

VIETNAM ERA VETERANS' READJUSTMENT ASSISTANCE ACT

HEARING BEFORE THE COMMITTEE ON FINANCE UNITED STATES SENATE EIGHTY-NINTH CONGRESS

SECOND SESSION

ON

S. 3580

**A BILL TO PROVIDE ADDITIONAL READJUSTMENT ASSIST-
ANCE TO VETERANS WHO SERVED IN THE ARMED FORCES
DURING THE VIETNAM ERA, AND FOR OTHER PURPOSES**

SEPTEMBER 7, 1966

Printed for the use of the Committee on Finance



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VIETNAM ERA VETERANS' READJUSTMENT ASSISTANCE ACT

WEDNESDAY, SEPTEMBER 7, 1966

U.S. SENATE,
COMMITTEE ON FINANCE,
Washington, D.C.

The committee met, pursuant to notice, at 10:10 a.m., in room 2221, New Senate Office Building, Senator Russell B. Long (chairman) presiding.

Present: Senators Long, Anderson, Williams, and Carlson.

The CHAIRMAN. The committee will come to order.

This morning, the committee will have testimony on the Vietnam Era Veterans' Readjustment Assistance Act. This bill, introduced by Senator Montoya and cosponsored by 56 other Senators, would extend wartime-type benefits to military personnel serving during the Vietnam period.

With the escalation of the present Vietnam conflict and the daily build-up of American troops in that theater, it is a suitable time to consider upgrading the veterans' benefits available to the servicemen on duty during the Vietnam action to conform to the benefits we have previously made available to veterans of our past wars.

(The bill, S. 3580, follows:)

[S. 3580, 89th Cong., 2d sess.]

A BILL To provide additional readjustment assistance to veterans who served in the Armed Forces during the Vietnam era, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act shall be known as the "Vietnam Era Veterans' Readjustment Assistance Act".

Sec. 2. (a) Paragraph (11) of section 101 of title 38, United States Code, is amended to read:

"(11) The term 'period of war' means the Spanish-American War, World War I, World War II, the Korean conflict, the Vietnam era, and the period beginning on the date of any future declaration of war by the Congress and ending on the date prescribed by Presidential proclamation or concurrent resolution of the Congress."

(b) Such section is further amended by adding at the end thereof the following new paragraph:

"(29) The term 'Vietnam era' means the period beginning August 5, 1964, and ending on such date as shall thereafter be determined by Presidential proclamation or concurrent resolution of the Congress."

Sec. 3. (a) Subsection (a) of section 521 of title 38, United States Code, is amended to read as follows:

"(a) The Administrator shall pay to each veteran of World War I, World War II, the Korean conflict, or the Vietnam era, who meets the service requirements of this section, and who is permanently and totally disabled from non-service-connected disability not the result of the veteran's willful misconduct or vicious habits, pension at the rate prescribed by this section."

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(b) Such section is further amended by amending subsection (g) to read as follows:

"(g) A veteran meets the service requirements of this section if he served in the active military, naval, or air service—

"(1) for ninety days or more during either World War I, World War II, the Korean conflict, or the Vietnam era;

"(2) during World War I, World War II, the Korean conflict, or the Vietnam era, and was discharged or released from such service for a service-connected disability;

"(3) for a period of ninety consecutive days or more and such period ended during World War I, or began or ended during World War II, the Korean conflict, or the Vietnam era; or

"(4) for an aggregate of ninety days or more in two or more separate periods of service during more than one period of war."

(c) The catchline of section 521 of title 38, United States Code, is amended to read as follows:

"§ 521. Veterans of World War I, World War II, the Korean conflict, or the Vietnam era"

(d) Subsection (a) of section 541 of title 38, United States Code, is amended to read as follows:

"(a) The Administrator shall pay to the widow of each veteran of World War I, World War II, the Korean conflict, or the Vietnam era who met the service requirement of section 521 of this title, or who at the time of his death was receiving (or entitled to receive) compensation or retirement pay for a service-connected disability, pension at the rate prescribed by this section."

(e) Paragraph (1) of subsection (e) of such section is amended to read as follows:

"(1) before (A) December 14, 1944, in the case of a widow of a World War I veteran, or (B) January 1, 1957, in the case of a widow of a World War II veteran, or (C) February 1, 1965, in the case of a Korean conflict veteran, or (D) before the expiration of ten years following termination of the Vietnam era in the case of a Vietnam era veteran or"

(f) The catchline of section 541 of title 38, United States Code, is amended to read as follows:

"§ 541. Widows of World War I, World War II, Korean conflict, or Vietnam era veterans"

(g) Subsection (a) of section 542 of title 38, United States Code, is amended to read as follows:

"(a) Whenever there is no widow entitled to pension under section 541 of this title, the Administrator shall pay to the child or children of each veteran of World War I, World War II, the Korean conflict, or the Vietnam era who met the service requirements of section 521 of this title, or who at the time of his death was receiving (or entitled to receive) compensation or retirement pay for a service-connected disability, pension at the monthly rate of \$38 for one child, and \$15 for each additional child."

(h) The catchline of section 542 of title 38, United States Code, is amended to read as follows:

"§ 542. Children of World War I, World War II, Korean conflict, or Vietnam era veterans"

(i) The table of sections at the beginning of chapter 15 of title 38, United States Code, is amended by striking out

"521. Veterans of World War I, World War II, or the Korean conflict."

and substituting in lieu thereof

"521. Veterans of World War I, World War II, the Korean conflict, or the Vietnam era";

by striking out the subheading

"WORLD WAR I, WORLD WAR II, AND THE KOREAN CONFLICT"

and substituting in lieu thereof

"WORLD WAR I, WORLD WAR II, THE KOREAN CONFLICT, AND THE VIETNAM ERA";

by striking out

"541. Widows of World War I, World War II, or Korean conflict}veterans."

and substituting in lieu thereof

"41. Widows of World War I, World War II, Korean conflict, or Vietnam era veterans.";

and by striking out

"42. Children of World War I, World War II, or Korean conflict veterans."

and substituting in lieu thereof

"42. Children of World War I, World War II, Korean conflict, or Vietnam era veterans."

SEC. 4. (a) Section 602 of title 38, United States Code, is amended to read as follows:

"§ 602. Presumption relating to psychosis

"For the purposes of this chapter, any veteran of World War II, the Korean conflict, or the Vietnam era who developed an active psychosis (1) within two years after his discharge or release from the active military, naval, or air service, and (2) before July 26, 1949, in the case of a veteran of World War II, or February 1, 1957, in the case of a veteran of the Korean conflict, or before the expiration of two years following termination of the Vietnam era in the case of a Vietnam era veteran, shall be deemed to have incurred such disability in the active military, naval, or air service."

(b) Subsection (h) of section 612 of title 38, United States Code, is amended to read as follows:

"(h) Any veteran who as a veteran of World War I, World War II, the Korean conflict, or the Vietnam era is receiving increased pension under section 521(d) of this title based on need of regular aid and attendance may be furnished drugs or medicines ordered on prescription of a duly licensed physician as specific therapy in the treatment of an illness or injury suffered by the veteran."

SEC. 5. Section 1901(a) of title 38, United States Code, is amended by striking out "World War II or the Korean conflict" and inserting in lieu thereof "World War II, the Korean conflict, or the Vietnam era".

The CHAIRMAN. I submit at this point a statement of Joseph M. Montoya, which was prepared for the committee, discussing the advantages of the bill.

(The statement of Senator Montoya referred to follows, and also a statement by Senator Clinton P. Anderson.)

STATEMENT OF HON. JOSEPH M. MONTOYA, A U.S. SENATOR FROM THE STATE OF NEW MEXICO, IN SUPPORT OF S. 3580

Mr. Chairman and members of the Committee on Finance:

I am grateful to the Chairman for arranging hearings on this bill, S. 3580, which I introduced at a relatively late date in the current session. I am aware of the tight schedule of this Committee, and of the special effort which was made to set aside this time.

S. 3580, the Vietnam Era Veterans' Readjustment Assistance Act, is not a complicated piece of legislation.

All that it does is add "Vietnam Era" to the list of wars and conflicts in which service entitles the veteran to full wartime benefits. Veterans of Vietnam, their widows and their children will thus receive the same benefits which are now granted to veterans of World War I, World War II and the Korean War.

It is a strange fact that a man who serves his country in Vietnam is under present law legally a peacetime veteran.

Veterans of all previous wars are entitled to a \$250 burial allowance. Vietnam veterans are not.

Veterans of all previous wars who suffer amputation or blindness are entitled to a \$1,600 allowance for a special automobile. Vietnam veterans are not.

Veterans of all previous wars who suffer a psychosis within two years of discharge from the service are presumed to have a service connection for their illness, and therefore are entitled to Veterans Administration hospitalization. Vietnam veterans are not.

These are examples of the inequitable treatment now accorded Vietnam veterans, and emphasize the importance of this remedial legislation.

Passage of this bill will fulfill the responsibility of the Congress to provide properly for the men now serving their country in Vietnam. Congress, in enacting the Cold War GI Bill earlier in the current session, has already done much toward meeting this responsibility, and S. 3580 will complete the job.

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The Cold War GI Bill will stand as a landmark in the field of veterans legislation for years to come. Because of its permanent nature, it rivals the original GI Bill enacted in 1944 as a landmark in the development of our national program of benefits for veterans.

Noteworthy as it was, however, the Cold War GI Bill does not do complete justice to members of the armed forces who are carrying the burden of the war in Vietnam—and it is as much a war for these fighting men as any American soldier ever had to face.

The Cold War GI Bill was patterned after its two predecessors which were enacted to provide readjustment assistance for the veterans of the Second World War and the Korean conflict, although its benefits do not match those of the earlier laws in every respect.

As was true of the earlier laws, the major features of the recently enacted GI Bill are its programs of educational assistance and guaranteed home and farm loans. In addition this law provides several other forms of assistance to post-1955 veterans, including job counseling and placement services, hospital and domiciliary care for veterans with non-service-connected disabilities on a similar basis as such care has been afforded to war veterans, burial flags and veteran preference in Federal employment.

There are some obvious omissions, however, with regard to the benefits available to those who are serving under the warlike conditions that exist today.

My bill is a necessary supplement to the Cold War GI Bill in order to assure that those serving during the period of the Vietnam crisis are afforded benefits which in the past have been restricted to veterans with wartime service.

What are the benefits that S. 3580 would make available to Vietnam veterans?

The most important of these is participation in the pension programs. Under existing law these programs are available only to war veterans and their survivors. The bill would amend the pension laws to make Vietnam veterans and their survivors eligible for pensions on the same basis as war veterans.

Secondly, by amending the definition of the term "period of war" in section 101 of Title 38 of the United States Code, the bill would extend eligibility for funeral expenses to veterans of the Vietnam era. Under existing law (38 USC 902) the funeral expense allowance of \$250 is payable only to veterans who served in wartime or who were disabled in service.

Thirdly, the bill would make Vietnam veterans who are amputees or blind eligible for the automobile allowance that has been granted for World War II and Korean veterans with such disabilities. This provision of the bill is similar in intent to S. 1199 which passed the Senate on June 9th.

The fourth change that the bill would make would be to make Vietnam veterans receiving aid and attendance allowances eligible for payment of medicines and drugs, as are existing pensioners in need of regular aid and attendance.

Finally, the bill would apply to Vietnam veterans an existing provision of law creating a presumption of service-connection, for World War II and Korean veterans, with respect to psychosis which develops within two years after discharge.

The benefits afforded to former American servicemen should bear some relation to the conditions under which they served. Veterans who served in wartime, regardless of whether it is declared or undeclared, should receive the same types of assistance. There is no reason to extend pensions, for example, to veterans of the Korean conflict who suffer non-service-connected disabilities and deny them to veterans of Vietnam. The same is true of automobiles for amputees and the other forms of assistance which S. 3580 would make available to veterans who serve in the armed forces during the present period of armed conflict.

At my request, Mr. Chairman, the Veterans' Administration has prepared some estimates of the cost of this program which I am sure will be of value to the Committee in its consideration of S. 3580. With your permission, I should like to attach a copy of this letter from A. H. Monk, the Associate Deputy Administrator, to my statement.

Thank you.

AUGUST 8, 1966.

HON. JOSEPH M. MONTOYA,
United States Senate,
Washington, D.C.

DEAR SENATOR MONTOYA: This is in further response to your letter of July 13, 1966, requesting cost data on S. 3580, 89th Congress, a bill "To provide additional readjustment assistance to veterans who served in the Armed Forces during the Vietnam era, and for other purposes."

As you point out in your letter, the bill would provide for veterans of the Vietnam conflict the following benefits which are presently available only to veterans of other foreign wars:

1. Funeral expenses;
2. Higher rates for disability and pension payments;
3. A presumption of service connection in cases of psychosis which appear within two years after discharge, for purposes of eligibility for hospitalization by the VA;
4. Payment of medicines and drugs to Vietnam veterans who are on the pension rolls and in need of regular aid and attendance;
5. An allowance of up to \$1,600 for veterans who are amputees or blind.

In regard to items 1, 2 and 5, the costs in each of the first five years following effective date of enactment are estimated below:

Estimated costs

[In thousands]

	Funeral expense	Disability compensation	Pensions		Autos	Total
			Disability	Death		
1st year.....	\$657	\$7,365	\$924	\$47	\$720	\$9,713
2d year.....	868	10,065	1,188	94	360	12,575
3d year.....	1,078	12,765	1,452	187	360	15,842
4th year.....	1,315	15,465	1,716	374	360	19,230
5th year.....	1,525	18,165	1,980	562	360	22,592

These data are based on Armed Forces strength estimates received from the VA Controller which also indicate estimated annual separations to civil life of 500-600,000 each year. The estimates are not precise, but are believed to be in the proper magnitude.

The estimate of costs on items 3 and 4 cannot be made at this time. Unfortunately, none of our available statistical information permits, either directly or by interpolation, a reasonable basis for cost estimates for those items. We will continue to seek a reasonable basis for an estimate, and if achieved, we will advise you further.

Sincerely,

A. H. MONK,
Associate Deputy Administrator
 (For and in the absence of
 W. J. Driver, Administrator).

STATEMENT OF THE HONORABLE CLINTON P. ANDERSON, A U.S. SENATOR FROM THE STATE OF NEW MEXICO, IN SUPPORT OF S. 3580

Mr. Chairman, I would like to take a few minutes to make a statement in support of S. 3580—the Vietnam Era Veterans' Readjustment Assistance Act—which I have co-sponsored with my colleague from New Mexico, Senator Montoya.

This bill, in partnership with the recently enacted Cold War GI Bill, is designed to erase some of the inequities which exist with regard to treatment of veterans of World War II and the Korean Conflict and those of the present war in Vietnam. The Cold War GI Bill now provides all Vietnam veterans with those educational, medical, loan guarantee and other benefits enjoyed by veterans of earlier wars. Yet with this recognition we still find that Vietnam veterans are not entitled to the same pension benefits and other similar allowances for existing pensioners in need of assistance. Clearly, this is unfair and should be corrected.

Under the existing law all Vietnam veterans including those fighting in the field and flying combat missions are considered to be performing peacetime duties. As a result the pension benefits of these men are limited and unlike those who fought in the previous wars, they and their dependents are not eligible for the same type of coverage afforded previous veterans. Senator Montoya's bill would correct this.

Another item of importance covered by the Montoya bill is the automobile allowance given to veterans who are amputees and blind as a result of their

service but which is denied Vietnam veterans. The same is true with reference to the payment for drugs and medicine for Vietnam veterans who presently receive an aid and attendance allowance. In both these categories Vietnam veterans would now be given the same consideration as earlier veterans.

Additionally, Senator Montoya's bill would change the existing provisions concerning funeral expenses. Under S. 3580 Vietnam veterans would now receive the \$250 burial allowance which all other wartime veterans receive.

The justification for these changes I believe is clear and simple. If an American serviceman serves in a combat situation, whether it is a declared war or an involvement like our present one in Vietnam, the benefits he is to receive should be the same. It is not fair to extend pensions to some and deny them to others who endure the same hardships. All benefits should be made available equally, with every consideration being given to the conditions under which a man serves.

The CHAIRMAN. We are particularly pleased to welcome our first witness, the Administrator of Veterans' Affairs, the Honorable William J. Driver.

Mr. Driver, we are happy to have you with us. We hope we can expedite your appearance here today. You may proceed in any manner that you feel is suitable.

STATEMENT OF WILLIAM J. DRIVER, ADMINISTRATOR OF VETERANS' AFFAIRS, ACCOMPANIED BY A. W. STRATTON, CHIEF BENEFITS DIRECTOR, AND REDMOND ROCHE, DEPUTY GENERAL COUNSEL, VETERANS' ADMINISTRATION

Mr. DRIVER. Mr. Chairman and members of the committee, I appreciate the opportunity to appear today and discuss the position of the Veterans' Administration on the bill you are now considering.

The basic intent of this bill is to eliminate all distinctions, insofar as eligibility to receive veterans' benefits is concerned, between veterans who serve during the "Vietnam era" and veterans who serve during other periods heretofore considered as wartime service. Specifically, its enactment would extend to these veterans the following benefits not now available to them:

- (1) The entitlement to disability compensation at the wartime rates under all circumstances;
- (2) Disability pension for veterans and death pension for widows and children with the same criteria as now in effect for war veterans and their widows and children;
- (3) Eligibility for the \$250 burial allowance to assist the meeting of expenses of burial;
- (4) Several medical care benefits, which I will describe in more detail later;
- (5) And \$1,600 toward the purchase of an automobile by certain disabled veterans.

The benefits I have just listed, together with those previously provided by the Veterans' Readjustment Benefits Act of 1966 and similar benefit bills, would, in fact, afford veterans of the "Vietnam era" the complete range of veterans' benefits which have heretofore been authorized for veterans of the Korean conflict.

The basic question presented by this bill is whether service in the Armed Forces since the Gulf of Tonkin incident, on August 5, 1964, may be properly equated with service during periods which have previously been recognized to be periods of war.

We believe the answer to this question must be in the affirmative.

It has generally been recognized that August 5, 1964, marked a significant change in basic military operations in Vietnam. It was on that date that the first retaliatory military action to preserve democracy in South Vietnam, through the attack of the Gulf of Tonkin, was undertaken.

Furthermore, just last week Congress recognized this to be a fact by enacting what is now Public Law 89-550, amending the charter of the American Legion to authorize the membership of these veterans in this organization. I think it is very pertinent to refer to our President's statement in signing H.R. 17419, which authorized this extension and which pointed out that the struggle in Vietnam today is as important as any conflict in which our countrymen have ever engaged.

He pointed out that this is the third time in history that the American Legion has asked for an amendment extending its eligibility criteria. Our President then made the following statement which I believe properly conveys the feelings of all Americans concerning our servicemen who are serving in Vietnam. He stated:

We know of the sacrifices—and we know of the deeds of valor and devotion of our servicemen. We also know the necessity for the conflict in Vietnam. We have not sought this conflict. We have not forced our will upon anyone. But in our earnest desire for peace, we have chosen the path of firm resolve. We have come to the defense of other human beings threatened with loss of their basic human rights. That is really the same battle for which Legionnaires have fought three times before this century. So it is appropriate that they should open their rolls to those who carry our flag today.

For these and various other reasons the Veterans' Administration supports the enactment of S. 3580. I will briefly discuss the specific extensions which would be made by this measure.

WARTIME RATES OF DISABILITY COMPENSATION

The inclusion of the "Vietnam era" within the term "period of war," as defined in 38 U.S.C. 101(11), would result in the payment of wartime rates of disability compensation and additional compensation for dependents under chapter 11 of title 38, United States Code, to all veterans who are suffering from disabilities incurred in or aggravated by such service.

Under existing law, the monthly rates of compensation for disabilities resulting from military service during peacetime are generally 80 percent of those authorized for comparable wartime service. One exception to this, reflected in 38 U.S.C. 336, authorizes wartime rates if the disability is found to have resulted from an injury or disease received in line of duty "as a direct result of armed conflict" or "while engaged in extra hazardous service including such service under conditions simulating war." Disabilities suffered as a result of Vietnam service are held to qualify for wartime rates under the mentioned criteria.

The compensation rate differential has existed since 1917. It has apparently been maintained in view of the historical policy running through several benefit programs that war veterans should be accorded preferential treatment. Since the basic objective of the bill is to equate "Vietnam era" service with wartime service generally, it is appropriate that provision should be made to pay the same rates of disability compensation.

Removal of such rate differential for these veterans will affect about 33,000 cases at an additional cost of \$7,365,000 the first year.

PENSION

Pension for non-service-connected disability and death would be extended by this bill to veterans of the "Vietnam era" and their widows and children on the same basis as is now provided to veterans of World War I, World War II, or the Korean conflict and their widows and children.

For the reasons heretofore indicated, I believe it is proper to equate service since the Gulf of Tonkin incident with service during previously recognized war periods. Thus, the proposed extension of pension benefits to those who served during this period and their dependents appears to be warranted.

Moreover, I believe it is timely.

Pension for World War II veterans was provided by Public Law 313 of the 78th Congress on May 27, 1944, while that war was in progress. Following this precedent, pension for veterans of the Korean conflict was provided by Public Law 28, 82d Congress, on May 11, 1951, less than 1 year after the Korean conflict started. While there will be few individuals with service during the "Vietnam era" who will have immediate need for this benefit, legislation authorizing it at this time would appear to be a proper means of recognizing the sacrifices of those serving in this period, and their assistance to all of us in the defense of our democratic ideals.

BURIAL ALLOWANCES

Section 902 of title 38, United States Code, authorizes the payment of an allowance not to exceed \$250 to cover the burial and funeral expenses of a deceased veteran who (1) died of a service-connected disability, or (2) was a veteran of any war, was discharged for a service-connected disability, or was in receipt of disability compensation at the time of his death. By redefining the term "period of war" to include veterans of the "Vietnam era," S. 3580 would have the effect of making all burial benefits now authorized by chapter 23 of title 38 payable to these veterans since burial flags authorized by section 901 were extended to these veterans by the enactment of Public Law 89-358.

The same considerations which I have previously mentioned as warranting the equating of service during the period since the Gulf of Tonkin incident with service during World War II and the Korean conflict dictate the extension of these benefits to veterans of the "Vietnam era," and I would favor such action.

MEDICAL BENEFITS PROVIDED BY THE BILL

Several special medical benefits not now available to veterans of current service, but which were provided for veterans of World War II and the Korean conflict, would be granted by this bill. Two of them are covered by specific provisions in section 4.

One is the extension to the "Vietnam era" group of the conclusive presumption now provided for World War II and Korean conflict veterans, for purposes of establishing eligibility for hospital and

medical care, that an active psychosis which develops within 2 years after discharge and before the expiration of 2 years from the end of the war period will be deemed to have been incurred in service. This is a conclusive presumption which does not admit of rebuttal.

We realize that this provision was apparently intended by the Congress to grant special recognition to the fact that war veterans suffering from this serious condition should be given medical care on the priority basis accorded to all service-connected cases but without any of the uncertainties or delays incident to an evaluation of the evidence concerning service relationship. We question whether this conclusive and artificial presumption should be further extended. It is the position of the Veterans' Administration that the provisions of existing law and regulations are adequate to permit a finding of service connection in any meritorious case.

If the pension provisions of the bill are adopted, section 4 would also include the "Vietnam era" group within the program of furnishing drugs and medicines for non-service-connected conditions which now applies to World War I, World War II, and Korean conflict veterans receiving the increased rate of pension under the new program because of the need of regular aid and attendance. Because of the interrelationship with the pension provisions, this amendment in section 4(b) should follow the disposition of those provisions.

The bill would produce other effects in the medical area flowing from the definition of the term "period of war" to include the "Vietnam era." This is true because certain medical programs cover "veterans of any war," a group now defined as those who served during a "period of war." Included are:

(1) Payments to State homes for part of the cost of hospitalization, domiciliary care, or nursing home care of "each veteran of any war" under 38 U.S.C. 641;

(2) The correlative program of grants to States to construct nursing home facilities for the care of war veterans (38 U.S.C. 5032);

(3) Authority to use private contract beds for the hospital care of "veterans of any war" in a Commonwealth or possession for non-service-connected conditions (38 U.S.C. 601(4)(c)(iii));

(4) Contract hospital care in the Veterans' Memorial Hospital, Republic of the Philippines, for a "veteran of any war" for non-service-connected disability if he is unable to pay (38 U.S.C. 624).

We think there is sound justification for granting these enumerated benefits resting on war veteran status. Public Law 89-358 provided hospital and domiciliary care to veterans serving since the end of the Korean conflict for non-service-connected conditions where there is inability to defray the cost of care. We think the additional medical coverage for the "Vietnam era" group set forth in the four categories just described is a warranted preference to that group to perfect and extend medical protection for them on a basis heretofore given to veterans of the other conflict periods.

Two other medical items should be mentioned. Permanent outpatient care is provided for by 38 U.S.C. 612(g) following extended VA hospitalization for veterans who are receiving pension at the increased rate based on need of regular aid and attendance if they are suffering from specified chronic diseases, even though not service connected.

Pursuant to 38 U.S.C. 617, invalid lifts and other appliances and devices, including medical supplies, are furnished to veterans who are so seriously disabled as to be medically eligible for an invalid lift and who are receiving increased pension based on the need of regular aid and attendance. Both of these provisions are dependent on receipt of pension at the aid and attendance rate, and the determination whether they should cover the "Vietnam era" group should properly depend on the action taken with respect to pension benefits for that group.

ASSISTANCE IN PURCHASE OF AUTOMOBILES FOR CERTAIN DISABLED VETERANS

Section 5 of S. 3580 proposes to extend to veterans of the "Vietnam era" who meet the other criteria of existing law, assistance in the purchase of an automobile or other conveyance. Chapter 39 of title 38, United States Code, currently authorizes a payment of not to exceed \$1,600 toward the purchase of an automobile by World War II and Korean conflict veterans who have suffered, as the result of service during such periods, the loss or permanent loss of use of one or both hands or feet or permanent visual impairment to a prescribed degree.

In the light of present conditions of military service, the Veterans Administration, by letter of April 29, 1965, submitted a draft of legislation to the President of the Senate and the Speaker of the House of Representatives proposing to authorize the program of assistance in the purchase of an automobile or other conveyance to those "induction period veterans" (those who served between January 31, 1955, and the end of the Universal Military Training and Service Act) (1) who have suffered severe impairment of mobility, which results from the amputation or loss of use of one or both feet and for whom an automobile can be considered as constituting, in effect, an additional prosthetic appliance, and (2) whose disability or disabilities were the direct result of hazardous service (including such service under conditions simulating war).

Under date of June 10, 1965, in reporting to the Senate Committee on Labor and Public Welfare on S. 1199, 89th Congress, which proposed to extend the automobile assistance program to certain members of the "induction period" group, the Veterans' Administration recommended the substitution therefor of our proposal of April 29, 1965. Notwithstanding that recommendation, the Committee on Labor and Public Welfare reported the bill on June 8, 1966, with broadening amendments. As reported (and as the bill passed the Senate on June 9, 1966), it authorized the assistance for those veterans who have suffered the loss or loss of use of one or both hands or feet or permanent visual impairment of a prescribed degree; deleted the requirement that the disability have been incurred as a direct result of armed conflict or while engaged in extrahazardous service, (including such service under conditions simulating war); required that the disability have been incurred during service after January 31, 1955, rather than during the "induction period;" and removed the governing time limitations upon applications set forth in 38 U.S.C. 1905. That bill is currently pending before the Committee on Veterans' Affairs, House of Representatives.

To summarize the overall cost of the bill, we estimate that the first-year cost will be \$9.7 million, increasing to \$22.6 million in the fifth year, for a total first 5 years of \$79.9 million. These figures do not include the cost of the medical provisions.

Estimated cost

(In thousands)

	Funeral expense	Disability compensation	Pensions		Autos	Total
			Disability	Death		
1st year.....	\$657	\$7,365	\$924	\$47	\$720	\$9,713
2d year.....	868	10,066	1,188	94	860	12,876
3d year.....	1,079	12,765	1,452	187	860	15,842
4th year.....	1,315	15,464	1,716	374	860	19,230
5th year.....	1,555	18,163	1,980	562	860	22,592
Total.....	5,443	63,823	7,260	1,264	2,160	79,952

As to the medical provisions, we are unable at this time, to submit an estimate of the cost involved. It is clear, however, that the first-year cost of these provisions would be quite small.

This concludes my formal statement of these measures, Mr. Chairman. I would be pleased to answer any questions which members of the committee may wish to ask.

The CHAIRMAN. Senator Williams.

Senator WILLIAMS. Mr. Driver, as I understand it, this bill merely extends to the veterans of the Vietnam war the same benefits as were extended to the veterans of the Korean war and World War II; is that correct?

Mr. DRIVER. That is correct.

Senator WILLIAMS. What is wrong with it?

Mr. DRIVER. Not anything.

Senator WILLIAMS. Then I understand that the administration supports this bill very much.

Mr. DRIVER. Yes, sir. We had one reservation on the extension of this presumption for psychosis. We suggested existing law is adequate to handle the case. With this minor exception, we are in agreement with the bill.

Senator WILLIAMS. I have no other questions.

I think it is time that such a bill is enacted. We are confronted with a war in that area, and I think that those men are entitled to the same benefits our other wartime veterans receive. I am glad the administration is endorsing it.

Mr. DRIVER. We agree.

Senator WILLIAMS. Thank you.

The CHAIRMAN. Senator Carlson.

Senator CARLSON. Mr. Driver, I notice that this bill goes back to August 5, 1964, if adopted. Didn't we have some individuals, servicemen and others over there previous to this day who might have been casualties and whose families suffered losses, relatives, and so on?

Mr. DRIVER. There has been and there was at the time of the discussions on several other bills in the Congress concerning benefits for veterans serving since the end of the Korean conflict, there have been any number of incidents, dates, and so on, suggested.

It is our feeling that in an overall view, there was a distinct difference in terms of the service of a man serving after 1955 for a considerable period. Where you draw the line is a matter certainly of general judgment.

We feel that the Gulf of Tonkin incident in August of 1964 was a clear-cut, demonstrable difference, and for that reason we feel that this is the place to draw the line. Quite obviously, wherever you draw the line you can make comparisons.

The first hostile death in Vietnam was in December of 1961. But, in terms of magnitude, in terms of overall commitment, we feel that the 1964 date is appropriate.

Senator CARLSON. I would not argue about the date that you have selected following the Gulf of Tonkin incident except to mention I assume that after we enact this legislation, we will no doubt get some letters from people who have served over there.

Mr. DRIVER. Yes, sir.

Senator CARLSON. And suffered loss of lives of relatives, and I just wondered if some thought had been given to it.

Mr. DRIVER. There certainly has. As the Senator knows, whenever you establish a date you are going to have someone over the line.

Senator CARLSON. I notice there is \$250 for burial expenses. What is the present situation with regard to burial of veterans who have lost their lives over there? What happens? How much do you pay, or what is the situation?

Mr. DRIVER. Deaths in service aren't covered by this provision, Senator. We are talking here about a benefit that would be paid for a man who died after he came out of service.

Senator CARLSON. I see. That is all, Mr. Chairman.

Senator WILLIAMS. Deaths in service are paid anyway, aren't they?

Mr. DRIVER. This is handled by the military.

Senator CARLSON. I see.

Senator WILLIAMS. What would be the cost if this was extended back to 1961? And, would you object to that?

Mr. DRIVER. Back to 1961?

Senator WILLIAMS. Yes.

Mr. DRIVER. The cost would be relatively minor. As the Senator can see from this particular bill, there isn't much cost associated with it, and there would be relatively little more associated with it now. When you get into the future, you would be dealing, of course, with all of the men who would be covered for that 3-year period. I would have to supply you an estimate, which we could do.

(Pursuant to the above discussion, the following information was submitted for the record:)

Estimated 5-year costs of S. 3580, 89th Cong., if changed to provide beginning date of Jan. 1, 1961, for Vietnam era

[Costs in thousands]

Fiscal year	Sec. 2				Sec. 3				Sec. 5			
	Funeral expenses		Disability compensation		Disability pension		Death pension		Autos		Total	
	Awards	Cost	Cases (cumulative)	Cost	Cases (cumulative)	Cost	Cases (cumulative)	Cost	Number	Cost	Number	Cost
1967	5,080	\$1,336	65,930	\$14,835	1,390	\$1,835	250	\$234	1,364	\$2,182	74,014	\$20,422
1968	3,300	863	77,930	17,535	1,590	2,099	300	281	225	360	88,345	21,138
1969	4,100	1,078	89,930	20,235	1,790	2,363	400	374	225	360	98,445	24,410
1970	5,000	1,315	101,930	22,935	1,990	2,627	600	561	225	360	109,745	27,798
1971	5,800	1,525	113,930	25,635	2,190	2,991	800	749	225	360	122,945	31,160

Senator WILLIAMS. Yes, I wish you would. I think that the point should be considered whether we adopt it at this time or not. Of course, as Senator Carlson points out, it will be arising later. Vietnam was an area of conflict at that time, and a man who lost his life over there, to he and his family that was the all important factor.

Mr. DRIVER. Well, of course, the death benefits would be paid to his family if he lost his life. These benefits in the main which we are talking about, Senator, are benefits that will principally accrue in the long future to a man after he is a long time out of service.

Senator WILLIAMS. That is true, but if he contacted some tropical disease or something there would be the same problem.

The CHAIRMAN. If he were injured, or if he became diseased in service, he would be covered under existing law.

Senator WILLIAMS. But he would not be if he was injured after.

Mr. DRIVER. No, he wouldn't get pension benefits for his disabilities suffered after his service.

Senator WILLIAMS. That is what I meant. I didn't mean injured. I mean if he developed some recurring tropical disease or something, that doesn't show up for several years. That is the difficulty.

Mr. DRIVER. You are indicating a case where you couldn't prove service connection.

Senator WILLIAMS. Yes.

Mr. DRIVER. But where you would feel that perhaps he had incurred the cause while he was in service. We would hope that the existing rules would permit us to extend service-connection to a proper case.

Senator WILLIAMS. Yes.

Mr. DRIVER. I admit the difficulty of proving some of it.

The CHAIRMAN. Mr. Driver, as I understand it, the big end of the cost of this is not to provide the benefit to the boys who went to Vietnam. The big part of the cost of this measure is providing benefits for the boys in this country and in West Germany while a token number of people are in Vietnam.

As of now, we have a large number of people in Vietnam, and when a boy is taken into the service and he is drafted into the Army, the chances are pretty good that he is on his way to Vietnam. But back in 1961, we only had a few technicians over there; isn't that right?

Mr. DRIVER. Yes.

The CHAIRMAN. So, as a practical matter, if you want to go back to 1961, and I am not saying that we should not—

Mr. DRIVER. You would be including more people without overseas service.

The CHAIRMAN. Ninety-nine and nine-tenths of the people in the service we would be including in 1961 would be people who never went to Vietnam and never even started out there.

Mr. DRIVER. That is right.

The CHAIRMAN. Now if you move it past the Gulf of Tonkin incident, when this troop buildup occurred, you are justified in treating that as a real war. That is the basis and the logic of this bill, and on that basis they receive greater veterans' benefits than they would if they had had the same disability inflicted upon them here in this country in peacetime.

Mr. DRIVER. That is right. The farther back you go, the more remote the possibility is that he would have had overseas service.

The CHAIRMAN: Of course, some people complain about it. I think Senator Stennis was perhaps the first to take this to the floor of the Senate and speak out against it when the first contingent of Americans was sent to Vietnam.

He said that that represented a commitment. Once you let some military personnel go over there—I think those were servicemen to help repair aircraft, I believe, at that particular time—he said that represented a troop commitment and once you started that it is going to be a bigger and bigger commitment. It turned out that way.

Of course, I don't look upon it as this Nation getting involved for that reason. I feel that we were faced with the fact that this was aggression from without, and we could either let the aggressor succeed or we could make it more difficult for him to succeed, and we just decided we weren't going to let them succeed in that aggression.

How many military people would you estimate we had in Vietnam in 1961?

Mr. DRIVER. It would be in the thousands, Senator, by comparison with the hundreds of thousands. I don't know, but we could certainly get an exact figure on that.

Senator CARLSON. Mr. Chairman, why don't we have put in the record, the number that we had in 1961, 1962, 1963, 1964, 1965, and 1966?

The CHAIRMAN. Would you put that in the record, so we can see the commitments at that time?

Mr. DRIVER. Yes.

(The following statistics were submitted by the Office of the Assistant Secretary of Defense Controller, Directorate of Statistical Services:)

	Total Armed Forces strength	Number of service personnel in Vietnam (precise figures classified)	Total deaths in Vietnam (by calendar year)		
			Hostile action	Other	Total
Jan. 1, 1961.....	2,494,136	900	1	2	3
Jan. 1, 1962.....	2,811,031	3,200	31	18	49
Jan. 1, 1963.....	2,867,545	11,300	77	86	113
Jan. 1, 1964.....	2,876,161	16,300	148	48	194
Jan. 1, 1965.....	2,642,894	23,300	1,835	350	1,724
Jan. 1, 1966.....	2,837,279	184,300
July 1, 1966.....	3,136,259	288,600	2,932	515	3,447
Total.....	4,552	978	5,530

The CHAIRMAN. In 1961, weren't most of our people there civilians?

Mr. DRIVER. More technicians than military I would say.

The CHAIRMAN. You have some recommendations up here that have not been introduced as legislation. We might want to take a look at those and consider adding some of those amendments to this measure. For example, there is a recommendation to allow the NSLI and USGLI policyholders to use the proceeds of endowment policies to purchase annuities. Do you feel that you would like to comment on that?

Mr. DRIVER. Well, we think that this is a fair proposal, and would be of material benefit to the people who could take advantage of it,

and, therefore, we would like to see this innovation included in the insurance provisions of the law.

The CHAIRMAN. You would use the annuity table for 1949 and present insurance interest rates. What is the present table utilized by the VA, and would the use of the new table penalize veterans who elected to receive annuities?

Mr. DRIVER. No, sir, it wouldn't. This would provide a life income not presently available on a sound basis so that there certainly would be no inequity to present policyholders.

The CHAIRMAN. Will you tell me how many veteran policyholders would be eligible for this operation by liberalization of the present provisions of the law?

Mr. STRATTON. No, sir, I am not sure of this figure. This goes to both the cash surrender and the matured endowments, and, of course, the actual number of people that would find the refund life income preferable is unknown to us. We would have to reach them, make sure they know of all the provisions and make their free election.

The CHAIRMAN. In your proposal you said this could be accomplished in present law by regulation, but settlement would be paid based on the American experience table of mortality, and, thus, you feel such a regulation would not be actuarially sound. Why do you believe that to be so?

Mr. STRATTON. We would prefer it the other way, Senator. We believe the other way would be more sound.

The CHAIRMAN. What experience has VA had with requests by veterans for annuities?

Mr. STRATTON. For annuities?

The CHAIRMAN. Yes.

Mr. STRATTON. Well, what they request now, Senator, goes to the choice they have of either lump sum or monthly installments on the endowment, up to 20 years, and they can take those in divisions of up to 12 months. They are availing themselves of this possibility, and, of course, on cash surrender, the lump sum is the only option there. What would be done here would be to give the man a chance to have more freedom of election and choice, depending on his financial circumstances, his retirement situation, a refund life income under a table, which would then make certain, however, that the full face value of the policy would end up going to someone. It gives him more flexibility.

The CHAIRMAN. Now on June 16, 1966, the VA requested that a revision be made in regard to present VA recoupment provisions which were designed to avoid duplication of veterans' benefits. Would you advise the committee why you feel that that provision is necessary.

Mr. STRATTON. I can give you an example here, Senator. At the present time when a man is discharged from the service for a rate of disability that is not enough to give him retirement, the service department under a formula pays him a lump sum in cash. We, however, then cannot pay him any compensation until we have fully recouped at his monthly rate of compensation the total amount paid by the service department.

The situation we ran into is this. Let's take a man who is discharged for 10 percent for rheumatic fever. It is only 10 because he apparently has recovered. He has not retired because he doesn't have the 30 percent disability. But he may have enough service so

that he has got \$2,000 or \$3,000 in lump sum. We start recouping that at \$21 per month. Then he has rheumatic heart disease when he still has about \$1,500 to go. He is rated 100 percent by the VA. He has a family. He is in one of our hospitals. We have to continue to recoup the \$300 a month he is then entitled to for 5 months when he needs it the most, to fully recoup, and he doesn't get a cent from us. Perhaps the lump sum has now been spent.

The point of this proposal would say that we would continue to recoup at only the original percentage, the \$21, and would pay him the difference between the \$21 and the \$300 so that he could help his family during the time he needs it the most.

The CHAIRMAN. Recently you recommended that veterans who have allowed their national service life insurance or Government life insurance terms to lapse be allowed to reinstate or renew their policies within 5 years from the date their policy lapsed. As I understand it, under present law when a term policy has lapsed, the law permits renewal of the term insurance only if the policy lapse occurred within 2 months of the date that the policy expired. Just exactly then, what would your suggested revision do?

Mr. STRATTON. Senator, at the present time the man's term of 5 years is the thing that determines how long he has to reinstate a lapsed policy. In other words, he lapses 2 years into his 5-year term, he has 3 years, but if he lapses 3 months before the end of the 5 years, he only has 3 months. If he lapses within 2 months of the end of the 5 years, he has the 2 months plus the next term. So, you see, when a veteran lapses, it is sheer happenstance as to how long he will have. What we are trying to do here is say regardless of the term expiration date, when he lapses everybody will have 5 years from that point to reinstate on an assertion of good health within the 3 months and on a physical examination showing good health within the remainder of the 5 years. It just treats everybody the same way without this mathematical happenstance as to the individual.

The CHAIRMAN. Did I understand that this would not result in any additional benefit cost?

Mr. STRATTON. No, sir, because it is actuarially sound and it is based on good health proven if it is more than 3 months and asserted if it is within 3 months.

The CHAIRMAN. What about the administrative cost of it?

Mr. STRATTON. Not anything.

The CHAIRMAN. You have recommended to us on July 25, 1966, a so-called "stale" claims for special dividends not be processed by the VA. As I understand it, there has been a considerable problem created by misinformation being circulated throughout the United States regarding a special dividend that was declared about 1948.

Mr. STRATTON. Yes, sir.

The CHAIRMAN. Is this suggestion of the VA designed to meet that problem?

Mr. STRATTON. Yes, sir.

The CHAIRMAN. How many veterans applied for this special dividend in 1948, and how much was paid out to those who were eligible?

Mr. STRATTON. We paid out to 16 million men almost \$3 billion, and under this publicity that we have received or that the public has received within the past year and a half, our insurance centers have received 850,000 inquiries as to, "Why didn't I get my special divi-

dend?" We have found what can count on the fingers of my hands and toes as good claims out of their large group.

This would state if the man did not claim a special dividend within 6 years of the time that the dividend is declared, that we will not search our records and go to this horrendous administrative expense for so little results, but on our terminal audit of the policy, if he is entitled, we will authorize it and see that somebody gets whatever he is entitled to.

The CHAIRMAN. In other words, so very few people have something coming to them, and at the terminal date you find in auditing that they have something coming, you will see that the man gets it.

Mr. STRATTON. Yes, sir.

The CHAIRMAN. Or that his next of kin gets it.

Mr. STRATTON. That is right; yes, sir.

The CHAIRMAN. What would happen to this \$8.5 million if your request were enacted into law? I take it that would be paid to them.

Mr. DRIVER. That is right. Eventually, it would go to the beneficiary.

The CHAIRMAN. Thank you very much. It occurred to me it might be well to take a look at these recommendations while considering this bill. Thank you very much.

Mr. DRIVER. Thank you.

Senator WILLIAMS. May I ask one further question? The suggestion was made about this 1961 date, and as I understand it, one of the objections would be that this bill in effect would go to all veterans, whether they were assigned to the Vietnam area, or elsewhere.

Mr. DRIVER. Yes, sir.

Senator WILLIAMS. Now if that extension backward was confined solely to those serving in the Vietnam area, that would limit it considerably, would it not?

Mr. DRIVER. Yes, sir.

Senator WILLIAMS. That is the area in which there is the greatest danger because of conflicts.

Mr. DRIVER. Yes, but I think the Senator would find difficulty also in answering the question, how do you pick and choose. Anyone who is in the service theoretically is confronted with the prospect of going where he is sent, and just because he was not sent there, then you would have the argument advanced that it is not fair.

The CHAIRMAN. Thank you very much, Mr. Driver.

Mr. DRIVER. Thank you, sir.

The CHAIRMAN. A very fine statement. I thank your assistants also. They have done a very fine job here. We appreciate the good job you are doing over there in the VA, by the way.

Mr. DRIVER. Thank you very much.

The CHAIRMAN. Mr. Francis W. Stover, Veterans of Foreign Wars. We are happy to have you here with us today, Mr. Stover. Your face is very familiar to all members of the committee; we have seen you many times testifying for veterans. We are glad you are still at your same post.

Mr. STOVER. Thank you, sir.

Senator CARLSON. Can I say, and very favorably so.

The CHAIRMAN. We wouldn't object to them promoting you, but as long as they want to keep you there, we are happy to have you before our committee, Mr. Stover.

STATEMENT OF FRANCIS W. STOVER, DIRECTOR, NATIONAL LEGISLATIVE SERVICE, VETERANS OF FOREIGN WARS

Mr. STOVER. Thank you. Mr. Chairman and members of the committee, thank you for this invitation and opportunity to present the position of the Veterans of Foreign Wars of the United States with respect to S. 3580, which will provide additional assistance to those veterans who have served and are continuing to serve in our Armed Forces during this Vietnamese crisis.

My name is Francis W. Stover and my title is national legislative director.

The Veterans of Foreign Wars has long held that campaign and expeditionary service in the Armed Forces of the United States for which a badge or medal is authorized should be elevated to wartime service for the purpose of veterans' benefits.

The Veterans of Foreign Wars was extremely pleased when the Congress unanimously approved the cold war GI bill, Public Law 89-358, which carried out a longstanding position of the Veterans of Foreign Wars that readjustment assistance should be provided to all who have worn the uniform since the end of the Korean conflict.

The Veterans of Foreign Wars, therefore, supports S. 3580. The bill in its present form, however, does not go far enough; further, it is somewhat misleading because it will not provide benefits to all who have served in the Armed Forces during this protracted cold war, but would limit its proposed benefits to those who have served in what the bill describes as the Vietnam era.

Under the terms of the bill the Vietnam era began on August 5, 1964, which was the Gulf of Tonkin incident. It is a well-known and established fact, however, that American forces have been serving in Vietnam for a long period previous to 1964. The best evidence for this is found in the granting of the Armed Forces Expeditionary Medal for all those who have served in the Army in Vietnam from July 1, 1958, to the present date.

The beginning of the Vietnam era perhaps is further complicated by the date of the granting of the Vietnam Service Medal which was authorized for all those in the Armed Forces who were and are serving in Vietnam since July 4, 1965.

Another date of reference, which further complicates the matter with respect to the Vietnam conflict is found in the date recommended by the administration in a watered-down GI bill proposal, H.R. 11985, 89th Congress, which bill was rejected by the Congress. Under the terms of H.R. 11985 the administration proposed that educational assistance would be provided to those who served in the Armed Forces since October 1, 1963. No reasons were ever provided why this date is significant, but it is pointed out as a date which was fixed by the administration as the date which the administration would have liked to have been the beginning determining date for cold war educational assistance benefits.

So far as the Veterans of Foreign Wars is concerned, the delegates to our national conventions have consistently called for the elevation of campaign and expeditionary service to wartime service for the purpose of all veterans' benefits. Since the official ending of the Korean conflict, there have been more than 10 periods of service which have been designated as campaign or expeditionary service for

the Armed Forces Expeditionary Medal or the Vietnam Service Medal which have been awarded to our active duty military uniform personnel. During this last decade, you will recall that hostile acts occurred in places such as Berlin, Lebanon, Quemoy and Matsu Islands, Taiwan Straits, Congo, Laos, Cuba, Dominican Republic, and Thailand. All of these areas were hostile areas, recognition for which was the authorization of a campaign expeditionary medal.

S. 3580 does not include these campaigns and expeditions in its definition of the Vietnam era.

The Veterans of Foreign Wars recommends that S. 3580 be amended and broadened to include all those who have served since the end of Korean conflict, the ending date of which was January 31, 1955.

In the alternative—if this committee does not agree with this recommendation, it is suggested that by all means S. 3580 should be amended and broadened to include all veterans who have served in campaigns and expeditions since the end of the Korean conflict which have been recognized by the granting of the Armed Forces Expeditionary Medal and Vietnam Service Medal.

It is noted that the intent of this bill is to equate service in the Vietnam era as wartime service for the purpose of benefits administered by the Veterans' Administration. Included in this package of benefits which was not authorized by the cold war GI bill are pension benefits for both the veteran or, if deceased, his widow and children; a burial allowance of up to a maximum of \$250; presumption of service connection where a psychosis manifests itself within 2 years after the date of discharge of the veteran; drugs and medicine to veterans receiving a pension who additionally are so blind or helpless they are in need of the aid and attendance of another person; equalization of compensation payments for the service disabled; and last, but by no means least, automobile assistance to veterans who have lost an extremity or are blind.

In summary, this bill will eliminate the distinction between a so-called peacetime and wartime veteran. It will be a recognition by the Congress that these cold war veterans who have served in Vietnam have rendered similar service as veterans of previous wars and conflicts. The Veterans of Foreign Wars hopes that this committee will amend this bill to include all of those who have made this kind of contribution and that these benefits will be provided to those who have served during this cold war period since the end of the Korean conflict.

Thank you very much.

The CHAIRMAN. Thank you very much.

Senator WILLIAMS.

Senator WILLIAMS. It is my understanding that you are recommending that it go back to 1958.

Mr. STOVER. Our broadest recommendation, Senator Williams, is that it go back to the official end of the Korean conflict, which was 1955.

Senator WILLIAMS. I understood that.

Mr. STOVER. And there have been about 10 campaigns. I believe 1957 or 1958 was the Lebanese campaign.

Senator WILLIAMS. That is what I was referring to. That was the minimum recommendation; that is my understanding.

Mr. STOVER. Yes, sir, that is right.

Senator CARLSON. Mr. Stover, a question has arisen since you started your statement here which I should have asked of Mr. Driver,

but didn't think of it. This is listed as the Vietnam era. We have, and I don't think it is any secret, while they tried to keep it secret, we have 25,000 servicemen in Thailand. Now, is this Vietnam?

Mr. STOVER. Well, I think actually the Vietnam era started when we took this problem from France back in 1954-55. We have had men over there ever since. It is a warlike or hostile area. The buildup since the Gulf of Tonkin incident, I think, is not being completely equitable in the matter of military service rendered before that time.

Senator CARLSON. My question would really be this. This includes the entire area now?

Mr. STOVER. Yes.

Senator CARLSON. Not just Vietnam. It reads Vietnam, but there would be no question as to what it would include in that area.

Mr. STOVER. Certainly, the Vietnam area should include what was originally Indochina.

Senator CARLSON. I hope the bill is so drawn. It reads Vietnam.

Mr. STOVER. Well, as I understand the way the bill is drawn, Senator Carlson, is that it will include those who have, or are now serving in Thailand or in any other area, even in West Berlin, since this date.

Senator WILLIAMS. Since August 5, 19—

Mr. STOVER. That is correct, from the Gulf of Tonkin incident, including all those who serve overseas.

The CHAIRMAN. In other words, if a person was in a uniform during that period, even though he served here and never went overseas, he would still be eligible for the benefits according to the bill.

Mr. STOVER. That is correct, the same as in World War II and in the Korean conflict.

The CHAIRMAN. Right; thank you very much, Mr. Stover.

Mr. STOVER. Thank you, Mr. Chairman.

The CHAIRMAN. Next, we will hear from Mr. John J. Corcoran of the American Legion. Mr. Corcoran, you just got through entertaining a lot of Legionnaires here in Washington. Have you recovered from the burden of entertaining 50,000 Legionnaires in town? How many did you have in town?

Mr. CORCORAN. Approximately 75,000, Mr. Chairman. I am on the staff. The staff doesn't get to do any entertaining. It is work for us.

The CHAIRMAN. Will you proceed.

STATEMENT OF JOHN J. CORCORAN, DIRECTOR, NATIONAL REHABILITATION COMMISSION, THE AMERICAN LEGION; ACCOMPANIED BY JOHN S. MEARS, ASSISTANT DIRECTOR FOR LEGISLATION; AND EDWARD GOLEMBIESKI, ASSISTANT DIRECTOR FOR CLAIMS

Mr. CORCORAN. Mr. Chairman, for the record, my name is John J. Corcoran, director of the National Rehabilitation Commission of the American Legion. With me is the assistant director for legislation, Mr. John S. Mears, and my assistant director for claims, Mr. Edward Golembieski.

Mr. Chairman, I have a statement and a two-page summary. In the interests of conserving time, I wonder if you would permit me to submit those for the record as though read.

The CHAIRMAN. You may do that.

Mr. CORCORAN. Then I have a very short, I would say, around 5-minute oral statement which is more of a covering memo than anything else.

The CHAIRMAN. We will print your statement and summary in the record.

Mr. CORCORAN. Also, if I may ask that there be submitted in the record three resolutions which have been adopted by the American Legion dealing with the bill and with the proposal to extend wartime benefits.

The CHAIRMAN. That will be done.

(The prepared statement and three resolutions adopted by the American Legion follow:)

SUMMARY OF STATEMENT BY JOHN J. CORCORAN, DIRECTOR, NATIONAL REHABILITATION COMMISSION, THE AMERICAN LEGION

WARTIME BENEFITS FOR THE VIETNAM ERA VETERAN

With respect to the Viet Nam Era veterans, the primary objective of The American Legion is to sponsor and support legislation to amend title 38, United States Code, to provide them with a program of benefits comparable to that which had been established by Congress for veterans of World War I, World War II, and the Korean conflict.

For our purpose, the Viet Nam Era is defined as the period commencing August 5, 1964 and ending on such date as may be determined by Presidential proclamation or concurrent resolution of the Congress of the United States.

Although Public Law 89-358, approved March 3, 1966, created a program of benefits for those with service after January 31, 1955 somewhat similar to that which had been provided war veterans, it failed to define the Viet Nam Era veteran as a war veteran for the purpose of benefits administered by the Veterans Administration. These benefits are:

- Wartime rate of disability compensation;
- Death and disability pension;
- Burial allowance;
- Two-year presumption for psychosis for the purpose of hospital and medical care at VA expense;
- Financial assistance to the seriously disabled of service-incurred conditions in the purchase of an automobile or other conveyance;
- Educational assistance equal in effectiveness and scope to that granted veterans of World War II and the Korean conflict.

S. 3580, as introduced by Senator Montoya in behalf of himself and 56 other Senators, would accomplish our objective with one exception. This exception is a comparable program of educational assistance. By a comparable program, The American Legion means one that is consistent with current expenses incurred in pursuing a course of education or training as well as one that meets the current needs of the Viet Nam Era veteran on return to the civilian economy. This need includes not only an adequate dollar rate of educational assistance but also a program which permits them to take flight training per se, on-the-job training, and institutional on-the-farm training.

STATEMENT BY JOHN J. CORCORAN, DIRECTOR, NATIONAL REHABILITATION COMMISSION, THE AMERICAN LEGION

Mr. Chairman and members of the Committee, thank you for creating the opportunity for The American Legion to present its views on S. 3580, a bill to provide additional readjustment assistance to veterans who served in the Armed Forces during the Viet Nam Era, and for other purposes. For me, this is a unique experience—to appear before a Congressional Committee to speak on a

mandate of a National Convention within a week of its adjournment—to sponsor and support legislation to provide for veterans of service in the Viet Nam Era a benefit program comparable to that provided wartime veterans.

Much has been said over the years to indicate that veterans of every war, of every government, have been honored, have been given a special place among the people with whom they lived.

In the United States, the honor and special place among the people with whom our veterans live is exemplified by the many veterans benefits provided by the Congress of the United States.

Where there has been a formal declaration of war, there appears to have been no hesitancy in immediately recognizing that those who served in the Armed Forces should receive the honor and recognition they so richly deserve from the Congress and the citizenry.

In the absence of a declared war, such as at the beginning of the Korean conflict on June 27, 1950, and of the Viet Nam Era on August 5, 1964, the honor and special consideration appear to come more slowly—perhaps, in the absence of a formal declaration leading to commitment of the Armed Forces, the nation is not conscious of the degree of its commitment, nor of the seriousness of the impact on both the nation and the lives of those who are in the armed services.

To place the Viet Nam Era in its proper perspective for granting wartime benefits to its veterans, we need but compare the veteran population created by the Korean conflict with the potential of our involvement in the defense of South Viet Nam, euphemistically termed the "Cold War." In the Korean conflict we created 6.8 million veterans. At present, we have nearly 3 million citizens in the Armed Forces, of which nearly 300,000 are already committed to the Viet Nam theater. Our professional leaders of the Armed Forces look on the Viet Nam commitment as a long, costly, grubby, and slogging war. This view leads them to the realistic assessment that manpower needs of military in the Viet Nam conflict will be 400,000 by the end of 1966—at which point the number will equal for the first time the United States troop strength in Korea. By next Spring, their assessment indicates that this figure will increase to 500,000. The degree of the nation's commitment is also being felt in its economy to the extent that we now debate the priority issues between guns and butter.

As the United States increasingly takes on the role of world leadership, the cost of that leadership rises in proportion. The cost of veterans programs of benefits and readjustment needs are, truly, a direct part of the costs of world leadership. The American Legion—and I am sure the Congress also—knows that there are those who do not recognize the need for or the importance of veterans benefits and that they are a direct or continuing cost of war or world leadership, and who would deny the veterans of the concomitant wars or armed conflicts their historic honor and special place among the people whom they defended and with whom they live.

Earlier in this statement I had said there appears to be a slowness in extending recognition to veterans of the Armed Forces who served when there has been no formal declaration of war. Again, this is illustrated. Although our armed services engaged in armed conflict with the North Koreans on June 27, 1950, Public Law 28 of the 82nd Congress, which gave them many benefits bestowed only upon veterans of World War I and World War II, was not approved until May 11, 1951; and Public Law 550, which gave them readjustment benefits such as educational assistance and loan guaranty, was not approved until July 16, 1952.

For the Viet Nam Era veteran, we appear to be following the same pattern—"let's see how prolonged and how severe is the engagement of our Armed Forces and our national economy before we decide what should be done for those who served."

With this prologue, Mr. Chairman, I would like to comment on the philosophy and position of The American Legion with respect to the honor and special consideration that should be given those with service in our Armed Forces on and after August 5, 1964.

On August 5, 1964, our Armed Forces in Viet Nam were fired on by those of North Viet Nam. At that moment, the status of our Armed Forces personnel changed from advisory-defensive. Accelerated training, increased armed services strength, and the prolonged existence of war-like conditions have placed this incident beyond what is considered a limited campaign or hostile action. Because of the degree of commitment, the members of our Armed Forces are today subject to exposure to maximum risk in defense of our government as well as in support of our world-wide commitments and obligations.

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In recognition of the status into which our Armed Forces personnel have been placed subsequent to August 4, 1964, The American Legion has petitioned Congress and was granted an amendment of the Act entitled "An Act to incorporate The American Legion" to extend the privilege of membership therein to those who served in the military, naval or air services of the United States at some time during the period of August 5, 1964 to the date of cessation of hostilities as determined by the Government of the United States. By this action, The American Legion expressed its conviction that the circumstances and nature of service performed by our Armed Forces since August 4, 1964 warrant the gratitude traditionally expressed by our nation to those who served during a period of war or during the Korean conflict. In signing the Act which amends the Charter granted The American Legion by the Congress of the United States, the President of the United States said:

"I think, if there is any question in anyone's mind how we feel about our fighting men, and of our determination to see this (Vietnam) struggle through to a successful conclusion—that this emphatic action by the Congress with the support of The American Legion—has answered these questions and made our stand of unity completely clear."

In consonance with its conviction, the 1965 annual National Convention of The American Legion mandated the organization to sponsor and support such legislation as would establish for the veterans of the Vietnam Era a program of veterans benefits comparable to that which has been provided veterans of World War I, World War II, and the Korean conflict and for their dependents and survivors. By "comparable" the mandate did not mean similar or identical in all respects. The thought was that the program should be no less comprehensive than that provided earlier war veterans, but one suited to the personal and economic needs of those veterans of the Viet Nam Era returning to the civilian economy, and to provide for them readjustment benefits, such as educational assistance, compatible with the needs imposed by this economy.

Resolution 22 of the Fall 1965 meeting of The American Legion's National Executive Committee implemented the 1965 National Convention mandate. It detailed the specific areas in which legislation was needed to provide comparable wartime benefits for veterans of the Viet Nam Era. Public Law 89-358, approved March 3, 1966, did not accomplish completely the objectives of either S. 9 or H.R. 12186, the bill sponsored by The American Legion.

Public Law 89-358, as in most legislation of this scope, was but—we hope—the initial approach to the needs of this group of veterans of war service. It provided them with—

- Educational assistance;
- Loan guaranty;
- Hospital and domiciliary care for those with non-service-connected disabilities who had an inability to pay for such care in a community hospital;
- Presumption of service-connection of tropical and chronic diseases;
- Burial flags;
- Preference in federal employment;
- Job counseling and job placement assistance;
- Increased monthly rental rate (from \$80 to \$150) for the purpose of the Soldiers and Sailors Civil Relief Act.

Notwithstanding the many added and valued benefits provided these veterans under the Veterans Readjustment Benefits Act of 1966, it failed to define the Viet Nam Era, and to provide that those serving during the Viet Nam Era would be considered war veterans for the purpose of benefits granted veterans of World War I, World War II, and the Korean conflict. In failing to do this, this Act denied to these veterans the following wartime benefits:

- Death and disability pension;
- Wartime rates of disability compensation;
- For those seriously disabled from nonservice-connected conditions: The aid and attendance allowance; the housebound benefit; drugs and medicines on prescription of a duly authorized physician; invalid lifts; therapeutic and rehabilitative devices and medical services.
- Burial allowance;
- Two-year presumption for psychosis for the purpose of hospital and medical care at VA expense;
- Financial assistance to the seriously disabled of service-incurred conditions in the purchase of an automobile or other conveyance;
- Educational assistance at least equal in effectiveness to that granted veterans of World War II and the Korean conflict.

With respect to S. 3580, The American Legion acclaims the wisdom and foresight and the efforts of Senator Montoya and the 56 Senators who joined him in this bill to enact legislation to extend wartime recognition for the purpose of benefits to those with service in the Armed Forces in the Viet Nam Era—that is, from August 5, 1964 and until such time as conditions of war no longer exist as determined by Presidential proclamation or concurrent resolution by the Congress of the United States.

Sections 1 through 4 of S. 3580 are in agreement with the mandates of The American Legion as to—

Wartime rates of disability compensation;

Death and disability pension and the other benefits that flow from a finding of entitlement to the additional monthly allowance because of a need for regular aid and attendance;

Burial allowance;

Two-year presumption of service-connection for psychosis for the purpose of hospital and medical care at VA expense.

Although section 5, providing assistance to the seriously service-connected cases, meets our mandate, to an extent this was accomplished when the Senate passed S. 1199 on June 13, 1966. That Act is now receiving consideration by the Committee on Veterans Affairs, House of Representatives.

Mr. Chairman, earlier in my comments I referred to The American Legion-felt need for establishing for the Viet Nam Era veteran a readjustment program responsive to the needs of these veterans. In the area of loan guaranty, the insured and direct loan dollar maximums were increased to \$17,500—a figure more consistent with the present cost of home construction or purchase.

In the area of educational assistance, neither the monthly allowance nor the formula for computing the period of entitlement to this assistance was as generous as that which had been provided veterans of the Korean conflict, and considerably less generous than that granted the veterans of World War II.

The following roughly illustrates the salient differences between the three educational assistance programs:

WORLD WAR II

Entitlement period: one year plus the time such person was on active service after September 16, 1940 but before July 26, 1947, not to exceed 48 months entitlement;

Educational assistance: up to \$500 tuition for any school year plus a subsistence allowance of \$75 for the veteran alone, \$105 to a veteran with one dependent, and \$120 for a veteran with more than one dependent. These amounts were payable while pursuing a course of fulltime instruction.

KOREAN CONFLICT

Entitlement period: one and one-half times the duration of service in the basic service period (June 27, 1950 to January 31, 1955) with a maximum of 36 months;

Educational assistance: while pursuing a course of fulltime instruction—\$110 to a veteran with no dependents, \$135 to one with one dependent, and \$160 to one with two or more dependents.

VIET NAM ERA (VETERANS READJUSTMENT BENEFITS ACT OF 1966)

Entitlement period: one month for each month of active duty after January 31, 1955, with a maximum entitlement of 36 months;

Educational assistance: while pursuing a course of fulltime instruction—\$100 to a veteran with no dependents, \$125 where there is one dependent, and \$150 where there is more than one dependent.

Although it was never the intent of these three readjustment assistance Acts to completely subsidize the cost to veterans of pursuing training or education, a comparison of the costs of room, board, laundry clothing, supplies, and tuition in the years following World War II and in those following the Korean conflict with present costs will indicate that they have become more and more expensive. Although exact figures are not available, the United States Office of Education (HEW Indicators, July 1965) has estimated that the total average student cost for attendance at a public institution during the 1963-64 academic year was \$1505, while the figure in private institutions was estimated to average \$2300. In addition, wide differences were reported in total costs according to the type of institu-

tion attended. Average student costs in public institutions varied from \$1140 in junior college to \$1900 in universities. Equivalent costs for private institutions varied greatly, from \$1590 in theological institutions to \$3000 in universities and technological institutes. In addition, this report said, the cost of attending an institution of higher education tends to be greater in the fourth year than in the first year.

In comparing the 1966 Veterans Readjustment Benefits Act with the 1944 and 1952 Acts, other differences are noted. Most obvious is the absence of flight training per se, institutional-on-the-farm training, and on-the-job training. From our experience with the previous Acts, it appears that these were eliminated from the current Act not because a need no longer exists for these programs, but for dollar-saving reasons. Courses of this type need close supervision by Veterans Administration training officers to assure that training objectives are being attained. This would mean additional staffing of personnel by the Veterans Administration.

Mr. Chairman, The American Legion urges an amendment of S. 3580 to provide the Viet Nam Era veteran with an educational assistance program that bears a reasonable relationship to the educational costs experienced in public and private institutions.

Recent news releases indicate that the problems associated with a veteran's financing an educational program have increased. According to these reports, many lending institutions have stopped accepting applications for government-backed student loans, forcing college students from lower income families to look elsewhere for the funds to continue college-level education. Apparently this action by the lending institutions was based on the low interest rates provided under these government-backed student loans as well as a reluctance to make such a long-range commitment of funds for the low rate of return when richer investment fields are available in the current high-interest, tight money market.

In connection with the educational assistance programs for veterans of World War II and the Korean conflict, it has been well documented that the financial by the United States Government for this assistance to these veterans was in the nature of a loan. The dividends that accrued to the nation are many, not the least of which was the return on the investment in terms of increased taxable income.

Mr. Chairman, and members of this Committee, let me again express the appreciation of The American Legion for this early opportunity to appear before you to express our views on the need for establishing for the Viet Nam Era veteran and his survivors a complete and adequate program of wartime benefits.

**FORTY-EIGHTH ANNUAL NATIONAL CONVENTION OF THE AMERICAN LEGION,
WASHINGTON, D.C., AUGUST 30, 31, AND SEPTEMBER 1, 1966**

Resolution: No. 453.

Committee: Rehabilitation.

Subject: Sponsor and support legislation to provide for veterans of service in the Viet Nam Era a veterans program comparable to that provided wartime veterans.

Whereas, The American Legion in National Convention assembled in Portland, Oregon, August 24-26, 1965, approved Resolution 125; and

Whereas, this resolution mandated The American Legion to sponsor and support for veterans of the Viet Nam Era who served on and after August 5, 1964, or such other date as may be determined by the National Convention, a benefit program comparable to that available to other war veterans; and

Whereas, Resolution 22 of the Fall 1965 meeting of the National Executive Committee detailed the amendments of title 38, United States Code, needed to effect the purpose of Resolution 125 of the 1965 National Convention; and

Whereas, Public Law 89-358, approved March 3, 1966, failed to provide for these veterans a program of benefits comparable to that previously established for veterans of World War I, World War II, and the Korean conflict: Now, therefore, be it

Resolved, by The American Legion in National Convention assembled in Washington, D.C., August 30, 31-September 1, 1966, that the American Legion shall sponsor and support legislation to provide for veterans who served on or after August 5,

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1964, or after such date as may be determined by the National Convention, and until such time that conditions of war no longer exist, eligibility for—

- (1) Wartime rates of death and disability compensation under 38 USC, chapter 11;
- (2) Death and disability pension under 38 USC, chapter 15;
- (3) Hospital and medical treatment under 38 USC, chapter 17;
- (4) Education or training under 38 USC, chapter 34, comparable to that which had been granted Korean conflict veterans under 38; 38 USC, chapter 33;
- (5) Reimbursement of burial and funeral expenses under 38 USC, chapter 23; and
- (6) Assistance in the purchase of an automobile or other conveyance under 38 USC, chapter 39.

NATIONAL EXECUTIVE COMMITTEE MEETING OF THE AMERICAN LEGION,
OCTOBER 6-7, 1965

Resolution No. 22.

Commission: Rehabilitation.

Subject: Seek Legislation to provide for veterans of service on and after August 5, 1964 a veterans' program comparable to that provided wartime veterans.

Whereas, The American Legion in National Convention assembled in Portland, Oregon, August 24-26, 1965, approved Resolution No. 125; and

Whereas, this resolution mandated The American Legion to sponsor and support for veterans who have served on or after August 5, 1964, or such other date as may be determined by the National Convention, a benefit program comparable to that available to other war veterans; now, therefore, be it

Resolved, by the National Executive Committee of The American Legion in regular meeting assembled in Indianapolis, Indiana, on October 6-7, 1965, That The American Legion sponsor and support legislation to provide, for persons who serve in the Armed Forces of the United States on or after August 5, 1964 and until such time that conditions of war no longer exist, eligibility for—

- (1) Hospital, domiciliary, nursing home, and medical care for nonservice-connected conditions under 38 USC, chapter 17;
- (2) Wartime rates of death and disability compensation and service connection for certain chronic diseases under 38 USC, chapter 11;
- (3) Death and disability pension under 38 USC, chapter 15;
- (4) An insurance program under 38 USC, chapter 19;
- (5) Education or training under 38 USC, chapter 33;
- (6) Reimbursement of burial expenses and furnishing burial flags under 38 USC, chapter 23; and
- (7) Assistance in the purchase of an automobile or other conveyance under 38 USC, chapter 39.

FORTY-SEVENTH ANNUAL NATIONAL CONVENTION OF THE AMERICAN LEGION,
PORTLAND, OREGON, AUGUST 24-26, 1965

Resolution: No. 125 (California).

Committee: Rehabilitation.

Subject: Sponsor and support legislation to provide for cold war veterans a benefits program comparable to that available to other war veterans.

Whereas, the United States is now and has been for some time engaged in actions in various areas of the world to keep peace and preserve the freedom of friendly nations against aggression; and

Whereas, American fighting men have been and are increasingly being subjected to wartime conditions, are suffering casualties and are dying in defense of freedom loving people everywhere; and

Whereas, the conditions to which our servicemen are being subjected are similar to those which existed when certain rights and benefits were granted to those who served in World War II and Korea; and

Whereas, the war veterans program is comprehensive, justified, and a proven program supported by The American Legion and the general public; and

Whereas, on August 5, 1964, in Tonkin Bay off the coast of Viet Nam aggressive acts of war were taken against U.S. war ships which retaliated and since that time our country has engaged in conflict with hostile forces both in Viet Nam and elsewhere; Now, therefore, be it

Resolved, by The American Legion in National Convention assembled in Portland, Oregon, August 24-26, 1965, That The American Legion recognizes the sacrifice of our Armed Forces personnel who are defending the principles of freedom and democracy and that it shall sponsor and support a benefits program comparable to that available to other war veterans for those veterans who have served since August 5, 1964, or such other date as may be selected by the National Convention.

Mr. CORCORAN. May I begin, Mr. Chairman, in the most appropriate way that I can conceive of, and that is to thank you—thank the committee for holding these hearings. We believe that there is no more important subject than the welfare of our servicemen in Vietnam and their survivors, and we are so happy that the U.S. Senate through this committee, has addressed itself in this way to it.

The American Legion supports S. 3580. I would like to, in very general and brief terms, outline some of the reasons why we support the specific provisions of the bill. Stated very simply, Mr. Chairman we believe that warlike conditions prevail, that a de facto war exists and that, therefore, veterans of service should be treated as war veterans and given full war benefits for this service.

S. 3580 would add the Vietnam era as a period during which service in the Armed Forces would earn entitlement to most war benefits. S. 3580 selects August 1964 as the beginning date for this Vietnam era. Incidentally, so has the American Legion at two conventions, selected that date, including the consideration of the matter of membership eligibility.

No. 1, I think that the term "era" was selected by the author of the bill to denote a period of time rather than a place, and I believe that the dictionary definition of the word "era" supports that.

No. 2, this period of time since August 5, 1964, is selected because it is believed that this is a war period. It is obvious, of course, that this is not a declared war, but we are convinced that warlike conditions do exist, and I wonder, Mr. Chairman, if just for the purposes—

The CHAIRMAN. It seems to me that we declared the kind of war we are fighting when we passed that Gulf of Tonkin resolution back at that time. We were fighting what we call a limited war and that is what we declared.

We said that we were taking the steps necessary to resist further aggression and that is my point of view and the point of view of a lot of us. That is just what we have been doing. My thought about it is that the so-called Gulf of Tonkin resolution declared the kind of war we have been fighting ever since that time.

Mr. CORCORAN. Agreed, Mr. Chairman, and if there be anyone who disagrees with you, I would just ask him to consult Black's Law Dictionary for the definition of "war" which certainly supports the conclusion that war conditions do exist.

Why was August 5, 1964, selected? This has been discussed by the Administrator of Veterans' Affairs. It relies mainly upon the Gulf of Tonkin incident, at which time the nature of U.S. military activity changed, and changed substantially.

Why was not some other campaign or expedition selected? I think the answer is the size and scope of U.S. military activity in Vietnam since that date. It distinguishes this period of time from others.

As Justice Holmes once remarked, there are occasions when a difference in degree amounts to a difference in kind.

Who would be covered by S. 3580? All, even if they do not serve in the immediate Vietnam theater, and I think this is sound for two reasons.

First of all, as the chairman has indicated, when you go into service, you go where Uncle Sam sends you.

For the second reason, that when you embark upon this kind of a military expedition, almost everybody winds up overseas anyway. In World War II, 77 percent of all persons who served in the Armed Forces went overseas, and in the Korean conflict it was even higher.

What about those others who served before August 5, 1964? One point, of course, that must be remembered is that those persons and their survivors are entitled to certain "war" benefits, providing that disability or death was incurred under warlike conditions.

For example, if a man had been killed in Vietnam before August 5, 1964, the death compensation that the survivors would receive would be the same rate of compensation that a war veteran would receive.

In addition to that, if he incurred a disability in Vietnam, as the result of extrahazardous conditions, the rate of compensation he would receive would be the wartime rate. So the bill is not quite as inequitable to those who served before August 5, as it may appear at first.

We have never favored the "hot spot" concept, that is to say, limiting benefits to those who serve in a particular area. We think that the Administrator indicated there are too many deficiencies in this. A man, for example, might have served in the Vietnam theater, and then be going home in an airplane after heavy combat service, going home in an airplane and be injured on the way home, and he would not be covered by any proposal which limited benefits to a certain theater or certain area.

So, Mr. Chairman, we are convinced that S. 3580 is a good bill, and that it does much for the veterans of this conflict, as it did veterans to whom special treatment was afforded in prior wars.

I must, of course, take cognizance of the fact that one of the first major pieces of legislation that this Congress passed was 89-358, the Servicemen's Readjustment Act of 1966. The American Legion and all persons interested in veterans' affairs are very deeply grateful to the Congress for the quick and early action that it took to benefit these people.

Therefore, existing law does provide some war benefits, but not all, and S. 3580 will go a long way toward filling the gaps.

We discuss in detail in our statement the additional benefits we seek, Mr. Chairman, and with your permission, I will not take your time to do that in detail here. I just want to mention one additional point before closing.

We, in our statement, discuss the educational assistance program—the fact that 89-358 is not as generous or as liberal as we think it ought to be. We recognize that this may not come under the jurisdiction of this committee, but we felt that the subject was of such great importance, and there was such a manifest unfairness in existing law that we couldn't pass up the opportunity to bring it to the attention of this committee.

For example, Mr. Chairman, the allowances in existing law for tuition payments, books, et cetera, for the veterans of this period of

service are less—believe it or not—less than those that were given to the veterans of the Korean conflict. I think every father is painfully aware that the cost of education has risen dramatically in the last 15 years. We can think of no reason, other than perhaps economy, why the veterans who are given readjustment training under current law should not get at least as liberal treatment as their comrades who served before them.

Mr. Chairman, that concludes my oral covering memorandum. We again thank the committee for moving ahead on this, and we urge early and favorable action.

The CHAIRMAN. Let me just bring up one point that troubles me a little bit and I wonder why the American Legion and the VFW and the Catholic War Veterans, and even the Veterans' Administration haven't done something about this. We have upgraded these compensation benefits to take care of the depreciation in the value of the currency; haven't we? You have advocated that and we have done it to bring it into line with changing conditions. But we haven't done anything about that death benefit.

As I recall it when I was in the service, and I think you served in World War II, also, didn't you, Mr. Corcoran?

Mr. CORCORAN. Yes, sir.

The CHAIRMAN. At that time, we could take out this \$10,000 of service insurance. Now that \$10,000 won't buy anything like what \$10,000 would have bought back at the time that you and I were paying \$6 a month out of our paycheck for this insurance, or at the time the Government was providing insurance across the board for everybody. Why haven't you or some others recommended that we bring that \$10,000 death figure for the benefit of these widows and orphan children whose men are killed in the service, why haven't we brought that \$10,000 up to what \$10,000 would have been back in World War II?

Mr. CORCORAN. I think this is a good point, Mr. Chairman. Before I answer it directly, let me point out that (a) the 6-month death gratuity that is paid by the Department of Defense for people who die on active service has been increased and increased substantially since what it was in World War II.

The CHAIRMAN. How much; do you know? Can you tell me?

Mr. CORCORAN. It goes from \$800 to \$3,000 depending on the rank of the man. It has benefited largely the lower ranking people, I believe. During World War II it was a rather small amount.

In addition to that, the death compensation payments—not insurance, but death compensation—have been increased very substantially. They were in the area of \$70 or \$80 during World War II. This was for the widow of a man who got killed in service, and now I think the minimum payment is \$131, and, again, that depends on rank and goes much higher.

Now getting to your point, how about the insurance. I think perhaps the Legion hasn't spent more time on it because we have been so involved and concerned about trying to get insurance reopened for those who failed to keep it. We have been trying this in concert with the chairman since 1951. Perhaps we have overlooked the other point.

The CHAIRMAN. It seems to me that if we are not going to provide it, there is a Government gratuity for these fellows who are killed

fighting for their country, we ought to at least provide some kind of insurance they can take out with their own money.

By the time you ship a boy to be a helicopter pilot over in Vietnam, like this boy who was decorated here, the most decorated veteran of that war, when that boy goes over there, there is no private insurance company that will insure him, is there?

Mr. CORCORAN. No, sir, not to my knowledge; but in the light of a rather recent act by Congress, there is now a program called the servicemen's group life insurance program. He buys the insurance at a very cheap rate. But it has the deficiency that you pointed out—the maximum is \$10,000.

The CHAIRMAN. Thank you very much.

Mr. CORCORAN. Yes, sir.

Senator WILLIAMS. No questions. Thank you for an excellent statement.

Mr. CORCORAN. Thank you, Senator.

Senator CARLSON. Mr. Chairman, I just wish to state that I appreciate very much Mr. Corcoran's statement on why this date should be the Tonkin incident. It does have problems.

As you were making your statement, I couldn't help but think of a most tragic and unfortunate situation which occurred when we lost the submarine, *Thresher*. There was a great number of boys who lost their lives; a number of dependents and families who were involved and, of course, they precede this date. It makes it a little difficult.

Mr. CORCORAN. Yes, sir, but the amount of compensation that the survivors of the people who died on the *Thresher* received is the same as the amount of compensation they would have received if the man had been killed in Vietnam during war.

Senator CARLSON. I see.

Mr. CORCORAN. The compensation structure has been changed, and not too long ago. It has been changed so that death benefits are comparable.

Senator CARLSON. Thank you very much.

Senator WILLIAMS. That was the point that I wanted to raise a question about. As I understand it, in that particular instance they get the same benefits anyway, even though we extended this date back to 1950.

Mr. CORCORAN. You are correct, sir.

The CHAIRMAN. Let me ask you one more thing about that matter. With regard to the reopening of this veterans insurance, to be eligible a veteran had to have some sort of a service-connected disability. What has been your reaction to the number of veterans who took out that insurance or who applied for and succeeded in being accepted for the insurance?

Mr. CORCORAN. We were very disappointed, Mr. Chairman. The number of applications was nowhere near as large as we had hoped. I think perhaps the major reason was there were stricter provisions in the reopening.

The CHAIRMAN. A fellow just kind of hates to go in there and ask to take out a policy and then is told "No, you are not eligible." And so, rather than fool around with that and be turned down, he would rather just sit down and wait for a private insurance salesman to come to him and sell him an insurance policy that costs a lot more.

Mr. CORCORAN. I think most of us, including the VA, did a good job in publicizing the law. Every time we publicized it, we, of course, publicized the limitations.

The CHAIRMAN. Yes.

Mr. CORCORAN. So if we got the message to the man, the message that he got was "You may not be eligible." So, he may not have gone ahead and filed his application.

The CHAIRMAN. The idea is that you may be eligible and then again you may not, but come in and find out; come talk to us. You just don't do much selling that way.

Mr. CORCORAN. Right.

The CHAIRMAN. When a fellow doesn't know whether he can get the policy or not.

Mr. CORCORAN. Right; yes, sir.

The CHAIRMAN. Thank you very much.

Mr. CORCORAN. Thank you, Mr. Chairman.

The CHAIRMAN. There are several organizations that have asked permission to submit statements, so we will keep the record open 1 week for those who wish to submit them.

Here is a statement by Senator Anderson favoring this bill. It will be printed in the record along with Senator Montoya's statement. (See p. 5.)

That concludes this hearing.

(Whereupon, at 11:10 a.m., the committee adjourned, subject to the call of the Chair.)

(By direction of the chairman, the following communications are made a part of the record:)

STATEMENT OF RALPH E. HALL, NATIONAL COMMANDER, AMVETS

Mr. Chairman and Members of the Committee: AMVETS appreciates the invitation and opportunity to present our views with respect to S. 3580, a bill you are now considering which would provide additional readjustment assistance to veterans, supplementing those benefits made available by Public Law 89-358.

AMVETS is pleased that this committee has taken such prompt and progressive action with regards to the proposals outlined in S. 3580.

At our National Convention held in Columbus, Ohio, August 19-20-21, we adopted a resolution which would encompass the intent of this legislative proposal, namely:

- (1) To provide wartime rates of disability compensation under all circumstances;
- (2) To provide disability pension for veterans and death pension for widows and children as provided for under P.L. 86-211 with amendments;
- (3) To provide a V.A. burial allowance of \$250.00;
- (4) To provide several special medical benefits not now available to veterans of current service, but which were provided for veterans of World War II and Korea;
- (5) To provide for an allowance of \$1,600 toward the purchase of an automobile for certain disabled veterans.

Although the preceding benefits would do much to attain the goals of AMVETS we feel strongly that, patterned after the Cold War Bill, Public Law 89-358, the dates of eligibility should revert to the ending date of the Korean Conflict, January 31, 1955. In this manner, S. 3580 would be consistent with the current eligibility dates of the new Cold War Bill.

AMVETS, cognizant of the great interest in S. 3580 as evidenced by the fact that 57 Members of the Senate have joined in co-sponsoring this proposal would like also to point out that there are still a few areas in the educational assistance provisions in the new Cold War Bill that we feel should be extended, to include on-the-job training, on-the-farm training and flight training.

In addition, the rates of educational assistance are not comparable to the increased costs of education, and it is our strong conviction that these monetary

benefits should be increased in a manner consistent with the expenses of education in today's economy and the economy of the immediate future as it affects the returning servicemen.

Mr. Chairman and Members of this Committee, again let me voice the appreciation of AMVETS for this opportunity to express our views on S. 3580 at this time.

**STATEMENT OF CHARLES L. HUBER, NATIONAL DIRECTOR OF LEGISLATION,
DISABLED AMERICAN VETERANS**

Mr. Chairman and Members of the Committee: We are deeply grateful for this opportunity to present the position of the Disabled American Veterans on S. 3580, a bill to provide additional readjustment assistance to veterans who served in the Armed Forces during the Vietnam era, and for other purposes.

Specifically, the bill would extend the following benefits to veterans who served in the Vietnam era:

(1) Non-service connected disability pension benefits; (2) Death pension to widows and children of these veterans; (3) Prescription drugs and medicines to those veterans who are receiving increased pension based on the need for regular aid and attendance; (4) the two-year presumption period for establishing service connection for psychosis under Section 602 of Title 38, United States Code; (5) \$1600 toward purchase of an automobile or other conveyance; (6) wartime rates of disability compensation; and (7) the \$250 allowance for burial expenses.

Under terms of the bill, "Vietnam era" is defined as the period beginning August 5, 1964, and ending on such date as shall thereafter be determined by Presidential Proclamation or concurrent resolution of Congress.

Before discussing our views with respect to the proposals set out in S. 3580, we think it appropriate to emphasize that the DAV was founded on the principle that our Nation's first duty to veterans is the rehabilitation of its wartime disabled. This principle comprehends:

Adequate compensation for the service connected wartime disabled, and for the widows, children, and dependent parents of those who died from service connected causes; proper medical care and treatment of veterans for disabilities incurred in or aggravated by military service; training and/or education for the wartime disabled to restore employability and gainful employment.

Accordingly, our primary responsibility as an Organization is to propose or support legislation which intends to provide benefits for veterans and their dependents that is based upon service incurred disabilities.

The DAV is in accord with the basic objectives of S. 3580, for we feel they are valid and sound. We also feel, however, that the bill is deficient in certain significant areas.

We firmly believe that the conditions under which our men have served since January 31, 1955 fully justify the complete range of wartime readjustment benefits.

No young man entering the service since that date has had assurance that his time would be spent in peaceful state-side duty. Under the circumstances prevailing since 1955, there has been a strong certainty that he would eventually be subjected to the risk and peril of combat duty in some other country threatened by the Communist expansion.

Our country's obligation to this serviceman is no less than the obligation owed to his counterpart of World War II and the Korean Conflict. We must provide for all of them in whatever variety and quantity may be required. This objective was fulfilled in large measure when S. 9, commonly known as "The Cold War Veterans Rehabilitation Assistance Act," passed the Senate by unanimous vote on February 10th and was signed by the President on March 3, 1966.

This act, fully endorsed by the DAV, provides a permanent program of educational assistance; guaranteed and direct home loan benefits; non-service connected hospital and medical care; preference in federal employment; burial flags; job counseling and placement assistance; and the presumption of service connection for chronic and tropical diseases.

All of the above benefits had in the past been reserved for veterans honorably discharged from a period of active *wartime service*. With the passage of the March 3, 1966 act these benefits were extended to eligible veterans who saw service after January 31, 1955.

In selecting the January 31, 1955 beginning date for readjustment benefits, the Senate Committee on Labor and Public Welfare stated that the stepped-up draft

and reserve call-ups had led to additional hardships and extreme burdens on our Cold War veterans, and that it is a matter of great national concern when some individuals have to carry a grossly disproportionate share of the burdens of citizenship due to compulsory military service.

The Committee pointed out that this unfortunate state of affairs had existed since January 31, 1955 which was established by Presidential Proclamation as the cutoff date for acquiring eligibility under the Korean GI Bill; and that young people entering the Armed Forces since that date have been called upon to make personal sacrifices associated with military service; yet had been denied the readjustment aids so vitally needed to help them catch up with those of their contemporaries who were not asked to serve but who instead continued the more lucrative and comfortable pursuits of civil life.

The Committee recognized that cold war service could not be equated with peacetime service in its usual sense as since January 31, 1955 U.S. servicemen have engaged in perilous operation in Berlin, Lebanon, Quemoy and the Matsu Islands, Taiwan Straits, The Congo, Laos, Vietnam and the Dominican Republic.

To select the beginning date of August 5, 1964 as mentioned in S. 3580 would obviously eliminate deserving veterans who had served under identical conditions between that date and January 31, 1955.

Another example of the confusion which could occur by selecting the August 5, 1964 beginning date can be found in the conflicting provisions of this bill and S. 1199, which passed the Senate on June 9, 1966.

Section 5 of S. 3580 would amend Section 1901(a) of Title 38, United States Code to include eligibility for the \$1600 automobile grant to veterans of the Vietnam era, which is defined by Section 2 of the bill as beginning August 5, 1964, and ending on a date determined by Presidential Proclamation.

As mentioned earlier, S. 1199 has already passed the Senate and provides the \$1600 grant with a qualifying date of service after January 31, 1955.

In its report on this bill, the Senate Committee on Labor & Public Welfare stated: "The Committee believes that the (\$1600 benefit) in its recommended bill should now be extended to veterans of the present cold war who suffer the requisite disability in service after January 31, 1955." In its report (#1216) the Committee added: "These cold war veterans are undergoing compulsory military service and are engaged in duty which is quite comparable to the service rendered during the Korean Conflict Period."

From testimony presented to this Committee by the Administrator of Veterans Affairs it would appear that while admitting that this country was committed in Vietnam long before August 5, 1964, he attempts to justify the selection of that beginning date by passage of PL 89-550 amending the Charter of a Veterans Organization to authorize membership for all veterans who served honorably from that date to the date of cessation of hostilities as determined by the Government of the United States.

It might be well to point out that on the day Congress enacted PL 89-550, it also passed on the same day HR 12384, which amended the charter of another veteran organization to extend membership eligibility to all qualified persons having appropriate military service after September 16, 1940, and before the cessation of the current hostilities.

It seems entirely reasonable therefore, that if membership eligibility is to be the determining factor, it could be equally as well argued that the beginning date for entitlement to the benefits of S. 3580 should be set as September 16, 1940.

It is the feeling of the DAV that the August 5, 1964 date is arbitrary in the extreme.

The Bay of Tonkin engagement was in fact an isolated incident involving naval forces. Previously, however, there was lots of hostile ground action with lots of casualties.

The troops who served before August 5, 1964 gave of themselves in the same extraordinary military effort and sacrifice, showed the same skill, firmness and courage as that displayed by the troops who served on or after that date.

We think anyone would have a hard time explaining to a Vietnam combat veteran that he is not a war veteran, that he does not qualify for a pension because he had the misfortune to be honorably separated from service prior to August 5, 1964.

And which of use will tell the veteran who lost a leg or was blinded in battle August 3, 1964 that he does not have entitlement to an automobile, while his comrade who sustained the same loss, under the same conditions two days later, has unquestionable entitlement.

It is our sincere opinion that the most equitable and just beginning date for benefits under this bill is January 31, 1955, the date recognized by law for almost all other post-Korean benefits enacted by the Congress.

To do anything contrary would, we think, be a repudiation of the often repeated policy statement that we are only in Vietnam for the defense of freedom. For surely our servicemen who were ordered there, some of whom died there prior to August 5, 1964, were in Vietnam for that very same principle.

We know that this Committee—which has always given the full measure of its efforts to improve the well-being of all deserving veterans—will, in the interest of equity, give thoughtful and sympathetic consideration to the modifications set forth in this presentation.

In closing, Mr. Chairman, I again want to thank you and your Committee members for your kindness and courtesy in permitting me to present the views of the Disabled American Veterans in this crucial matter.

RAPID CITY, S. DAK., *September 1, 1966.*

FINANCE COMMITTEE,
U.S. Senate,
Washington, D.C.
(Attention Tom Vail).

By order of Department Commander, the Disabled American Veterans of South Dakota, urge Senate Finance Committee's approval of S. 3580.

JAMES S. RICHARDSON,
Legislative Chairman, Disabled American Veterans of South Dakota, Box 1895, Rapid City, S. Dak.

CATHOLIC WAR VETERANS,
Washington, D.C., September 22, 1966.

Hon. RUSSELL LONG,
Senate Finance Committee,
U.S. Senate, Washington, D.C.

MY DEAR SENATOR: It is my understanding that the Senate Finance Committee is taking testimony with reference to S. 3580, title, the Vietnam Era Veterans' Readjustment Assistance Act.

It is my further understanding that this proposed Act is similar to the Acts that provided rehabilitation and assistance to the veterans of World War II and Korea.

Be advised that this organization—the Catholic War Veterans of the United States of America strongly urges favorable action by your Committee and eventually passage of this Act by the Congress.

Sincerely yours,

MARTIN G. RILEY,
National Commander.

