

PROVIDING INCREASES IN SERVICE-CONNECTED DISABILITY COMPENSATION AND INCREASING DE- PENDENCY ALLOWANCES

JULY 22 (legislative day, JULY 8), 1957.—Ordered to be printed

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

REPORT

[To accompany H. R. 52]

The Committee on Finance, to whom was referred the bill (H. R. 52) to provide increases in service-connected disability compensation and to increase dependency allowances, having considered the same, report favorably thereon with amendments, and recommend that the bill, as amended, do pass.

The amendments are technical so that the bill will conform to the provisions of the Veterans' Benefits Act of 1957, Public Law 85-56. The amendments are as follows:

On page 5, strike section 4, lines 1 through 3, and add the following new sections:

SEC. 4. Section 315 of the Veterans' Benefits Act of 1957 is amended by deleting the following figures in paragraphs (a) through (p), respectively: "\$17", "\$33", "\$50", "\$66", "\$91", "\$109", "\$127", "\$145", "\$163", "\$181", "\$420", "\$279", "\$329", "\$371", "\$420", and "\$420", and inserting in lieu thereof the figures "\$19", "\$36", "\$55", "\$73", "\$100", "\$120", "\$140", "\$160", "\$179", "\$225", "\$450", "\$309", "\$359", "\$401", "\$450", and "\$450", respectively.

SEC. 5. Subsection 316 (a) (1) of the Veterans' Benefits Act of 1957 is amended by deleting the following figures in clauses (A) through (H), respectively: "\$21", "\$35", "\$45.50", "\$56", "\$14", "\$24.50", "\$35", and "\$17.50", and inserting in lieu thereof the figures "\$23", "\$39", "\$50", "\$62", "\$15", "\$27", "\$39", and "\$19".

SEC. 6. Section 335 of the Veterans' Benefits Act of 1957 is hereby amended by changing the period at the end thereof to a comma and adding the following: "counting fifty cents and over as a whole dollar."

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SEC. 7. Section 336 of the Veterans' Benefits Act of 1957 is hereby amended by adding at the end thereof the following sentence: "The amounts payable hereunder shall be adjusted upward or downward to the nearest dollar, counting fifty cents and over as a whole dollar."

SEC. 8. This Act shall take effect on the first day of the second calendar month which begins after the date of its enactment, and sections 1 through 3 shall cease to be in effect January 1, 1958.

EXPLANATION OF THE BILL

The bill as reported by the committee relates entirely to service-connected compensation and additional allowances for dependents for veterans suffering from disabilities incurred in or aggravated by service in one of the branches of the Armed Forces. It applies to all wars and peacetime. The effect of the bill as to most veterans is set forth in the table which appears below (peacetime rates are 80 percent of the rates set forth pursuant to Public Law 876, 80th Cong.).

Rates of compensation for wartime service-connected disabilities under Public Law 2, 73d Cong., as amended, and Veterans Regulations

	War service-connected rates under existing law	H. R. 52
(a) 10 percent disability	\$17.00	\$19.00
(b) 20 percent disability	33.00	36.00
(c) 30 percent disability	50.00	55.00
(d) 40 percent disability	66.00	73.00
(e) 50 percent disability	91.00	100.00
(f) 60 percent disability	109.00	120.00
(g) 70 percent disability	127.00	140.00
(h) 80 percent disability	145.00	160.00
(i) 90 percent disability	163.00	179.00
(j) Total disability	181.00	225.00
(k) Anatomical loss, or loss of use of a creative organ, or 1 foot, or 1 hand, or both buttocks, or blindness of 1 eye, having only light perception, rates (a) to (j) increased monthly by	47.00	47.00
Anatomical loss, or loss of use of a creative organ, or 1 foot, or 1 hand, or both buttocks, or blindness of 1 eye, having only light perception, in addition to requirement for any of rates in (i) to (n) rate increased monthly for each loss or loss of use by	147.00	247.00
(l) Anatomical loss, or loss of use of both hands, or both feet, or 1 hand and 1 foot, or blind both eyes with 5/200 visual acuity or less, or is permanently bedridden or so helpless as to be in need of regular aid and attendance, monthly compensation	279.00	309.00
(m) Anatomical loss, or loss of use of 2 extremities at a level or with complications, preventing natural elbow or knee action with prosthesis in place, or suffered blindness in both eyes, rendering him so helpless as to be in need of regular aid and attendance, monthly compensation	329.00	369.00
(n) Anatomical loss of 2 extremities as near shoulder or hip as to prevent use of prosthetic appliance, or suffered anatomical loss of both eyes, monthly compensation	371.00	401.00
(o) Suffered disability under conditions which would entitle him to 2 or more rates in (i) to (n), no condition being considered twice, or suffered total deafness in combination with total blindness with 5/200 visual acuity or less, monthly compensation	420.00	460.00
(p) In event disabled person's service-incurred disabilities exceed requirements for any of rates prescribed, Administrator, in his discretion, may allow next higher rate, or intermediate rate, but in no event in excess of	420.00	460.00
(q) Minimum rate for arrested tuberculosis	67.00	67.00

¹ But in no event to exceed \$420.

² But in no event to exceed \$460.

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Additional disability compensation because of dependents¹

	Wife, no child	Wife, 1 child	Wife, 2 chil- dren	Wife, 3 or more chil- dren	No wife, 1 child	No wife, 2 chil- dren	No wife, 3 or more chil- dren	Dependent parent or parents
Korean conflict.....								
World War II.....								
World War I.....								
Spanish-American War, Phillip- pine Insurrection, Boxer Re- bellion.....	\$21.00 <i>\$3.00</i>	\$35.00 <i>39.00</i>	\$45.50 <i>50.00</i>	\$56.00 <i>62.00</i>	\$14.00 <i>15.00</i>	\$24.50 <i>27.00</i>	\$35.00 <i>39.00</i>	{ \$17.50 (1) 19.00 35.00 (2) 38.00
Civil War.....								
Indian wars.....								
Peacetime service (under combat or extrahazardous conditions).....								
Regular peacetime service.....	{ 16.80 18.00	{ 28.00 31.00	{ 36.40 40.00	{ 44.80 50.00	{ 11.20 12.00	{ 19.60 22.00	{ 28.00 31.00	{ 14.00 (1) 15.00 28.00 (2) 30.00

¹ Above rates are for 100-percent disability. If and while rated partially disabled, but not less than 50 percent, additional compensation is authorized in an amount having the same ratio to the amount specified in the applicable table, above, as the degree of disability bears to the total disability; e. g., war service-connected disability of 50 percent, compensation rate, \$100 (under the bill). If such a veteran has a wife, his compensation would be increased as follows: \$100 + \$11.50 = \$111.50.

NOTE.—Rates in italics are as reported in H. R. 52.

The Veterans' Administration estimates that the total cost of the bill, if enacted, would approximate \$169,707,000 the first year. Of this total, approximately \$160,047,000 would be attributable to the increases in the various rates of disability compensation and \$9,660,000 for the increases in allowances for dependents. This cost would decrease slightly each year for the next 4 years to approximately \$164,586,000 in the fifth year.

The report of the Veterans' Administration follows:

JUNE 27, 1957.

Hon. HARRY F. BYRD,

Chairman, Committee on Finance,

United States Senate, Washington, D. C.

DEAR SENATOR BYRD: Further reference is made to your request for a report by the Veterans' Administration on H. R. 52, 85th Congress, an act to provide increases in service-connected disability compensation and to increase dependency allowances.

The general purpose of the bill is to provide an increase in the rates of compensation payable to veterans for service-connected disabilities and in the rates of additional allowances for dependents which are payable to veterans whose disabilities are rated 50 percent or more.

The increases proposed for all basic rates of compensation for disabilities rated less than total and the additional allowances for dependents would amount to 10 percent. The rate for total disability, however, would be increased from \$181 to \$225 monthly, or approximately 24 percent. The statutory awards for certain specific disabilities authorized under Public No. 2, 73d Congress, and the Veterans Regulations, would be increased by approximately 10 percent, whereas the increases in statutory awards for certain World War I veterans (under the World War Veterans' Act, 1924) would amount to more than 30 percent. The bill would not authorize any increase in the current rate (\$47 in wartime cases) which is payable, in addition to the basic percentage rate for the disability, for the loss or loss of use of an extremity, both buttocks, an eye, or a creative

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organ. Further, no increase would be provided in the minimum rate for arrested tuberculosis, currently \$67 monthly in wartime cases.

All of the disability compensation basic and statutory rates for which increases are proposed under the bill were last increased 5 percent by Public Law 695, 83d Congress, August 28, 1954. The current rates of additional allowances for dependents were established by the act of July 2, 1948 (Public Law 877, 80th Cong.).

For the convenience of the committee there is enclosed a copy of the report of the Committee on Veterans' Affairs, House of Representatives, on H. R. 52 (H. Rept. 136) which contains a table of the basic rates of compensation and statutory awards payable under existing law compared to the increased rates proposed by the bill.

It appears from the legislative history that the increased compensation rates authorized in August 1954 were based primarily on the increase in the cost of living at that time. Reference to the Consumer Price Index of the Bureau of Labor Statistics, United States Department of Labor, discloses that in August 1954 the level was 115 points and for May 1957 119.6 points (1947-49=100 points), an increase of 4 percent. As indicated, H. R. 52 proposes increases in the basic rates of compensation ranging from 10 percent to 24 percent and up to 30 percent in certain World War I statutory awards. It is therefore readily apparent that the large general increases proposed by the bill in these rates materially exceed the amounts necessary to enable these veterans to maintain their comparative status in our society.

As the committee is aware, the rating for total disability (as well as for lesser disabilities) is based on the average impairment of earning capacity resulting from disability in civil occupations. In many instances veterans rated totally disabled are able to supplement their compensation by earnings and the law does not penalize them for their individual success in overcoming their physical handicaps. However, experience has shown that certain totally disabled veterans, by reason of the peculiar nature of their disabilities, are unable to engage in any type of work and are completely dependent on their compensation. In this category are many cases which cannot qualify for the higher statutory awards because their disabilities do not fall within specific types recognized for such awards (generally loss of limbs, blindness, etc.). Accordingly, the Veterans' Administration recommends that the committee give consideration to authorizing a higher award for these hardship cases at a figure between the basic total disability rate (now \$181) and the first statutory award for combinations of disabilities (currently \$279). In such event, the basic total disability rate would warrant no greater percentage increase than the rates for lesser disabilities.

It is estimated that the total cost of the bill, if enacted, would approximate \$169,707,000 the first year. Of this total, approximately \$160,047,000 would be attributable to the increases in the various rates of disability compensation and \$9,660,000 for the increases in allowances for dependents. This cost would decrease slightly each year for the next 4 years to approximately \$164,586,000 in the fifth year.

In the light of the foregoing, the Veterans' Administration is unable to recommend favorable consideration of H. R. 52 in its present form. However, we would not object to the measure if it were amended to provide moderate basic statutory rate increases as indicated above and

to provide a new special rate of compensation for the mentioned hardship cases in the total disability group.

The Bureau of the Budget has advised that there is no objection to the presentation of this report to the committee, and that enactment of H. R. 52, in its present form, would not be in accord with the program of the President.

Sincerely yours,

H. V. HIGLEY, *Administrator.*

CHANGES IN EXISTING LAW

In compliance with subsection 4 of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

SECTION 1

VETERANS REGULATION NO. 1 (a), AS AMENDED

PART I

II. That for the purposes of part I, paragraph I (a) hereof, if the disability results from injury or disease:

- (a) If and while the disability is rated 10 per centum the monthly compensation shall be ~~[\$17]~~ \$19.
- (b) If and while the disability is rated 20 per centum the monthly compensation shall be ~~[\$33]~~ \$36.
- (c) If and while the disability is rated 30 per centum the monthly compensation shall be ~~[\$50]~~ \$55.
- (d) If and while the disability is rated 40 per centum the monthly compensation shall be ~~[\$66]~~ \$73.
- (e) If and while the disability is rated 50 per centum the monthly compensation shall be ~~[\$91]~~ \$100.
- (f) If and while the disability is rated 60 per centum the monthly compensation shall be ~~[\$109]~~ \$120.
- (g) If and while the disability is rated 70 per centum the monthly compensation shall be ~~[\$127]~~ \$140.
- (h) If and while the disability is rated 80 per centum the monthly compensation shall be ~~[\$145]~~ \$160.
- (i) If and while the disability is rated 90 per centum the monthly compensation shall be ~~[\$163]~~ \$179.
- (j) If and while the disability is rated as total the monthly compensation shall be ~~[\$181]~~ \$225.
- (k) If the disabled person, as the result of service-incurred disability, has suffered the anatomical loss or loss of use of a creative organ, or one foot, or one hand, or both buttocks, or blindness of one eye, having only light perception, the rate of compensation therefor shall be \$47 per month independent of any other compensation provided in part I, paragraph II, subparagraphs (a) to (j); and in the event of anatomical loss or loss of use of a creative organ, or one foot, or one hand, or both buttocks, or blindness of one eye, having only light perception, in addition to the requirement for any of the rates specified in subparagraphs (l) to (n), inclusive, of part I, para-

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graph II, the rate of compensation shall be increased by \$47 per month for each such loss or loss of use, but in no event to exceed ~~[\$420]~~ \$450 per month.

(l) If the disabled person, as the result of service-incurred disability, has suffered the anatomical loss, or loss of use of both hands, or both feet, or of one hand and one foot, or is blind in both eyes, with 5/200 visual acuity or less, or is permanently bedridden or so helpless as to be in need of regular aid and attendance, the monthly pension shall be ~~[\$279]~~ \$309.

(m) If the disabled person, as the result of service-incurred disability, has suffered the anatomical loss or loss of use of two extremities at a level, or with complications, preventing natural elbow or knee action with prosthesis in place, or has suffered blindness in both eyes, rendering him so helpless as to be in need of regular aid and attendance, the monthly pension shall be ~~[\$329]~~ \$359.

(n) If the disabled person, as the result of service-incurred disability, has suffered the anatomical loss of two extremities so near the shoulder or hip as to prevent the use of a prosthetic appliance or has suffered the anatomical loss of both eyes, the monthly pension shall be ~~[\$371]~~ \$401.

(o) If the disabled person, as the result of service-incurred disability, has suffered disability under conditions which would entitle him to two or more of the rates provided in one or more of the subparagraphs (l) to (n), inclusive of part I, paragraph II of this regulation, no condition being considered twice in the determination, or has suffered total deafness in combination with total blindness with 5/200 visual acuity or less, the monthly pension shall be ~~[\$420]~~ \$450.

(p) In the event the disabled person's service-incurred disabilities exceed the requirements for any of the rates prescribed herein, the Administrator, in his discretion, may allow the next higher rate or an intermediate rate, but in no event in excess of ~~[\$420]~~ \$450.

(q) If the disabled person is shown to have had a service-incurred disability resulting from an active tuberculous disease, which disease in the judgment of the Administrator of Veterans' Affairs has reached a condition of complete arrest, the monthly compensation shall be not less than \$67.

Section 2 applies to a limited number of World War I veterans who are rated under the 1925 Schedule for Rating Disabilities which contains the so-called protective awards. The rates indicated for section 1 apply generally to section 2 cases, also.

SECTION 3

[PUBLIC LAW 877—80TH CONGRESS]

AN ACT To provide increases of compensation for certain veterans with service-connected disabilities who have dependents

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That any person entitled to compensation at wartime rates for disability incurred in or aggravated by active service as provided in part I, or paragraph I (c), part II, Veterans Regulation Numbered 1 (a), as amended, or the World War Veterans' Act, 1924, as amended, and restored with limitations by Public Law 141, Seventy-third Congress, March 28, 1934, as amended,

and whose disability is rated not less than **[60]** 50 per centum, shall be entitled to additional compensation for dependents in the following monthly amounts:

- (1) If and while rated totally disabled and—
 - (a) has a wife but no child living, **[\$21]** \$23;
 - (b) has a wife and one child living, **[\$35]** \$39;
 - (c) has a wife and two children living, **[\$45.50]** \$50;
 - (d) has a wife and three or more children living, **[\$56]** \$62;
 - (e) has no wife but one child living, **[\$14]** \$15;
 - (f) has no wife but two children living, **[\$24.50]** \$27;
 - (g) has no wife but three or more children living, **[\$35]** \$39;
 - (h) has a mother or father, either or both dependent upon him for support, then, in addition to the above amounts, **[\$17.50]** \$19 for each parent so dependent.

- (2) If and while rated partially disabled, but not less than **[60]** 50 per centum, in an amount having same ratio to the amount specified in subsection (1) hereof as the degree of his disability bears to the total disability.

SEC. 2. That any person entitled to compensation at peacetime rates for disability incurred in or aggravated by active service as provided in paragraph II, part II, Veterans Regulation Numbered 1 (a), as amended, except paragraph I (c) thereof, and whose disability is rated not less than **[60]** 50 per centum shall be entitled to additional compensation for dependents in the following monthly amounts:

- (1) If and while rated totally disabled and—
 - (a) has a wife but no child living, **[\$16.80]** \$18;
 - (b) has a wife and one child living, **[\$28]** \$31;
 - (c) has a wife and two children living, **[\$36.40]** \$40;
 - (d) has a wife and three or more children living, **[\$44.80]** \$50;
 - (e) has no wife but one child living, **[\$11.20]** \$12;
 - (f) has no wife but two children living, **[\$19.60]** \$22;
 - (g) has no wife but three or more children living, **[\$28]** \$31;
 - (h) has a mother or father, either or both dependent upon him for support, then, in addition to the above amounts, **[\$14]** \$15 for each parent so dependent.

- (2) If and while rated partially disabled, but not less than **[60]** 50 per centum, in an amount having same ratio to the amount specified in subsection (1) hereof as the degree of his disability bears to the total disability.

SEC. 3. The additional compensation for a dependent or dependents provided by this Act shall not be payable to any veteran during any period he is in receipt of an increased rate of compensation or of subsistence allowance on account of a dependent or dependents under any other law administered by the Veterans' Administration: *Provided*, That he may elect to receive whichever is the greater.

SEC. 4. The administrative, definitive, and penal provisions of Public Law Numbered 2, Seventy-third Congress, and Veterans Regulations thereunder, as amended, shall be for application under this Act.

SEC. 5. This Act shall take effect on the first day of the second calendar month next succeeding its enactment.

[PUBLIC LAW 85-56—85TH CONGRESS]

RATES OF WARTIME DISABILITY COMPENSATION

SEC. 315. For the purposes of section 310—

- (a) if and while the disability is rated 10 per centum the monthly compensation shall be ~~[\$17]~~ \$19;
- (b) if and while the disability is rated 20 per centum the monthly compensation shall be ~~[\$33]~~ \$36;
- (c) if and while the disability is rated 30 per centum the monthly compensation shall be ~~[\$50]~~ \$55;
- (d) if and while the disability is rated 40 per centum the monthly compensation shall be ~~[\$66]~~ \$73;
- (e) if and while the disability is rated 50 per centum the monthly compensation shall be ~~[\$91]~~ \$100;
- (f) if and while the disability is rated 60 per centum the monthly compensation shall be ~~[\$109]~~ \$120;
- (g) if and while the disability is rated 70 per centum the monthly compensation shall be ~~[\$127]~~ \$140;
- (h) if and while the disability is rated 80 per centum the monthly compensation shall be ~~[\$145]~~ \$160;
- (i) if and while the disability is rated 90 per centum the monthly compensation shall be ~~[\$163]~~ \$179;
- (j) if and while the disability is rated as total the monthly compensation shall be ~~[\$181]~~ \$225;
- (k) if the veteran, as the result of service-incurred disability, has suffered the anatomical loss or loss of use of a creative organ, or one foot, or one hand, or both buttocks, or blindness of one eye, having only light perception, the rate of compensation therefor shall be \$47 per month independent of any other compensation provided in subsections (a) through (j) of this section; and in the event of anatomical loss or loss of use of a creative organ, or one foot, or one hand, or both buttocks, or blindness of one eye, having only light perception, in addition to the requirement for any of the rates specified in subsections (l) through (n) of this section, the rate of compensation shall be increased by \$47 per month for each such loss or loss of use, but in no event to exceed ~~[\$420]~~ \$450 per month;
- (l) if the veteran, as the result of service-incurred disability, has suffered the anatomical loss or loss of use of both hands, or both feet, or of one hand and one foot, or is blind in both eyes, with 5/200 visual acuity or less, or is permanently bedridden or so helpless as to be in need of regular aid and attendance, the monthly compensation shall be ~~[\$279]~~ \$309;
- (m) if the veteran, as the result of service-incurred disability, has suffered the anatomical loss or loss of use of two extremities at a level, or with complications, preventing natural elbow or knee action with prosthesis in place, or has suffered blindness in both eyes, rendering him so helpless as to be in need of regular aid and attendance, the monthly compensation shall be ~~[\$329]~~ \$359;
- (n) if the veteran, as the result of service-incurred disability, has suffered the anatomical loss of two extremities so near the shoulder or hip as to prevent the use of a prosthetic appliance or

has suffered the anatomical loss of both eyes, the monthly compensation shall be **[\$371]** \$401;

(o) if the veteran, as the result of service-incurred disability, has suffered disability under conditions which would entitle him to two or more of the rates provided in one or more subsections (l) through (n) of this section, no condition being considered twice in the determination, or has suffered total deafness in combination with total blindness with 5/200 visual acuity or less, the monthly compensation shall be **[\$420]** \$450;

(p) in the event the veteran's service-incurred disabilities exceed the requirements for any of the rates prescribed in this section, the Administrator, in his discretion, may allow the next higher rate or an intermediate rate, but in no event in excess of **[\$420]** \$450; and

(q) if the veteran is shown to have had a service-incurred disability resulting from an active tuberculosis disease, which disease in the judgment of the Administrator has reached a condition of complete arrest, the monthly compensation shall not be less than \$67.

ADDITIONAL COMPENSATION FOR DEPENDENTS

SEC. 316. (a) Any veteran entitled to compensation at the rates provided in section 315, and whose disability is rated not less than 50 per centum, shall be entitled to additional compensation for dependents in the following monthly amounts:

(1) If and while rated totally disabled and—

(A) has a wife but no child living, **[\$21]** \$23;

(B) has a wife and one child living, **[\$35]** \$39;

(C) has a wife and two children living, **[\$45.50]** \$50;

(D) has a wife and three or more children living, **[\$56]** \$62;

(E) has no wife but one child living, **[\$14]** \$16;

(F) has no wife but two children living, **[\$24.50]** \$27;

(G) has no wife but three or more children living, **[\$35]** \$39; and

(H) has a mother or father, either or both dependent upon him for support, then, in addition to the above amounts, **[\$17.50]** \$19 for each parent so dependent.

RATES OF PEACETIME DISABILITY COMPENSATION

SEC. 335. For the purposes of section 331 of this Act, the compensation payable for the disability shall be equal to 80 per centum of the compensation payable for such disability under section 315 of this Act, adjusted upward or downward to the nearest dollar, *counting fifty cents and over as a whole dollar.*

ADDITIONAL COMPENSATION FOR DEPENDENTS

SEC. 336. Any veteran entitled to compensation at the rates provided in section 335, and whose disability is rated not less than 50 per centum, shall be entitled to additional monthly compensation for dependents equal to 80 per centum of the additional compensation for dependents provided in section 316, and subject to the limitations thereof. *The amounts payable hereunder shall be adjusted upward or downward to the nearest dollar, counting fifty cents and over as a whole dollar.*