association of Osteopathic Colleges and the Bureau of Professional Education and Colleges of the American Osteopathic Association desire to assure you and the prospective administrative authorities of full cooperation in implementing the objectives of this bill.

Very truly yours,

C. D. SWOPE, D. O.,
Chairman.
L. L. GOURLEY,
Counsel.

STATEMENT OF HARRY W. COLMERY, PAST NATIONAL COMMANDER, THE AMERICAN LEGION

Senator CLARK. Mr. Colmery, you are the past national commander of the American Legion and have held various other public positions, as I happen to know. Do you wish to make a statement at this time?

Mr. COLMERY. Mr. Chairman, I have been asked to make a statement by the American Legion.

Senator CLARK. The committee will be glad to hear you.

Mr. COLMERY. I doubt if there is enough time left before your adjournment.

Senator CLARK. The Senate is not meeting today, so you may proceed.

Mr. COLMERY. While it is fresh in my mind, the matter of section 301, which was the subject of controversy just now, may I invite your attention to the fact that the difficulty of establishing boards of review

and not exempting court-martial proceedings lies in the fact that there is already established an appellate procedure for the review of court-martial cases. That is what the colonel desired the other colonel to speak of. Each appointive officer in the first instance, under the Articles of War, has a right to review the findings, set them aside in whole or in part, change the sentences in whole or in part, and then they come to the Judge Advocate General's Office, where they are reviewed, or to their staff representatives who have jurisdiction. That is a second review. Then, as I recall, in the more heinous cases there is a review by the President of the United States, with broad powers in his jurisdiction to change and modify both the findings of fact and the sentence.

Senator CONNALLY. He does not review every case?

Mr. COLMERY. I said in the more heinous cases.

Senator CONNALLY. The very severe cases.

Mr. COLMERY. The question is, Senator, that question of jurisdiction being established, if there is a weakness in it, whether or not the correction should not be addressed to correct the appellate procedure there rather than introducing, through an act like this, something that would create a conflict and probably give rise to a loss of difficulty. I just want to point that out while it is fresh in my mind.

Senator LUCAS. I think that is a sound conclusion.

Mr. COLMERY. Mr. Chairman and members of the committee, as you now approach the closing of the hearings on this legislation may I, on behalf of the American Legion, express our thanks and our grateful appreciation for the many courtesies which have been shown us over the period of the many days and weeks, for the interest that both you and the members of the committee have manifested in the problems that are involved, and for the great care and patience and sense of responsibility which have been so evident in your consideration of the subject matter. We recognize it not as an act of expediency to satisfy the proponents of the legislation, but we view it rather as the instinctive reaction of trusted public servants seeking to translate into public performance, in critical days like these, the aims and desires and hopes of the great people who want to do the right thing for those of their own, to go forth as their champions, as men have at all times, on the field of battle, to keep their Nation's flag unsullied and her escutcheon untarnished. I am sure you also recognize, over the period of weeks, the sincerity of those of us who are taking an interest here in trying to work out the problems of this legislation. There are many of us who have no selfish motive. We are only trying to match our service with their service, our faith with their faith, and our gratification comes solely from trying to accomplish a worthy deed.

I have not had the privilege of being at all the hearings, and I hope I shall not be unduly repetitious, but will make some general observations and maybe now and then dip into a detail or two in connection with this bill.

Senator CONNALLY. Commander, would it interrupt you, now that you are getting away from this point, to ask you a question and then let you go ahead with your statement?

Mr. COLMERY. That is all right.

Senator CONNALLY. Under the present practice, if a man has been discharged dishonorably, the War and Navy Departments cannot cor-

rect it at all. He would have to get a special bill to get his record straightened out.

Mr. COLMERY. That is right.

Senator CONNALLY. Under this provision, as you propose to rewrite it, they can revise anybody's discharge except the men who have been discharged by a court martial, is that right?

Mr. COLMERY. That is substantially correct; yes.

Senator CONNALLY. The War and Navy Departments, under this clause, as I read it, would have jurisdiction to go back and review this man's case.

Senator CLARK. Or the fellow resigns for the good of the service, which is practically the same thing.

Senator CONNALLY. Yes.

Mr. COLMERY. Senator, the thing which precipitated it was the case in between the dishonorable discharge and the honorable discharge, that has, in later years much more than earlier, given rise to the so-called blue discharge.

Senator CONNALLY. Yes; without honor.

Mr. COLMERY. Yes. Coupled with the fact, secondly, that the matter of demobilizing and discharging large numbers of men after this war, and women, is a job the like of which has never been handled by either the Army or the Navy of the United States, and just as it was inevitable that there would be weaknesses or there were weaknesses in the mobilization of the forces, both of man and matériel, so likewise the human equation will bring about many weaknesses and many injustices as the men pass through the lines and oftentimes rather quick judgment will be found to be passed as to the border-line cases. Then, thirdly, arising out of the experience following the last war where over a period of time we had to correct the so-called presumptive cases and constitutional and organic cases, about which I know very little except I had something to do with some of those things, things that are serious and basic, against which the inoculations are not making men immune, coming back and being hospitalized and sent back down for duty again, only to have certain blood diseases break out. A man can be discharged today, and then 2 or 3 months from now, or 2 or 3 weeks from now, have one of those incipient things break out. That is the third reason which precipitates a review.

Senator LUCAS. A lot of mistakes have already been made with respect to discharges that ought to be corrected, and the only way they should be corrected, in a fair and equitable way, is through a procedure of this kind. If what they have done already in the way of mistakes is a criterion of what the future is going to be in regard to the men coming out of the Army, the Congress is going to be flooded with bills for correcting the discharges.

Mr. COLMERY. I appreciate the Senator's concern although we are willing to draw the line more in concert with the American principle. That is, in the American court, where you have a trial, and an appeal, and then an appeal to the Supreme Court; you are supposed to have a run for your white alley.

Senator CONNALLY. I do not think your analogy is quite accurate, Mr. Colmery, because all these are military courts, every man that passes on it is in the service. A lot of them have the idea that they have got to be hard-boiled. Most of these soldiers have their counsel

appointed for them, the best possible available perhaps, but they do not have the same opportunities as a man in civil life where he has the choice of his own counsel and can appeal his case right on up. After the war is over, going back and looking at the picture from a post-war point of view, I think we ought to have a little charity, a little mercy, in a lot of these cases. I do not think you can properly ignore those factors. That is what this is to take care of, after they are out of the service and back home here. That was my thought. If you are just going to accept the decision of a court martial and that is final, it cannot be touched, I just think that is going a little too far, with all due respect. I know you put a lot of work and time on it and I honor you for it, but we all have a divergence of views. I am just thinking out loud now. I am judging not simply by this war but the last war. I happened to be here part of the time during the last war. I know when the last war was over there was a perfect flood of cases that came to our attention in which the judgments of the courts martial were rigorous, were severe, 20 years for some offense that in a civil court a fellow would probably get 2 years for. It is against those things that I have formed an opinion that it was unfair. I do think the military and naval so-called justice is mighty rough.

Mr. COLMERY. I now express only my personal view, because I cannot commit the Legion on this, but I think in all of this, Senator, we have a twofold duty. In the first place, we are advocating the cause in the interest of the veteran, but over and against it I hope we always bear in mind the interest of the public and the Nation, and somewhere in between we have to arrive at some fair judgment. That was our opinion. If it should be more liberal than that, of course that is within the province of the committee to change it. We did not think we should review courts martial when the general run of them are for desertion, for larceny, for aiding in desertion, for offenses involving military discipline of the kind and character, of course, that cannot be tolerated if you are to have an effective Army. Those are the general gamut of things that in wartime bring about a dishonorable discharge by court martial.

Senator CONNALLY. Take the case of General Patton, who slapped a couple of soldiers around and kicked them around; suppose a soldier slapped General Patton and kicked him around, he would be out of the Army a long time ago and would probably have 30 years in Leavenworth; would he not?

Mr. COLMERY. Well, you do not want me to discuss the General Patton case.

Senator CONNALLY. I am perfectly willing to let that go.

Senator CLARK. I will tell you about another case, Mr. Colmery, the case of a fellow who came under my own observation. There were a couple of fellows that went "over the hill" from the old Third Missouri at Fort Riley because they had a brute for a top sergeant. They caught a night train for Kansas City, had breakfast, went right down the street to the marine recruiting office and enlisted for immediate service. They were picked up at Parris Island and sent back to camp for trial. Under the Article of War that was desertion per se, to leave one branch of the armed forces and join another one. The court martial did not believe there was any purpose to serve by sending them to Leavenworth. They were confined to the regimental area for a month. We

found them guilty of desertion and they lost two-thirds of their pay for 3 months. The division commander reviewed their sentence and ordered us to increase the sentence, which the court martial refused to do. He sent it back again and we refused to increase the sentence again, and he finally had nothing to do except to approve it. He put it on the military record of every member of that court martial that he doubted the ability of officers of the service that arrived at such a finding as that.

Suppose the court martial yielded to the coercion of the division commander and sent the men to the disciplinary barracks or sentenced them to be shot, as we had a right to do under the schedule of penalties for desertion? Don't you think those fellows should be entitled to a review outside of the ordinary machinery of the provision for review of a court martial in the Army?

Mr. COLMERY. Yes; I do. I think if your procedure needs to be legalized in the jurisprudence of the court martial, that is the place to fix it.

Senator CLARK. There has been a great deal of injustice done with the court-martial system in the Army, and I dare say in the Navy.

Mr. COLMERY. Many years ago I was judge advocate to the court martial and defended quite a few people before them, and was once admonished by the chairman—I thought I was going to be cited myself—because I protested against the manner in which the officers were allowed to linger around the field tents when they were anxious to fight.

Senator LUCAS. Did you get any acquittals?

Mr. COLMERY. Yes. I got that fellow off with a 60-day fine.

I have heard a number of queries made as to why title I, that part which designates the Administrator of Veterans' Affairs, is vital and necessary to the successful prosecution of the war. I want to state for the record, if for no other reason, that that has two very cogent reasons. First, it is a practical thing in order to treat and care for men and keep the manpower up to the highest degree of physical efficiency for the benefit of the service and the Nation; and, secondly, the care of the sick and wounded and disabled is not only a prime obligation but it is the very heart of the positive effort which we as a people have undertaken in preserving our life, our liberty, and our national integrity. It is the recognition of the very genius of our American civilization built around the individual, the dignity of the human personality, and here it is finding itself in a Government which is characterized by decency, honor, and humanity. Therefore, if we are true to that conception of our American civilization—and that is, as I say, the genius of it—we have to take care of the needs of the personnel, the equipment and facilities for these men, and make those rights above the demands of the trade. Therein lies the real basis for putting the Administrator of Veterans' Affairs in that category.

Senator CLARK. Let me ask you this, Mr. Colmery: It has been suggested here by some witnesses that it is not necessary to legislate on that matter, that the matter has largely been taken care of by Executive order. It is a fact, is it not, that it is not taken care of by Executive order and it was not taken care of by Executive order when this bill was prepared and introduced, and that a great deal of the improvement that has been made in the situation has come about as

the result of a threat of legislation? It seems to me we cannot afford to leave the thing to chance in the future; that Congress ought to legislate on the matter of establishing this great agency in the position to which it is entitled.

Mr. COLMERY. That is our position; yes, sir.

Passing over to title II, on the education of veterans, I want to invite attention to the fact now that of course the redraft is largely patterned after Senator Thomas' bill, S. 1409, as I recall it, except that wherein that bill lodged the authority in the President and Commissioner of Education, we have adhered to a fundamental idea, that we have adhered to throughout this bill, and that is that after many years of experience we feel that the veteran problem is a rather unique one and that more sympathy and intelligent understanding and consideration can be had in all of its phases through the Administrator of Veterans' Affairs. So, in talking about Senator Thomas' bill, that has been changed so that the education and training section, which in his bill was under the United States Commissioner of Education, now is lodged in the Office of the Administrator of Veterans' Affairs.

All the way down the line we have tried to avoid the duplication of agencies and, frankly, in adhering to the American Legion's position, emanating from more than one convention, to try to preserve as nearly as possible the sovereign right of the State and the right of local determination at the State level, we have just grafted on to the existing agencies the control, or, first, the determination of the policy as it affects the veterans through the Administrator of Veterans' Affairs, the administration of it under his direction and supervision, but without interfering with the existing agencies.

There has been a change in the rewrite of this bill. I have been questioned about it recently and, therefore, I bring it out because it happened in the back of the room. As I recall the bill, it opened up education to everybody who served in the armed forces. There is a difference of opinion about that. Following the Senator Thomas bill, it is limited somewhat slightly to those who had their education interrupted, or who had the opportunity for education prevented by reason of the service. There is a further limitation, that they must have served 6 months in the service. The original bill, of course, called for a 4-year education and now it is only 1, with a sort of an opportunity for 3 years additional, subject to determinations as are outlined in the bill.

Senator CLARK. In other words, it is an opportunity for 1 year, and for a further educational course for those who make the grade.

Mr. COLMERY. Yes; and that is limited by the length of active service, under this bill. I would not just put it that way, but that is all right. I think this has emanated, after a great difference of opinion, from all of the groups and individuals who have given thought to this. They were preserving the right of the individual veteran to choose his school and to choose his type of education, subject, of course, to his being acceptable by the school, to the end that the schools may have the opportunity to preserve their own standards and not have something forced on them that would destroy their standards and the efficiency of their operations. This bill now, Senator, instead of having the accredited schools determined necessarily on the Washing-

ton level, although, as I view it, it may still be done by the Administrator of Veterans' Affairs, it first sets up an advisory council composed of War, Navy, and Cabinet members and other administrative heads like the Selective Service which would be interested, to advise on the problems, and then it carries the suggestion that the request may be made by the Governor of a State to designate the State educational agency, or if there be not one satisfactory, to set up a special board or a special committee to designate the approved and accredited institution. We found, in trying to get at that problem, that many of the people, many of them in the field of education, did not stop to think that this kind of job had never been comprehended before.

I want to invite your attention to the language used in it, because I still think it is not sufficiently comprehensive, because I do not need to tell you that out of this war there comes every type and kind of our American young manhood, and it is not sufficient to just open up the vista of education for the college, the university, and professional training school, and although the words "business school" are in here, yet military schools are not included. In one of the two sections normal schools are not included. In my judgment, flying schools should be mentioned, like the Parks Flying School in Missouri and the one at Brenham, Tex., Senator, where they turn out 5,000 flyers in that school alone.

Senator CLARK. I certainly think, without any question at all, that technical schools of that character, not only for aviation but for other things, should be included in the bill. Many men will come out that will have no opportunity or inclination to acquire what might be called an academic education but who have shown aptitude in the Army as excellent automobile mechanics and excellent aviation mechanics or flyers, or what have you. They should certainly be given an opportunity to perfect themselves in the aptitudes that they have shown.

Mr. COLMERY. I suggest your careful checking of the language to make sure that you have it in there, because I am afraid one or two of the possibilities are not covered.

Senator CLARK. I am very much in favor of allowing these fellows who have some aptitude to pursue the development of their education in that way, not necessarily in the way of a purely academic education.

Mr. COLMERY. I want to invite your attention to page 10 of this reprint, in line 20, where the over-all period within which the education may be furnished is 6 years. If it was not suggested, I am sure we meant to change it to 7, and I will give you the basis for it. We had a formula that we were working on. It started from the fact that in the nature of the war there will be armies of occupation, and many boys after their term of service is up will either be cajoled, influenced, sometimes half-way commanded to stay in and reenlist if they be in the South Pacific, as no doubt many of them will, and therefore it will not be unusual if many will stay for 3 years maybe as a matter of patriotic service, thinking that is what they ought to do. We were taking the 3 years as a base, and in view of the fact that the maximum years provided for education were 4, we added them together, making a 7-year over-all limitation.

Over on the employment side, when we got to that section, taking the same 3 years and the over-all period of 2, that is how we got the 5 there. We are using the same basis in arriving at the 7 and 5.

Senator CLARK. You are giving them 3 years to straggle home.

Mr. COLMERY. Three years to serve their country.

Another thing, Senator, because of this switch, the language "interrupted" or "prevented"—

Senator CLARK. Where is that?

Mr. COLMERY. I am trying to find it, myself. On page 8, lines 15 and 16. I can best get at it by stating to you the things that I think ought to be covered, although it probably can be covered just by a few words. I know "interrupted" does not cover it, and I am not so sure that "prevented" covers it. I never saw this reprint, you understand, until last week. In the first place, the educational opportunity could that is, those who were not attending school at the time they were not cover one whose current attendance at school was interrupted; drafted because their attendance was voluntarily interrupted.

Second, those that did not enroll in the last semester, knowing they would be called into service on reaching 18 years, and they preferred to work a few weeks rather than to start a school term that they knew would be interrupted.

Third, those who had been forced, by impoverishment or family needs, to stop school in order to work a year or two before completing their education, and had their life's program interrupted or interfered with by military service. There are many people who work a year or two before they go to college, and they just get no other out.

Fourth, those whose outlook has been changed in the period of military service, who have decided, after they are out, that they wish to rechart their educational program into another line, or career, or profession, except that which they had when they donned the uniform. I am thinking of the lawyer of whom they make a storekeeper, of the clerk of whom they make a half-way mechanic, and get them started into all kinds of things over a period of a year or 2 or 3 years. When they come back they may want that opportunity to rechart to the one that is brought on them by the experience of the service.

Then there is a group that is overlooked, and that is the older veteran. I know of a case of two men, both farmers, where I live, each with three children, who have been taken out of their avenues of life in the last 6 months. There is the case of the older veteran, a man with a family, who returning home discovers that the factory where he was employed is closed, the management having decided, after the war contracts were withdrawn, not to resume civilian production, and, secondly, the older veteran who discovers that the old town in which he lived can no longer support the dairy, or the store, or business or professional institution with which he was connected, and that if he is to remain there he must alter his trade or his profession. Those older men with families cannot move as readily, or the older veteran who discovers that new developments have left him behind in his trade or profession and he must learn a new technique, or, having lost his crop, he needs to study and get back on the beam.

In fact, the older group may have a more serious problem of readjustment than the younger, because his needs become more compelling. A younger boy generally has parents, many of them are still being kept by the parents, and particularly if these groups in the late twenties or early thirties are family men, both justice and concern for the local and national stability of the country, in addition to the individual needs, dictate the necessity of easing up their period of dislocation.

I do not think any of those categories are covered except the first one in "interruption."

Now, this educational provision has a much deeper significance; in fact, I think it is a very compelling obligation. The Nation needs the trained mind and body attuned again to the peaceful pursuits of American life, because, trained in the art of destruction of both property and life in every known personal and mechanical method, the Nation then will owe an obligation to them. It has to take them back sympathetically away from the horrors and stark reality of war and give them every opportunity to again become disciplined forces for peaceful progress through educational opportunity in its every aspect.

We do not know how many there will be. It is estimated somewhere between 10 and 20 percent. Many people overlook that in the very nature of things their numbers will be curtailed by boys who fall in love and get married, or desire to get married; secondly, by the natural tendency to desire to go to work and get on one's own and make a living; thirdly, the loss of interest which comes to many in following academic pursuits; and, fourthly, the mental hazard of the unwillingness to go to school with people 2 or 3 years younger than you, which is quite a factor. We have forgotten about that, but that is a fact. There may be so many in that category after this war that it should not give rise to special difficulties, to the thought that they will increase the number that will take that opportunity.

Senator CLARK. We know of a great many men who came out of the last war that only had one semester in a college or even a high school and who said, "Gosh, I don't want to go back there with a lot of kids," and never did go back to school any more.

Mr. COLMERY. That is right. I had a brother with 1 year in a university who never did want to go back because he fell in love, and he has never gone back since.

On the matter of employment, I just want to touch the high spots on that. We have gone back, so you will understand, we have gone back to the original Wagner-Peyser Act of 1933 and tried to maintain intact the United States Employment Service as an entity. We had some difficulty in convincing some of the agencies interested. That, of course, under the First Reorganization Act, was transferred, the functions and administrative responsibilities were transferred over to the Federal Security Administration, and then under the Executive order of the President, 9217, I think, the same things were transferred over to the War Manpower Commission, and some who wanted to have this bill set something up under the War Manpower Commission, and we called their attention, first, to the fact that upon the termination of the title under the First War Powers Act all of the executive or administrative agencies shall exercise the same functions, duties, and powers as heretofore or as hereafter by law may be provided, any authorization of the President under this title to the contrary notwithstanding. So we framed this so that when the war is over and War Manpower passes out, you do not have to change this law because it stays right where it is, and where the States, if they do, and I assume they will, the war emergency being over, withdraw their consent to use the State employment services under the Wagner-Peyser Act as though they were all one Federal operation, you still will not have to change this act because it is keyed into that picture.

Now, on this readjustment allowance—I am going to skip over the loan business, I do not know much about that anyhow—

Senator CLARK. Title V.

Mr. COLMERY. Yes. Something comes to my mind that I have had a fetish about. We have a lot of surplus property and equipment in this country, running into the many billions. There passed through my hands not so long ago the purchase by an agency here in Washington of enough property at one swipe to set up in business probably 50 men who might have been called upon to abandon their machine shops and their garages in order to enter the service of their country. Having that in mind, I wondered why, and I bring it up now because certainly the veterans are entitled to some consideration. If milling machines and automatic screw machines and a lot of things like that are being bought up either by large concerns or by people who traffic in that sort of thing, until such time as a comprehensive plan is worked out for the disposition of this property, a part of which product may be of interest to veterans who may desire to reestablish themselves in business, the business which they left, why, something in the nature of a freezing can be indulged in before too much is disposed of, and the veterans would have to buy either on the high levels at the farm or may have to wait until reconversion has begun and new models come out before they can get back, because of the lack of facilities, equipment, and tools.

Now, this is on unemployment allowance. I bring this up because I know it is controversial and because there has been some testimony on it before you. In the original bill we had a provision that if the disqualifications mentioned—I will not try to delineate which ones—if a man were suspended for 4 weeks, then that was deducted from the 52 weeks that he was entitled to. It was Senator Wagner that pointed out the severity of that and its unfairness. On the other hand, I believe it was he who wanted the penalty eliminated almost entirely. We would get into another thing probably like the court martial. I will state here accurately in a minute why we take the position that there ought to be some penalty, but to compromise the thing we have stricken out that deduction from the 52 weeks' total authorized allowance, and we are taking it off the total time within which the allowance may be had, so that one having 52 weeks' authorized allowance available to him, which he may enjoy over a period of 2 years' time, it gives him 12 months' time, as you deduct, before you ever get down to a place where a suspension would affect him automatically. That seems to us to be ample leeway and fair both to the veteran and to the American people.

We believe in the Legion, that its basic concern for a sympathetic handling of the readjustment problem of the serviceman is not exceeded by any organization or individual, and yet we also recognize an obligation and a duty to be fair and just to all of the people.

With reference to limiting the penalty to a mere suspension, we cannot agree to that because we candidly admit and state that there are those who will take advantage of this benefit, and to merely suspend would make it a haven for the lazy, the shiftless, the indolent, and the gold-bricker.

Senator CLARK. You want to debar the gold-brickers, I take it, Mr. Colmery?

Mr. COLMERY. Yes, sir; we have a higher duty than that, even though we advocate the cause of the veteran. So we have arrived at that com-

promise of taking it off the time within which the allowance may be had rather than deducting it from the week's allowance itself.

Senator CONNALLY. Is that in the reprint or is that a new amendment?

Mr. COLMERY. Yes; that is in the reprint. The basic reasons are these: Allowances in an act of this kind should be such that there is some progressive severity, because if one takes advantage of it and he is not curbed human nature is such that it becomes a subsidy for idleness.

The allowance program here is basically designed to assist returning servicemen to adjust themselves into the civilian economy, and this basic purpose means that, on the one hand, the amount and duration of the allowances should not be too far out of line with prevailing wage and working conditions, and yet, on the other hand, the disqualifications have to be so designed as to serve as effective inducements to claimants to make a reasonable effort to stay in suitable employment when they are in it and are given the opportunity to accept it when it is offered to them, and it is inherent in any national uniform system that the failure to prescribe benefits amounts to meet varying conditions in varying sections makes it unworkable. It is believed that a certain adaptation of a program like this to meet the sectional needs, as can be done within the discretion allowed to the Administrator of Veterans' Affairs in working out the rules and regulations, will make the application of the disqualifications reasonable and sound.

Senator Wagner complained about the uncontrolled discretion. This new bill puts a lid on that. He had to go back to work for 2 weeks' wages before he was eligible for a benefit again, and now we put the top suspension of 4 weeks on and in that way put the limitation on the discretion of the Administrator of Veterans' Affairs.

In closing I want to suggest that we are gratified to know that the report of the Baruch committee rather supports the position which the American Legion has taken in its approach to the handling of this problem, and that part which discusses the human side of demobilization, where it voices the effect, or the importance of the problems in a number of sections, and the one which I have in mind, which I will not take time to read, which says that the veteran ought to be able to go to one spot and find out about his rights and have them taken care of.

Senator CLARK. In that respect, that very emphatically supports the underlying principle of this bill.

Mr. COLMERY. Yes.

Senator CLARK. I was very much gratified about that, myself.

Mr. COLMERY. I invite your attention to the fact that following the last war—and this is the most basic reason for it all—following the last war the men under arms in this country, despite hardship and adversity, were absorbed back into the civilian pursuits of American life without great danger to American institutions. In no other country except England did that happen. The task which lies ahead of us during a tough reconstruction period in the future will probably be a much more difficult one, and the thoroughness with which the Government plans to approach the gap through legislation of this character between the period when a man is separated from the service and he is absorbed in gainful employment or placed back in his educational opportunity through legislation of this character and its intel-

ligent and sympathetic administration, might well spell the difference in the future between national comfort and stability and ultimate chaos.

These men will be a potential force for good or evil in the years to come. They can either make our country or break it. They can restore our democracy or scrap it. They can promote world order or World War III. The answer lies in leadership. We are looking hopefully to the American Congress and the Senate to step forward and give that leadership, and you can, if you will, count on the American Legion and its experience and its influence to assist in organizing and directing the Nation in this connection along the path of future peaceful progress.

There is something else that I want to mention. I hate to differ with Mr. Stelle, but having sat 5 or 6 hours with him last night, I want to mention this in reference to section 201, the making of regulations, that regulations shall be promulgated by the Secretary of War and the Secretary of the Navy. Now, I am not questioning any integrity, but it is written in the margin of the bill that that was to be jointly by the Secretary of War, the Secretary of the Navy, and the Administrator of Veterans' Affairs, because I do not think we could concede, if we follow the idea of having the Administrator of Veterans' Affairs be the advocate for the veteran in these various title, that we could concede to the making of rules and regulations without joint cooperation if in anywise those rules and regulations will affect the functional responsibility of the accredited representatives. As I view it, these regulations relative to that section, which provides for the aid on the part of accredited representatives to the veteran, will involve not only the regulations of the time when and the circumstances under which they should enter on the facilities and the property of the Army and Navy, but which will also involve the functional responsibility to some extent in connection with the work they do. Therefore I think those regulations should be arrived at jointly between the Administrator of Veterans' Affairs and the Secretaries of War and Navy.

Are there any questions, sir?

Senator CLARK. Thank you very much, Mr. Colmery.

Is Mr. Lawrence W. James here?

STATEMENT OF LAWRENCE W. JAMES

Senator CLARK. Mr. James, will you identify yourself for the record?

Mr. JAMES. Mr. Chairman, my name is Lawrence W. James. I live at 3459 North Kildare Avenue, Chicago, Ill. I am a veteran of the United States Regular Army and World War I. My service during the World War consisted of 17 months in the A. E. F., 4 months of which were in actual combat, during which I received a service-connected disability. I suffered all the trials and tribulations that are customary to the disabled veteran in his dealings with the Veterans' Administration. I feel I know whereof I speak.

I appear here mostly in opposition to the bill before the committee, because I believe in looking at this from the long-range perspective it will have a disastrous effect on the disabled veterans of this country.

Taking up the bill, title I, chapter II, aid by the veterans' organizations, section 200, down in line 28, I think there should be a slight amendment to that. It states here in line 19—

and such other organizations recognized by the Administrator of Veterans' Affairs thereunder in the presentation of claims under laws administered by the Veterans' Administration, the Secretary of War, and Secretary of the Navy are hereby authorized and directed to permit the functioning of such accredited representatives in military or naval installations from which persons are discharged from the active military or naval service.

I think "on shore" should be added to that, because I do not believe any of the representatives would ever request to board a vessel.

Senator CLARK. That is the same amendment that was suggested here this morning by the Army and Navy and on behalf of the American Legion.

Mr. JAMES. Yes. Now, title II, chapter IV, "Mustering-out Pay"—I think this title should be stricken out, as similar legislation has been enacted into law.

Title III, chapter V, "Education of Veterans"—I believe this title should be stricken out, because there are in existence in this country ample facilities for a veteran or anyone else who is really in earnest to obtain higher education regardless of how meager his financial status may be. However, if the Congress is determined to provide such education for the veterans, that is, the able-bodied veterans, they should strike out that proviso on page 10 beginning on line 9 and running into line 15, said proviso being the maintenance fee. This does no more than provide an invitation to the lazy, shiftless, chiseling type of veteran who is always ready to grasp at any opportunity to avoid work.

Senator CLARK. Mr. James, I think you have got before you the old, original draft of this bill. What we have been discussing for the last two hearings has been the amended draft.

Mr. JAMES. I haven't received a copy of that committee print.

Senator CLARK. I will be glad to give you a copy. There is no use discussing the provisions of the old bill. What was in title III of the original bill is now title II, because the bill was completely revamped.

Mr. JAMES. Does the clerk have a committee print?

Senator CLARK. Yes. The provision you are talking about is not in the revamped copy. That is the reason I suggested you have the wrong copy before you.

Mr. JAMES. I knew there had been a committee print, but I did not get one the other day, and I did not have an opportunity to read it.

Down in paragraph 5, page 11, of the old bill—

Senator CLARK. Mr. James, I do not believe there is any purpose to be served in reviewing the provisions of the original bill which have been suspended by this committee print. Let me suggest to you that you take this committee print and the committee would be glad to have your views on it. Let me suggest to you that you take this committee print and submit a memorandum on it to the committee. The public hearings are going to be concluded and I do not think there is any purpose on earth to be served in discussing provisions that have already been stricken out. In other words, title II has been rewritten.

Mr. JAMES. This reprint is the bill that is before the committee and this other one has been discarded?

Senator CLARK. Oh, no; but it is the reprint that is now under consideration.

Mr. JAMES. Yes.

Senator CLARK. If you desire to discuss the provisions of the original bill, the committee will listen to you, but I do not think there is any purpose to be served by that.

Senator CONNALLY. You can file a written statement.

Senator CLARK. I would be glad to have you, Mr. James, file a written statement to the committee, which will go into the record and be fully considered.

Mr. JAMES. That particular paragraph, though, that dealt with the compensation payable while under training and that took in the disabled veterans, that their compensation was only to be based upon the allowance minus any compensation a pensioner was receiving, that clashes with the existing legislation for the disabled veterans.

Then we go over to title IV, "Home and Farm Aid to Veterans." I have had several years of experience in the real-estate business in Chicago and I feel that there should be some amendment made in this bill as to the qualifications and requirements in purchasing a home. To begin with, I do not think that the \$7,500 maximum provided is sufficient; I think it should be raised to \$8,500, due to the continuous process of inflation over the period of years. A home that could have been purchased for \$7,500 a few years ago, after this war, will probably cost \$8,500 or \$9,000.

I think in providing the financing for these homes that the Federal Government should provide 70 percent and take a first mortgage. This is 10 percent greater than they would ever be able to get from a private organization handling the financing of homes. Then, if the State is to be taken into the proposition, they should furnish not more than 20 percent and take a second mortgage. The veteran himself should be required to put in at least 10 percent of his own hard-earned cash for the simple reason that this would give him the initiative and desire to stick with this home in case of any slight adversity, whereas if he only had a few dollars or nothing of his own cash in it the least little adversity that affected him would make him throw it up, and the Government would have it on its hands.

Title V, chapter VII, "The Employment of Veterans"; this title is very laudable, to say the least, but it is superfluous, inasmuch as it creates not much that is new. Such services, to a big extent, are now in existence, but anything that the Government can do to provide jobs for the veterans—to provide means for the veterans to obtain jobs—I am wholeheartedly in favor of.

Title V, chapter VIII, "Unemployment Allowances for Former Members of the Armed Forces," down in the original bill, page 22, section 900, paragraph (b), beginning with line 15:

Notwithstanding the provisions of section 800, a claimant shall also be disqualified from receiving an allowance for any week with respect to which it is found that his or her unemployment is due to a stoppage of work which exists because of a labor dispute at the factory, establishment, or other premises at which he or she is or was last employed—

Now, I have been a continuous member of the International Typographical Union for 28 years. Organized labor has many thousands of members in the armed services, and this proviso in this bill looks to me as though it is trying to drive a wedge—

Senator CLARK. Mr. James, it has been explained five or six times that the original bill has been amended by largely the inclusion of the bill introduced by Senator Wagner, Senator George, and myself before

the introduction of this bill. Let me suggest to you again, if you take this committee print and examine that, the committee will be very glad to have you file a memorandum on any provisions, and give us your views on any provisions in it. I think there is absolutely no purpose in talking about the provisions of the original bill that have been cut out. If you take the committee print and file a memorandum, the committee will be glad to put in the record and give it the fullest consideration. That whole section has been rewritten by the substitution of the bill introduced by Senator Wagner, Senator George, and myself.

Mr. JAMES. That substitute still provides for the unemployment compensation.

Senator CLARK. Yes; it is practically the original Wagner bill.

Mr. JAMES. Providing for the payment of \$15 a week?

Senator CLARK. I have forgotten the exact provisions. You can take the copy and read it and submit any views you may have on it.

Mr. JAMES. I do not believe that the unemployment compensation should be paid. I heard Senator Wiley the other day say that the men that served in the combat forces and went through the hell of war have been dislocated from civilian life and that something should be done to rehabilitate them and put them back. As far as the disabled veterans are concerned, that is absolutely true. I was disabled in action and I know the hell of war. When I came back from the service I had no home to go to, my parents were dead, but I went out of the service and I made my way through. I have been down in the very depths of despair and I have been up pretty close to the top. I feel that any able-bodied veteran, when he is discharged from the service, should be willing to take his place in society and combat the elements necessary to a livelihood, just as the comrades of our previous wars have done.

In summation may I say this bill is an elaborated version of the veterans' program outlined last summer by President Roosevelt. May I ask when the President became so concerned about the welfare of war veterans when his record is one of treating the veterans of previous wars like a bunch of red-headed stepchildren? That is especially true of the disabled defenders of this country. This bill, from beginning to end, smacks of politics pure and simple. Ample mustering-out pay had been provided for men when they were discharged, plus travel allowances to their homes. Congress should wait until after demobilization and let the veterans of this war decide what they want and then let them come to the Congress and try to get it, like those of the previous wars have done. We do not know today what the conditions are going to be immediately following the war, or in the years to come after the war.

When these lads come out of the service, let them form their own organization, if they wish to, and decide what they want. They may have ideas entirely different from what we are trying to do today. Let them come up here after all the flag waving is over and the period of hysterics has died down, and then try to get something.

We are now engaged in a war that is more severe and more costly than the world has ever seen before, and I agree with our military leaders that it will be years before we see the end of it. I believe that before this war is over we will have upward of 4,000,000 casualties. I

do not think we will have a single one less than 1,000,000 killed and dead of disease. I believe at least another million will have disabilities totaling 50 to 100 percent, and another couple of million will have disabilities from 10 to 50 percent. That is going to provide an enormous cost upon the Veterans' Administration. I believe, when the big cost of administering veterans' affairs in this country has arrived after this war, it will total approximately \$6,000,000,000 a year. We will have a national debt of at least \$300,000,000,000. It is going to take about \$9,000,000,000 a year interest. Add that to the veterans' bill and you have got \$15,000,000,000 there. The people are going to demand, I believe, an adequate national defense after this war is over, and that will take possibly \$2,000,000,000 more. There is \$17,000,000,000. Then the normal functioning of the Federal Government after that will not be less than \$3,000,000,000, which would be a total of \$20,000,000,000, which is an enormous tax.

Senator CLARK. Mr. James, the committee has heard you now for half an hour, and it is going to be necessary for the committee to take a recess. If you desire to file a memorandum with the committee, the committee will be very glad to have it. It is necessary for the committee to adjourn at this time.

This concludes the public hearings. The committee will meet in executive session. We will be glad to have your views, but we ask you to submit them in writing, because we have heard you for half an hour and it is necessary for the committee to adjourn.

(The following statement was later submitted by the witness:)

SUPPLEMENTAL STATEMENT OF LAWRENCE W. JAMES ON H. R. 4057 AND THE COMMITTEE PRINT OF S. 1017

Mr. Chairman and members of the committee: My name is Lawrence W. James, residence 3459 North Kildare Avenue, Chicago, Ill. I am a veteran of the United States Regular Army and of World War No. 1. My war service consisted of 17 months in the American Expeditionary Forces, 4 months of which was combat duty during which I received a service-connected disability which has been rated by the Veterans' Administration in varying degree from 12 percent to total and is now rated at 20 percent.

I appear in opposition to this omnibus bill which has been more correctly labeled an omnibus bill, because I believe that in considering it from the long-range perspective it will have an adverse and disastrous effect upon the disabled veterans of the present and previous wars in which the United States has been involved. This bill provides for the expenditure of huge sums of money for the able-bodied veterans of the present war and gives little consideration to the disabled veterans except to consider them on the same plane as the able-bodied in carrying out the provisions of the bill.

As for the educational provisions of the bill I am happy to say that in this country an able-bodied veteran or any citizen can get an education regardless of how meager his financial status if he is sincerely and earnestly determined to get such education. I strenuously oppose the maintenance allowance provided for in the bill because this will extend an invitation to the chiseling veteran to avoid work. The able-bodied veteran should be compelled to maintain himself in school just as many thousands of American boys have done and are doing.

Title V—Unemployment benefits: This title is repulsive to the mind of a real American who believes in free enterprise. The provision to reward the veterans with cash benefits for not working is a communistic idea advanced originally by the Communist Party in the winter of 1931-32. I do not accuse the Members of Congress who have sponsored this legislation of being Communists; their public records would not substantiate such a charge. However, it seems strange to me that the American Legion, with its record of opposing communism, should espouse such an idea as this in their bill.

Should the Congress enact this legislation with this provision in it they will have enacted a vehicle that will create the greatest aggregation of hoboes, bums,

tramps, panhandlers, chislers, and racketeers this country has ever known and this motley child—the child of the Congress, if you please—will, for the rest of its natural life, bedevil you, the Congress of the United States, for further hand-outs. Also, this will cause the casting of a disastrous blight upon the character and integrity and patriotism of all the war veterans of this country and the poor disabled veterans who are dependent upon their compensation will be the recipients of the revengeful ire of an indignant and outraged American public.

We, the disabled American war veterans, have not forgotten what happened in 1933 when our veteran-hating President—Franklin Delano Roosevelt—engineered his infamous Economy Act through a supine Congress that would not even take the time to read the bill and see the disastrous effects to the disabled veterans that was embodied therein. As a result of this Economy Act our veteran-hating President reduced or stopped the compensation of the disabled defenders of this country, threw us out of the hospitals, and degraded us to the public.

Where was the American Legion when this was going on? The great American Legion that now is seeking to do so much for the able-bodied veterans of this war. The then national commander of the Legion, Louis Johnson, traveled up and down and back and forth across this country pleading with the veterans to stand by their President and he (the President) would see us through. Through where?

As a reward for his efforts Louis Johnson was later appointed by the President to the position of Assistant Secretary of War; a nice juicy plum, I must say, for cutting the throats of the disabled veterans.

Mr. Chairman, I do strenuously urge that the committee strike out all reference to the Veterans' Administration in this bill insofar as it pertains to benefits for the able-bodied veterans and substitute therefore the Social Security Board or some other established Government agency. I do this because the Veterans' Administration was established primarily and principally for the care of the disabled veterans. The Veterans' Administration has always been overloaded and that condition is rapidly becoming aggravated with the veterans from the present war, and inasmuch as this agency has never been too efficient in the care of the disabled veterans I am sure that the committee can readily perceive the resulting confusion and further inefficiency if the Congress should place such an additional burden upon the Administration as is provided for in this bill. I also believe that when the taxpayers see the total cost of the Veterans' Administration with this omnibus bill added they would think that it was all being expended on the disabled veterans and without looking into the matter they would begin demanding of the Congress to cut down on the disabled veterans and that would probably result in another economy act and one even more severe than that of 1933.

In title V, chapter VIII, in paragraph (b) and subparagraphs (1) and (2)—these three paragraphs should be stricken from the bill because this is a deliberate attempt to use the veterans of the present war for the purpose of driving a wedge into the ranks of organized labor. By incorporating these paragraphs in the bill the Congress is not merely extending an invitation but is, in effect, demanding, that the veterans participate in strike-breaking activities in order to be eligible for unemployment benefits. This is decidedly and extremely unfair to organized labor in general and to the 1,700,000 members of organized labor, in particular, that are now serving this Nation in the armed forces. It is the device of the corrupt mind of a labor baiter and I cannot too strenuously urge upon the Congress that they strike it from the bill.

Mr. Chairman, I have been gathering information on the possible duration of this war, the total number of men in our military and naval forces, and the possible casualties. It is my conclusion that when this war ends the United States will have suffered between 1 and 1½ million killed or died of disease contracted in service; another 1 to 1½ million will receive disabilities that will be rated at from 50 percent to totally disabling; this will be due to the fact that the facilities for recovering the men from the battlefield before they die are greatly improved, plus the use of sulfa drugs and blood plasma many lives will be saved that was not possible in the previous war. Many of these men that will thus be saved will necessarily suffer amputations.

General Hines stated in his testimony on this bill that the Veterans' Administration is now receiving an average from this war of 1,300 neuro-psychiatric cases per month; these cases are rated 100 percent disabling. I believe another 2¼ to 3 million will receive disabilities that will ultimately be rated at from 10 to 50 percent. Thus we will eventually have from 3¼ to 4¼ million disabled men to be added to the costs of the Veterans' Administration.

Two years ago the cost of the Veterans' Administration was approximately \$850,000,000 yearly with only 330-odd thousand compensable veterans from the

last war on the rolls, plus a small number of pensionable veterans from wars previous to the last. In view of the above facts it is easy to conceive that the ultimate cost of the Veterans' Administration will reach the staggering sum of \$8,000,000,000 annually. With such a sum to reckon with, plus approximately \$9,000,000,000 annual interest on the national debt, plus about \$2,000,000,000 annually to maintain an adequate national defense, totaling \$17,000,000,000, the remaining costs of operating the Federal Government will run well over \$20,000,000,000 with the above expenditures added.

When the people demand that the Congress economize and reduce taxes how are you going to reduce below \$20,000,000,000? You cannot reduce the cost of the national debt and I don't believe the people will permit a reduction in the national defense, so where will the Congress cut if they are to reduce the expenditures below \$20,000,000,000? Will you again make the disabled war veterans the goat in your zealous desire to serve the wishes of the public?

Why does not the Congress face these facts today and act accordingly? I admonish you, the Congress, not to be influenced by the "brass hats" of the American Legion who are trying to build up their membership at the expense of the taxpayers. I know that the Members of Congress are being deluged by their constituents to vote for this bill but I also know that few people know exactly what they are writing in about but they are doing it just because the Legion is asking them.

When the people awake to the fact that the Congress intends to spend billions on the able-bodied war veterans without first providing adequate care for the disabled let me advise you that it is not going to be healthy for your political future. And let me ask the Members of the Senate why they sidetracked three very important bills for the disabled war veterans—namely: H. R. 1016, H. R. 2050, H. R. 4280—in order to jam this unnecessary legislation through. The aforementioned bills passed the House months ago and have been in the Senate Finance Committee accumulating dust. The people are going to be informed of this.

In attending these hearings I have witnessed the neatest job of engineering that has ever been my pleasure to see. The national commander of the Legion has appointed Mr. Stelle, ex-Governor of Illinois, to lobby this bill through Congress. Mr. Stelle has brought several of the "brass hats" of the Legion from various parts of the country to "yes" the bill. Do you suppose that Mr. Stelle and the satellites of the Legion are so filled with an over-zealous desire to serve the lads in this war that they came here at their own expense? Don't make me laugh.

Mr. Chairman, I am here at my own time and expense and representing no organization, but with a sincere desire to aid my disabled comrades and those fine young American lads who are becoming disabled in this war. I believe that the Congress will better serve the Nation and the veterans of this war by concentrating their efforts on giving the wounded and disabled the best possible care that a grateful nation can provide.

As for the able-bodied veterans of this war, I believe that the money proposed to be expended under this legislation could better be expended on self-liquidating projects that will provide jobs until the private business and industrial system can be converted back to a peacetime economy. Those men that came back from this war with sound bodies and minds should—and the overwhelming majority of them will—be willing to again take their place in society and combat the elements necessary to a livelihood just as their comrades of previous wars have done.

Some members of Congress are laboring under the misapprehension that because a man has gone through the hell of war he has become maladjusted and needs Government aid to readjust him to the civilian economy. Nothing is further from the truth. As a combat veteran that had much more than the average of combat service in the last war I can truthfully say that it did not happen to any of my buddies. If the veteran is a man and has the real stuff in him he can and will adjust himself to civilian life.

In conclusion, Mr. Chairman, I wish to say that because I have had the temerity to oppose this bill I have been dubbed the Unknown Soldier. I thank you.

Senator CLARK. We have a statement from Mr. Wolverton, of the Regular Veterans' Association, which will be inserted in the record at this point.

(The statement referred to is as follows:)

STATEMENT OF D. R. WOLVERTON

The following statement is submitted by D. R. Wolverton, national educational director of the Regular Veterans Association, before the Subcommittee on Finance with reference to Senate bill 1617, and supplements remarks of Mr. William M. Floyd, national commander of the Regular Veterans Association, before this subcommittee on February 14.

I desire to make some statements in regard to extending the education of those men and women who remain in the regular service after World War II. It has been estimated that 2,000,000 of these young men and women will be needed to fill the ranks of the Regular Military Establishment during peacetime. It is, therefore, the opinion of the Regular Veterans' Association that the educational facilities outlined in Senate bill 1617 be extended to the members of the Regular Establishment.

Prior to World War II there were post schools established at the military posts which were conducted by the officers and noncommissioned officers of the various services for the instruction of the enlisted men in the tactics and technique of the various arms of the services. In some of the branches, such as the Coast Artillery, Corps of Engineers, etc., technical schools were conducted to train the men in technical subjects such as civil engineering, electrical engineering, etc. Some attention was paid to the elementary school education of the men, but as a rule this did not receive much attention due to the fact that the officers' time was taken up with drilling, administrative work, and instructions in their respective branches of the service. As a result a young man coming into the service who had not received an elementary education had very little chance for educational improvement in the service. It is the opinion of the Regular Veterans' Association that after the present war there will be numerous buildings vacant at all military and naval establishments, which could be assigned as schoolrooms for the education of the youth who are going to make the military service their life career. To this end professional instructors from the schools and colleges could be assigned to the posts, camps, and stations for the purpose of instructing these enlisted men. We believe that every member of the armed forces should be given an education equivalent to that now given in the public schools.

We call your particular attention to the fine job now being done by the United States Armed Forces Institute which is conducted by the Education Branch of the Morale Services Division of the War Department and the Bureau of Personnel of the Navy Department. Established in 1942, this Institute now has many thousands of soldiers and sailors voluntarily studying academic and vocational courses by the class room, self study and correspondence methods. All of this study is done in spare time or off-duty hours. The serviceman may take his choice of some 300 different courses of study either directly through the Institute or through university extension departments, and he may receive high school and college credits for his work. Already five overseas branches of the Institute have been established.

The Armed Forces Institute is a real godsend to our servicemen and we recommend that it be maintained for the peacetime Army and Navy. The marines have had such an institute for over 20 years and the opportunity this institute afforded marines to study while in the service, was one very potent factor in enabling the marines during peace years always to get a very select group of recruits. An educational set-up such as the Armed Forces Institute can be the basic educational system for the Army and the Navy during peace years—with such expansion as is required by the needs of the men.

Nothing too good can be done for our war veterans. But in peacetime we must always have a Regular Army and Navy. Whether we have universal draft or return to the volunteer system, the services must be made more attractive to the men.

We must never return to the days when most soldiers, after 3 years in the Army, returned to civil life with "none" written after the word "occupation" on their discharge certificates.

We want to see an educational system such as the Armed Forces Institute carried on in the armed forces after the war, and it should be supplemented by other educational opportunities for the men.

It is also the opinion of the Regular Veterans' Association that when men in the armed services demonstrate their ability for higher education they should be sent to the universities and colleges in this country to complete their higher education. During peacetime the military establishments have been sending

their officers to universities, such as the Harvard school of business administration, the Massachusetts Institute of Technology, and various law schools to round out their education. It is the opinion of the Regular Veterans' Association that this opportunity should be extended to the enlisted members of the various armed forces, and in this way we can be assured of better soldiers, better sailors, better marines, and better coast guardsmen and better citizens of the rank and file of our armed forces.

It is the recommendation of the Regular Veterans' Association that title II, chapter IV, "Education of Veterans," of Senate bill 1617, be amended accordingly.

(Whereupon, at 12:55 p. m., the committee adjourned.)

X