

AUTHORIZING THE ADMINISTRATOR OF VETERANS' AFFAIRS TO CONTINUE AND ESTABLISH OFFICES IN THE TERRITORY OF THE REPUBLIC OF THE PHILIPPINES

MAY 16 (legislative day, APRIL 21), 1947.—Ordered to be printed

Mr. MILLIKIN, from the Committee on Finance, submitted the following

REPORT

[To accompany S. J. Res. 115]

The Committee on Finance, to whom was referred the joint resolution (S. J. Res. 115) authorizing the Administrator of Veterans' Affairs to continue and establish offices in the territory of the Republic of the Philippines, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

The joint resolution was recommended by the Administrator of Veterans' Affairs and was approved by the Bureau of the Budget.

GENERAL STATEMENT

Senate Joint Resolution 115 will merely authorize the Administrator of Veterans' Affairs to continue present administrative operations in the Philippines.

Its enactment will involve no additional expense.

Prior to World War II, the Veterans' Administration office was established in Manila for the purpose of receiving and developing claims, investigating doubtful and fraudulent claims, handling guardianship matters, and authorizing hospital and medical care to American veterans residing therein.

The offices were reopened early in 1945 after the reoccupation of the islands by the American forces in World War II.

On July 4, 1946, independence was given to the Philippines and the question arose as to the legality of spending veterans' appropriated funds for the continued maintenance of the regional office.

The Comptroller General ruled there was no specific authority of law for the maintenance of this regional office after July 4, 1946. However, in view of the congressional action subsequent to the date

2 VETERANS' AFFAIRS OFFICES TO CONTINUE IN PHILIPPINES

of independence appropriating funds for the purchase and reconditioning of an office building for the Veterans' Administration in Manila (Public Law 521, 79th Cong.), the Comptroller General would interpose no objection to the continued maintenance of the office for a period not extending beyond the current fiscal year, namely, June 30, 1947.

The decision of the Comptroller General was with the understanding that the matter would be submitted to the Congress with a view to obtaining specific legislative authority for continuance and maintenance of such office.

Unless authorizing legislation is enacted the Veterans' Administration will be forced to abandon all activities and functions in the Philippines in connection with the administration of veterans' benefits.

From a practical standpoint, unless legislation is enacted in the near future, it will be necessary to take steps not later than 30 days hence to discontinue such activities in order that the office may cease to function by June 30, 1947.

The need for continued maintenance of a Veterans' Administration office in the Philippines is very real. There are over 450,000 veterans of the United States armed forces or their dependents in the Philippines.

In view of the heavy war casualties, a substantial number are potentially eligible for veterans' benefits. This includes American veterans of all wars and the peacetime establishment who are residing in the Philippines, the Philippine Scouts, and those Filipinos of the military forces who were called into our armed services pursuant to the President's military order of July 26, 1941, who are entitled to benefits under Public Law 301 of the Seventy-ninth Congress.

The Veterans' Administration administers education and rehabilitation benefits to veterans of World War II and provides certain hospitalization on a contract basis to our veterans who are citizens of the United States temporarily residing in the Philippines.

It would be unfeasible, if not impossible, to carry on the administration of these benefits to this large group solely from offices within the continental United States.

Any attempt to administer these benefits through the State Department would be unsatisfactory from the standpoint of the veteran and would result in a tremendous burden on the State Department and unduly overshadow its normal official function.

The report of the Administrator of Veterans' Affairs on this joint resolution is as follows:

MAY 8, 1947.

HON. ARTHUR H. VANDENBERG,
President Pro Tempore of the Senate,
Washington 25, D. C.

DEAR MR. PRESIDENT: There is transmitted herewith a draft of joint resolution authorizing the Administrator of Veterans' Affairs to continue and establish offices in the territory of the Republic of the Philippines, with the request that it be introduced in order that it may be considered for enactment.

The purpose of the proposed legislation is to extend with respect to the territory of the Republic of the Philippines the authority of the Administrator of Veterans' Affairs to establish regional offices, suboffices, contact units, or other subordinate offices.

Under section 7 of the World War Veterans' Act, 1924 (43 Stat. 609; 38 U. S. C. 430), the Administrator of Veterans' Affairs is authorized to establish such regional offices and suboffices within the territory of the United States and its outlying possessions as may be deemed necessary by him and in the best interests

of the work committed to the Veterans' Administration. In supplementation of this authority, section 101 of the Servicemen's Readjustment Act of 1944 (58 Stat. 284; 38 U. S. C. 693a) authorizes the Administrator of Veterans' Affairs to establish necessary regional offices, suboffices, branch offices, contact units, or other subordinate offices in centers of population where there is no Veterans' Administration facility, or where such a facility is not readily available or accessible.

Pursuant to existing authority, there was established in Manila, prior to World War II, a Veterans' Administration office for the purpose of receiving and developing claims, investigating doubtful and fraudulent claims, handling guardianship matters, and authorizing hospital and medical care to American veterans residing therein. After the reoccupation of the islands by the American forces in World War II, this insular office was reopened early in 1945, and in view of the expanding services which it was apparent would be required to handle the great additional number of claims, particularly on account of Filipinos who served in the American forces pursuant to the President's military order of July 26, 1941, a regional office was subsequently activated.

In view of the independence of the Commonwealth of the Philippines on July 4, 1946, and the status of the Republic as a foreign country after that date, a question arose as to the legality of expending Veterans' Administration appropriated funds for the continued maintenance of the regional office. The question was submitted to the Comptroller General of the United States, who advised the Administrator of Veterans' Affairs that although there is no specific authority of law for the maintenance of a regional office after July 4, 1946, in view of the congressional action subsequent to the date of independence appropriating funds for the purpose and reconditioning of an office building for the Veterans' Administration in Manila (Third Deficiency Appropriation Act, 1946, Public Law 521, 79th Cong., approved July 23, 1946), he, the Comptroller General, would interpose no objection to the continued maintenance of the office for a reasonable period not extending beyond the end of the current fiscal year, namely, June 30, 1947. The decision of the Comptroller General was subject to the understanding that the matter would be submitted to the Eightieth Congress, with a view to obtaining specific legislative authority for such continued maintenance of the Philippine office. It is, therefore, clear that unless authorizing legislation is enacted for this purpose, the Veterans' Administration will be forced to abandon all activities and functions in the Philippines in connection with the administration of veterans' benefits not only as to Filipino veterans but American veterans residing there as well. Furthermore, from a practical standpoint, unless such legislation is enacted in the very near future it will be necessary to take steps not later than a month hence to discontinue such activities in order that the office may cease to function entirely by June 30, 1947.

The need for the continued maintenance of a Veterans' Administration office in the Philippines is very real. At the present time there are approximately 450,000 veterans of the United States armed forces or their dependents in the Philippines. In view of the heavy war casualties, a substantial number are potentially eligible for certain veterans' benefits. This total includes American veterans of all wars and the peacetime establishments who are residing in the Philippines; the Philippine Scouts, a component of the Regular Army of the United States; and those Filipinos of the organized military forces of the Philippines who were called into service with our armed forces pursuant to the President's military order of July 26, 1941, and who, under authority of Public Law 301, Seventy-ninth Congress, approved February 18, 1946, are entitled to certain insurance benefits and compensation for service-connected disabilities and death. In addition to the administration in the Philippines of compensation and pension benefits for veterans or dependents of veterans who were members of the American armed forces, the Veterans' Administration also administers education and rehabilitation benefits to such veterans of World War II and provides certain hospitalization on a contract basis to our veterans who are citizens of the United States and who are temporarily sojourning or residing in the Philippines. It is readily apparent that in the light of this substantial veteran population it would be unfeasible if not impossible to carry on the administration of such benefits to this group solely from offices in the continental United States.

Although the activities of the Veterans' Administration in foreign countries generally are handled through the facilities of the Department of State, it should be noted that the veteran population in foreign countries, save one, is comparatively small. The exception, as indicated, is the Republic of the Philippines, and it is believed that any attempt to administer veterans' benefits in that country

4 VETERANS' AFFAIRS OFFICES TO CONTINUE IN PHILIPPINES

through the Department of State would not only be most unsatisfactory from the standpoint of the veteran but would result in a tremendous burden on the State Department and unduly overshadow its normal official functions.

As indicated above, the proposed legislation will merely authorize the Administrator of Veterans' Affairs to continue the present administrative operations in the Philippines, and, accordingly, its enactment will involve no additional expense to the Government.

For the foregoing reasons, the Veterans' Administration earnestly recommends favorable consideration of this legislative proposal by the Congress and, in view of the urgency of the situation, will appreciate all possible expedition looking toward its early passage.

Advice has been received from the Bureau of the Budget that there would be no objection by that office to the submission of the proposed legislation to the Congress.

Sincerely yours,

OMAR N. BRADLEY,
General, United States Army,
Administrator.

The committee is in accord with the purposes of this joint resolution and recommends its enactment.

○