

# Calendar No. 2008

87TH CONGRESS }  
2d Session }

SENATE

{ REPORT  
No. 2042

## LIBERALIZING EFFECTIVE DATES

SEPTEMBER 13, 1962.—Ordered to be printed

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

### REPORT

together with

### SUPPLEMENTAL VIEWS

[To accompany H.R. 7600]

The Committee on Finance, to whom was referred the bill (H.R. 7600) to amend title 38, United States Code, to revise the effective date provisions relating to awards, and for other purposes, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

#### EXPLANATION OF THE BILL

The bill would primarily make certain desirable modifications in the provisions of existing law governing the effective dates of awards, reductions, and discontinuances of monetary benefits (disability and death compensation, disability and death pension, and dependency and indemnity compensation) under laws administered by the Veterans' Administration. In addition, it includes a restatement of certain provisions of existing laws and regulations. If enacted, the proposed revisions would make the effective date provisions more nearly uniform, simplify their administration, and resolve a number of problem areas. Generally the changes may be described as liberalizing. The major changes proposed are:

1. Disability benefits, in the event of the veteran-payee's death, would be discontinued the last day of the month before such death occurs, and death benefits would be awarded effective the first day of the month in which the death occurs (if claim therefor is filed within 1 year from death). Currently, disability benefits are discontinued as of the date of the veteran's death and benefits

to his survivors are awarded effective the next day (if claim therefor is filed within 1 year from death). This change would considerably simplify administration. In the light of a savings provision in section 4 of the bill, no eligible widow would be adversely affected by this change.

2. The 2-year statute of limitation (set forth in 38 U.S.C. 351) within which claim must be filed for disability or death compensation or dependency and indemnity compensation authorized by that section for disability or death suffered as a result of hospitalization or medical or surgical treatment, or the pursuit of a course of vocational rehabilitation, would be repealed. Also, duplicate recoveries from the United States for the same disability or death under section 351 and the Federal Tort Claims Act would be precluded by providing a setoff against compensation benefits of the amount of any recovery pursuant to a civil judgment, settlement, or compromise.

3. A uniform rule would be provided, for the first time, governing the effective dates of liberalizing laws or administrative issues that are enacted or promulgated in the future. This provision would, in many cases, obviate the necessity of a potential beneficiary filing a specific claim for the new benefit and would instead permit the Veterans' Administration, where feasible, to identify such beneficiaries and apply the provisions of the liberalized law and administrative issue on its own initiative. The provision would permit a retroactive period of payment of not more than 1 year, but in no event prior to the effective date of the law or issue.

4. A 1-year period would be provided for the submission of necessary evidence to perfect a claim for compensation and pension reopened after final adjudication as well as a claim for increased monetary benefits, similar to, and under the same circumstances as, the period currently provided by law for the perfection of original claims for such benefits.

5. Uniform rules would be established for the reduction or discontinuance of erroneous awards (a) based upon acts of commission or omission by beneficiaries—as of the date of the erroneous award; and (b) based upon administrative error or error in judgment—as of the date of last payment. The latter category would include errors arising from a misunderstanding of instructions, regulations, or the construction of statutes.

6. Sections 110 and 359 of title 38 preserve certain total and permanent and total disability ratings and service connection, after the status concerned has continued for a period of years. Because of differing language employed in these sections, the periods involved do not now commence to run at the same time; i.e., one begins from the date on which the decision granting the status is signed, the other from the date on which the status itself became effective. The bill amends both sections 110 and 359 to assure that the period in question begins from the date determined by the Administrator as the date on which the status commenced for rating purposes.

A detailed explanation of the provisions of the bill appears in the report of Veterans' Administration reproduced hereafter.

The four major veterans organizations—the American Legion, Veterans of Foreign Wars, Disabled American Veterans, and AMVETS—have informally advised that they favor this proposal.

The Veterans' Administration is unable to estimate with any degree of accuracy the proposal's fiscal effect. Some of the provisions would result in a slight additional cost and others would effect a small savings—roughly offsetting each other. It is the best judgment of the agency that the enactment of H.R. 7600 would not have any substantial impact on present costs.

#### COMMITTEE AMENDMENT

The committee's amendment is a perfecting one to assure that the bill includes another "effective date" provision contained in a recently enacted bill, H.R. 5234, now awaiting Presidential action. Because H.R. 7600 proposes to amend the same provision of law, its enactment subsequent to H.R. 5234 would automatically repeal, but not restate, the provision in the earlier law. Hence, the committee has amended this bill to preclude such an unintended result.

The favorable report of the Veterans' Administration follows:

VETERANS' ADMINISTRATION,  
OFFICE OF THE ADMINISTRATOR OF VETERANS' AFFAIRS,  
August 28, 1962.

HON. HARRY F. BYRD,  
*Chairman, Committee on Finance,*  
*U.S. Senate, Washington, D.C.*

DEAR MR. CHAIRMAN: This is in response to your request for a report on H.R. 7600, 87th Congress.

The bill would primarily make certain desirable modifications in the provisions of existing law governing the effective dates of awards, reductions, and discontinuances of monetary benefits (disability and death compensation, disability and death pension, and dependency and indemnity compensation) under laws administered by the Veterans' Administration. In addition, it includes a restatement of certain provisions of existing laws and regulations. If enacted, the proposed revisions would make the effective date provisions more nearly uniform; simplify their administration; and resolve a number of problem areas.

The major changes proposed are:

1. Disability benefits, in the event of the veteran-payee's death, would be discontinued the last day of the month before such death occurs, and death benefits would be awarded effective the first day of the month in which the death occurs (if claim therefor is filed within 1 year from death). Currently, disability benefits are discontinued as of the date of the veteran's death and benefits to his survivors are awarded effective the next day (if claim therefor is filed within 1 year from death). This change would considerably simplify administration. In the light of a savings provision in section 4 of the bill, no eligible widow would be adversely affected by this change.

2. The 2-year statute of limitation (set forth in 38 U.S.C. 351) within which claim must be filed for disability or death compensation or dependency and indemnity compensation authorized by that section for disability or death suffered as a result of hospitalization or

medical or surgical treatment, or the pursuit of a course of vocational rehabilitation, would be repealed. Also, duplicate recoveries from the United States for the same disability or death under section 351 and the Federal Tort Claims Act would be precluded by providing a setoff against compensation benefits of the amount of any recovery pursuant to a civil judgment, settlement, or compromise.

3. A uniform rule would be provided, for the first time, governing the effective dates of liberalizing laws or administrative issues that are enacted or promulgated in the future. This provision would, in many cases, obviate the necessity of a potential beneficiary filing a specific claim for the new benefit and would instead permit the Veterans' Administration, where feasible, to identify such beneficiaries and apply the provisions of the liberalized law and administrative issue on its own initiative. The provision would permit a retroactive period of payment of not more than 1 year, but in no event prior to the effective date of the law or issue.

4. A 1-year period would be provided for the submission of necessary evidence to perfect a claim for compensation and pension reopened after final adjudication as well as a claim for increased monetary benefits, similar to, and under the same circumstances as, the period currently provided by law for the perfection of original claims for such benefits.

5. Uniform rules would be established for the reduction or discontinuance of erroneous awards (a) based upon acts of commission or omission by beneficiaries—as of the date of the erroneous award; and (b) based upon administrative error or error in judgment—as of the date of last payment. The latter category would include errors arising from a misunderstanding of instructions, regulations, or the construction of statutes.

A detailed explanation of the provisions of the bill is enclosed. Where indicated, this statement also points up the benefits that the proposed modifications would achieve.

The Veterans' Administration is unable to estimate with any degree of accuracy the proposal's fiscal effect. Some of the provisions would result in a slight additional cost and others would effect a small savings—roughly offsetting each other. It is our best judgment that the enactment of H.R. 7600 would not have any substantial impact on present costs.

The Veterans' Administration endorses the objectives of H.R. 7600 and strongly urges favorable consideration of the bill by your committee.

In connection with a similar report on this bill to the House Committee on Veterans' Affairs, the Bureau of the Budget advised that there was no objection from the standpoint of the administration's program to the presentation of such report.

Sincerely,

J. S. GLEASON, Jr.,  
Administrator.

#### EXPLANATORY STATEMENT OF H.R. 7600, 87TH CONGRESS

Section 1 of the bill proposes to amend section 3010 of title 38, United States Code, which specifies the effective dates of awards. The proposed effective dates would be as follows:

(a) Unless provided otherwise, the effective date of all awards of compensation, dependency and indemnity compensation, or pension will be fixed in accordance with the facts found but will not be earlier than the date of receipt of application therefor. This is a restatement of the original claim rule in existing law. It is extended to provide uniformity by making it applicable to reopened claims as well as claims for increase now covered by sections 3004 and 3011, respectively.

(b) The effective date of an award of disability compensation will be the day following the date of the veteran's discharge from service if application is received within one year thereafter. This is a restatement of existing law.

(c) The effective date of an award of disability compensation granted pursuant to section 351 of this title (which deals with disabilities, aggravation of disabilities, and deaths suffered as a result of hospitalization or medical or surgical treatment by the Veterans' Administration or the pursuit of a course of vocational rehabilitation under ch. 31 of this title) will be the date the injury or aggravation was suffered if an application therefor is received within 1 year. Existing law permits payment of compensation only from the date claim therefor is filed in the Veterans' Administration and contains a 2-year statute of limitation within which claim must be filed. Section 5 of the bill, discussed below, repeals this limitation and also provides a setoff against compensation benefits of the amount recovered by reason of the disability or death, pursuant to any civil judgment, settlement, or compromise.

(d) The effective date of an award of death compensation, dependency and indemnity compensation, or death pension will be the first day of the month in which the veteran's death occurred if application therefor is received within 1 year from the date of death. This is essentially the same as existing law except that awards currently become effective the day following the date of death. Section 4 of the bill proposes to amend section 3012(b)(1) of title 38 to provide that disability benefits, in the event of the death of a payee, will be discontinued the last day of the month before such death occurs.

(e) The effective date of an award of dependency and indemnity compensation to a child will be the first day of the month in which the child's entitlement arose if application is received within 1 year thereafter. This change from existing law is similar to and consistent with subparagraph (d) above. It relates to children who establish eligibility for benefits in their own right, upon attaining age 18, or upon termination of a widow's entitlement.

(f) The effective date of an award of additional compensation payable on account of dependents which is based on the establishment of a disability rating of 50 percent or more will be the effective date of such rating if proof of such dependents is received by Veterans' Administration within 1 year from the date of notification of the rating action.

Existing law contains a similar provision but requires that the proof of dependents must be furnished within 60 days if the effective date of the additional compensation for dependents is to be the same as the effective date of the increased disability rating. The 1-year period provided for the submission of proof of dependents is consistent with the 1-year period provided for the perfection of similar claims under 38 U.S.C. 3003.

(g) This is a new provision of law which will provide a uniform rule governing effective dates where liberalizing laws or administrative issues are enacted or promulgated. Current law provides no such general effective date. Rather, each law or administrative issue contains its own effective date. If one is not otherwise provided, the date of enactment of a law is regarded as the effective date. Current administrative practice in such cases usually requires the filing of a specific application for the new benefit. Claimants who have no knowledge of the benefits or are not identified by the Veterans' Administration (where a review is made) may be penalized by not filing promptly. This section would permit the Veterans' Administration to identify and apply the provisions of a liberalized law or administrative issue on their own initiative where feasible; or, where it is not feasible to identify potential beneficiaries administratively, to require the filing of an application. A retroactive period of payment of not more than 1 year would be provided. In those cases where an application is required, this would permit payment from the effective date if it is filed within a year thereafter or for a period of a year prior to the claim if it is filed at a later date. In those cases where an administrative review is made but a beneficiary is not immediately identified, this would permit payment for a period of up to 1 year when the beneficiary either files claim or is administratively identified at a later date. The 1-year period of retroactivity is consistent with the period allowed upon the filing of original disability and death claims following discharge or death, as appropriate.

(h) The effective date of an award of pension or of increased pension will be fixed in accordance with the facts found in those cases where an award of pension has been deferred, or pension has been awarded at a lesser rate, based on anticipated income for a year and the claimant later establishes that his income was at a rate warranting entitlement or entitlement to a greater benefit. Satisfactory evidence of the claimant's income would have to be submitted before the expiration of the next calendar year. Although existing law contains no provision of this type, this provision is consistent with current regulations of the Veterans' Administration in this regard.

(i) The effective date of the award of benefits, where a disallowed claim is reopened and allowed on the basis of new and material evidence resulting from the correction of military records or correction of discharge, will be the date on which application was filed for the correction of military

records or discharge or the date the disallowed claim for Veterans' Administration benefits was filed, whichever is later. In no event, however, will an award of benefits be retroactive for more than 1 year from the date the claim was reopened. The only change effected by this section relates to the retroactive period for which benefits may be paid. Existing law provides a third alternative of August 1, 1956, and permits retroactive payment to whichever of those three dates is the later. The 1-year retroactive period proposed is the same as the period proposed herein in items (b), (c), (d), and (g), as well as 38 U.S.C. 3003.

(j) The effective date of an award of death compensation, dependency and indemnity compensation, or death pension in those cases where a report or finding of death of any person in service has been made by the Secretary of the service department will be the first day of the month fixed by the Secretary as the month of death if application is received within 1 year from the date of such finding. However, benefits will not be payable for any period with respect to which such person has received an allowance, allotment, or service pay of the deceased veteran. This is substantially a restatement of existing law.

Section 2 of the bill amends 38 U.S.C. 3012, relating to the effective dates of reductions or discontinuances of compensation, dependency, and indemnity compensation, and pension. Such reductions or discontinuances would be effective as follows:

(1) The effective date of a reduction or discontinuance by reason of marriage, remarriage, or death of a payee will be the last day of the month before such event occurs. The effective date, under existing law, relates to the date of the event. The change is being made to effect administrative simplification. Today, where entitlement terminates during a month, and the award is not terminated in time to prevent release of the entire month's check, it must be returned and canceled, and supplemental awards issued covering the portion of the month of actual entitlement. Oftentimes the administrative costs of such transactions exceed the benefits payable. Provision has been made under section 6 of the bill to protect the widow of a veteran in those cases in which the benefits he would have been entitled to receive for the month of death, had he lived, exceed the death benefits to which she is entitled.

(2) The effective date of a reduction or discontinuance because of the marriage, divorce, or death of a dependent will be the last day of the month in which that event occurs. The effective date of these reductions under current law relates to the date of the event. As distinguished from the preceding item where there is no entitlement of the payee after the happening of an event, this situation usually involves the continuation of a payee's entitlement, but in a changed amount. This provision will likewise result in administrative simplification by the elimination of small overpayments due to short delay in receiving notice of the

happening of the event. It extends to all other entitlements recently promulgated administrative practice with regard to pension and dependency and indemnity compensation or death compensation for parents.

(3) The effective date of a reduction or discontinuance by reason of receipt of active service pay or retirement pay will be the day before such pay began. This restates existing law.

(4) The effective date of a reduction or discontinuance by reason of a change in income or corpus of estate will be the last day of the month in which the change occurred. This eliminates the need for setting up overpayments of benefits in those cases in which, for a part of a year, the rate of income does not exceed the annual statutory limits and net assets do not bar payment. Since the beneficiary's need was the basis for the amount of pension paid before his status changed, it is considered inequitable to require repayment for that period before payments were barred. In regard to this subsection, we believe it is unnecessary since we have recently accomplished the purposes of the provision by administrative regulation. It is also our interpretation of this provision that it is not intended to breach the long-standing principle of the annual income limitation in the pension program.

(5) The effective date of a reduction or discontinuance of pension because of a change in disability or employability of a veteran will be the last day of the month in which the award action is approved. Existing law does not contain a specific provision of this type. However, based on existing 38 U.S.C. 3012(b), the Veterans' Administration, pursuant to regulation, follows this rule.

(6) The effective date of a reduction or discontinuance by reason of change in law or administrative issue or interpretation of such law or issue or, for compensation purposes, a change in service-connected or employability status or change in physical condition shall be the last day of the month following a 60-day grace period from the date the notice is mailed to the payee. This substantially follows administrative practice of some 30 years standing. It provides a person receiving service-connected disability benefits a reasonable time to adjust to the reduction or discontinuance of his compensation benefits or, on the other hand, a period of time within which he may submit evidence to show that such reduction or discontinuance is not justified.

(7) The effective date of a reduction or discontinuance because of the discontinuance of school attendance of a payee or a dependent of a payee will be the last day of the month in which such attendance was discontinued. Existing law is silent on this specific point. The current rule relates to the date on which school attendance terminates. To effect administrative simplicity, because of some difficulty encountered in determining in advance the actual date of termination of school attendance, this section will make the discontinuance of the award effective as of the end of that



month. It would also be consistent with items (2), (4), (5), and (8) of this section.

(8) The effective date of the reduction or discontinuance by reason of termination of a temporary increase in compensation payments due to hospitalization or treatment will be the last day of the month of hospital discharge or termination of treatment, whichever is earlier. This provision would be applicable where no convalescent periods are assigned and will also afford administrative simplicity consistent with items (2), (4), (5), and (7) of this section.

(9) The effective date of a reduction or discontinuance of an erroneous award based upon an act of commission or omission by the beneficiary shall be effective the date of the erroneous award. This is a restatement of existing law as it relates to fraud and is broadened to include other acts or failure to act on the part of the claimant, not necessarily fraudulent in nature, which constitute misrepresentation or other furnishing of incorrect information or failure to furnish correct information, leading to the establishment or continuation of an award of payments which should not have been made. All overpayments created under this provision would be subject to recovery unless waived upon consideration of fault under 38 U.S.C. 3102.

(10) The effective date of a reduction or discontinuance solely because of administrative error or error in judgment would be the date of last payment. Existing law is silent in this regard. The provision, with certain exceptions, follows current administrative practices. It is to be distinguished from the preceding provision in that it may not be applied in any case where the erroneous payment results from an act of commission or omission by the beneficiary. It is intended to include cases in which an erroneous action was predicated on a misunderstanding of existing instructions or regulations or the applicable construction of statute. Thus, while no overpayment would be created requiring recovery, there would be no perpetuation of the erroneous action. It is expected that there will be documentation and assignment of error on each application of this provision.

Section 3 of the bill relates to benefits payable under section 351 of title 38, United States Code, to veterans disabled as a result of hospitalization, medical or surgical treatment, or vocational rehabilitation. Existing law authorizes the payment of disability or death compensation or dependency and indemnity compensation for disabilities or deaths so incurred but requires that claim therefor be filed within 2 years after the injury or death. This provision has resulted in some inequities in those cases where the veteran or survivors have not been aware that the disability or death resulted from the hospitalization, medical or surgical treatment, or vocational rehabilitation. The section would also be amended to preclude duplicate recoveries for the same disability or death. It is possible today for an injured veteran to secure a judgment under the Federal Tort Claims Act and thereafter be awarded disability compensation from

the Veterans' Administration for the same injury. Section 3 would require that if an individual is awarded a judgment or enters into a settlement or compromise by reason of a disability or death within the purview of section 351 no benefits authorized by section 351 shall be paid to that individual thereafter on account of that disability or death until the total amount of benefits which would be paid except for this provision equals the total amount paid under the judgment, settlement, or compromise. A somewhat similar provision exists today that precludes payment of disability compensation to a veteran who has been awarded disability severance pay until the amount of compensation the veteran would have been entitled to equals the amount of such severance pay. It is anticipated that the procedure to be followed by the Veterans' Administration in offsetting the amount of the judgment, settlement, or compromise will be similar to that employed in connection with disability severance pay.

Section 4 relates to the payment of death benefits to widows for the month of the veteran's death. Current law provides for the payment of the veteran's accrued benefits for that part of the month prior to his death. The combined effect of proposed sections 3010(d) and 3012(b)(1) will result in eliminating these small accrued awards. However, to assure that an eligible widow will not receive reduced total payments for the month of death, she is protected by being granted a death benefit award for the month of the veteran's death in an amount which shall not be less than the amount that the veteran would have received for that month as compensation or pension.

Section 5 repeals 38 U.S.C. 3004 and 3011, the provisions of which are replaced by the provisions of the bill discussed above. One of the effects of this repealer will be to achieve further uniformity by making applicable to claims for increases the provisions of section 3003 which grant a period of 1 year to perfect incomplete applications.

Section 6 of the bill relates to the preservation of certain ratings and service connection under sections 110 and 359, respectively, of title 38, United States Code. Section 110 provides that a rating of total disability or permanent total disability which has been continuously in force for 20 or more years shall not be reduced thereafter except for fraud. Section 359 provides that service connection for any disability or death which has been in force for 10 or more years shall not thereafter be severed except under certain specified conditions. Because different language is used in these sections, the periods do not begin to run at the same time; i.e., under section 110 the 20-year period begins from the date on which the rating decision granting a total disability or permanent total disability status is signed, while under section 359 the 10-year period begins from the date on which the service connection itself became effective. Section 6 would achieve a desirable uniformity in providing that each of these periods will be computed from the date on which the status in question commenced.

Section 7 provides that the bill shall be effective on the first day of the second calendar month which begins after date of enactment and assures that, no payments will be made or reductions or discontinuances effected, by reason of the act, for any period or based on any event before such effective date. It further provides that awards, reductions, or discontinuances based on periods or events occurring before the effective date shall be adjudicated under prior laws and regulations.

## 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):

## TITLE 38 OF THE UNITED STATES CODE

\* \* \* \* \*

**CHAPTER 11—COMPENSATION FOR SERVICE-CONNECTED  
DISABILITY OR DEATH**

\* \* \* \* \*

**Subchapter VI—General Compensation Provisions**

\* \* \* \* \*

**§ 351. Benefits for persons disabled by treatment or vocational  
rehabilitation**

Where any veteran shall have suffered an injury, or an aggravation of an injury, as the result of hospitalization, medical or surgical treatment, or the pursuit of a course of vocational rehabilitation under chapter 31 of this title, awarded him under any of the laws administered by the Veterans' Administration, or as a result of having submitted to an examination under any such law, and not the result of his own willful misconduct, and such injury or aggravation results in additional disability to or the death of such veteran, disability or death compensation under this chapter and dependency and indemnity compensation under chapter 13 of this title shall be awarded in the same manner as if such disability, aggravation, or death were service-connected[; except that no benefits shall be awarded unless application be made therefor within two years after such injury or aggravation was suffered, or such death occurred]. *Where an individual is hereafter awarded a judgment against the United States in a civil action brought pursuant to section 1346(b) of title 28, United States Code, or hereafter enters into a settlement or compromise under section 2672 or 2677 of title 28, United States Code, by reason of a disability, aggravation, or death treated pursuant to this section as if it were service-connected, then no benefits shall be paid to such individual for any month beginning after the date such judgment, settlement, or compromise on account of such disability, aggravation, or death becomes final until the aggregate amount of benefits which would be paid but for this sentence equals the total amount included in such judgment, settlement, or compromise.*

\* \* \* \* \*

## CHAPTER 51—APPLICATIONS, EFFECTIVE DATES, AND PAYMENTS

### SUBCHAPTER I—APPLICATIONS

Sec.

3001. Claims and forms.  
 3002. Application forms furnished upon request.  
 3003. Incomplete applications.  
 [3004. Disallowed claims.]  
 3005. Joint applications for social security and dependency and indemnity compensation.

### SUBCHAPTER II—EFFECTIVE DATES

3010. Effective dates of awards.  
 [3011. Effective dates of increases.]  
 3012. Effective dates of reductions and discontinuances.  
 3013. Effective dates of educational benefits.

### SUBCHAPTER III—PAYMENT OF BENEFITS

3020. Payment of benefits by check; delivery.  
 3021. Payment of certain accrued benefits upon death of beneficiary.  
 3022. Cancellation of checks mailed to deceased payees.

### Subchapter I—Applications

#### § 3001. Claims and forms

(a) A specific claim in the form prescribed by the Administrator (or jointly with the Secretary of Health, Education, and Welfare, as prescribed by section 3005 of this title) must be filed in order for benefits to be paid or furnished to any individual under the laws administered by the Veterans' Administration.

(b)(1) A claim by a widow or child for compensation or dependency and indemnity compensation shall also be considered to be a claim for death pension and accrued benefits, and a claim by a widow or child for death pension shall be considered to be a claim for death compensation (or dependency and indemnity compensation) and accrued benefits.

(2) A claim by a parent for compensation or dependency and indemnity compensation shall also be considered to be a claim for accrued benefits.

#### § 3002. Application forms furnished upon request

Upon request made in person or in writing by any person claiming or applying for benefits under the laws administered by the Veterans' Administration, the Administrator shall furnish such person, free of all expense, all such printed instructions and forms as may be necessary in establishing such claim.

#### § 3003. Incomplete applications

(a) If a claimant's application for benefits under the laws administered by the Veterans' Administration is incomplete, the Administrator shall notify the claimant of the evidence necessary to complete the application. If such evidence is not received within one year from the date of such notification, no benefits may be paid or furnished by reason of such application.

(b) This section shall not apply to any application or claim for Government life insurance benefits.

**§ 3004. Disallowed claims**

[(a) Where a claim has been finally disallowed, a later claim on the same factual basis, if supported by new and material evidence, shall have the attributes of a new claim, except that whenever any disallowed claim is reopened and thereafter allowed on the basis of new and material evidence resulting from the correction of the military records of the proper service department under section 1552 of title 10, or the change, correction, or modification of a discharge or dismissal under section 1553 of title 10, or from other corrective action by competent authority, the effective date of commencement of the benefits so awarded shall be the date on which an application was filed for correction of the military record or for the change, modification, or correction of a discharge or dismissal, as the case may be, the date such disallowed claim was filed, or August 1, 1956, whichever date is the later.

[(b) This section shall not apply to any application or claim for Government life insurance benefits.]

**§ 3005. Joint applications for social security and dependency and indemnity compensation**

The Administrator and the Secretary of Health, Education, and Welfare shall jointly prescribe forms for use by survivors of members and former members of the uniformed services in filing application for benefits under chapter 13 of this title and subchapter II of chapter 7 of title 42. Each such form shall request information sufficient to constitute an application for benefits under both chapter 13 of this title and subchapter II of chapter 7 of title 42; and when an application on such form has been filed with either the Administrator or the Secretary of Health, Education, and Welfare, it shall be deemed to be an application for benefits under both chapter 13 of this title and subchapter II of chapter 7 of title 42. A copy of each such application filed with the Administrator, together with any additional information and supporting documents (or certifications thereof) which may have been received by the Administrator with such application, and which may be needed by the Secretary in connection therewith, shall be transmitted by the Administrator to the Secretary; and a copy of each such application filed with the Secretary, together with any additional information and supporting documents (or certifications thereof) which may have been received by the Secretary with such form, and which may be needed by the Administrator in connection therewith, shall be transmitted by the Secretary to the Administrator. The preceding sentence shall not prevent the Secretary and the Administrator from requesting the applicant, or any other individual, to furnish such additional information as may be necessary for purposes of chapter 13 of this title and subchapter II of chapter 7 of title 42, respectively.

**§ 3010. Effective dates of awards**

(a) Unless specifically provided otherwise in this chapter, the effective date of an award *based on an original claim, a claim reopened after final adjudication, or a claim for increase*, of compensation, dependency and indemnity compensation, or pension, shall be fixed in accordance with the facts found, but shall not be earlier than the date of receipt of application therefor.

(b) The effective date of an award of disability compensation to a veteran shall be the day following the date of his discharge or release if application therefor is received within one year from such date of discharge or release.

(c) *The effective date of an award of disability compensation by reason of section 351 of this title shall be the date such injury or aggravation was suffered if an application therefor is received within one year from such date.*

[(c)] (d) The effective date of an award of death compensation, dependency and indemnity compensation, [or death pension shall be the day after the date of death if application therefor is received within one year from such date of death] *or death pension, where application is received within one year from the date of death, shall be the first day of the month in which the death occurred.*

[(d)] (e) The effective date of an award of dependency and indemnity compensation to a child shall be the [date] *first day of the month in which the child's entitlement arose if application therefor is received within one year from such date [the entitlement arose].*

(f) *An award of additional compensation on account of dependents based on the establishment of a disability rating in the percentage evaluation specified by law for the purpose shall be payable from the effective date of such rating; but only if proof of dependents is received within one year from the date of notification of such rating action.*

(g) *Subject to the provisions of section 3001 of this title, where compensation, dependency and indemnity compensation, or pension is awarded or increased pursuant to any Act or administrative issue, the effective date of such award or increase shall be fixed in accordance with the facts found but shall not be earlier than the effective date of the Act or administrative issue. In no event shall such award or increase be retroactive for more than one year from the date of application therefor or the date of administrative determination of entitlement, whichever is earlier.*

(h) *Where an award of pension has been deferred or pension has been awarded at a rate based on anticipated income for a year and the claimant later establishes that income for that year was at a rate warranting entitlement or increased entitlement, the effective date of such entitlement or increase shall be fixed in accordance with the facts found if satisfactory evidence is received before the expiration of the next calendar year.*

(i) *Whenever any disallowed claim is reopened and thereafter allowed on the basis of new and material evidence resulting from the correction of the military records of the proper service department under section 1552 of title 10, or the change, correction, or modification of a discharge or dismissal under section 1553 of title 10, or from other corrective action by competent authority, the effective date of commencement of the benefits so awarded shall be the date on which an application was filed for correction of the military record or for the change, modification, or correction of a discharge or dismissal, as the case may be, or the date such disallowed claim was filed, whichever date is the later, but in no event shall such award of benefits be retroactive for more than one year from the date of reopening of such disallowed claim. This subsection shall not apply to any application or claim for Government life insurance benefits.*

[(e)] (j) Where a report or a finding of death of any person in the active military, naval, or air service has been made by the Secretary concerned, the effective date of an award of death compensation,

dependency and indemnity compensation, or death pension, as applicable, shall be the [day after the date] *first day of the month* fixed by the Secretary as the [date] *month* of death in such report or finding, if application therefor is received within one year from the date such report or finding has been made; however, such benefits shall not be payable to any person for any period for which such person has received, or was entitled to receive, an allowance, allotment, or service pay of the deceased.

(k) *The effective date of the award of benefits to a widow or of an award or increase of benefits based on recognition of a child, upon annulment of a marriage shall be the date the judicial decree of annulment becomes final if a claim therefor is filed within one year from the date the judicial decree of annulment becomes final; in all other cases the effective date shall be the date the claim is filed.*

### § 3011. Effective dates of increases

【The effective date of an award of increased compensation, dependency and indemnity compensation, or pension (amending, reopening, or supplementing a previous award, authorizing any payments not previously authorized to the individual involved) shall be fixed in accordance with the facts found, but shall not be earlier than the date of receipt of evidence showing entitlement thereto, except as hereafter provided. Additional compensation on account of dependents based on the establishment of a disability rating in the percentage evaluation specified by law for the purpose shall be payable from the effective date of such rating provided the basic proof of dependents is received in the Veterans' Administration within sixty days from the date of notification of such rating action.】

### § 3012. Effective dates of reductions and discontinuances

(a) Except as otherwise specified in this section, the effective date of reduction or discontinuance of compensation, dependency and indemnity compensation, or pension shall be fixed in accordance with the facts found.

【(b) Where compensation, dependency and indemnity compensation, or pension has been awarded and a reduction or discontinuance is thereafter effected as to rates, such reduction or discontinuance shall be effective the last day of the month in which the reduction or discontinuance is approved.】

【(c) (b) The effective date of a reduction or discontinuance of compensation, dependency and indemnity compensation, or pension—

【(1) by reason of death, shall be the date of death;

【(2) by reason of marriage or remarriage, shall be the day before the date of marriage or remarriage;

【(3) by reason of attaining age eighteen (or twenty-one, as applicable), shall be the day before the eighteenth (or twenty-first) birthday;

【(4) by reason of fraud on the part of the beneficiary, or with his knowledge, shall be the effective date of the award; and

【(5) by reason of receipt of active service pay or retirement pay, shall be the day before the date such pay began.】

*(1) by reason of marriage or remarriage, or death of a payee shall be the last day of the month before such marriage, remarriage, or death occurs;*

(2) *by reason of marriage, divorce, or death of a dependent of a payee shall be the last day of the month in which such marriage, divorce, or death occurs;*

(3) *by reason of receipt of active service pay or retirement pay shall be the day before the date such pay began;*

(4) *by reason of change in income or corpus of estate shall be the last day of the month in which the change occurred;*

(5) *by reason of a change in disability or employability of a veteran in receipt of pension shall be the last day of the month in which discontinuance of the award is approved;*

(6) *by reason of change in law or administrative issue, change in interpretation of a law or administrative issue, or, for compensation purposes, a change in service-connected or employability status or change in physical condition shall be the last day of the month following sixty days from the date of notice to the payee (at his last address of record) of the reduction or discontinuance;*

(7) *by reason of the discontinuance of school attendance of a payee or a dependent of a payee shall be the last day of the month in which such discontinuance occurred;*

(8) *by reason of termination of a temporary increase in compensation for hospitalization or treatment shall be the last day of the month in which the hospital discharge or termination of treatment occurred, whichever is earlier;*

(9) *by reason of an erroneous award based on an act of commission or omission by the beneficiary, or with his knowledge, shall be the effective date of the award; and*

(10) *by reason of an erroneous award based solely on administrative error or error in judgment shall be the date of last payment.*

### **§ 3013. Effective dates of educational benefits**

Effective dates relating to awards under chapters 31, 33, and 35 of this title shall, to the extent feasible, correspond to effective dates relating to awards of disability compensation.

## **Subchapter III—Payment of Benefits**

### **§ 3020. Payment of benefits by check; delivery**

(a) Monetary benefits under laws administered by the Veterans' Administration shall be paid by checks drawn, pursuant to certification by the Administrator, in such form as to protect the United States against loss, and payable by the Treasurer of the United States. Such checks shall be payable without separate vouchers or receipts except in any case in which the Administrator may consider a voucher necessary for the protection of the Government. Such checks shall be transmitted by mail to the payee thereof at his last known address and, if he has moved and filed a regular change of address notice with the Post Office Department, shall be forwarded to him. The envelope or cover of each such check shall bear on the face thereof the following notice: "POSTMASTER: PLEASE FORWARD if addressee has moved and filed a regular change-of-address notice. If addressee is deceased, return the letter with date of death, if known."

(b) Postmasters, delivery clerks, letter carriers, and all other postal employees are prohibited from delivering any mail addressed by the United States and containing any such check to any person whomso-



ever if he has died or in the case of a widow, if the postal employee believes that she has remarried (unless the mail is addressed to her in the name she has acquired by her remarriage). The preceding sentence shall apply in the case of checks in payment of benefits other than pension, compensation, dependency and indemnity compensation, and insurance, only insofar as the Administrator deems it necessary to protect the United States against loss.

(c) Whenever mail is not delivered because of the prohibition of subsection (b), such mail shall be returned forthwith by the postmaster with a statement of the reason for so doing, and if because of death or remarriage, the date thereof, if known. Checks returned under this subsection because of death or remarriage shall be canceled.

### **§ 3021. Payment of certain accrued benefits upon death of a beneficiary**

(a) Except as provided in section 3203(a)(2)(A) of this title and sections 123-128 of title 31, periodic monetary benefits (other than insurance and servicemen's indemnity) under laws administered by the Veterans' Administration to which an individual was entitled at his death under existing ratings or decisions, or those based on evidence in the file at date of death (hereafter in this section and section 3022 of this title referred to as "accrued benefits") and due and unpaid for a period not to exceed one year, shall, upon the death of such individual be paid as follows:

(1) Upon the death of a person receiving an apportioned share of benefits payable to a veteran, all or any part of such benefits to the veteran or to any other dependent or dependents of the veteran, as may be determined by the Administrator:

(2) Upon the death of a veteran, to the living person first listed below:

(A) His spouse;

(B) His children (in equal shares);

(C) His dependent parents (in equal shares);

(3) Upon the death of a widow or remarried widow, to the children of the deceased veteran;

(4) Upon the death of a child, to the surviving children of the veteran who are entitled to death compensation, dependency and indemnity compensation, or death pension; and

(5) In all other cases, only so much of the accrued benefits may be paid as may be necessary to reimburse the person who bore the expense of last sickness and burial.

(b) No part of any accrued benefits shall be used to reimburse any political subdivision of the United States for expenses incurred in the last sickness or burial of any beneficiary.

(c) Applications for accrued benefits must be filed within one year after the date of death. If a claimant's application is incomplete at the time it is originally submitted, the Administrator shall notify the claimant of the evidence necessary to complete the application. If such evidence is not received within one year from the date of such notification, no accrued benefits may be paid.

### **§ 3022. Cancellation of checks mailed to deceased payees**

A check received by a payee in payment of accrued benefits shall, if the payee died on or after the last day of the period covered by the check, be returned to the issuing office and canceled, unless nego-

tiated by the payee or the duly appointed representative of his estate. The amount represented by such check, or any amount recovered by reason of improper negotiation of any such check, shall be payable in the manner provided in section 3021 of this title, without regard to section 3021(c) of this title. Any amount not paid in the manner provided in section 3021 of this title shall be paid upon settlement by the General Accounting Office to the estate of the deceased payee unless the estate will escheat.

## CHAPTER 53—SPECIAL PROVISIONS RELATING TO BENEFITS

### Sec.

- 3101. Nonassignability and exempt status of benefits.
- 3102. Waiver of recovery of overpayments.
- 3103. Certain bars of benefits.
- 3104. Prohibition against duplication of benefits.
- 3105. Waiver of retired pay.
- 3106. Renouncement of right to benefits.
- 3107. Apportionment of benefits.
- 3108. Withholding benefits of persons in territory of the enemy.
- 3109. Payment of certain withheld benefits.
- 3110. *Payment of benefits for month of death.*

### § 3101. Nonassignability and exempt status of benefits

(a) Payments of benefits due or to become due under any law administered by the Veterans' Administration shall not be assignable except to the extent specifically authorized by law, and such payments made to, or on account of, a beneficiary shall be exempt from taxation, shall be exempt from the claim of creditors, and shall not be liable to attachment, levy, or seizure by or under any legal or equitable process whatever, either before or after receipt by the beneficiary. The preceding sentence shall not apply to claims of the United States arising under such laws nor shall the exemption therein contained as to taxation extend to any property purchased in part or wholly out of such payments. The provisions of this section shall not be construed to prohibit the assignment of insurance otherwise authorized under chapter 19 of this title, or of servicemen's indemnity.

(b) This section shall prohibit the collection by setoff or otherwise out of any benefits payable pursuant to any law administered by the Veterans' Administration and relating to veterans, their estates, or their dependents, of any claim of the United States or any agency thereof against (1) any person other than the indebted beneficiary or his estate; or (2) any beneficiary or his estate except amounts due the United States by such beneficiary or his estate by reason of overpayments or illegal payments made under such laws to such beneficiary or his estate or to his dependents as such. If the benefits referred to in the preceding sentence are insurance payable by reason of yearly renewable term insurance, United States Government life insurance, or National Service Life Insurance issued by the United States, the exemption provided in this section shall not apply to indebtedness existing against the particular insurance contract upon the maturity of which the claim is based, whether such indebtedness is in the form of liens to secure unpaid premiums or loans, or interest on such premiums or loans, or indebtedness arising from overpayments of dividends, refunds, loans, or other insurance benefits.

(c) Notwithstanding subsection (a), payments of benefits under laws administered by the Veterans' Administration shall not be exempt

from levy under subchapter D of chapter 64 of the Internal Revenue Code of 1954 (relating to seizure of property for collection of taxes).

#### **§ 3102. Waiver of recovery of overpayments**

(a) There shall be no recovery of payments or overpayments of any benefits (except servicemen's indemnity) under any of the laws administered by the Veterans' Administration from any person who, in the judgment of the Administrator, is without fault on his part, and where, in the judgment of the Administrator, such recovery would defeat the purpose of benefits otherwise authorized or would be against equity and good conscience.

(b) No certifying or disbursing officer shall be liable for any amount paid to any person where the recovery of such amount is waived under subsection (a).

(c) Where the recovery of a payment or overpayment made from the National Service Life Insurance Fund or United States Government life insurance fund is waived under this section, the fund from which the payment was made shall be reimbursed from the National Service Life Insurance appropriation or the military and naval insurance appropriation, as applicable.

#### **§ 3103. Certain bars to benefits**

(a) The discharge or dismissal by reason of the sentence of a general court-martial of any person from the Armed Forces, or the discharge of any such person on the ground that he 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 resignation for the good of the service, or (except as provided in subsection (c)) the discharge of any individual during a period of hostilities as an alien, shall bar all rights of such person under laws administered by the Veterans' Administration based upon the period of service from which discharged or dismissed.

(b) Notwithstanding subsection (a), if it is established to the satisfaction of the Administrator that, at the time of the commission of an offense leading to his court-martial, discharge, or resignation, any person was insane, such person shall not be precluded from benefits under the laws administered by the Veterans' Administration based upon the period of service from which he was separated.

(c) Subsection (a) shall not apply to any alien whose service was honest and faithful, and who was not discharged on his own application or solicitation as an alien. No individual shall be considered as having been discharged on his own application or solicitation as an alien in the absence of affirmative evidence establishing that he was so discharged.

(d) This section shall not apply to any war-risk insurance, Government (converted) or National Service Life Insurance policy.

#### **§ 3104. Prohibition against duplication of benefits**

(a) Except to the extent that retirement pay is waived under other provisions of law, not more than one award of pension, compensation, emergency officers', regular, or reserve retirement pay, or initial award of naval pension granted after July 13, 1943, shall be made concurrently to any person based on his own service.

(b) (1) Except as provided in paragraph (2), the receipt of pension, compensation, or dependency and indemnity compensation by a widow,

child, or parent on account of the death of any person, or receipt by any person of pension or compensation on account of his own service, shall not bar the payment of pension, compensation, or dependency and indemnity compensation on account of the death or disability of any other person.

(2) Benefits other than insurance under laws administered by the Veterans' Administration may not be paid or furnished to or on account of any child by reason of the death of more than one parent in the same parental line; however, the child may elect one or more times to receive benefits by reason of the death of any one of such parents.

(c) Pension, compensation, or retirement pay on account of his own service shall not be paid to any person for any period for which he receives active service pay.

#### **§ 3105. Waiver of retired pay**

Any person who is receiving pay pursuant to any provision of law providing retired or retirement pay to persons in the Armed Forces, or as a commissioned officer of the Coast and Geodetic Survey or of the Public Health Service, and who would be eligible to receive pension or compensation under the laws administered by the Veterans' Administration if he were not receiving such retired or retirement pay, shall be entitled to receive such pension or compensation upon the filing by such person with the department by which such retired or retirement pay is paid of a waiver of so much of his retired or retirement pay as is equal in amount to such pension or compensation. To prevent duplication of payments, the department with which any such waiver is filed shall notify the Veterans' Administration of the receipt of such waiver, the amount waived, and the effective date of the reduction in retired or retirement pay.

#### **§ 3106. Renouncement of right to benefits**

(a) Any person entitled to pension, compensation, or dependency and indemnity compensation under any of the laws administered by the Veterans' Administration may renounce his right thereto. The application renouncing the right shall be in writing over the person's signature. Upon the filing of such an application, payment of such benefits and the right thereto shall be terminated, and such person shall be denied any and all rights thereto from such filing.

(b) Renouncement of rights shall not preclude any person from filing a new application for pension, compensation, or dependency and indemnity compensation at a later date, but such new application shall be treated as an original application, and no payments shall be made for any period before the date such new application is filed.

#### **§ 3107. Apportionment of benefits**

(a) All or any part of the compensation, pension, or emergency officers' retirement pay payable on account of any veteran may—

(1) if the veteran is being furnished hospital treatment, institutional, or domiciliary care by the United States, or any political subdivision thereof, be apportioned on behalf of his wife, children, or dependent parents; and

(2) if the veteran is not living with his wife, or if his children are not in his custody, be apportioned as may be prescribed by the Administrator.

(b) Where any of the children of a deceased veteran are not in the custody of the veteran's widow, the pension, compensation, or de-

pendency and indemnity compensation otherwise payable to the widow may be apportioned as prescribed by the Administrator.

(c) If a veteran is not living with his wife, or if any of his children are not in his custody, any subsistence allowance payable to him under chapter 31 of this title may be apportioned as may be prescribed by the Administrator.

#### **§ 3108. Withholding benefits of persons in territory of the enemy**

(a) When any alien entitled to gratuitous benefits under laws administered by the Veterans' Administration is located in 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 alien shall be terminated forthwith.

(b) Any alien whose award is terminated under subsection (a) shall not thereafter be entitled to any such gratuitous benefits except upon the filing of a new claim, accompanied by evidence satisfactory to the Administrator showing that such alien was not guilty of mutiny, treason, sabotage, or rendering assistance to such enemy. Except as provided in section 3109 of this title, such gratuitous benefits shall not be paid for any period before the date the new claim is filed.

(c) While such alien is located in territory of, or under military control of, an enemy of the United States or of any of its allies, the Administrator, in his discretion, may apportion and pay any part of such benefits to the dependents of such alien. No dependent of such alien shall receive benefits by reason of this subsection in excess of the amount to which he would be entitled if such alien were dead.

#### **§ 3109. Payment of certain withheld benefits**

(a) Any person who, but for section 3108 of this title, was entitled to benefits under any of the laws administered by the Veterans' Administration, whose award of benefits was terminated under such section, or whose benefits were not paid pursuant to sections 123-128 of title 31, and who was not guilty of mutiny, treason, sabotage, or rendering assistance to an enemy of the United States or its allies, shall be paid the full amount of any benefits not paid because of such section 3108, 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 sections 123-128 of title 31. The Administrator shall certify to the Secretary of the Treasury the amounts of payments which, but for this section, would have been made from the special deposit account, and the Secretary of the Treasury, as directed by the Administrator, shall reimburse the appropriations of the Veterans' Administration from such special deposit account, or cover into the Treasury as miscellaneous receipts the amounts so certified.

(b) No payments shall be made for any period before the date claim therefor is filed under this section to any person whose award was terminated, or whose benefits were not paid, before July 1, 1954, because he was a citizen or subject of Germany or Japan residing in Germany or Japan.

#### **§ 3110. Payment of benefits for month of death**

*If, in accordance with the provisions of section 3010(d) of this title, a widow is entitled to death benefits under chapter 11, 13, or 15 of this title for the month in which a veteran's death occurs, the amount of such*

*death benefits for that month shall be not less than the amount of benefits the veteran would have received under chapter 11 or 15 of this title for that month but for his death.*

## SECTIONS 110 AND 359 OF TITLE 38, U.S. CODE

### **§ 110. Preservation of total disability ratings**

A rating of total disability or permanent total disability which has been made for compensation, pension, or insurance purposes under laws administered by the Veterans' Administration, and which has been continuously in force for twenty or more years, shall not be reduced thereafter, except upon a showing that such rating was based on fraud. *The mentioned period shall be computed from the date determined by the Administrator as the date on which the status commenced for rating purposes.*

### **§ 359. Protection of service connection**

Service connection for any disability or death granted under this title which has been in force for ten or more years shall not be severed on or after January 1, 1962, except upon a showing that the original grant of service connection was based on fraud or it is clearly shown from the military records that the person concerned did not have the requisite service or character of discharge. *The mentioned period shall be computed from the date determined by the Administrator as the date on which the status commenced for rating purposes.*

SUPPLEMENTARY STATEMENT BY SENATOR PAUL  
DOUGLAS

No hearings were held on this bill either in the House or in the Senate. It is impossible therefore to determine whether or not it is in the public interest. I think this is poor procedure and that therefore this bill probably needs more thorough scrutiny.

We have drifted into loose procedures on these bills rushed through at the end of the session. They have been going through Congress with little examination and this has sometimes had unfortunate results. I believe our Senate procedures should be revised to provide for a more thorough examination of their possible merits and demerits. In the meantime the Senate should in my opinion go slowly.

SUPPLEMENTARY STATEMENT BY SENATOR  
HARRY F. BYRD, CHAIRMAN

The Senate Finance Committee, in formal meeting September 10, 1962, ordered to be reported 11 bills with recommendations that they be considered favorably by the Senate. This bill was among those ordered to be reported at that time.

As a member of the committee, the Senator from Illinois (Mr. Douglas), voted against committee approval of all of these bills except one. He voted affirmatively to report only H.R. 12529 which affected his State.

He voted against reporting all other bills before the committee on that date with the statement that he was voting in the negative because public hearings had not been held.

In his supplementary statements on these bills the Senator from Illinois creates the impression—intentional or not—that the Finance Committee is not giving proper and adequate attention to legislation reported to the Senate.

With respect to all of these bills he apparently tries to leave the inference that the committee has drifted into a loose procedure of rushing bills through at the end of the session which he claims produces unfortunate results.

On behalf of the majority of the Senate Finance Committee I want to make it clear to the Senate that, in the case of the bills ordered to be reported by the committee on September 10, 1962:

- (1) Each of the bills has been passed by the House of Representatives;
- (2) No request was made for Senate hearings on these bills, and this includes the bill for which the Senator from Illinois voted in the affirmative;
- (3) Each of the bills ordered to be reported, except H.R. 12529 in which the Senator from Illinois is interested, was formally approved by the executive agencies having jurisdiction over their administration;
- (4) The contents of each bill were fully outlined by members of the committee staff, and discussed by members of the committee; and
- (5) When the committee voted, members had full knowledge of the purpose and effects of the proposed legislation.

Momentous matters are referred to the Senate Committee on Finance, including legislation with respect to taxation, tariffs and customs, social security, veterans, and so forth, and the committee has always been meticulous in exploring the effects of all legislation it recommends.

The current tax bill—H.R. 10650—now in conference is a case in point. More than 200 witnesses were heard on this bill, and the legislation was under committee consideration more than 4 months.

The Senator from Virginia cannot recall that the Senate has rejected a bill recommended by the Senate Finance Committee. It suffices



to say that when the need for hearings is indicated, the committee will hold them.

The procedure followed by the committee in consideration of the agenda for the meeting of September 10 involved no departure from committee practice over the 30 years during which I have been a member.

The committee always holds hearings when they are necessary for the enlightenment of the membership, and the procedure of the past, so far as the chairman is concerned, will be continued in the future.

