

RESTORING VA BENEFIT RIGHTS TO CERTAIN RESIDENTS OF JAPAN AND GERMANY

JUNE 16 (legislative day, JUNE 11), 1954.—Ordered to be printed

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

REPORT

[To accompany S. 3153]

The Committee on Finance, to whom was referred the bill (S. 3153) to restore eligibility of certain citizens or subjects of Germany or Japan to receive benefits under veterans' laws, having considered the same, report favorably thereon without amendment, and recommend that the bill do pass.

PURPOSE OF BILL

To restore prospectively the rights to citizens or subjects of Germany and Japan, who are entitled to Veterans' Administration benefits based on service in the American forces, to receive their compensation, pension, or other Veterans' Administration benefits which were withheld under the provisions of Public Law 622, 79th Congress.

GENERAL STATEMENT

In 1943, Congress passed Public Law 144 of the 78th Congress; which provided that when any person not a citizen of the United States entitled to compensation, pension, or other Veterans' Administration benefits is located in a territory of or under the local control of the enemy of the United States or its allies such benefits would be terminated. To be restored to the rolls the claimant would have to file a new application and show that he was not guilty of rendering assistance to the enemy, sabotage, etc. No retroactive payments would be allowed.

In 1946, Congress passed Public Law 622 of the 79th Congress, which authorized the restoration of benefits which were terminated under Public Law 144, cited above. This act specifically excluded the German and Japanese cases. The provisions of Public Law 622 of

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the 79th Congress do not apply to contingencies arising after termination of peace with Germany on October 19, 1951, or with Japan on April 28, 1952.

No retroactive payments will be made under the provisions of this bill and payments will start from date of enactment of the bill if the claim is filed within 1 year from date of enactment. In cases where application is not filed within 1 year from date of enactment, payments will start from the date of filing of claim. All applicants must comply with section 4 of Public Law 144 of the 78th Congress by showing that they are not guilty of mutiny, treason, or rendering assistance to the enemy. The bill will not authorize any new class of beneficiaries or benefits, it merely removes the bar to payment of benefits which were withheld during the period of World War II. Payments under this bill will be made in the local currency of the country, and not in American dollars. No payments will be made to the Soviet-controlled Germany.

APPROVAL OF BILL

The Bureau of the Budget, the Veterans' Administration, and the State Department recommend approval of this bill. An identical bill has been approved by the House of Representatives.

COST

It is not possible to give an accurate estimate of cost, however, it will be very small. It is believed that not more than 300 cases would be involved.

The reports of the Administrator of Veterans' Affairs and Assistant Director of the Budget on this bill are as follows:

APRIL 15, 1954.

Hon. EUGENE D. MILLIKIN,
Chairman, Committee on Finance,
United States Senate, Washington, D. C.

DEAR SENATOR MILLIKIN: This is in further reply to your letter dated March 20, 1954, requesting a report on S. 3153, 83d Congress, a bill to restore eligibility of certain citizens or subjects of Germany or Japan to receive benefits under veterans' laws.

The purpose of the bill is to provide that any person who, but for the last proviso of Public Law 622, 79th Congress, approved August 7, 1946, would be entitled to compensation or pension benefits payable under laws administered by the Veterans' Administration, shall be entitled to such benefits from the date of enactment of the bill, if claim therefor is filed within 1 year after the date of such enactment, or from the date of claim if claim therefor is filed more than 1 year after the date of such act.

The last proviso of Public Law 622 prohibits the payment of compensation, pension, or other gratuity under laws administered by the Veterans' Administration to German or Japanese citizens or subjects residing in Germany or Japan. This prohibition does not bar payment to German or Japanese citizens or subjects residing in Germany and Japan of claims for indemnity for death under the Servicemen's Indemnity Act of 1951 (pt. I, Public Law 23, 82d Cong., April 25, 1951), nor does it have any bearing upon the matter of payments to such persons with respect to compensation or pension claims based on contingencies arising after the conclusion of peace with Germany or Japan. (See Administrator's Decision No. 921, copy enclosed.)

Public Law 828, 76th Congress, approved October 9, 1940 (54 Stat. 1086), as amended (31 U. S. C. 123 et seq.), provides in part that no check or warrant drawn against funds of the United States, or any agency or instrumentality thereof, shall be sent from the United States, its Territories and possessions, and the Commonwealth of the Philippine Islands for delivery in a foreign country in any case in which the Secretary of the Treasury determines that postal, transportation, or

banking facilities in general, or local conditions in the country to which such check or warrant is to be delivered, are such that there is not a reasonable assurance that the payee will actually receive such check or warrant and be able to negotiate the same for full value. Provision is made for a special deposit account with the Treasurer of the United States for the amounts of undelivered checks. The act further provides that, in the case of checks representing payments under laws administered by the Veterans' Administration, when the amount transferred to the special deposit account on behalf of any individual payee equals \$1,000, the amounts of any further checks, except checks under contracts of insurance, payable to such payee under such laws shall be covered into the Treasury as miscellaneous receipts.

Section 5 of Public Law 144, 78th Congress, approved July 13, 1943 (57 Stat. 555; 38 U. S. C. 729), provides that when any person not a citizen of the United States entitled to compensation, pension, or other gratuity under laws administered by the Veterans' Administration is located in the territory of or under military control of an enemy of the United States or of any of its allies, any award of such benefits in favor of such person shall be terminated forthwith and such person shall not be entitled to any such benefits except upon the filing of a new claim accompanied by evidence satisfactory to the Administrator of Veterans' Affairs showing that the claimant was not guilty of any of the offenses enumerated in section 4 of that act (hereinafter quoted). It is further provided that no compensation, pension, or other gratuity shall be paid for any period prior to the date of a new claim for such benefits. Under the provisions of this section all awards in favor of persons covered thereunder were terminated forthwith.

Public Law 622, 79th Congress, approved August 7, 1946, provides:

"That notwithstanding the provisions of section 5 of Public Law Numbered 144, Seventy-eighth Congress (the Act of July 13, 1943), or Public Law Numbered 828, Seventy-sixth Congress (Act of October 9, 1940, as amended), or Public Law Numbered 783, Seventy-seventh Congress (Act of December 2, 1942), any person who, but for such provisions, was entitled to benefits under any law administered by the Veterans' Administration, and who was not guilty of any of the offenses stated in section 4 of said Public Law Numbered 144, shall be paid out of currently available appropriations of the Veterans' Administration the full amount of any benefits not paid because of the provisions of section 5 of Public Law 144, or withheld, including the amount of any checks covered on his account into the Treasury as miscellaneous receipts together with any amount to his credit in the special-deposit account pursuant to the provisions of said Public Law Numbered 828, as amended; or, in the event of the death of such person prior to receipt of the amount herein authorized, payment shall be made under the provisions, except the one-year limitation, of section 12 of said Public Law Numbered 144, if claim therefor, together with satisfactory evidence that neither the claimant nor the person deceased was guilty of any of the offenses stated in said section 4, shall have been filed with the Veterans' Administration within one year after the effective date of this Act: *Provided*, That the Administrator of Veterans' Affairs shall certify to the Secretary of the Treasury the amounts of payments which, except for the provisions of this Act, would have been made from the special deposit account, and the Secretary of the Treasury, as directed by the Administrator of Veterans' Affairs, shall reimburse from the special deposit account the appropriations of the Veterans' Administration, or cover into the Treasury as miscellaneous receipts, the amounts so certified: *Provided further*, *That no payments shall be made to German or Japanese citizens or subjects residing in Germany or Japan.*" [Italics supplied.]

S. 3153, if enacted, would render persons mentioned in the proviso potentially eligible to payment of compensation or pension benefits provided under laws administered by the Veterans' Administration which accrue subsequent to the date of enactment of the bill, if claim therefor is filed within 1 year after its enactment, or payment of such benefits from the date of claim in cases in which claim is not filed within 1 year after the date of such enactment. It would not authorize payment of compensation or pension to the credit of a claimant in the special deposit account of the Treasury pursuant to the provisions of Public Law 828 or of any benefits not paid because of the provisions of section 5 of Public Law 144 for compensation or pension based on a contingency which arose while the claimant was a German or Japanese citizen or subject residing in Germany or Japan. Any payment to persons under the provisions of the bill would, of course, be subject to the provisions of section 4 of Public Law 144, 78th Congress, which provides:

"Any person shown by evidence satisfactory to the Administrator of Veterans' Affairs to be guilty of mutiny, treason, sabotage, or rendering assistance to an

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enemy of the United States or of its allies shall forfeit all accrued or future benefits under laws administered by the Veterans' Administration pertaining to gratuities for veterans and their dependents: *Provided, however,* That the Administrator of Veterans' Affairs, in his discretion, may apportion and pay any part of such benefits to the dependents of such person not exceeding the amount to which each dependent would be entitled if such person were dead."

The prohibition against payment of compensation, pension, or other gratuity under laws administered by the Veterans' Administration to German or Japanese citizens or subjects residing in Germany or Japan, which the bill proposes to modify was contained in an amendment offered by Senator George on the floor of the Senate subsequent to the passage of H. R. 5148 (which became Public Law 622) by the House of Representatives (92 Congressional Record, pt. 7, p. 9205). The amendment was agreed to by the Senate and concurred in by the House of Representatives. The legislative history of the bill does not disclose the reason for the amendment. The records of the Veterans' Administration, however, indicate that it was inserted at the request of the State and Treasury Departments.

The proposal of the bill to authorize payment of compensation or pension benefits which accrue from and after the date of enactment of the bill to German or Japanese citizens or subjects residing in Germany or Japan involves a question of broad public policy, which is a matter primarily for consideration of and determination by the Congress. It is suggested that pertinent to any reconsideration of this policy are factors such as the lapse of time since the enactment of the statutory prohibition in Public Law 622, the intermarriage of American veterans and nationals of Germany or Japan with the approval of military authorities, the present relationships of the United States with such countries, and the payment of monetary benefits to German and Japanese nationals residing in Germany or Japan currently being made by United States agencies other than the Veterans' Administration.

It is not possible to furnish an estimate of the cost of the bill, if enacted, because of the unknown factors involved. However, it should be noted that the bill would not authorize new classes of beneficiaries or any new benefits but, rather, would merely remove a bar to payment of benefits authorized under basic veterans' laws which accrue subsequent to the enactment of the bill.

As there is no apparent valid reason for denying prospective payment of compensation and pension benefits which would be payable to German and Japanese citizens and subjects residing in Germany or Japan but for the prohibition contained in Public Law 622, the Veterans' Administration recommends favorable consideration of the bill, but suggests that, inasmuch as the mentioned prohibition in Public Law 622 was proposed by the State and Treasury Departments, your committee may desire the views of the mentioned departments as to the merits of the bill.

Advice has been received from the Bureau of the Budget that there is no objection to the presentation of this report to the committee.

Sincerely yours,

H. V. HIGLEY, *Administrator.*

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D. C., May 27, 1954.

Hon. EUGENE D. MILLIKIN,
*Chairman, Committee on Finance,
United States Senate, Washington, D. C.*

MY DEAR MR. CHAIRMAN: This is in reply to your request of March 20, 1954, for a report on S. 3153, a bill to restore eligibility of certain citizens or subjects of Germany or Japan to receive benefits under veterans' laws.

The last proviso of Public Law 622, 79th Congress, prohibits the payment of compensation, pension, or other gratuity under laws administered by the Veterans' Administration to German or Japanese citizens or subjects residing in Germany or Japan. S. 3153 would permit these nationals to file claims for and receive such compensation and pension benefits.

According to the Department of State, the present policy of withholding from German and Japanese nationals benefits provided under veterans' legislation has been given widespread unfavorable publicity, particularly in Germany, and has been cited to demonstrate that the treatment of German assets in the United States has been unduly harsh. Also, it is understood that agencies other than the Vet-

erans' Administration are currently paying monetary benefits to German and Japanese nationals residing in Germany or Japan. Accordingly, the restoration of compensation or pension benefits provided by S. 3153 should aid in promoting friendship and understanding between the United States and Germany and Japan.

Further, it is not apparent that there is now any justifiable reason for continuing to deprive the particular persons in question of the benefits enjoyed by other veterans and their dependents.

For the reasons indicated above, the Bureau of the Budget recommends that your committee give favorable consideration to enactment of S. 3153.

Sincerely yours,

DONALD R. BELCHER,
Assistant Director.

While the provisions of subsection 4 of rule 29 of the Standing Rules of the Senate are not applicable in this case, the following is furnished for the information of the Members:

[PUBLIC LAW 622—79TH CONGRESS]

[CHAPTER 777—2D SESSION]

[H. R. 5148]

AN ACT To provide for the payment of pension or other benefits withheld from persons for the period they were residing in countries occupied by the enemy forces during World War II

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding the provisions of section 5 of Public Law Numbered 144, Seventy-eighth Congress (the Act of July 13, 1943), or Public Law Numbered 828, Seventy-sixth Congress (Act of October 9, 1940, as amended), or Public Law Numbered 783, Seventy-seventh Congress (Act of December 2, 1942), any person who, but for such provisions, was entitled to benefits under any law administered by the Veterans' Administration, and who was not guilty of any of the offenses stated in section 4 of said Public Law Numbered 144, shall be paid out of currently available appropriations of the Veterans' Administration the full amount of any benefits not paid because of the provisions of section 5 of Public Law 144, or withheld, including the amount of any checks covered on his account into the Treasury as miscellaneous receipts together with any amount to his credit in the special-deposit account pursuant to the provisions of said Public Law Numbered 828, as amended; or, in the event of the death of such person prior to receipt of the amount herein authorized, payment shall be made under the provisions, except the one-year limitation, of section 12 of said Public Law Numbered 144, if claim therefor, together with satisfactory evidence that neither the claimant nor the person deceased was guilty of any of the offenses stated in said section 4, shall have been filed with the Veterans' Administration within one year after the effective date of this Act: *Provided*, That the Administrator of Veterans' Affairs shall certify to the Secretary of the Treasury the amounts of payments which, except for the provisions of this Act, would have been made from the special deposit account, and the Secretary of the Treasury, as directed by the Administrator of Veterans' Affairs, shall reimburse from the special deposit account the appropriations of the Veterans' Administration, or cover into the Treasury as miscellaneous receipts, the amounts so certified: *Provided further*, That no payments shall be made to German or Japanese citizens or subjects residing in Germany or Japan.

Approved August 7, 1946.

