

VETERANS' DISABILITY COMPENSATION

HEARING
BEFORE THE
SUBCOMMITTEE ON VETERANS' LEGISLATION
OF THE
COMMITTEE ON FINANCE
UNITED STATES SENATE
NINETY-FIRST CONGRESS

SECOND SESSION

ON

S. 3348, S. 357, S. 1607, S. 2503, S. 2504,
S. 2505, S. 2535, S. 2897, and H.R. 10912

BILLS RELATING TO THE VETERANS' DISABILITY
COMPENSATION PROGRAM

MARCH 18, 1970

Printed for the use of the Committee on Finance



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VETERANS' DISABILITY COMPENSATION

WEDNESDAY, MARCH 18, 1970

U.S. SENATE,
SUBCOMMITTEE ON VETERANS' LEGISLATION
OF THE COMMITTEE ON FINANCE,
Washington, D.C.

The subcommittee met at 10 a.m., pursuant to call, in room 2221, New Senate Office Building, Senator Herman E. Talmadge (chairman of the subcommittee) presiding.

Present: Senators Talmadge and Miller.

Senator TALMADGE. The subcommittee will please come to order.

In January, the Chair announced that consideration of legislation to improve the disability compensation program would receive top priority in the Subcommittee on Veterans' Legislation this year. We are holding hearings today to insure that this legislation will be considered in a timely manner.

In January, I introduced a bill to make major needed improvements in the disability compensation program. I was joined in sponsoring this legislation by the distinguished chairman of the Veterans' Affairs Subcommittee of the Committee on Labor and Public Welfare, Senator Cranston, and the distinguished chairman of the Labor and Public Welfare Committee, Senator Yarborough.

The bill, S. 3348, contains four major provisions. First, it would increase monthly compensation payments to totally disabled veterans, effective this July, from \$400 to \$450. This increase would continue the congressional policy set in 1968 of linking compensation for the totally disabled veteran to average after-tax earnings of American workers.

Second, the bill would increase monthly payments to veterans who are less than totally disabled by about 11 percent, reflecting the increase in earnings since benefits were last increased.

Third, the bill would also increase allowances to dependents of seriously disabled veterans by about 11 percent.

Finally, the bill would deal with the problem faced by former prisoners of war in establishing the service connection of their disability. The bill would shift the burden of proof that the former prisoner of war's disability is service-connected to the Veterans' Administration.

The Subcommittee on Veterans' Legislation has several other bills pending before it which would affect the disability compensation program.

We will place in the record at this point the text of these bills along with summaries and other related material.

(The material follows. Hearings continue on page 39.)

PRESS RELEASE

FOR IMMEDIATE RELEASE
February 17, 1970

SUBCOMMITTEE ON VETERANS'
LEGISLATION
COMMITTEE ON FINANCE
UNITED STATES SENATE
2227 New Senate Office Building

HEARINGS SET ON DISABILITY COMPENSATION
BENEFITS FOR VETERANS

Senator Herman E. Talmadge (D., Ga.), Chairman of the Subcommittee on Veterans' Legislation of the Senate Committee on Finance, announced today that on Wednesday, March 18, 1970, the Subcommittee will hold public hearings on legislation affecting the disability compensation program for veterans whose disabilities are related to their military service.

In outlining the Subcommittee's activities, Senator Talmadge noted that "last year the Subcommittee initiated major legislation to improve monthly compensation payments to widows and orphans of servicemen and veterans whose death was related to their military service. This bill was signed into law by the President in October. The Subcommittee also acted on and secured Senate approval of four important insurance bills designed to improve the servicemen's group life insurance program and to create a new Vietnam era veterans' life insurance program."

Senator Talmadge went on to say, "The most important issue before the Subcommittee at this time is the need to improve the disability compensation program. This will be the Subcommittee's top priority legislative objective in 1970."

Senator Talmadge has introduced S. 3348, a bill which would increase monthly compensation payments to totally disabled veterans from \$400 to \$450. Monthly compensation payments to veterans rated 10% to 90% disabled, as well as dependents' allowances under the program, would be raised by about 11%.

Senator Talmadge stated that interested groups wishing to testify on this bill, or on any other matters related to the disability compensation program, should make their request to Tom Vall, Chief Counsel, Senate Finance Committee, 2227 New Senate Office Building no later than Friday, March 13.

Senator Talmadge said that the Subcommittee would welcome written comments on any matter pending before the Subcommittee; five copies of these comments should be sent to Mr. Vall by the close of business, Friday, March 20.

The hearing will be held in the Finance Committee hearing room, 2221 New Senate Office Building, Wednesday, March 18, beginning at 10:00 A.M.

91st CONGRESS
2D SESSION

S. 3348

IN THE SENATE OF THE UNITED STATES

JANUARY 28, 1970

Mr. TALMADGE (for himself, Mr. CRANSTON, and Mr. YARBOROUGH) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend title 38, United States Code, to increase the rates of compensation for disabled veterans, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 That (a) section 314 of title 38, United States Code, is
4 amended—

5 (1) by striking out “\$23” in subsection (a) and
6 inserting in lieu thereof “\$25”;

7 (2) by striking out “\$43” in subsection (b) and
8 inserting in lieu thereof “\$48”;

9 (3) by striking out “\$65” in subsection (c) and
10 inserting in lieu thereof “\$72”;

1 (4) by striking out "\$89" in subsection (d) and
2 inserting in lieu thereof "\$99";

3 (5) by striking out "\$122" in subsection (e) and
4 inserting in lieu thereof "\$135";

5 (6) by striking out "\$147" in subsection (f) and
6 inserting in lieu thereof "\$163";

7 (7) by striking out "\$174" in subsection (g) and
8 inserting in lieu thereof "\$193";

9 (8) by striking out "\$201" in subsection (h) and
10 inserting in lieu thereof "\$223";

11 (9) by striking out "\$226" in subsection (i) and
12 inserting in lieu thereof "\$250";

13 (10) by striking out "\$400" in subsection (j) and
14 inserting in lieu thereof "\$450";

15 (11) by striking out "\$500" and "\$700" in sub-
16 section (k) and inserting in lieu thereof "\$550" and
17 "\$750", respectively;

18 (12) by striking out "\$500" in subsection (l)
19 and inserting in lieu thereof "\$550";

20 (13) by striking out "\$550" in subsection (m)
21 and inserting in lieu thereof "\$600";

22 (14) by striking out "\$625" in subsection (n)
23 and inserting in lieu thereof "\$675";

24 (15) by striking out "\$700" in subsections (o)
25 and (p) and inserting in lieu thereof "\$750"; and

1 (16) by striking out "\$450" in subsection (s)
2 and inserting in lieu thereof "\$500".

3 (b) The Administrator of Veterans' Affairs may ad-
4 just administratively, consistent with the increases author-
5 ized by this section, the rates of disability compensation pay-
6 able to persons within the purview of section 10 of Public
7 Law 85-857 who are not in receipt of compensation pay-
8 able pursuant to chapter 11 of title 38, United States Code.

9 (c) The increase in rates of disability compensation
10 made by subsections (a) and (b) of this section shall be-
11 come effective July 1, 1970.

12 SEC. 2. Section 315 (1) of title 38, United States Code,
13 is amended—

14 (1) by striking out "\$25" in subparagraph (A)
15 and inserting in lieu thereof "\$28";

16 (2) by striking out "\$43" in subparagraph (B)
17 and inserting in lieu thereof "\$48";

18 (3) by striking out "\$55" in subparagraph (C)
19 and inserting in lieu thereof "\$61";

20 (4) by striking out "\$68" and "\$13" in subpara-
21 graph (D) and inserting in lieu thereof "\$75" and
22 "\$14", respectively;

23 (5) by striking out "\$17" in subparagraph (E)
24 and inserting in lieu thereof "\$19";

1 (6) by striking out “§30” in subparagraph (F)
2 and inserting in lieu thereof “§33”;

3 (7) by striking out “§43” and “§13” in subpara-
4 graph (G) and inserting in lieu thereof “§48” and
5 “§14”, respectively;

6 (8) by striking out “§21” in subparagraph (H)
7 and inserting in lieu thereof “§23”; and

8 (9) by striking out “§40” in subparagraph (I) and
9 inserting in lieu thereof “§44”.

10 Sec. 3. (a) Section 312 of title 38, United States Code,
11 is amended by striking out “For” at the beginning of such
12 section and inserting in lieu thereof “(a) For”: and by add-
13 ing a new subsection as follows:

14 “(b) For the purposes of section 310 of this title, the
15 disability of any veteran of a war or of service after Jan-
16 uary 31, 1955, shall be deemed to be service-connected if for
17 a period of not less than one hundred and eighty days during
18 his active military, naval, or air service such veteran (1) was
19 held as a prisoner of war, or (2) while in line of duty was
20 forceably detained or interned by a foreign government or
21 power, unless the Administrator can show by clear and con-
22 vincing evidence that such disability was not incurred in or
23 aggravated in line of duty by such veteran while serving in
24 the active military, naval, or air service.”

1 (b) The catchline of section 312 of such title is
2 amended to read as follows:

3 **“§ 312. Presumptions relating to certain diseases and dis-**
4 **abilities”**

5 (c) The table of sections at the beginning of chapter 11
6 of such title is amended by striking out

“312. Presumptions relating to certain diseases.”

7 and inserting in lieu thereof the following:

“312. Presumptions relating to certain diseases and disabilities.”

Summary of S. 3348, a Bill to Increase Veterans' Disability Compensation

PRESENT LAW

By law compensation is paid to veterans who suffer disabling conditions as a result of military service. As the name implies, the purpose of the payment is to compensate the veteran for the average economic loss resulting from the disease or injury sustained during his military service. Thus compensation payments are based not on need, but on the degree of the disability of the veteran. Under present law, monthly compensation rates for disabilities incurred in time of war range from \$23 for veterans with a 10 percent disabling condition to \$400 for a totally disabled veteran, with higher rates provided for certain very serious disabilities.

PROVISIONS OF S. 3348

The bill would provide:

1. An increase in the monthly payment to a totally disabled veteran from \$400 to \$450. This amount would continue the Congressional policy established in 1968 of linking monthly payments to totally disabled veteran to the average after-tax earnings of the 46 million production workers in the private sector.

2. An 11 percent increase in monthly payments to veterans rated 10 percent to 90 percent disabled.

3. An 11 percent increase in dependents' allowances. Under present law, an allowance is provided for the dependents of veterans whose disability is rated at 50 percent or higher.

4. A presumption that a disability suffered by a former prisoner of war is service-connected unless the Veterans Administration can show by clear and convincing evidence that the disability is not service-related.

Comparison of Compensation Rates Under Present Law and Under S. 3348

Disability	Present law	S. 3348	Number of veterans
(a) Rated at 10 percent.....	\$23	\$25	816, 226
(b) Rated at 20 percent.....	43	48	320, 096
(c) Rated at 30 percent.....	65	72	275, 964
(d) Rated at 40 percent.....	89	99	168, 245
(e) Rated at 50 percent.....	122	135	106, 220
(f) Rated at 60 percent.....	147	163	102, 920
(g) Rated at 70 percent.....	174	193	60, 666
(h) Rated at 80 percent.....	201	223	32, 042
(i) Rated at 90 percent.....	226	250	10, 640
(j) Rated at total.....	400	450	94, 825
(k) Limit for veterans receiving payments under (a) to (j) above.....	500	550
(l) Anatomical loss or loss of use of both hands, both feet, 1 foot and 1 hand, blindness in both eyes (5/200 visual acuity or less), permanently bedridden or so helpless as to require regular aid and attendance.....	500	550	7, 439
(m) Anatomical loss or loss of use of two extremities so as to prevent natural elbow or knee action with prosthesis in place, blind in both eyes, rendering veteran so helpless as to require regular aid and attendance.....	550	600	5, 299
(n) Anatomical loss of two extremities so near shoulder or hip as to prevent use of prosthesis, anatomical loss of both eyes.....	625	675	1, 259
Limit for veterans receiving payments under (l) to (n) above.....	700	750
(o) Disability under conditions entitling veteran to two or more of the rates provided in (l) through (n), no condition being considered twice in the determination, or total deafness in combination with total blindness (5/200 visual acuity or less).....	700	750
(p) If disabilities exceed requirements of any rates prescribed, Administrator of VA may allow next higher rate or an intermediate rate, but in no case may compensation exceed.....	700	750
(r) If veteran entitled to compensation under (o) or to the maximum rate under (p), and is in need of regular aid and attendance, he shall receive a special allowance of the amount indicated at right for aid and attendance in addition to whatever he is receiving under (o) or (p).....	300	300	8, 035
(s) Disability rated as total, plus additional disability independently ratable at 60 percent or over, or permanently housebound.....	450	500	6, 870
Total number of cases affected.....	2, 016, 746

MONTHLY DEPENDENTS' ALLOWANCES

(For dependents of veterans rated 50 to 100 percent disabled)

	Present law	S. 3348
Wife, no children.....	\$25	\$28
Wife and 1 child.....	43	48
Wife and 2 children.....	55	61
Wife and 3 children.....	68	75
Each additional child.....	13	14
No wife, 1 child.....	17	19
No wife, 2 children.....	30	33
No wife, 3 children.....	43	48
Each additional child.....	13	14
Mother or father, each.....	21	23

Dependents receiving allowances as of June 30, 1969

Wives	290, 555
Children	462, 897
Mothers	15, 402
Fathers	3, 746
Total	772, 100

Cost of S. 3348

Additional first year cost

	Millions
1. \$50 increase for totally disabled veterans.....	\$72
2. 11% increase for veterans rated less than totally disabled.....	142
3. 11% increase in dependents' allowances.....	15
Total	229

Veterans' Administration Report on S. 3348

VETERANS ADMINISTRATION,
Washington, D.C., March 17, 1970.

HON. RUSSELL B. LONG,
Chairman, Committee on Finance,
U.S. Senate,
Washington, D.C.

DEAR MR. CHAIRMAN: This is in further response to your request for a report by the Veterans Administration on S. 3348, 91st Congress.

The bill proposes to increase, in varying amounts, the rates of compensation payable to wartime and peacetime veterans for service-connected disabilities and the additional monetary allowances provided such veterans for their dependents. It would also presume that any disability suffered by a veteran who was held as a prisoner of war or was forcibly detained or interned by a foreign government or power for six months or more after January 31, 1955 is service connected.

The basic purpose of the disability compensation program, throughout its history, has been to provide relief for the impaired earning capacity of veterans disabled as the result of their military service. The amount payable varies according to the degree of disability which in turn is required by the law (38 USC 355) to represent, to the extent practicable, the average impairment in earning capacity resulting from such disability or combination of disabilities in civil occupations. The degree of a given veteran's loss of earning capacity is determined in accordance with the Veterans Administration's Schedule for Rating Disabilities.

Since the disability compensation program was first established, the Congress has periodically reviewed the rates of compensation provided as to their adequacy, and has made adjustments when such were deemed necessary. The rates of compensation were last increased by Public Law 90-493, effective January 1,

1969. This law provided an across-the-board 8-percent increase for veterans whose disabilities were rated at 10 percent to 90 percent disabling, with a \$100 monthly increase provided for those rated as 100 percent disabled or who were being paid one of the higher statutory rates of compensation. These rather substantial rate increases have now been in effect for slightly more than one year.

The first section of S. 3348 proposes increases of the disability compensation rates ranging from 7.1 percent to 12.5 percent. All of the rates would be increased except those in subsection (l.) of 38 USC 314—(providing an additional \$47 monthly award for the loss or loss of use of certain specified body parts and functions); subsection (q)—(providing a minimum monthly rate of \$67 for veterans whose tuberculosis, determined to be service connected on or before August 19, 1968, had reached a condition of complete arrest); and subsection (r)—(providing an additional \$300 monthly award for certain seriously disabled veterans in need of regular aid and attendance). These three rates would remain unchanged. The average, unweighted rate increase provided by the bill is 10.5 percent. Since January 1969, when the compensation rates were last increased, through the end of 1969, the cost of living (as reflected in the Consumer Price Index of the Bureau of Labor Statistics) has increased 6.1 percent. Since then, the rise in the cost of living appears to have slowed somewhat and, as you know, strenuous efforts towards stabilization of the economy have been made.

In all of the compensation rate increases provided since 1952, the Congress has authorized greater assistance, by providing proportionately higher rate increases, to the more seriously disabled veterans than to those with less serious disabilities. We believe that this approach—based on the ability of the less seriously disabled to make better economic adjustments than can those with greater disabilities—is sound.

In this connection, the Veterans Administration, as you know, is now engaged in a study designed to factually and scientifically validate the accuracy of our Schedule for Rating Disabilities, used in determining the degree of a given veteran's disability. Our extensive economic validation study is designed for the specific purpose of revealing whether the economic impairment of each of the several thousand specific disabilities is correctly reflected in our Rating Schedule. Data obtained from our validation study may form a basis for reaching some reasonable conclusions with respect to the need for increased compensation rates. This should enable us to furnish, at a later date, more intelligent advice as to the soundness of the various rates for all categories of disability, accompanied by recommendations for such changes as may be justified. Absent supportive statistical data, we cannot at this time affirm that the increases proposed in the bill reflect, in terms of the increase in average earnings, the economic loss suffered by disabled veterans.

It should be noted that the percentage increases proposed in S. 3348 are in conflict with the concept of proportionately higher rates for the more seriously disabled. For example, the bill would increase the wartime compensation for a veteran 20 percent disabled from \$43 to \$48—an increase of 11.6 percent, while the increase for a 90-percent disabled veteran would be from \$226 to \$250—a 10.6 percent increase, and the percentage increases for those entitled to the highest statutory rates (under section 314 (n), (o), and (p)) would be only 8.0 percent, 7.1 percent, and 7.1 percent, respectively.

In light of the foregoing, the Veterans Administration is unable to endorse the rate increases proposed by the bill's first section and we urge that the Committee defer consideration of this portion of the bill until more definitive information is available as to the soundness of the various rates for the several categories of disabilities, as well as the adequacy of the existing rate structure generally.

Section 2 of S. 3348 proposes to increase the additional rates of compensation payable to veterans, pursuant to 38 USC 315, for their dependents (i.e., wife, children, and dependent parents). These additional allowances are payable to those veterans having a disability evaluated as 50 percent or more disabling. The rates were last increased, by Public Law 89-311, effective December 1, 1965, by approximately 8.7 percent. The increases proposed by the bill range from around 8 percent to 12 percent, with an unweighted average of 8.2 percent. Since the amount of the additional allowances provided for a veteran's dependents varies in proportion with the degree of his disability, as well as the number and relationship of his dependents, it is apparent that they have a direct relationship with the extent of his economic loss. Since our study concerning the

economic validity of the rating schedule is not complete, we do not feel that the adequacy or inadequacy of the proposed increases of allowances for dependents can properly be evaluated at this time. We, therefore, again suggest that the increases proposed by section 2 of the bill be deferred pending the assembly of supportive data from our study.

Section 3 of S. 3348 would, if enacted, presume service connection for any disability that is ever suffered by a veteran who, for a period of not less than 180 days, was a prisoner of war or forcibly detained or interned by a foreign government or power subsequent to January 31, 1955.

Under existing law, service connection may be granted for disabilities which are first evidenced after discharge from service, where the evidence is deemed adequate to warrant a finding, based on the application of sound medical principles, that the condition had its inception during the period of the veteran's active service. In addition, 38 USC 312 provides, with respect to veterans who have served at least 90 days during a period of war, or after January 31, 1955, that a chronic disease (other than active tuberculosis, multiple sclerosis and Hansen's disease) or a tropical disease (as those terms are defined in 38 USC 301) becoming manifest to a degree of 10 percent or more within one year from the date of separation from active service shall, subject to rebuttal, be considered to have been incurred in or aggravated by such service. With respect to all types of active tuberculosis and Hansen's disease, a three-year presumptive period is provided and for multiple sclerosis the period is seven years.

Where a veteran is seeking service connection for any disability, the law (38 USC 354(a)) requires that due consideration be given to the places, types, and circumstances of his service as shown by his service record, the official history of each organization in which he served, his medical records, and all pertinent medical and lay evidence. The law (38 USC 354(b)) further provides:

"In the case of any veteran who engaged in combat with the enemy in active service with a military, naval, or air organization of the United States during a period of war, campaign, or expedition, the Administrator shall accept as sufficient proof of service-connection of any disease or injury alleged to have been incurred in or aggravated by such service satisfactory lay or other evidence of service incurrence or aggravation of such injury or disease, if consistent with the circumstances, conditions, or hardships of such service, notwithstanding the fact that there is no official record of such incurrence or aggravation in such service, and, to that end, shall resolve every reasonable doubt in favor of the veteran. Service-connection of such injury or disease may be rebutted by clear and convincing evidence to the contrary. * * *"

Veterans Administration regulations emphasizing the liberality which is accorded prisoner of war cases include, for example, a provision that the development of symptomatic manifestations of a pre-existing injury or disease during or closely following a status as a prisoner of war will establish aggravation. Physical examinations of former prisoners of war are conducted with particular thoroughness and all disabilities common to prisoners of war are searched for even when they are not complained of. Further, existing instructions provide that in the evaluation of disabilities resulting from or incident to military service, great weight must be assigned to imprisonment or internment under unsanitary conditions or to food deprivation in the service connection of dysentery or other gastrointestinal diseases. All of these considerations permit the Veterans Administration to reach an equitable decision on the basis of the facts of each individual case, with any reasonable doubts being resolved in favor of the former prisoner of war.

Section of S. 3348 would be discriminatory against those veterans who were prisoners of war for less than 180 days but whose sufferings and deprivations were equal to or greater than those of the veterans coming within its purview. Moreover, since the bill does not define "interned," it would be necessary to include an aviator who bailed out over a neutral country and was interned or a serviceman who, while in combat, inadvertently crossed the border of a foreign neutral power and was interned. In neither instance would the serviceman have suffered any deprivation or hardship; yet he would receive the full benefit of the presumption.

The Veterans Administration believes that special consideration should be given to former prisoners of war and strives to assure that they will receive compensation and other benefits in full measure under existing law. However, we do not think that the fact that a veteran was a prisoner of war for 180 days

or more, standing alone, justifies a presumption that any disability the veteran may acquire at any time during the balance of his life is service connected, and requiring that the Veterans Administration rebut that presumption with "clear and convincing" evidence. The Veterans Administration, accordingly, recommends that section 3 of this bill be not favorably considered by your Committee.

An estimate of the first year's additional cost resulting from the enactment of the first two sections of the bill follows:

<i>Cases affected:</i>	<i>Estimated additional annual cost</i>
Section 1—2,016,700 -----	\$214, 235, 000
Section 2—(323,600) -----	14, 506, 000
Totals, 2,016,700 -----	228, 741, 000

These figures should increase slightly each year thereafter to an estimated 2,036,000 cases affected with additional costs of approximately \$230,934,000 during the fifth year. We do not have adequate information upon which to predicate an estimate of the additional cost of section 3, if enacted.

Advice has been received from the Bureau of the Budget that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely,

DONALD E. JOHNSON,
Administrator.

ENCLOSURE.

OTHER BILLS BEFORE THE SUBCOMMITTEE TO AMEND THE VETERANS' DISABILITY COMPENSATION PROGRAM

S. 357, Mr. Montoya—To amend title 38, United States Code, to increase the statutory rates for anatomical loss or loss of use. (Increases from \$47 to \$75 the monthly compensation payment for certain service-connected anatomical losses.)

S. 1607, Mr. Montoya—To amend title 38, United States Code, to deem veterans who were prisoners of war to have service-connected disabilities. (Rates servicemen who were prisoners of war for at least 180 days as totally disabled for compensation purposes, with lower ratings for lesser periods.)

S. 2503, Mr. Hartke—To amend ch. 11 of title 38, United States Code, to provide full wartime benefits for extrahazardous duty. (Extends wartime veterans' benefits to veterans disabled in the performance of extrahazardous duty.)

S. 2504, Mr. Hartke—To amend title 38 of the United States Code to provide that veterans with disability rated less than 50 per centum shall receive additional compensation for dependents. (Under present law dependents' allowances are provided only for veterans rated 50% or more disabled.)

S. 2505, Mr. Hartke—To amend title 38 of the United States Code to provide an annual clothing allowance to certain veterans who, because of a service-connected disability, wear a prosthetic appliance or appliances which tend to tear their clothing. (Provides annual clothing allowance of \$300 for certain veterans wearing prosthetic appliances.)

S. 2535, Mr. Hartke—To provide for the payment of aid and attendance benefits to certain totally disabled veterans. (Considers a totally disabled veteran whose disability is service-connected and who is a patient in a nursing home as requiring regular aid and attendance for purposes of receiving additional compensation.)

S. 2897, Mr. Young (North Dakota)—To amend sec. 314(k) of title 38, United States Code, in order to provide for a statutory payment of \$47 a month to a veteran who has lost the use of a lung or kidney as the result of a service-connected disability. (Present law provides a \$47 monthly payment for the anatomical losses or loss of use of any of these organs: 1 foot, 1 hand, blindness in 1 eye; creative organ, both buttocks, organic aphonia, deafness of both ears.)

H.R. 10912—To amend title 38, United States Code, to liberalize the conditions under which the Administrator of Veterans' Affairs is required to effect recoupment from disability compensation otherwise payable to certain disabled veterans. (Bill prohibits recoupment of lump-sum disability severance payment at rate higher than rate based on veteran's initial degree of disability.)

91st CONGRESS
1st Session

S. 357

IN THE SENATE OF THE UNITED STATES

JANUARY 16 (legislative day, JANUARY 10), 1969

Mr. MONTOYA introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend title 38, United States Code, to increase the statutory rates for anatomical loss or loss of use.

- 1 *Be it enacted by the Senate and House of Representa-*
- 2 *tives of the United States of America in Congress assembled,*
- 3 That (a) subsection (k) of section 314 of title 38, United
- 4 States Code, is amended by striking "\$47" wherever it
- 5 appears in such subsection and inserting in lieu thereof "\$75".

II

Veterans' Administration Report on S. 357

VETERANS ADMINISTRATION,
Washington, D.C., December 18, 1969.

HON. RUSSELL B. LONG,
Chairman, Committee on Finance,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: The following comments are submitted on S. 357, 91st Congress, as requested.

The bill proposes to increase from \$47 to \$75 the rate of disability compensation provided by 38 USC 314 (k) for certain anatomical or other losses or losses of use and which is payable in addition to the basic percentage and higher statutory rates of disability compensation.

The \$47 rate provided by section 314 (k) was last increased by Public Law 427, 82d Congress, August 1, 1952. Since 1952, the rates of disability compensation generally have been increased on five occasions (Public Law 695, 83d Congress, August 28, 1954; Public Law 85-168, August 27, 1957; Public Law 87-645, September 7, 1962; Public Law 89-311, October 31, 1965; and Public Law 90-493, August 19, 1968) but the \$47 rate has been maintained without change. In reporting the rate increase bill which was ultimately enacted as Public Law 87-645 (S. Rept. No. 1806, 87th Cong.), your Committee explained the absence of an increase of this award as follows:

"* * * Inasmuch as all veterans who are entitled to receive the \$47 statutory rate will be benefited by the bill by an increase in the basic rate, the committee felt fully justified in taking the action indicated."

In 1968, in favorably reporting H.R. 16027, 90th Congress, which was enacted as Public Law 90-493, the Committee on Veterans' Affairs, House of Representatives (H. Rept. No. 1380, 90th Cong.), used substantially the same language in justifying the fact that this rate was not being increased. While the report of your Committee accompanying H.R. 16027 did not explain the action taken with respect to the section 314 (k) award, the Committee, in favorably reporting the bill, did not amend any of the compensation rate increases of the House-passed bill.

The Veterans Administration fully concurs with the conclusion expressed by the Congress that the veterans within the purview of S. 357 are already receiving liberal treatment. Accordingly, we do not believe that there is adequate justification for the enactment of the bill.

It is estimated that S. 357, if enacted, would affect some 84,000 cases the first year at an additional cost of approximately \$27,691,000. The number affected and the additional cost would increase slightly in subsequent years to 86,100 veterans at an additional cost of \$28,383,000 during the fifth year.

The Veterans Administration recommends that S. 357 be not favorably considered by your Committee.

Advice has been received from the Bureau of the Budget that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely,

DONALD E. JOHNSON,
Administrator.

91st CONGRESS
1st Session

S. 1607

IN THE SENATE OF THE UNITED STATES

MARCH 20, 1969

Mr. MONTOYA (for himself, Mr. DODD, Mr. DOLE, Mr. HART, Mr. MCCARTHY, Mr. STEVENS, Mr. WILLIAMS of New Jersey, and Mr. YARBOROUGH) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend title 38, United States Code, to deem veterans who were prisoners of war to have service-connected disabilities.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 That chapter 11 of title 38, United States Code, is amended
4 by adding at the end thereof the following new section:

5 "§ 361. Disability rating for former prisoners of war

6 "Any veteran who was held as a prisoner of war for a
7 period of one hundred and eighty days or more, any part
8 of which occurred during a period of war, shall, for the
9 purposes of this title, be deemed to have a service-connected
10 disability rating of 100 per centum. In any case in which
11 a veteran was held as a prisoner of war for a period of less

1 than one hundred and eighty days, any part of which oc-
2 curred during a period of war, the Administrator may, for
3 the purposes of this title, assign such veteran a service-
4 connected disability rating of such per centum as he deems
5 appropriate, but not less than 30 per centum, if he finds that
6 the mental and physical anguish suffered by such veteran
7 was so severe as to warrant such rating."

8 SEC. 2. The table of sections of chapter 11 of title 38,
9 United States Code, is amended by adding at the end thereof
10 the following:

"361. Disability rating for former prisoners of war."

11 SEC. 3. The amendments made by this Act shall take
12 effect on the first day of the second calendar month which
13 begins after the date of enactment of this Act.

Veterans' Administration Report on S. 1607

VETERANS ADMINISTRATION,
Washington, D.C., August 11, 1969.

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

DEAR MR. CHAIRMAN: This is in further response to your request for a report by the Veterans Administration on S. 1607, 91st Congress.

The bill proposes to amend title 38, United States Code, to deem that any veteran who was held as a prisoner of war for a period of 180 days or more, some part of which was during a period of war, has a 100 percent service-connected disability. For any veteran held as a prisoner of war for less than 180 days, it provides that the Administrator may assign such service-connected disability rating as he deems appropriate, but not less than 30 percent, "if he finds that the mental and physical anguish suffered by such veteran was so severe as to warrant such rating."

The language used in the last mentioned provision of S. 1607 is ambiguous. While a literal interpretation would seemingly permit the Veterans Administration to deny any disability rating, if it finds that a given former prisoner of war did not suffer "mental and physical anguish", the language "but not less than 30 per centum", when considered in context with the mandatory 100 percent rating for those held prisoner of war for 180 days or more, would seem to suggest that it is intended that veterans held prisoner of war less than 180 days will be granted a minimum rating of 30 percent.

Under existing law (38 USC 355) the Administrator of Veterans Affairs is required to adopt and apply a schedule of ratings of reductions in earning capacity from specific injuries or combinations of injuries. The law provides that the ratings shall be based, as far as practicable, upon the average impairments of earning capacity resulting from such injuries in civil occupations. Under existing Veterans Administration procedures for evaluating the disability resulting from injuries and diseases, the ratings assigned to disabled veterans—including former prisoners of war—are based on the extent or severity of the disabling manifestations in the individual case.

However, former prisoners of war are given special consideration under the laws administered by the Veterans Administration, and our regulations and directives also contain liberal provisions with respect to the claim of any such person for disability compensation or other benefits based on service-incurred or aggravated disability. Section 354(a) of title 38, United States Code, requires that in the adjudication of service connection for any disability due consideration will be given to the places, types, and circumstances of service. Section 354(b) provides liberalized criteria for determining service connection of any disease or injury for those veterans who engaged in combat with the enemy.

Veterans Administration regulations emphasizing the liberality which is accorded prisoner of war cases include, for example, a provision that the development of symptomatic manifestations of a pre-existing injury or disease during or closely following a status as a prisoner of war will establish aggravation. Physical examinations of former prisoners of war are conducted with particular thoroughness and all disabilities common to prisoners of war are searched for even when they are not complained of. Further, existing instructions provide that in the evaluation of disabilities resulting from or incident to military service great weight must be assigned to imprisonment or internment under unsanitary conditions or to food deprivation in the service connection of dysentery and other gastrointestinal diseases. The statements of comrades are accorded more than ordinary weight. Where disability is shown to exist, the nonexistence of service records is not determinative. All of these considerations permit the Veterans Administration to reach an equitable decision on the basis of the facts of each individual case with any reasonable doubts being resolved in favor of the former prisoner of war.

As previously noted, disability compensation is intended to compensate for the loss of earning capacity that the service-incurred disability has caused. It is not intended, and has never been assigned, as a reward. Those veterans who would benefit by this measure are presumably not able to demonstrate, in the first case, a 100 percent disability nor, in the second, a 30 percent or greater disability. In short, S. 1607 would compensate the veterans concerned for something which does not in fact exist.

There is no way to measure mental and physical anguish and it is even less possible to measure it when it occurred as sometime in the past. Any measurement attempted would be on the basis of pure conjecture. Even were we to attempt to measure the severity of mental and physical anguish, the effort would be futile because it would bear no relation to the veteran's present disability. Of course, if mental or physical anguish produced some disease or disorder, this could result in residual mental or physical disability. But if this had been the case, a disability evaluation would already have been assigned to the veteran concerned.

The Veterans Administration believes that special consideration should be given to former prisoners of war and strives to assure that they will receive compensation and other benefits in full measure under existing law. However, we do not think the fact that a veteran was a prisoner of war for 180 days, standing alone, justifies a guaranteed disability rating of 100 percent which would be compensable under current rates at \$400 per month for the balance of his lifetime. As regards the second provision, it may or may not be true that the mental or physical anguish endured by a prisoner of war warrants a special award. But if so, since it has nothing to do with the veteran's present disability, it would, in our view, be improper to interject it into the disability compensation program. Moreover, there are other groups that have suffered mental and physical anguish. The wounded soldier who lay unattended on the battle field represents one and such anguish can be found in more prosaic situations. It seems apparent that if a provision of this type were to be enacted, other groups would shortly seek the same type of reward.

Since we lack adequate data to identify the veterans who would benefit from this bill, if enacted, we are unable to furnish any estimate of the cost of the measure.

For the reasons indicated above and since we believe that liberal treatment is already accorded former prisoners of war under existing laws and procedures, the Veterans Administration recommends that S. 1607 be not favorably considered by your Committee.

Advice has been received from the Bureau of the Budget that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely,

DONALD E. JOHNSON,
Administrator.

91ST CONGRESS
1ST SESSION

S. 2503

IN THE SENATE OF THE UNITED STATES

JUNE 20, 1969

Mr. HARTKE introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend chapter 11 of title 38, United States Code, to provide full wartime benefits for extrahazardous duty.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That, notwithstanding any other provision of law, any vet-
4 eran entitled to compensation under subchapter IV of chapter
5 11 of title 38, United States Code, payable at the wartime
6 rate under section 336 of such title, shall hereafter be en-
7 titled, if otherwise eligible, to any benefit under such title
8 which, before the date of the enactment of this Act, was
9 available only to a veteran entitled to compensation under
10 subchapter II of such chapter.

II

* The Committee has not received a report from the Veterans' Administration on S. 2503.

91ST CONGRESS
1ST SESSION

S. 2504

IN THE SENATE OF THE UNITED STATES

JUNE 26, 1969

Mr. HARTKE introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend title 38 of the United States Code to provide that veterans with disability rated less than 50 per centum shall receive additional compensation for dependents.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 315 of title 38, United States Code, is amended
4 to read as follows:

5 “§ 315. **Additional compensation for dependents**

6 “Any veteran entitled to compensation at the rates pro-
7 vided in section 314 of this title shall be entitled to addi-
8 tional compensation for dependents in the following monthly
9 amounts:

10 “(1) If and while rated totally disabled and—

- 1 “(A) has a wife but no child living, \$25;
- 2 “(B) has a wife and one child living, \$43;
- 3 “(C) has a wife and two children living, \$55;
- 4 “(D) has a wife and three or more children living,
- 5 \$68 (plus \$13 for each living child in excess of three) ;
- 6 “(E) has no wife but one child living, \$17;
- 7 “(F) has no wife but two children living, \$30;
- 8 “(G) has no wife but three or more children living,
- 9 \$43 (plus \$13 for each child in excess of three) ;
- 10 “(H) has a mother or father, either or both de-
- 11 pendent upon him for support, then, in addition to the
- 12 above amounts, \$21 for each parent so dependent; and
- 13 “(I) notwithstanding the other provisions of this
- 14 subsection, the monthly amount payable on account of
- 15 each child who has attained the age of eighteen years
- 16 and who is pursuing a course of instruction at an ap-
- 17 proved educational institution shall be \$40 for a totally
- 18 disabled veteran and proportionate amounts for partially
- 19 disabled veterans in accordance with paragraph (2) of
- 20 this section.
- 21 “(2) If and while rated partially disabled in an amount
- 22 having the same ratio to the amount specified in paragraph
- 23 (1) as the degree of his disability bears to total disability.
- 24 The amounts payable under this paragraph shall be adjusted

1 upward or downward to the nearest dollar, counting 50
2 cents and over as a whole dollar.”

3 SEC. 2. The compensation payable pursuant to the
4 amendments made by this Act shall be payable beginning
5 with the first day of the second calendar month following the
6 date of enactment of this Act.

Veterans' Administration Report on S. 2504

VETERANS' ADMINISTRATION,
Washington, D.C., September 4, 1969.

HON. RUSSELL B. LONG,
Chairman, Committee on Finance,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This is in further response to your request for a report by the Veterans Administration on S. 2504, 91st Congress.

S. 2504 proposes to remove the existing 50 percent minimum disability requirement in determining eligibility of service-disabled veterans for additional compensation for dependents, thus authorizing additional compensation on behalf of dependents of veterans with disabilities rated at from 10 to 40 percent disabling.

Section 315 of title 38, United States Code, provides that any veteran entitled to compensation at wartime rates for disability incurred in or aggravated by active service and whose disability is rated *not less than 50 percent* shall be entitled to additional compensation for dependents in the following amounts:

(1) If and while rated totally disabled and—has a wife but no child living, \$25; has a wife and one child living, \$43; has a wife and two children living, \$55; has a wife and three or more children living, \$68 (plus \$13 for each living child in excess of three); has no wife but one child living, \$17; has no wife but two children living, \$30; has no wife but three or more children living, \$43 (plus \$13 for each living child in excess of three); has a mother or father, either or both dependent upon him for support, then, in addition to the above amounts, \$21 for each parent so dependent; notwithstanding the foregoing provisions, the monthly amount payable on account of each child who has attained age 18 and is pursuing a course of instruction at an approved educational institution shall be \$40.

(2) If and while the veteran is rated partially disabled but not less than 50 percent, the additional compensation authorized on account of dependents is in an amount having the same ratio to the amount provided for total disability as the degree of disability bears to total disability.

Under 38 USC 335, any veteran entitled to compensation at peacetime rates for disability incurred in or aggravated by active service which is not compensable at wartime rates and whose disability is rated at not less than 50 percent is entitled to additional compensation for the same classes of dependents noted above and in monthly amounts equivalent to 80 percent of the amounts set forth above.

If the minimum disability requirement is removed, additional compensation for dependents would become payable to wartime veterans, according to the degree of disability and number of dependents, in amounts ranging from \$2 per month to \$44 or more per month. Eighty percent of such additional compensation would be payable to peacetime veterans similarly situated.

This additional compensation for dependents was first authorized by Public Law 877, 80th Congress, approved July 2, 1948. That Act was the product of extensive study and consideration by the Congress on the subject of payment of additional benefits because of dependents to veterans entitled to disability compensation. The legislative history indicates that one of the reasons for limiting the benefits provided by that Act to persons 60 percent or more disabled was based on the fact that veterans of this group, because of the serious nature of their disabilities, are not generally in a position to supplement their compensation payments by income from steady employment. Upon further consideration of this subject in 1949, the necessary degree of disability for entitlement to additional compensation was reduced to 50 percent by section 4 of Public Law 339, 81st Congress.

Veterans with disabilities rated less than 50 percent are generally able to supplement their compensation payments with other income. In view of the basic justification for the additional allowances for dependents, we do not believe that these veterans, as a group, need the supplemental assistance from the Government proposed by the bill.

It is estimated that S. 2504, if enacted, would authorize additional compensation for approximately 1,204,100 veterans during the first year, at an additional cost of some \$132,985,000. These figures would continue in the same magnitude during succeeding years, with an estimated 1,203,100 veterans affected in fiscal

year 1974 at an estimated additional cost of \$132,870,000. The foregoing estimates are not presented as precise costs but are believed to be in the proper magnitude.

For the reasons stated, the Veterans Administration does not recommend favorable consideration of S. 2504.

Advice has been received from the Bureau of the Budget that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely,

DONALD E. JOHNSON,
Administrator.

91ST CONGRESS
1ST SESSION

S. 2505

IN THE SENATE OF THE UNITED STATES

JUNE 26, 1969

Mr. HARTKE introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend title 38 of the United States Code to provide an annual clothing allowance to certain veterans who, because of a service-connected disability, wear a prosthetic appliance or appliances which tends to wear out or tear their clothing.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 That (a) chapter 11 of title 38, United States Code, is
4 amended by adding at the end thereof the following new
5 section:

6 “§ 361. Clothing allowance

7 “The Administrator shall pay a clothing allowance of
8 \$300 per year to each veteran who, because of a disability
9 which is compensable under the provisions of this chapter,

1 wears a prosthetic appliance or appliances which the Admin-
2 istrator determines tends to wear out or tear the clothing of
3 such veteran.”

4 (b) The analysis of such chapter 11 is amended by
5 adding at the end thereof the following:

“361. Clothing allowance.”

Veterans' Administration Report on S. 2505

VETERANS ADMINISTRATION,
Washington, D.C., November 14, 1969.

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

DEAR MR. CHAIRMAN: The following comments are furnished in reply to your request for a report by the Veterans Administration on S. 2505, 91st Congress.

The purpose of the bill is to direct the payment of a special clothing allowance of \$300 per year to each veteran who wears a prosthetic appliance because of a disability which is compensable as service connected, which the Administrator determines causes exceptional wear or tear of clothing, or tends to wear out or tear his clothing.

The group of severely disabled veterans contemplated by this bill is now given special consideration through payment of compensation at higher rates than the amounts authorized for their degree of disability as determined under the Schedule for Rating Disabilities. The amount of the monthly compensation may run as high as \$700 for the most severely crippling disabilities, plus additional amounts for dependents and an additional \$300 for aid and attendance. The rates for veterans of peace-time service are 80 percent of war service rates. These higher rates of compensation give extra recognition to the fact that, in addition to the veteran's impairment of earning capacity, he faces a variety of special problems because of the crippling nature of his disability, which in many instances requires the wearing of appliances.

Existing law authorizes the Administrator to furnish "special clothing made necessary by the wearing of prosthetic appliances" to veterans entitled to medical services from the Veterans Administration (38 U.S.C. 601(6)). This provision does not authorize the furnishing or replacement of conventional clothing (as distinguished from "special clothing") by reason of extraordinary wear and tear occasioned by the use of a prosthetic appliance.

Nevertheless, the Veterans Administration has long recognized that the use of certain types of prosthetic appliances unquestionably results in unusual wear and tear on ordinary clothing of the wearer. To alleviate this situation, and consistent with the authority to furnish special clothing, Veterans Administration field stations have been authorized since April 1948 to furnish repairs, reweaving, and special protective linings to those areas of clothing where damage or excessive wear is, or could be, the result of wearing a prosthetic appliance.

It should be noted that the type of prosthetic appliances required for some disabilities are considerably more damaging to the clothing than those for others. Moreover, even though two individuals may wear the same type of appliance, damage to the clothing of one may be negligible and to the clothing of the other it may be extraordinary, depending on the manner of using the appliance and the activities in which the user is engaged. Improper use of the appliance or carelessness on the part of the individual will sometimes cause unusual wear and tear on the clothing.

Based upon the latest available statistics, it is estimated that some 23,000 amputees and 13,000 wearers of arm or leg braces would be initially eligible for the clothing allowance provided by the proposed legislation. Considering the anticipated annual increase in the numbers involved, estimated costs of the proposed clothing allowance during the first five years after enactment could be as follows:

Fiscal year	Number of patients	Annual cost
1970.....	36,000	\$10,800,000
1971.....	37,000	11,100,000
1972.....	38,000	11,400,000
1973.....	39,000	11,700,000
1974.....	40,000	12,000,000
Total.....		57,000,000

While we have a most sympathetic concern with the problems of persons disabled from service-connected causes to the extent that prosthetic appliances are necessary, we are unable to regard the proposed special clothing allowance as a justifiable addition to the special compensation benefits and other services already available to this group. Accordingly, the Veterans Administration is unable to recommend favorable consideration of this bill by your Committee.

We are advised by the Bureau of the Budget that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely,

DONALD E. JOHNSON,
Administrator.

91ST CONGRESS
1ST SESSION

S. 2535

IN THE SENATE OF THE UNITED STATES

JULY 2, 1969

Mr. HARTKE introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To provide for the payment of aid and attendance benefits to certain totally disabled veterans.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 That chapter 11 of title 38, United States Code, is amended
4 by adding at the end thereof the following new section:

5 "§ 361. Determination with respect to need for aid and
6 attendance

7 "For purposes of this chapter, a veteran rated as totally
8 disabled as the result of service-connected disability and who
9 is a patient in a nursing home shall be considered to be so
10 helpless as to be in need of regular aid and attendance."

11 SEC. 2. The table of sections of chapter 11 of title 38,

- 1 United States Code, is amended by adding at the end thereof
- 2 the following:

“361. Determination with respect to need for aid and attendance.”

Veterans' Administration Report on S. 2535

VETERANS ADMINISTRATION,
Washington, D.C., August 14, 1969.

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

DEAR MR. CHAIRMAN: This is in further reply to your request for a report on S. 2535, 91st Congress.

The bill proposes to require, for purposes of payment of disability compensation, that any veteran who is rated as totally disabled from a service-connected disability and "who is a patient in a nursing home" will be considered to be so helpless as to be in need of regular aid and attendance. It would thus authorize payment to such veterans of the higher statutory rates of disability compensation authorized by chapter 11 of title 38, United States Code, for veterans in need of regular aid and attendance.

The existing system of disability compensation attempts to compensate veterans disabled as the result of military service, as far as practicable, for the average impairments of earning capacity resulting from such disabilities in civil occupations. The disability evaluations range by 10's from zero percent to 100 percent. The basic monthly rates of compensation provided for such evaluations range, in the case of disability stemming from wartime service, from \$23 for 10-percent disability to \$400 for total disability (38 USC 314(a)—(j). In addition, 38 USC 314(k)—(s) provide specific rates of compensation for war veterans with specified disabilities or combinations of disabilities. Subsections 314(l)—(p), specifying groups of disabilities of increasing severity, provide monthly compensation rates of \$500, \$550, \$625, \$700 and \$700, respectively. Subsection (p) also provides that should a veteran's service-connected disabilities exceed the requirements for any of the prescribed rates, the Administrator, in his discretion, may allow the next higher rate or an intermediate rate. With respect to need for regular aid and attendance, subsection (l) now authorizes monthly compensation of \$500 if a veteran, as the result of service-connected disability, is "permanently bedridden or so helpless as to be in need of regular aid and attendance," and subsection (m) authorizes payment of \$550 if a veteran, as the result of service-connected disability, "has suffered blindness in both eyes, rendering him so helpless as to be in need of regular aid and attendance."

Under the provisions of 38 USC 314(r), a monthly aid and attendance allowance is payable in addition to other authorized compensation, to certain service-connected disabled veterans when they are not hospitalized at Government expense. The rate is \$300 monthly based on wartime service. Before the additional rate may be paid under this subsection, the law specifically requires that the veteran be entitled to the maximum compensation rate of \$700 monthly authorized under subsections (o) or (p). Entitlement to this maximum rate may be granted for total deafness combined with total blindness, or for a combination of two or more severely disabling conditions, including the loss or loss of use of two or more extremities, blindness, and being permanently bedridden or so helpless as to need regular aid and attendance. In determining helplessness requiring regular aid and attendance, no condition may be considered twice. Thus, when special monthly compensation is being paid because of loss of use of both legs, an added award based on helplessness may not be predicated on the same loss of use. However, where a paraplegic veteran has suffered loss of anal and bladder sphincter control, he is considered so helpless as to need regular aid and attendance independent of the loss of use of both legs. This entitles him to the maximum rate of compensation and also to the additional aid and attendance allowance for all periods during which he is not hospitalized at Government expense.

In 1961, the Veterans Administration regulation prescribing the criteria for determining need for regular aid and attendance was revised to permit consideration of the claimant's incapacity, physical or mental, requiring care or assistance on a regular basis to protect him from hazards or dangers incident to his daily environment. This change permitted a determination of need for aid and attendance without requiring that the veteran reach a state of vegetative existence. The transmittal sheet accompanying this regulatory change stated that nursing home care or its equivalent would generally qualify.

The fact that a veteran is in a nursing home for care of a physical or mental incapacity would indicate the need for regular assistance. That fact, of course,

would not, of itself, satisfy the requirement of permanency of the condition. To conclude that such a veteran requires regular aid and assistance, there must, of course, be nursing home *care* as distinguished from mere occupancy, i.e., the reason for a residence in the nursing home cannot be other than his need for care for physical or mental incapacity, and that incapacity cannot be of a temporary nature.

It follows that there is ample authority under existing law and regulations to conclude that a veteran whose service-connected disability is rated as totally disabling and who requires nursing home care on a regular basis for his service-connected disability is so helpless as to be in need of regular aid and attendance and therefore eligible for the rates of compensation provided in 38 USC 314(1), (m), and (r), if the other eligibility criteria of those subsections are met.

As noted above, S. 2535 proposes to deem any veterans rated as totally disabled from a service-connected disability and who is a patient in a nursing home to be so helpless as to be in need of regular aid and attendance. It would thus render him eligible for compensation under section 314(1) or, if his need for aid and attendance stemmed from blindness in both eyes, for compensation under subsection 314(m).

It will be noted that the measure would establish entitlement to higher statutory rates of disability compensation based on need for regular aid and attendance *without* requiring that the condition which created that need be connected with the veteran's military service or be permanent in nature. It would thus permit consideration of a nonservice-connected disability or disabilities in the evaluation of a service-connected disability. The Veterans Administration is unable to justify this proposed major change of the basic concepts upon which the disability compensation program is predicated.

The Veterans Administration does not have sufficient data available upon which to estimate the cost of the bill, if enacted into law.

For the reasons noted, the Veterans Administration recommends that S. 2535 be not favorably considered by your Committee.

Advice was received from the Bureau of the Budget that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely,

DONALD E. JOHNSON,
Administrator.

91ST CONGRESS
1ST SESSION

S. 2897

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 16, 1969

Mr. YOUNG of North Dakota introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend section 314 (k) of title 38, United States Code, in order to provide for a statutory payment of \$47 a month to a veteran who has lost the use of a lung or kidney as the result of a service-connected disability.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 That section 314 (k) of title 38, United States Code, is
4 amended by inserting "or has suffered the loss of use of a
5 lung or kidney," immediately after "bone conduction,".

6 SEC. 2. The amendment made by the first section of
7 this Act shall become effective on the first day of the first
8 calendar month following the calendar month in which it
9 is enacted.

Veterans' Administration Report on S. 2897

VETERANS ADMINISTRATION,
Washington, D.C., January 13, 1970.

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

DEAR MR. CHAIRMAN. This is in further reply to your request for a report on S. 2897, 91st Congress.

The bill proposes to add "loss of use of a lung or kidney" to the other types of service-connected disabilities specified in 38 USC 314(k), for which an additional award of disability compensation in the amount of \$47 monthly is provided for veterans of wartime service.

Section 314(k) of title 38, United States Code, provides as follows:

"(k) if the veteran, as the result of service-connected disability, has suffered the anatomical loss or loss of use of one or more creative organs, or one foot, or one hand, or both buttocks, or blindness of one eye, having only light perception, or has suffered complete organic aphonia with constant inability to communicate by speech, or deafness of both ears, having absence of air and bone conduction, the rate of compensation therefor shall be \$47 per month for each such loss or loss of use independent of any other compensation provided in subsections (a) through (j) or subsection (s) of this section but in no event to exceed \$500 per month; and in the event the veteran has suffered one or more of the disabilities heretofore specified in this subsection, in addition to the requirement for any of the rates specified in subsections (l) through (n) of this section, the rate of compensation shall be increased by \$47 per month for each such loss or loss of use, but in no event to exceed \$700 per month".

The basic rates of compensation payable for service-connected disabilities are based generally on the theory that the amount of compensation payable should be proportionate to the degree of disability resulting from injury or disease. In accordance with 38 USC 355, the disability ratings are based, as far as practicable, upon the average impairments of earning capacity resulting from such injuries in civil occupations. The instrument used for determining the degree of a given veteran's loss of earning capacity is the Veterans' Administration's Schedule for Rating Disabilities.

The mentioned Schedule provides a rating of 50 percent for the permanent complete collapse of a lung and 60 percent for the removal of a lung, with basic wartime compensation payments authorized of \$122 and \$147 per month, respectively. These evaluations are frequently augmented by evaluations for rib loss or for the basic disease if such continues to exist in the other lung. The most common instance is that of thoracoplasty involving the removal of ribs to collapse and immobilize an infected lung. A thoracoplasty in which more than six ribs are removed with resulting complete collapse of the lung is evaluated at 80 percent, for which the basic rate of compensation is \$201 monthly. While complete surgical excision of a lung is usually performed as the result of malignant growths, complete collapse of a lung, in cases of veterans drawing disability compensation, has been performed predominantly for cases of tuberculous origin.

Under the current provisions of the Schedule for Rating Disabilities, an evaluation of total disability is authorized when tuberculous disease is active. If the disease becomes inactive and is not complicated, such as by radical surgery, the 100 percent evaluation is continued for one year after the date of attainment of inactivity. Thereafter, the residuals attributable to the tuberculosis are rated—the ratings ranging from 100 percent for pronounced residuals (i.e., advanced fibrosis with severe ventilatory deficit manifested by dyspnea at rest, marked restriction of chest expansion, with pronounced impairment of bodily vigor) to zero percent for healed lesions with minimal or no symptoms. These evaluations compensate for all remaining disability and impairment of earning capacity. Under S. 2897, if enacted, the proposed special award of \$47 monthly would be authorized in addition to the basic compensation.

The Schedule for Rating Disabilities provides a rating of 30 percent for the absence of one kidney with the other kidney functioning normally, with basic wartime compensation payments authorized of \$65 monthly. It also provides a rating of 60 percent for the removal of one kidney with mild to moderate pathology in the other and a total (100 percent) rating if there is severe pathology in the second kidney. The basic wartime compensation payments

authorized for these ratings are \$147 and \$400 monthly, respectively. The special statutory award of \$47 would, under the terms of S. 2897, be authorized in addition to the \$65, \$147, and \$400.

In the absence of medical or other sound basis for such special awards, singling out the loss or loss of use of a lung and of a kidney for a special allowance, as the bill proposes, would be discriminatory and would undoubtedly lead to requests for special consideration and additional allowances in cases of numerous serious disabilities of other categories, many of which have equal, if not greater, merit. Excluding the section 314(k) award authorized for the loss or loss of use of a creative organ, the bill, in granting the award for a purely internal organ, would clearly establish a precedent for similar consideration of the loss or loss of use of other internal organs, such as the spleen, pancreas, gall bladder, etc.

We believe that the basic principle that the amount of compensation payable should be proportionate to the degree of disability is sound and proposals to make additional exceptions, particularly for internal organs such as a lung or a kidney, may possibly contribute to the impairment of the disability compensation program. Moreover, the Veterans Administration now has underway a study designed to determine the actual economic impairment flowing from all disabilities, including, of course, lung and kidney diseases. This should result in the establishment of compensation levels which truly reflect the economic loss suffered without discrimination.

It is estimated that S. 2897, if enacted, would provide the mentioned statutory award for some 6,600 veterans during the first year, at an additional cost of approximately \$3,600,000. These figures should increase slightly during succeeding years to 6,800 cases during the fifth year at an additional cost of \$3,700,000.

The Veterans Administration recommends that S. 2897 be not favorably considered by your Committee.

Advice has been received from the Bureau of the Budget that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely,

DONALD E. JOHNSON,
Administrator.

91ST CONGRESS
1ST SESSION

H. R. 10912

IN THE SENATE OF THE UNITED STATES

OCTOBER 7, 1969

Read twice and referred to the Committee on Finance

AN ACT

To amend title 38, United States Code, to liberalize the conditions under which the administrator of Veterans' Affairs is required to effect recoupment from disability compensation otherwise payable to certain disabled veterans.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 That chapter 11 of title 38, United States Code, is amended
4 by adding the following new section at the end thereof:

5 "§ 361. **Payment of disability compensation in disability**
6 **severance cases**

7 "The deduction of disability severance pay from dis-
8 ability compensation, as required by section 1212 (c) of title
9 10, United States Code, shall be made at a monthly rate not

1 in excess of the rate of compensation to which the former
2 member would be entitled based on the degree of his disability
3 as determined on the initial Veterans' Administration
4 rating."

Passed the House of Representatives October 6, 1969.

Attest:

W. PAT JENNINGS,

Clerk.

Veterans' Administration Report on H.R. 10912

VETERANS' ADMINISTRATION,
Washington, D.C., October 20, 1969.

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

DEAR MR. CHAIRMAN: Further reference is made to your request for a report by the Veterans Administration on H.R. 10912, 91st Congress.

The bill proposes to limit the rate at which disability severance pay will be recouped by the Veterans Administration to a monthly amount not in excess of the disability compensation to which the former member would currently be entitled based on the degree of his disability as determined on the initial rating by the Veterans Administration.

The bill is identical with the draft bill submitted by the then Administrator's letter of April 28, 1969 to the Honorable Spiro T. Agnew, President of the Senate, which was referred to your Committee on May 1, 1969. The views expressed in that letter, a copy of which is enclosed, and the recommendation for enactment are applicable to H.R. 10912.

Sincerely,

JOHN J. CORCORAN,
General Counsel.

ENCLOSURES.

VETERANS' ADMINISTRATION,
Washington, D.C., April 28, 1969.

Hon. SPIRO T. AGNEW,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: There is transmitted herewith a draft of a bill "To amend title 38, United States Code, to liberalize the conditions under which the Administrator of Veterans Affairs is required to effect recoupment from disability compensation otherwise payable to certain disabled veterans", with the request that it be introduced in order that it may be considered for enactment.

Under existing law, members of the Armed Forces of the United States rendered permanently unfit to perform their duties because of service-incurred disability may be granted disability retirement pay, a continuing payment, from the military department concerned, if they have more than eight years of service and the disability, under the Veterans Administration's Schedule for Rating Disabilities is 30 percent or more disabling. If the disability is less than 30 percent disabling or if the member has less than eight years' service (regardless of the degree of the disability), disability severance pay is payable. This benefit is computed on the basis of rank and length of service and is a lump-sum, non-recurring payment by the military department.

Under laws administered by the Veterans Administration, disability compensation, a monthly repetitive payment, is payable for disabilities connected with military service. The amount of this benefit is determined by the rated degree of the veteran's disability (reflected in the mentioned Schedule for Rating Disabilities) as shown by the findings made in the course of periodic examinations. Existing law (38 USC 3104(a)) precludes any former member of the Armed Forces from receiving the full amount of disability compensation to which he is eligible from the Veterans Administration and the full amount of retired or retirement pay to which he is eligible from the Armed Forces. Generally, based on the philosophy that no person should be compensated twice for the same disability, the veteran must elect between the benefits to which he is eligible. The only exception is contained in 38 USC 3105, which permits the payment of a combination of the two benefits, at the veteran's election, in an amount which does not exceed the greater of the two.

With respect to disability severance pay, 10 USC 1212(c) requires that the amount of such pay received by the former member of the Armed Forces—"shall be deducted from any compensation for the same disability to which the former member of the armed forces or his dependents become entitled under any law administered by the Veterans Administration."

This provision, consistent with the bar to duplicate benefits of 38 USC 3104(a), precludes the possibility of double compensation for the same disability. We

believe that the general concept behind this provision is sound since we see no justification for any group to be doubly compensated.

We have become aware, however, of a hardship situation that occasionally arises because of this recoupment provision. Disability severance pay often amounts to several thousands of dollars and recoupment of this amount from the disability compensation otherwise payable by the Veterans Administration for the same disability generally takes an extended period of time, since it is usually based on a low disability evaluation. For example, it would require over 12 years to recoup severance pay of \$5,000 for a peacetime-incurred disability evaluated as 20 percent disabling. We have learned of cases in which the service-connected disability unexpectedly changes into a totally disabling condition requiring prolonged hospitalization, with consequent termination of income. Such veterans are granted a 100 percent disability compensation rating by the Veterans Administration, but the recoupment provision, of course, continues to bar the payment of disability compensation to the veteran. The increased evaluation accelerates the recoupment of the disability severance pay but in the meantime the recoupment provision has the effect of terminating all income for the veteran's and his family's maintenance. We believe that some revision of that provision, in order to alleviate this type of hardship situation, is indicated.

The enclosed draft of bill proposes to add a new section 361 to title 38, United States Code, limiting the rate at which the disability severance pay will be recouped to a monthly amount not in excess of the compensation to which the former member would currently be entitled based on the degree of his disability as determined on the initial rating by the Veterans Administration. In the example given above, the Veterans Administration would withhold \$34 monthly (the peacetime rate for 20 percent disability) and pay the veteran \$286 (the peacetime rate for total disability being \$320) for his and his family's maintenance during the continuation of the elevated evaluation. If the veteran has dependents, the amount of additional compensation payable in their behalf (under 38 USC 315 or 335) would be added to the veteran's payment rather than being applied toward the recoupment of the severance pay.

The Veterans Administration has no firm basis for determining the number of veterans who would benefit from this proposal, if enacted. It is believed, however, that the number affected would be small and that any costs involved would not be significant.

The Veterans Administration believes that this proposal, if enacted, while precluding double compensation for the veterans concerned and ultimately permitting recoupment of the disability severance pay, would at the same time alleviate hardship situations that develop under the present law. Accordingly, it is respectfully requested that the proposed legislation be introduced and considered for early enactment.

Advice has been received from the Bureau of the Budget that there is no objection from the standpoint of the program of the Administration to submission of the draft bill.

Sincerely,

W. J. DRIVER,
Administrator.

ENCLOSURE.

A BILL To amend title 38, United States Code, to liberalize the conditions under which the Administrator of Veterans Affairs is required to effect recoupment from disability compensation otherwise payable to certain disabled veterans

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That chapter 11 of title 38, United States Code, is amended by adding the following new section at the end thereof: "§ 361. Payment of disability compensation in disability severance cases.

"The deduction of disability severance pay from disability compensation, as required by 10 USC 1212(c), shall be made at a monthly rate not in excess of the rate of compensation to which the former member would be entitled based on the degree of his disability as determined on the initial Veterans Administration rating."

Senator TALMADGE. Since we have a number of witnesses who wish to be heard this morning, I would like to ask all witnesses to summarize their testimony in their oral presentation. They may be assured that their statements will be printed in full in the record.

Senator Cranston, a cosponsor of S. 3348, has asked that a statement of his on the bill be printed in the hearing record. That statement will appear at this point in the record.

(Senator Cranston's statement follows:)

STATEMENT OF HON. ALAN CRANSTON, A U.S. SENATOR FROM THE STATE OF CALIFORNIA

Mr. Chairman, I am delighted to have this opportunity to present my views to this distinguished subcommittee and its chairman, my good friend, Herman Talmadge. I was privileged to join with Senator Talmadge and Senator Ralph Yarborough, chairman of the Labor and Public Welfare Committee in cosponsoring S. 3348. This bill would increase by about 11 percent compensation payments to veterans whose disability is service connected.

Senator Talmadge amply demonstrated his leadership last year in authoring a bill, which recently became law, to make needed improvements and increases in the program of monthly payments to widows and orphans of servicemen and veterans whose death was related to their military service. Another bill he introduced, which passed the Senate and is now pending before the House Veterans Affairs Committee, would increase the amount of servicemen's group life insurance. It was my privilege to cosponsor those bills with him.

Mr. Chairman, the clearest need in the disability compensation program today is for an increase in the amount of monthly payments to veterans with service-connected disabilities. I strongly support the policy, incorporated in S. 3348, of linking the increase in these payments to increases in average earnings. This essential feature of the bill represents a long overdue recognition that these payments represent compensation for economic loss. Clearly, economic loss should be measured in terms of earnings rather than substance; thus, increases in compensation should be related to earnings rises rather than to increases in the cost of living.

Some time ago, the Subcommittee on Veterans Affairs of the Committee on Labor and Public Welfare, which I am privileged to chair, reported a bill—S. 1279—giving special recognition to the problems of former prisoners of war. The bill, which passed the Senate as reported on October 21, raised a presumption that the illness or disability of a former prisoner of war is service connected for purposes of receiving VA medical care—unless the Veterans' Administration has clear and convincing evidence that the illness or injury is not service connected. I believe that it is most appropriate that we extend this same policy in the case of disability compensation for former prisoners of war, as S. 3348 does. However, Mr. Chairman, I wish to bring to the Committee's attention some new information relative to this provision which I have received since the bill was introduced in January.

I have received several letters regarding prisoners taken in the Battle of the Bulge in World War II. These men were not held for six months because liberation intervened. I feel that the provision in section 3(b) of S. 3348 requiring 180 days of imprisonment before the service-connection presumption is triggered should be reconsidered by the Committee in light of this and perhaps other equally deserving situations.

Mr. Chairman, I agree with you that an increase in disability compensation is a legislative item of the highest priority during this session of Congress. It would be my hope that this legislation will move as expeditiously as possible through the legislative process in order that the increases authorized may be made available to deserving veterans without undue delay. And I congratulate you, Mr. Chairman, on your most expeditious scheduling of these hearings.

Senator TALMADGE. The first witness will be Mr. Olney B. Owen, Chief Benefits Director, Veterans' Administration.

Mr. Owen, I understand you just took the job about a month ago. Would you tell the committee what your experience has been before assuming your present position?

STATEMENT OF OLNEY B. OWEN, CHIEF BENEFITS DIRECTOR, VETERANS' ADMINISTRATION; ACCOMPANIED BY J. C. PECKARSKY, DEPUTY CHIEF BENEFITS DIRECTOR; JAMES T. TAAFFE, JR., DIRECTOR, COMPENSATION, PENSION, AND EDUCATION SERVICE; AND D. C. KNAPP, ASSISTANT GENERAL COUNSEL

Mr. OWEN. I would be glad to. I am a native of Kentucky and started working for the Veterans Administration in the Kentucky Office in 1945 as an Adjudicator.

This is the Division that processes claims for compensation and pension and now education.

In 1955, I became the Adjudication Officer and in 1959, the Manager of the Louisville VA Office.

Of course, the regional office has jurisdiction of not only the adjudication of compensation claims, pension and education claims, but the loan guarantee program also, and the Chief Attorneys program and the administrative activities related to these programs.

On February 2nd of this year, I was appointed the Chief Benefits Director.

Senator TALMADGE. Your background would seem to qualify you for your present position.

You may proceed.

Mr. OWEN. Mr. Chairman and members of the subcommittee:

I am pleased to appear before you this morning to present the views of the Veterans Administration on bills pending before the committee involving the disability compensation program. The Veterans Administration has filed with the committee detailed reports on nearly all of these bills.

I would particularly like to discuss one important phase of the program, namely, the rates of compensation payable to our service-connected disabled veterans. My remarks will be directed to S. 3348, which proposes a substantial increase of those rates.

At the outset, I would like to introduce the Veterans Administration officials who accompany me. They are: Mr. J. C. Peckarsky, Deputy Chief Benefits Director; Mr. James T. Taaffe, Jr., Director, Compensation, Pension, and Education Service; and Mr. D. C. Knapp, Assistant General Counsel.

S. 3348 proposes to increase, in varying amounts, the rates of compensation payable to wartime and peacetime veterans for service-connected disabilities and the additional monetary allowances provided such veterans for their dependents.

It would also presume as service connected any disability suffered by a veteran who was held as a prisoner of war or was forceably detained or interned by a foreign government or power for six months or more after January 31, 1955.

The basic rates of disability compensation payable in cases of wartime service currently range from \$23 for 10 percent disability to \$400 per month for total disability. An additional amount of \$47 per month is payable for the loss or loss of use of a foot, hand, both buttocks, or one or more creative organs, blindness of one eye, complete organic aphonia, or deafness of both ears. Conditions of helplessness, blindness, multiple amputations, and so forth, carry rates from \$500 to \$700 per month.

An additional allowance of \$300 per month is authorized for certain severely disabled veterans who are in need of regular aid and attendance for all periods during which they are not hospitalized at Government expense.

Certain seriously disabled veterans who are substantially confined to their house or immediate premises by their service-connected disabilities are eligible for the so-called "housebound" rate of \$450. Additional amounts are also payable to veterans 50 percent or more disabled for a wife, child, or dependent parents.

All rates of peacetime disability compensation are 80 percent of the wartime rates. There are currently over 2 million disabled veterans receiving compensation checks every month.

The basic purpose of the disability compensation program throughout its history has been to provide relief for the impaired earning capacity of veterans disabled as the result of their military service.

The amount payable generally varies according to the degree of disability which in turn is required by the law (38 U.S.C. 355) to represent, to the extent practicable, the average impairment in earning capacity resulting from such disability or combination of disabilities in civil occupations. The degree of a given veteran's loss of earning capacity is determined in accordance with Veterans Administration's Schedule for Rating Disabilities.

Since the disability compensation program was first established the Congress has periodically reviewed the rates of compensation provided as to their adequacy, and has made adjustments when such were deemed necessary. The rates of compensation were last increased by Public Law 90-493, effective January 1, 1969.

This law provided an across-the-board 8-percent increase for veterans whose disabilities were rated at 10 percent to 90 percent disabling, with a \$100 monthly increase provided for those rated as 100 percent disabled or who were being paid one of the higher statutory rates of compensation. These rather substantial rate increases have now been in effect for slightly more than 1 year.

The first section of S. 3348 proposes increases of the disability compensation rates ranging from 7.1 to 12.5 percent. All of the rates would be increased except those in subsections (k), (q), and (r) of section 314 of title 38, United States Code, which remain unchanged. The average, unweighted rate increase provided by the bill is 10.5 percent. Since January 1969, when the compensation rates were last increased, through the end of 1969, the cost of living—as reflected in the Consumer Price Index of the Bureau of Labor Statistics—has increased 6.1 percent.

Since then, the rise in the cost of living appears to have slowed somewhat and, as you know, strenuous efforts toward stabilization of the economy have been made.

In all of the compensation rate increases provided since 1952, the Congress has authorized greater assistance, by providing proportionately higher rate increases, to the more seriously disabled veterans than to those with less serious disabilities.

We believe that this approach—based on the ability of the less seriously disabled to make better economic adjustments than can those with greater disabilities—is sound.

In this connection, the Veterans' Administration, as you know, is now engaged in a study designed to factually and scientifically validate the accuracy of our schedule for rating disabilities, used in determining the degree of a given veteran's disability.

Our extensive economic validation study is designed for the specific purpose of revealing whether the economic impairment of each of the several thousand specific disabilities is correctly reflected in our rating schedule. Data obtained from our validation study may form a basis for reaching some reasonable conclusions with respect to the need for increased compensation rates. This should enable us to furnish, at a later date, more intelligent advice as to the soundness of the various rates for all categories of disability, accompanied by recommendations for such changes as may be justified.

I would like to point out that the percentage increases proposed in S. 3348 are in conflict with the concept of proportionately higher rates for the more seriously disabled. For example, the bill would increase the wartime compensation for a veteran 20 percent disabled from \$43 to \$48—an increase of 11.6 percent, while the increase for a 90-percent disabled veteran would be from \$226 to \$250—a 10.6-percent increase, and the percentage increases for those entitled to the highest statutory rates (under section 314 (n), (o), and (p)) would be only 8.0 percent, 7.1 percent and 7.1 percent, respectively.

In light of the foregoing, the Veterans' Administration is unable to endorse the rate increases proposed by the bill's first section and we urge that the committee defer consideration of this portion of the bill until more definite information is available as to the soundness of the various rates for the several categories of disabilities, as well as the adequacy of the existing rate structure generally.

Section 2 of S. 3348 proposes to increase the additional rates of compensation payable to veterans, pursuant to 38 U.S.C. 315, for their dependents (i.e., wife, children, and dependent parents). These additional allowances are payable to those veterans having a disability evaluated as 50 percent or more disabling. The rates were last increased, by Public Law 89-311, effective December 1, 1965, by approximately 8.7 percent.

The increases proposed by the bill range from around 8 to 12 percent, with an unweighted average of 8.2 percent. For the veteran with dependents, the law augments the compensation payment for average loss of earnings with an additional payment which recognizes his greater financial needs arising from his dependents.

Since our study concerning the economic validity of the rating schedule is not complete, we do not feel that the adequacy or inadequacy of the proposed increases of allowances for dependents can properly be evaluated at this time. We, therefore, again suggest that the increases proposed by section 2 of the bill be deferred pending the assembly of supportive data from our study.

Section 3 of S. 3348 would, if enacted, presume service connection for any disability that is ever suffered by a veteran who, for a period of not less than 180 days, was a prisoner of war or forceably detained or interned by a foreign government or power subsequent to January 31, 1955.

Under existing law, service connection may be granted for disabilities which are first evidenced after discharge from service, where the evidence is deemed adequate to warrant a finding, based on the application of sound medical principles, that the condition had its inception during the period of the veteran's active service.

In addition, the law (1) provides presumptive periods for the grant of service connection for chronic and tropical diseases that first become manifest after military service, in the case of veterans who have served at least 90 days during a period of war; (2) requires, where a veteran is seeking service connection for any disability, that due consideration be given to the places, types, and circumstances of his military service; and (3) provides liberal evidentiary rules in the case of those who engaged in combat.

Our regulations also attempt to treat former prisoners of war liberally. Physical examinations are particularly thorough, searching for disabilities common to prisoners of war even when they are not complained of, and we assign great weight to imprisonment under unsanitary conditions and to food deprivation in connection with gastrointestinal diseases.

All of these considerations permit the Veterans' Administration to reach an equitable decision on the basis of the facts of each individual case, with any reasonable doubts being resolved in favor of the former prisoner of war.

The Veterans' Administration believes that special consideration should be given to former prisoners of war and strives to assure that they will receive compensation and other benefits in full measure under existing law.

However, we do not think that the fact that a veteran was a prisoner of war for 180 days or more, standing alone, justifies a presumption that any disability the veteran may acquire at any time during the balance of his life is service connected, and requiring that the Veterans' Administration rebut that presumption with "clear and convincing" evidence.

The Veterans' Administration accordingly recommends that section 3 of this bill be not favorably considered by your committee.

It is estimated that the first two sections of S. 3348, if enacted, would affect some 2,017,000 veterans the first year at an additional cost of \$228.7 million. The number affected and the additional cost would increase slightly each year thereafter to 2,036,000 veterans at an additional cost of \$230.9 million during the fifth year. We do not have adequate information upon which to predicate an estimate of the additional cost of section 3 of the bill, if enacted.

In addition to S. 3348, which I have just discussed, there are a number of other bills pending before the committee proposing to amend the disability compensation program in various ways. With the Chairman's permission, I would like to submit for the record the Veterans' Administration reports on these measures.

Senator TALMADGE. Please do so and that material will be inserted in the record.

(The Veterans' Administration reports on each bill appears following the text of the bill, beginning on page 9.)

Mr. OWEN. I would also like to call the committee's attention to a Veterans' Administration recommendation that is pending before the committee. It is represented by the House-passed bill, H.R. 10912, which proposes to liberalize the conditions under which the Veterans' Administration effects recoupment from disability compensation otherwise payable to a veteran of the amount of disability severance pay he was awarded upon his separation from service.

As we noted in our letter of April 28, 1969, submitting the proposal to the President of the Senate, certain servicemen who are physically unfit to perform their military duties, but who are not eligible for retirement pay, are awarded disability severance pay when they are separated from service.

Current law requires that the severance pay be deducted from any disability compensation for the same disability to which the veteran becomes entitled.

Unfortunately, in an occasional case, the veteran's relatively minor disability unexpectedly changes into a totally disabling condition requiring prolonged hospitalization. This, of course, results in a termination of his income. While we grant him a 100-percent compensation rating, the recoupment provision continues to bar payment of the benefit to him. For example, a veteran discharged with rheumatoid arthritis in a single joint might receive \$5,000 or \$6,000 disability severance pay, to be recouped at the rate of \$23 per month—representing his 10-percent disability rating.

Should he suffer a severe exacerbation of his disease which renders him totally disabled, the severance pay would not be recovered for more than a year and he would therefore not be eligible to receive any disability compensation during that entire period.

Our bill proposes to limit the amount we would recover each month to the amount the veteran would be entitled to receive based on the degree of his disability of the initial Veterans' Administration disability rating. If enacted, this bill, while ultimately permitting recoupment of the disability severance pay, as the law now requires, would alleviate hardship situations of this type.

It would, therefore, achieve an equitable result without violating the long-standing prohibition against the double compensation of those concerned. I urge the committee to favorably consider this measure.

This completes my formal statement, Mr. Chairman. My associates and I will, of course, be pleased to answer any questions the members may have concerning these legislative proposals and the VA disability compensation program generally.

Thank you.

Senator TALMADGE. Mr. Owen, in your statement, you mention that a veteran 20 percent disabled would have his disability payment increased 11.6 percent, while the 90 percent disabled veteran would receive a 10.6 percent increase. I would just like to make the record clear that this results solely from rounding amounts to the nearest whole dollar. My bill does not intend to discriminate between veterans less than totally disabled.

You also make reference in your statement to the increase in the cost of living. In S. 3348 I propose to reflect an increase in average

earnings, rather than merely an increase in cost of living, since the compensation program is designed to compensate a veteran for his average earnings loss. Why shouldn't benefit increases be linked to increases in earnings?

Mr. OWEN. Mr. Chairman, I believe historically, the basis for your compensation increases enacted by the Congress has been related to the Consumer Price Index or increases in costs of living and basing it upon the average weekly earnings relates it only to one segment of the cost of living.

There is more that contributes to the cost of living than the weekly earnings. You are relating it, as I understand, to the earnings of a certain segment of the population rather than to the entire population.

Senator TALMADGE. Do you think it would be wrong to relate the increase to the loss in earnings?

Mr. PECKARSKY. No; Mr. Chairman, I don't believe that it would be wrong. I believe we have insufficient data at the present time to determine just what the relationship should be. I think that goes to the very heart of the economic validation of the Rating Schedule that is now underway which actually attempts to measure for the disabled veteran what his impairment in earnings is compared to the non-service-connected veteran.

At the moment, I don't think we are in a position to say yea or nay which is the better approach, sir.

Senator MILLER. I don't know how you would go about computing that but we are already supposedly doing that in determining comparability for purposes of pay raises. Is it not feasible for you to use the comparability studies to answer the question about how much increase there should be along the lines that Senator Talmadge suggests?

Mr. PECKARSKY. If the question were merely one of a relationship of the rate of compensation for services performed, yes, sir, we could use such a precedent, but the disability compensation structure under the law is far more complicated.

We have approximately 700 different diagnostic code entities in a schedule for rating disabilities. Under each of those diagnostic codes, there are varying levels of disability evaluation ranging by mandate of the law from 10 to 100 percent in 10 percent gradations. This gives us something like 3,000 individual diagnostic code evaluation cells that have to be compared based on average earnings with a nondisabled group. This is the mandate of the law in section 355 in title 38.

We have attempted to meet it based on best obtainable advice but we have not evaluated a schedule of what relationships actually should be. This is the gigantic test we are currently involved in, the economic validation program that Mr. Owen spoke of and hopefully, we expect to have meaningful data on this by the end of the year.

I wish the relationships were simpler than they are, but it is an extremely complicated business.

Senator MILLER. I appreciate the complexities you outline but you have to have the proper base to start out with, and that base is the comparable earnings that they would be receiving in private industry. To my knowledge, we have already done that. We are updating it all the time. I will grant you it may be a year behind schedule. As I recall the comparability provisions relate to a determination made about a year before, but I do not know whether you are using those

comparability studies in connection with your own study or what. It seems to me if we are doing this for all of the Civil Service people in Government you have a pretty valid base, granted it may be a year late. I don't know how you could get it much more current. But from that point on, I can understand the complexity, but it seems to me that what Senator Talmadge was getting at is why you cannot use something like the comparability studies as the base to which to apply these complicated factors. Is your answer that you can't use it or that you are using it?

Mr. PECKARSKY. No, quite the contrary. It could quite properly be used.

Senator MILLER. Are you using it?

Mr. PECKARSKY. No, sir, because under the law, the Congress determines the rate of compensation based on various gradations and these are contained in 38 U.S.C. § 314, sections (a) through (j) and the various statutory rates, (l) through (s). The mandate on the Veterans Administration is merely to determine what the precise disability evaluation level should be based on the economic impairment in civilian occupations on the average of every one of these many, many disability entities so that the base that the Congress uses, once the VA has said in its schedule these are the relationships it is certainly solely for the Congressional determination. All that Mr. Owen was pointing out was that historically, having once set the rates, Congress has used average Consumer Price Index increases or cost of living rather than wages.

All we are saying is the right of Congress to set the rates is unchallenged. We just have no information at the present time as to the relationship of disabilities to advise you as to what base to add to in these rates.

Senator TALMADGE. Mr. Owen, you recommended that the Congress postpone action on compensation increases until you complete a study that you are now undertaking. When did you begin this study?

Mr. OWEN. This study began last year with the Census Bureau sending out a questionnaire to about 480,000 veterans. The Census Bureau received about a 90 percent return on these. I want to emphasize these were confidential as to the Veterans Administration. We have no idea who these 480,000 were. This data is now in the process of being analyzed and I believe by about October 1970, we should have the first analysis of this study.

Senator TALMADGE. In other words, you intend to complete your study about October of this year?

Mr. OWEN. No, sir, Mr. Chairman, we do not expect it to be completed. We will have the first preliminary analysis and this analysis could be made available to your committee, but it would probably be toward the end of the year or early in 1971 when we would have the study completed.

Senator TALMADGE. Why shouldn't the committee take action in the meantime before you complete your study?

Mr. OWEN. Mr. Chairman, we certainly do not deny you the right of taking action, but I would like to point out that this study would be a basis to provide better advice to the committee as to the proper action. We may find certain disabilities that are not correctly established in the rating schedule at this time; others would be a greater

impairment of earning capacity than the schedule now provides, some could be less, some could be the same.

In this way, with the study, we could advise the committee more intelligently as to the effect of these disabilities on the earning capacity of the service-connected veteran.

Senator TALMADGE. Is it your position that no increase in compensation payments is justified?

Mr. OWEN. No, sir, I am not saying that, I am merely suggesting it be deferred until this study is completed which should certainly be within nine to 11 months.

Senator TALMADGE. Dependents' allowances have not been increased since 1965.

Mr. OWEN. That is correct.

Senator TALMADGE. Don't you feel that the increased costs alone that have taken place since that time justify an increase in these allowances?

Mr. OWEN. Again, we are merely recommending deferment until this study is completed so we will have a firm or intelligent basis for advice concerning the increases.

Senator TALMADGE. We know that the cost of living, since 1965, has gone up 20 to 25 percent. Doesn't that cry out for some type of adjustment?

Mr. OWEN. I would not deny that. I would just urge deferment until the study is completed.

Senator TALMADGE. Senator Miller?

Senator MILLER. Since January 1, 1969, when the last individual benefits were increased, you testified there has been an increase in the CPI of 6.1 percent up to now.

Mr. OWEN. Yes, sir.

Senator MILLER. When was the last time previous to January 1, 1969, that the benefits were increased?

Mr. OWEN. Sir, it was December 1, 1965.

Senator MILLER. Is that the same date that the dependents' increases were made?

Mr. OWEN. Yes, sir.

Senator MILLER. From December 1, 1965, to the present, how much increase in the CPI have we had?

Mr. OWEN. Sir, 30 points.

Senator MILLER. When you used 6.1 percent in your testimony, what would be a comparable figure for that period for 12 months?

Mr. PECKARSKY. On December 1, 1965, the Consumer Price Index stood at 110.6 and has risen to 123.7 since then, which is a rise in points of 13.1 points which would be, I believe, approximately 11 or 12 percent.

Senator MILLER. I thought Senator Talmadge said 20 percent.

Senator TALMADGE. I told him I thought the cost of living had increased 20 to 25 percent since 1965.

Senator MILLER. I know that and that is what I am trying to find out here so we know how much that has been.

Mr. OWEN. I think we can give that to you right now. In 1965 to 1969—

Senator MILLER. Do you mean from December 1, 1965?

Mr. OWEN. Yes, sir. The percentage of change is reflected by approximately 19 percent.

Mr. PECKARSKY. I withdraw my answer. The 19 is correct.

Senator MILLER. If it goes from 110.6 to 123.7 today, I don't believe it is that high.

Mr. PECKARSKY. I was wrong about those data. The last figures given you by Mr. Owen are correct.

Senator MILLER. What are those again? Let's have first of all the CPI on December 1, 1965. Was that 110.6?

Mr. PECKARSKY. 111. It is now 131.8.

Senator MILLER. From 111 to 131.8.

Mr. PECKARSKY. The change is 19.2 percent.

Senator MILLER. If we took the average benefits being paid today to individuals and we subtracted 19.2 percent out of that, would we have benefits that are on a comparable basis to December 1, 1965? In other words, is the purchasing power of the average disability benefit being paid today as good as, or less than, or greater than it would have been if the same disabled person was receiving his benefit back on December 1, 1965.

Mr. OWEN. It would take some calculation to determine it precisely, but the 19 percent is not reflected in the veteran's total compensation. This increase would pertain only to this payment that is given to him for his dependents.

Senator MILLER. I don't want to get dependents in on this discussion right now. I am just talking about the veterans. Suppose I am a disabled veteran and I am getting \$150 a month today. I look back at what I was getting on December 1, 1965 and I find that I was getting \$127.50. Now, we could very quickly find out, because of this 19.2-percent increase in the cost of living, whether or not the purchasing power of my benefit today is as good as, or less than, or better than it was back on December 1, 1965 when I received a lower benefit.

To me, this is a very important analysis that the committee should have the benefit of because I understand the desirability of doing a refined job on this study. But at the same time, I am concerned about the inroads of the cost of living. If I find that the person who is receiving a benefit today may be getting more dollars but his purchasing power is less than it was on December 1, 1965, I am concerned.

Mr. OWEN. We will be pleased to provide that to the committee.

Senator MILLER. I think it would be helpful.

Senator TALMADGE. I think the record has shown that compensation has gone up 8 percent for veterans less than totally disabled as against a 19-percent increase in cost of living.

Senator MILLER. Since 1965?

Senator TALMADGE. Yes, sir.

Mr. OWEN. Again, sir, this 19 percent only refers to the payments to the dependents because we did have a rate increase last year, January 1, 1969, as to the veteran's payment itself.

Senator MILLER. To me, if I am getting \$150 now and I was only getting \$127.50 on December 1, 1965, what is important is where is my purchasing power? I don't care about the dollars I am getting. Where is the purchasing power? I want to shrink the inflation out of my present benefit and compare its real dollar value to 1965. I think that is what we should have.

Mr. PECKARSKY. I think you will find that the percentage of change varies depending on the disability evaluation.

For example, as I recollect, the 10-percent evaluation which only went up \$2, which would be approximately an 8-percent increase, but the 100-percent evaluation went up \$100 which was a 33 $\frac{1}{3}$ -percent increase at that time.

Senator MILLER. If you can break this out a little bit, I think it might help us.

Mr. PECKARSKY. We can submit a table for the record which showed what happened to each of the evaluations since December of 1965.

Senator MILLER. Would you be able to give us the number of disabled veterans within each of those categories?

Mr. PECKARSKY. The number in those categories then or now?

Senator MILLER. Now.

Mr. PECKARSKY. Yes, sir.

Senator MILLER. You say there are some 2 million on the disability rolls today. Could you give use for the record a breakdown of how many of those are in the 10-percent disabled and how many are totally disabled and so on?

Mr. OWEN. Yes, sir.

Senator MILLER. Also, could you give us the amount of the cost of the disability payments within each of those categories?

Mr. OWEN. We can do it now or later.

Senator MILLER. I am not in any hurry for it, Mr. Chairman.

Senator TALMADGE. You can put it in the record.

(The information requested follows:)

COMPENSATION RATES VERSUS COST-OF-LIVING INCREASES (DEC. 1, 1965, TO FEB. 1, 1970)

[CPI: Dec. 1, 1965, 110.6; CPI: Feb. 1, 1970, 131.8 equals 19.2-percent increase]

Degree of disability	Monthly amount, Dec. 1, 1965	Monthly amount, Feb. 1, 1970	Proposed monthly amount	Annual dollar change		Percent of change		Number of current cases ¹	Current dollar amount
				Actual	proposed	Actual	proposed		
10 percent....	\$21	\$23	\$25	\$24	\$48	9.5	19.0	742,947	\$205,053,372
20 percent....	40	43	48	36	96	7.5	20.0	293,095	151,237,020
30 percent....	60	65	72	60	144	8.3	20.0	285,798	222,922,440
40 percent....	82	89	99	84	204	8.5	20.0	155,649	166,233,132
50 percent....	113	122	135	108	264	8.0	19.5	97,617	142,911,288
60 percent....	136	147	163	132	324	8.1	19.9	93,506	164,944,584
70 percent....	161	174	193	156	384	8.1	19.9	54,175	113,117,402
80 percent....	186	201	223	180	444	7.5	19.9	29,566	71,313,190
90 percent....	209	226	250	204	492	8.1	19.6	9,736	26,404,032
100 percent...	300	400	450	1,200	1,800	33.3	50.0	81,672	392,025,600
(L).....	400	500	550	1,200	1,800	25.0	37.5	4,673	28,038,000
(M).....	450	550	600	1,200	1,800	22.2	33.3	2,443	16,123,800
(N).....	525	625	675	1,200	1,800	19.0	28.6	331	2,482,500
(O).....	600	700	750	1,200	1,800	16.7	25.0		
(P).....	600	700	750	1,200	1,800	16.7	25.0	4,586	38,522,400
(R).....	250	300	300	600	600	20.0	20.0	6,450	23,220,000
(S).....	350	450	500	1,200	1,800	28.6	42.9	5,636	30,434,400

¹ Wartime cases only, most recent month.

Senator MILLER. Have you made any determinations on the experience with the Vietnam veterans as to whether or not there is a higher or lower percentage of these who are disabled by categories? Do you have any general findings on that?

Mr. OWEN. Yes, sir. We would compare this to the year after service for the World War II veteran. In one year after service, we had 1,500,000 on the rolls. In the Korean Conflict, we had 112,000 and the Vietnam era 29,000. Relating that to the percentage of the veteran population, in World War II, 11.9, Korean Conflict 3.7 percent and the Vietnam era 3.0 percent.

Senator MILLER. Does that mean that 3 percent of all service people who have served in the Vietnam Conflict are on the disability rolls?

Mr. OWEN. Those who have served since August 4, 1964, not necessarily service in Vietnam itself.

Senator MILLER. Have you any findings with respect to those who have served in the Vietnam theater?

Mr. OWEN. About 50 percent of this group has served in the Vietnam Combat Theater, but as to the percentage, we do not have at this time a figure on that.

Senator MILLER. Could you get that for us?

Mr. OWEN. We will certainly make an attempt to.

Senator MILLER. I think it would be of great interest to find out what percent of the men and women who have served in the Vietnam Theater are on the disability rolls.

Mr. OWEN. I would be glad to sir.

Senator MILLER. Also, the numbers and percentage.

Mr. OWEN. If you would like to add one other item as to the 100 percent impairment. It is eight-tenths of a percent in World War II, one year after World War II, Korean Conflict Four-tenths of a percent and the Vietnam era at the present time three-tenths of a percent.

Senator MILLER. If you could give us a breakdown of those by comparison, not only the one you just mentioned, but any others, I think it would be helpful, and then if you have any conclusions as to why there are these changes from, say, the Korean War and World War II, possibly much better evacuation methods, better medical treatment and so on. I think it would be helpful.

(The information requested follows. Testimony continues on p. 64.)

ESTIMATED NUMBER OF VIETNAM ERA¹ VETERANS WITH SERVICE IN VIETNAM, DEC. 31, 1969

Location of service	All Vietnam era veterans	Percent
Total.....	3,679,000	100.0
Service in Vietnam theater.....	1,196,000	32.5
No service in Vietnam theater.....	2,483,000	67.5

¹ Service after Aug. 4, 1964.

Note: About 55 percent of the veterans being separated currently from the Armed Forces have had service in the Vietnam theater. During the Korean conflict 46.6 percent of the participants had served in the Korean theater of operations.

Source: Approximately 1 percent sample of Armed Forces of the United States report of transfer or discharge (DD form 214) maintained by Reports and Statistics Service, Veterans' Administration.

Data on Army Troops Wounded in Vietnam—January 1965–June 1969

	<i>Number</i>
Wounded -----	150,500
Treatment Without Admission to Medical Facility -----	48,500
Admitted to Medical Treatment Facility -----	104,000
Required Admission to A Hospital -----	76,800
Medically Treated At Facility -----	27,200
<hr/>	
<i>Of the Admissions To A Hospital:</i>	
About 78% Returned To Duty -----	60,700
43% Returned To Duty In Vietnam -----	33,000
8% Returned To Duty Elsewhere in Pacific -----	6,100
23% Returned To Duty In Continental U.S. -----	21,600
About 10.4% Are Still Patients -----	8,000
0.7% In Vietnam -----	500
1.8% In Other Pacific Areas -----	1,400
7.9% In Continental U.S. -----	6,100

NOTES.—Of wounded admitted to medical treatment 2.5% have died from wounds. This is similar to the Korean Conflict, but less than the 4.5% for WW II. Vietnam deaths from combat occurred at a rate of 21.9 per 1,000 average troop strength per year; compared to 43.2 for Korea and 51.9 for the European Theater from June, 1944 thru May, 1945.

Soldiers with major amputations admitted to Amputation Centers in this country were: Of the wounded, Korea and WW II represented 2 to 2¼ % of the total hospitalized wounded compared to about 1% for Vietnam.

SOURCE.—Memo from: Admin. Assistant J. G. Connell, Jr., of Dep't of the Army, dated Jan. 20, 1970, to: Chief, Benefits Director.

**ACTIVE COMPENSATION CASES
NUMBER OF VETERANS RECEIVING COMPENSATION**

	World War II	Korean conflict	Vietnam era
Number on:			
June 30, 1945 -----	536,541		
June 30, 1953 -----		62,858	
June 30, 1968 -----			46,774
1 year later -----	1,519,013	112,514	95,124
2 years later -----	1,728,516	153,831	

PERCENT OF VETERAN POPULATION BY COMPARABLE PERIOD OF SERVICE RECEIVING COMPENSATION

Percent on:			
June 30, 1945 -----	21.7		
June 30, 1953 -----		3.1	
June 30, 1968 -----			2.1
1 year later -----	11.9	3.7	3.0
2 years later -----	12.0	3.8	

**PERCENT OF VETERAN POPULATION BY COMPARABLE PERIOD OF SERVICE RECEIVING COMPENSATION FOR
100-PERCENT IMPAIRMENT**

Percent on:			
June 30, 1945 -----	1.5		
June 30, 1953 -----		0.4	
June 30, 1968 -----			0.3
1 year later -----	.8	.4	.3
2 years later -----	.5	.4	

ACTIVE COMPENSATION CASES BY DEGREE OF IMPAIRMENT AND TYPE OF MAJOR DISABILITY
VIETNAM ERA VETERANS, DEC. 20, 1969

	Total	Tuberculosis	Psychiatric neurological	General medical and surgical
Total.....	128,171	1,670	26,458	100,043
No disability.....	132	1		131
10 percent.....	47,187	8	6,007	41,172
20 percent.....	19,468	6	1,336	18,126
30 percent.....	15,929	7	4,033	11,889
40 percent.....	9,834	7	1,319	8,506
50 percent.....	7,209	481	2,677	4,051
60 percent.....	5,976	70	1,180	4,726
70 percent.....	4,261	23	1,894	2,344
80 percent.....	2,369	7	725	1,637
90 percent.....	1,119		358	721
100 percent.....	14,687	1,060	6,689	6,738

SUBJECT: STATISTICAL DATA ON ARMY TROOPS WOUNDED IN VIETNAM—
JANUARY 1965-JUNE 1969

In Vietnam about 150,500 Army troops have been reported as wounded during the period of January 1965 through June 1969. Of these 46,500 about 31 percent, had wounds so minor that they could be treated and returned to duty immediately without admission to a medical treatment facility. Of the 104,000 admitted to some type of medical treatment facility about 76,800 required admission to a hospital.

About 79 percent of the wounded admitted to hospitals have already been returned to duty; 43 percent in Vietnam; 8 percent elsewhere in the Pacific areas; and 28 percent in continental United States. About 10.4 percent are still patients; 0.7 percent in Vietnam; 1.8 percent in other Pacific areas; and 7.9 percent in continental United States. Of all final dispositions of the hospitalized wounded to date, about 88 percent have been returned to duty.

Of the wounded admitted to medical treatment facilities, 2.5 percent have died of their wounds. This is similar to the 2.5 percent recorded for the Korean War, but markedly lower than the 4.5 percent for World War II.

The greatly increased use of helicopters in Vietnam for the rapid evacuation of wounded brings many patients to vitally needed surgery and definitive care much earlier than was previously possible. At the same time, by this procedure some mortally wounded patients whom no skill or care can save are now reaching hospitals alive, although in earlier conflicts they would have died on the battlefield and been considered and counted among the "killed in action". Despite this, the case fatality rate for the wounded who are admitted to medical treatment facilities is not higher but is, rather, the same as that of the Korean War, as was pointed out above.

When all deaths due to combat are considered, (killed in action, died of wounds, died while captured, and declared dead from a missing status) it is seen that such losses in Vietnam are at a lesser rate than in Korea or in Europe in World War II. In Vietnam from July 1965 through June 1969 deaths due to all combat causes occurred at a rate of 21.9 per thousand average troop strength per year, as compared to a rate of 43.2 for Korea and 51.9 for the European Theater of Operations from June 1944 through May 1945. In the period July 1965-June 1969 in Vietnam, Army troops who incurred nonfatal wounds were admitted to medical treatment facilities at a rate of 95.8 per 1,000 average strength per year. In Korea this rate was 121.1 and in ETO from D-Day to V-E Day it was 152.0. If percentage ratios of the surviving wounded are computed, it is seen that some 70.7 percent survived in all of World War II, 73.7 percent survived in the Korean War, and 81.4 percent have survived in Vietnam.

It is still too early to make any definitive assessment of the effects of this conflict in Vietnam in terms of such factors as retirements and separations for disability, and permanent residual effects of wounds, because at this point a

relatively large proportion of all the wounded still remain as hospital patients. Such indicators as are now available, however, seem to point towards marked improvement over previous experience. For example, in Korea and in World War II the number of soldiers with major amputations resulting from wounds, who were admitted to amputation centers in this country, represented 2 to 2½ percent of the total hospitalized wounded. Thus far, for Vietnam the corresponding proportion is about 1 percent. From January 1965 through June 1969, the Army general hospitals in this country have reported that 726 wounded patients have been admitted to their amputation services. From January 1965 through June 1969, a total of 733 major amputee Army patients have been transferred to Veterans Administration hospitals. During this same period, the number of blind or deaf Army patients so transferred was 97.

The available data on the physical agents causing wounds and deaths reflect the expected effects of the kind of combat in which our troops are engaged. Among the combat deaths much higher proportions are due to small arms fire, and to booby traps and mines, than in Korea or in World War II, and much lower proportions are due to artillery and other explosive projectile fragments than in these earlier conflicts. This effect is more pronounced among the deaths than among the wounded, generally. Among the nonfatal wounds the proportion due to small arms fire, is somewhat lower than in Korea or in WW II. The proportion due to booby traps and mines is considerably higher than in either of these past two wars, and the proportion due to explosive projectiles and fragments is slightly higher. Also, some 3 percent of the nonfatal wounds are due to punji stakes, which were not a factor in the earlier conflicts.

The nonfatal wounds (the cases where the specific causative agent was not recorded or was unknown are excluded).

DEATHS

[In percent]

	World War II	Korean War	Vietnam
All killed in action, died of wounds, etc.....	100	100	100
Small arms.....	32	33	52
Fragments.....	53	59	36
Booby traps, mines.....	3	4	10
Other.....	12	4	2

NONFATAL WOUNDS

[In percent]

	World War II	Korean War	Vietnam
All Nonfatal Wounds.....	100	100	100
Small arms.....	20	27	17
Fragments.....	62	61	65
Booby traps, mines.....	4	4	13
Punji stakes.....			3
Other.....	14	8	2

The major body of data now available for Vietnam on the anatomical location of wounds consists of a distribution of the hospital admissions of wounded in Vietnam over a 24-month period. Comparison with data for Korea and World War II is shown in the following table:

Anatomical location	World War II	Korea	Vietnam
All wounds.....	100	100	100
Head and neck.....	17	17	14
Thorax.....	7	7	7
Abdomen.....	8	7	5
Upper extremities.....	25	30	18
Lower extremities.....	40	37	36
Other sites.....	3	2	120

¹ The source reports say "many multiple wounds in which there was no single predominant location" were included in "other".

COMPARISON OF TOTAL DISABILITY RATINGS WORLD WAR II, KOREAN CONFLICT, AND VIETNAM

	Total on rolls	Number rated 100 percent	Percent rated total
World War II, June 1946.....	1,519,013	110,055	7.25
Korean conflict, June 1955.....	153,831	17,685	11.50
Vietnam, September 1969.....	110,738	12,824	11.58

COMPENSATION CASES ON VETERANS ADMINISTRATION ROLLS

	June 1967	June 1968	June 1969	Dec. 1969
Veterans.....	1,999,279	2,011,323	2,039,219	2,062,295
Spanish-American War.....	72	56	41	39
World War I.....	105,655	98,287	91,181	87,773
World War II.....	1,465,913	1,450,754	1,433,223	1,424,477
Korean.....	232,809	235,115	237,069	237,893
Vietnam.....	46,774	46,774	95,124	128,171
Peacetime.....	194,830	180,337	182,581	183,942
Survivors.....	362,937	367,905	372,480	372,448
Indian Wars.....		4	4	4
Civil War.....	35	31	31	31
Spanish-American War.....	556	503	466	446
World War I.....	39,252	38,713	38,239	37,747
World War II.....	225,436	221,558	217,534	214,267
Korean.....	40,126	40,176	40,083	39,758
Vietnam.....		19,511	28,181	32,168
Peacetime.....	57,532	47,409	47,942	48,027
Total compensation.....	2,362,216	2,379,228	2,411,699	2,434,743

COMPARISON OF AVERAGE DEGREE OF DISABILITY

	June 1968	June 1969	September 1969
Vietnam era.....	36.4	35.6	35.5
Korean conflict.....	31.5	31.6	31.7
World War II.....	28.3	28.4	28.5

AVERAGE DISABILITY COMPENSATION CASELOAD

	Actual, 1969	Estimate, 1970	Estimate, 1971
Vietnam era.....	70,434	121,000	160,000

NOTE

128,171 Vietnam era veterans on disability compensation roll as of December 1969.
 Rate of accretion is about 5,500 monthly (based on 1st 6 months); monthly rate for 1969 was 4,000.
 These data equate to an estimate of 161,000 Vietnam era veterans on the rolls as of June 1970, or an average of 130,000 for 1970. The 1970 estimate is low by at least 9,000 cases.

U.S. DEPARTMENT OF LABOR, BUREAU OF LABOR STATISTICS, WASHINGTON, D.C.

CONSUMER PRICE INDEX—UNITED STATES: ALL ITEMS

[1957-59=100]¹

Date	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970
January.....	102.2	103.8	104.5	106.0	107.7	108.9	111.0	114.7	118.6	124.1	131.8
February.....	102.4	103.9	104.8	106.1	107.6	108.9	111.6	114.8	119.0	124.6	-----
March.....	102.4	103.9	105.0	106.2	107.7	109.0	112.0	115.0	119.5	125.6	-----
April.....	102.9	103.9	105.2	106.2	107.8	109.3	112.5	115.3	119.9	126.4	-----
May.....	102.9	103.8	105.2	106.2	107.8	109.6	112.6	115.6	120.3	126.8	-----
June.....	103.1	104.0	105.3	106.6	108.0	110.1	112.9	116.0	120.9	127.6	-----
July.....	103.2	104.4	105.5	107.1	108.3	110.2	113.3	116.6	121.5	128.2	-----
August.....	103.2	104.3	105.3	107.1	108.2	110.0	113.8	116.9	121.9	128.7	-----
September.....	103.3	104.6	106.1	107.1	108.4	110.2	114.1	117.1	122.2	129.3	-----
October.....	103.7	104.6	106.0	107.2	108.5	110.4	114.5	117.5	122.9	129.8	-----
November.....	103.8	104.6	106.0	107.4	108.7	110.6	114.6	117.8	123.4	130.5	-----
December.....	103.9	104.5	105.8	107.6	108.8	111.0	114.7	118.2	123.7	131.3	-----
Average.....	103.1	104.2	105.4	106.7	108.1	109.85	113.1	116.3	121.2	127.4	-----
Percent increase.....	-----	-----	-----	-----	-----	1.7	3.0	2.8	4.2	6.1	-----

Benefit	Date of last change	Prior CPI	Current date	Current CPI	Change (percent)
Comp.:					
Veterans.....	Jan. 1, 1969	123.7	Jan. 31, 1970	131.8	6.5
Dependents.....	Dec. 1, 1965	110.6	-----	-----	19.2
DIC:					
Widows.....	Dec. 1, 1969	130.5	-----	-----	1.0
Children.....	Jan. 1, 1967	114.7	-----	-----	14.9
Parents.....	Jan. 1, 1969	123.7	-----	-----	6.5
Pension.....	do.....	123.7	-----	-----	6.5
Education:					
Ch. 31.....	Oct. 1, 1965	110.2	-----	-----	19.6
Ch. 34.....	Oct. 1, 1967	117.1	-----	-----	12.6
Ch. 35:					
Orphans.....	Nov. 1, 1965	110.4	-----	-----	19.4
Widows and wives.....	Dec. 1, 1968	123.4	-----	-----	6.8

¹ As of January 1962, the CPI, formerly calculated on the reference base 1949-59=100, has been converted to the new base, 1957-59=100 in compliance with recommendations of the U.S. Bureau of the Budget, Office of Statistical Standards

COMPENSATION INCREASES CHART

	1945	1946	1949	1952	1954	1957	1962	1965	1969
10 percent.....	\$11.50	\$13.80	\$15	\$15.75	\$17	\$19	\$20	\$21	\$23
20 percent.....	23.00	27.60	30	31.50	33	36	38	40	43
30 percent.....	34.50	41.40	45	47.25	50	55	58	60	65
40 percent.....	46.00	55.20	60	63.00	66	73	77	82	89
50 percent.....	57.50	69.00	75	86.25	91	100	107	113	122
60 percent.....	69.00	82.80	90	103.50	109	120	128	136	147
70 percent.....	80.50	96.60	105	120.75	127	140	149	161	174
80 percent.....	92.00	110.40	120	138.00	145	160	170	186	201
90 percent.....	103.50	124.20	135	155.25	163	179	191	209	226
100 percent.....	115.00	138.00	150	172.50	181	225	250	300	400
L.....	200.00	240.00	-----	266.00	279	308	340	400	500
M.....	235.00	282.00	-----	313.00	329	359	390	450	550
N.....	265.00	318.00	-----	353.00	371	401	440	525	625
O.....	300.00	360.00	-----	400.00	420	450	525	600	700
P.....	300.00	360.00	-----	400.00	420	450	525	600	700
R.....	(¹)	(¹)	(¹)	(¹)	(¹)	150	200	250	300
S.....	(¹)	(¹)	(¹)	(¹)	(¹)	265	290	350	450

¹ Effective 1958.¹ Effective 1960.

VETERANS OF ALL WARS AND REGULAR ESTABLISHMENT RECEIVING DISABILITY COMPENSATION
DEGREE OF IMPAIRMENT, TYPE OF MAJOR DISABILITY, JUNE 1969

Degree of impairment	Total				Tuberculosis (lungs and pleura)			Psychiatric and neurological diseases			General medical and surgical conditions					
	Number	Percent of total	Monthly value	Average monthly value	Number	Percent of total tuberculosis	Percent of degree of impairment	Average monthly value	Number	Percent of total psychiatric and neurological diseases	Percent of degree of impairment	Average monthly value	Number	Percent of total general medical and surgical conditions	Percent of degree of impairment	Average monthly value
Total.....	2,039,219	100.0	\$189,589,531	\$92.97	69,402	100.0	3.4	\$116.47	445,766	100.0	21.9	\$150.48	1,524,051	100.0	74.7	\$75.08
No disability..	15,098	.8	944,674	62.57	12,288	17.7	81.4	66.00	-----	-----	-----	-----	2,810	.2	18.6	47.55
10 percent....	805,674	39.5	18,421,367	22.86	906	1.3	.1	57.31	146,532	32.9	18.2	22.80	658,236	43.2	81.7	22.83
20 percent....	316,601	15.6	13,673,106	43.19	10,133	14.6	3.2	63.72	24,243	5.4	7.7	42.62	282,225	18.5	89.1	42.42
30 percent....	314,283	15.4	20,554,997	65.40	28,637	41.3	9.1	65.90	80,100	18.0	25.5	64.13	205,546	13.5	65.4	65.83
40 percent....	165,684	8.1	15,065,126	90.93	2,015	2.9	1.2	89.12	24,922	5.6	15.1	89.07	138,747	9.1	83.7	91.29
50 percent....	104,122	5.1	14,898,210	143.08	3,517	5.0	3.4	134.88	37,400	8.4	35.9	138.87	63,205	4.1	60.7	146.03
60 percent....	100,566	4.9	22,259,782	221.35	1,793	2.6	1.8	215.11	17,714	4.0	17.6	195.65	81,059	5.3	80.6	227.10
70 percent....	57,171	2.8	15,366,766	268.79	1,448	2.1	2.5	219.14	25,925	5.8	45.4	281.87	29,797	2.0	52.1	259.82
80 percent....	31,270	1.5	9,248,120	295.78	2,212	3.2	7.1	255.42	8,274	1.8	26.4	298.07	20,784	1.4	66.5	299.17
90 percent....	10,230	.5	3,450,545	337.30	160	.2	1.6	321.88	2,552	.6	24.9	342.02	7,518	.5	73.5	336.02
100 percent....	118,520	5.8	55,705,838	470.01	6,292	9.1	5.3	427.94	78,104	17.5	65.9	461.47	34,124	2.2	28.8	497.33

DISABILITY, WORLD WAR II, DEGREE OF IMPAIRMENT, TYPE OF MAJOR DISABILITY, JUNE 1969

Degree of impairment	Total				Tuberculosis (lungs and pleura)			Psychiatric and neurological diseases			General medical and surgical conditions					
	Number	Percent of total	Monthly value	Average monthly value	Number	Percent of total tuberculosis	Percent of degree of impairment	Average monthly value	Number	Percent of total psychiatric and neurological diseases	Percent of degree of impairment	Average monthly value	Number	Percent of total general medical and surgical conditions	Percent of degree of impairment	Average monthly value
Total.....	1,433,223	100.0	\$124,211,643	\$86.67	35,572	100.0	2.5	\$118.46	323,933	100.0	22.6	\$133.03	1,073,718	100.0	74.9	\$71.6 ²
No disability..	9,036	.6	579,692	64.15	7,750	21.8	85.8	67.00					1,286	.1	14.2	47.00
10 percent....	600,149	41.9	13,958,234	23.26	636	1.8	.1	57.08	121,080	37.4	20.2	23.09	478,433	44.6	79.7	23.26
20 percent....	217,025	15.1	9,393,720	43.28	271	.8	.1	66.01	18,624	5.7	8.6	43.18	198,130	18.4	91.3	43.26
30 percent....	222,726	15.5	14,773,592	66.33	17,786	50.0	8.0	67.05	60,798	18.8	27.3	65.13	144,142	13.4	64.7	66.75
40 percent....	117,238	8.2	10,765,947	91.83	863	2.4	.7	91.06	18,741	5.8	16.0	89.84	97,634	9.1	83.3	92.22
50 percent....	71,246	5.0	10,465,120	146.89	1,431	4.0	2.0	147.56	25,776	7.9	36.2	142.95	44,039	4.1	61.8	149.17
60 percent....	67,576	4.7	15,095,762	223.39	1,155	3.2	1.7	215.03	11,689	3.6	17.3	197.96	54,732	5.1	81.0	229.00
70 percent....	37,892	2.6	10,425,542	275.14	1,180	3.3	3.1	220.10	16,771	5.2	44.3	295.91	19,941	1.9	52.6	260.93
80 percent....	20,991	1.5	6,234,439	297.01	1,971	5.6	9.4	257.03	5,249	1.6	25.0	304.49	13,771	1.3	65.6	299.88
90 percent....	6,661	.5	2,259,742	339.25	133	.4	2.0	326.27	1,572	.5	23.6	342.15	4,956	.5	74.4	338.68
100 percent...	62,683	4.4	30,259,853	482.74	2,396	6.7	3.8	459.11	43,633	13.5	69.6	475.63	16,654	1.5	26.6	504.78

DISABILITY, WORLD WAR I, DEGREE OF IMPAIRMENT, TYPE OF MAJOR DISABILITY, JUNE 1969

Degree of impairment	Total				Tuberculosis (lungs and pleura)			Psychiatric and neurological diseases				General medical and surgical conditions				
	Number	Percent of total	Monthly value	Average monthly value	Number	Percent of total tuberculosis	Percent of degree of impairment	Average monthly value	Number	Percent of total psychiatric and neurological diseases	Percent of degree of impairment	Average monthly value	Number	Percent of total general medical and surgical conditions	Percent of degree of impairment	Average monthly value
Total.....	91,181	100.0	\$13,454,405	\$147.56	14,257	100.0	15.6	\$118.39	18,610	100.0	20.4	\$213.14	58,314	100.0	64.0	\$133.76
No disability	938	1.0	54,648	58.26	417	2.9	44.5	67.00					521	.9	55.5	51.26
10 percent	8,583	9.4	215,526	25.09	29	.2	.3	61.38	481	2.6	5.6	24.03	8,079	13.9	94.1	25.03
20 percent	20,782	22.8	1,100,230	52.94	9,700	68.0	46.7	65.88	1,096	5.9	5.3	42.60	9,986	17.1	48.0	41.40
30 percent	15,025	16.5	991,350	65.98	1,062	7.5	7.1	66.40	3,323	17.9	22.1	64.17	10,640	18.2	70.8	66.13
40 percent	9,605	10.5	870,575	90.64	683	4.8	7.1	89.43	1,563	8.4	16.3	88.63	7,359	12.6	76.6	91.18
50 percent	8,302	9.1	1,070,169	128.90	238	1.7	2.9	126.59	2,566	13.8	30.9	126.68	5,498	9.4	66.2	130.04
60 percent	8,518	9.4	1,945,527	228.41	193	1.3	2.3	288.33	1,868	10.0	21.9	164.54	6,457	11.1	75.8	245.10
70 percent	3,572	3.9	801,929	248.58	52	.4	1.5	237.23	1,230	6.6	34.4	245.39	2,290	3.9	64.1	250.55
80 percent	2,835	3.1	744,943	262.77	43	.3	1.5	251.37	902	4.8	31.8	235.83	1,890	3.3	66.7	275.88
90 percent	803	.9	236,881	295.00	11	.1	1.4	265.91	134	.7	16.7	278.43	658	1.1	81.9	298.86
100 percent	12,212	13.4	5,336,527	436.99	1,829	12.8	15.0	421.31	5,447	29.3	44.6	435.51	4,936	8.5	40.4	444.43

DISABILITY, KOREAN CONFLICT, DEGREE OF IMPAIRMENT, TYPE OF MAJOR DISABILITY, JUNE 1969

Degree of impairment	Total				Tuberculosis (lungs and pleura)				Psychiatric and neurological diseases				General medical and surgical conditions			
	Number	Percent of total	Monthly value	Average monthly value	Number	Percent of total tuberculosis	Percent of degree of impairment	Average monthly value	Number	Percent of total psychiatric and neuro-diseases	Percent of degree of impairment	Average monthly value	Number	Percent of total general medical and surgical conditions	Percent of degree of impairment	Average monthly value
Total..	237,069	100.0	\$24,826,049	\$104.72	11,902	100.0	5.0	\$86.80	44,633	100.0	18.8	\$213.64	180,534	100.0	76.2	\$78.97
No disability..	3,697	1.6	237,339	64.20	3,179	26.7	86.0	67.00					518	.3	14.0	47.00
10 percent..	86,988	36.7	2,049,227	23.56	163	1.4	.2	63.24	10,773	24.1	12.4	23.29	76,052	42.1	87.4	23.51
20 percent..	36,832	15.5	1,601,424	43.48	83	.7	.2	66.12	2,074	4.7	5.6	43.30	34,675	19.2	94.2	43.44
30 percent..	37,061	15.6	2,486,579	67.09	6,877	57.8	18.6	67.04	6,694	15.0	18.1	65.25	23,490	13.0	63.3	67.64
40 percent..	20,027	8.4	1,858,772	92.81	335	2.8	1.7	89.84	2,379	5.3	11.9	91.14	17,313	9.6	86.4	93.10
50 percent....	11,561	4.9	1,747,737	151.18	510	4.3	4.4	145.61	3,633	8.1	31.4	147.37	7,418	4.1	64.2	153.42
60 percent....	12,014	5.1	2,753,869	229.22	230	1.9	1.9	196.23	2,116	4.7	17.6	217.78	9,668	5.5	80.5	232.51
70 percent....	7,768	3.3	2,220,060	285.80	118	1.0	1.5	235.69	3,546	8.0	45.7	295.90	4,104	2.2	52.8	278.51
80 percent....	3,771	1.6	1,233,823	327.19	85	.7	2.2	281.39	1,009	2.3	26.8	336.83	2,677	1.5	71.0	365.01
90 percent....	1,407	.6	505,967	359.61	8	.1	.6	392.38	409	.9	29.1	371.27	990	.5	70.3	354.52
100 percent...	15,943	6.7	8,131,252	510.02	314	2.6	2.0	442.63	12,000	26.9	75.3	500.35	3,629	2.0	22.7	547.84

DISABILITY, VIETNAM ERA; DEGREE OF IMPAIRMENT, TYPE OF MAJOR DISABILITY, JUNE 1969

Degree of impairment	Total				Tuberculosis (lungs and pleura)			Psychiatric and neurological diseases			General medical and surgical conditions					
	Number	Percent of total	Monthly value	Average monthly value	Number	Percent of total tuberculosis	Percent of degree of impairment	Average monthly value	Number	Percent of total psychiatric and neurological diseases	Percent of degree of impairment	Average monthly value	Number	Percent of total general medical and surgical conditions	Percent of degree of impairment	Average monthly value
Total...	95,124	100.0	\$11,681,367	\$122.80	1,428	100.0	1.5	\$336.63	20,020	100.0	21.0	\$198.02	73,676	100.0	77.5	\$98.22
No disability...	118	.1	5,546	47.00	2	.1		23.00	4,514	22.6	12.9	23.29	118	.2	100.0	47.00
10 percent...	34,953	36.8	814,450	23.30	3	.2		43.00	960	4.8	6.7	43.03	30,437	41.3	87.1	23.30
20 percent...	14,457	15.2	625,756	43.28	3	.2		65.00	3,138	15.7	26.4	65.11	13,494	18.3	93.3	43.30
30 percent...	11,891	12.5	795,812	66.93	5	.3		89.00	905	4.5	12.8	91.85	8,748	11.9	73.6	67.58
40 percent...	7,060	7.4	670,940	95.03	6	.4	.1	135.99	2,011	10.0	38.3	130.63	6,149	8.4	87.1	95.51
50 percent...	5,260	5.5	715,949	136.11	349	24.4	6.6	170.64	826	4.1	19.4	194.47	2,900	3.9	55.1	139.93
60 percent...	4,258	4.5	879,888	206.64	44	3.1	1.0	207.80	1,340	6.7	44.9	243.45	3,388	4.6	79.6	210.08
70 percent...	2,987	3.1	735,685	246.30	15	1.1	.5	310.20	505	2.5	31.2	301.67	1,632	2.2	54.6	251.45
80 percent...	1,620	1.7	495,731	306.00	5	.4	.3		272	1.4	36.7	357.71	1,110	1.5	68.5	307.96
90 percent...	742	.8	263,460	355.07									470	.6	63.3	353.83
100 percent...	11,778	12.4	5,678,150	482.10	999	70.0	8.5	420.53	5,549	27.7	47.1	456.90	5,230	7.1	44.4	520.59

DISABILITY, SPANISH-AMERICAN WAR, DEGREE OF IMPAIRMENT, TYPE OF MAJOR DISABILITY, JUNE 1969

Degree of impairment	Total				Tuberculosis (lungs and pleura)			Psychiatric and neurological diseases			General medical and surgical conditions					
	Number	Percent of total	Monthly value	Average monthly value	Number	Percent of total tuberculosis	Percent of degree of impairment	Average monthly value	Number	Percent of total psychiatric and neurological diseases	Percent of degree of impairment	Average monthly value	Number	Percent of total general medical and surgical conditions	Percent of degree of impairment	Average monthly value
Total....	41	100.0	\$16,738	\$408.24	1	100.0	2.4	\$425.00	8	100.0	19.5	\$526.25	32	100.0	78.1	\$378.22
No disability.....																
10 percent.....	1	2.4	23	23.00									1	3.1	100.0	23.00
20 percent.....																
30 percent.....																
40 percent.....																
50 percent.....	1	2.4	135	135.00									1	3.1	100.0	135.00
60 percent.....	7	17.2	2,056	293.71									7	21.9	100.0	293.71
70 percent.....	2	4.9	413	206.50									2	6.3	100.0	206.50
80 percent.....	3	7.3	869	289.67									3	9.4	100.0	289.67
90 percent.....	1	2.4	472	472.00									1	3.1	100.0	472.00
100 percent.....	26	63.4	12,770	491.15	1	100.0	3.8	425.00	8	100.0	30.8	526.25	17	53.1	65.4	478.53

DISABILITY, REGULAR ESTABLISHMENT, DEGREE OF IMPAIRMENT, TYPE OF MAJOR DISABILITY, JUNE 1969

Degree of impairment	Total				Tuberculosis (lungs and pleura)			Psychiatric and neurological diseases			General medical and surgical conditions					
	Number	Percent of total	Monthly value	Average monthly value	Number	Percent of total tuberculosis	Percent of degree of impairment	Average monthly value	Number	Percent of total psychiatric and neurological diseases	Percent of degree of impairment	Average monthly value	Number	Percent of total general medical and surgical conditions	Percent of degree of impairment	Average monthly value
Total	182,581	100.0	\$15,399,329	\$84.34	6,242	100.0	3.4	\$106.89	38,562	100.0	21.1	\$168.92	137,777	100.0	75.5	\$59.65
No disability	1,309	.7	67,688	51.71	942	15.1	72.0	54.27	9,684	25.1	12.9	18.30	367	.3	28.0	45.15
10 percent	74,994	41.1	1,383,907	18.45	76	1.2	.1	45.88	1,489	3.9	5.4	34.47	65,234	47.4	87.0	18.44
20 percent	27,505	15.1	951,976	34.61	76	1.2	.3	52.83	6,147	15.9	22.3	52.51	25,940	18.8	94.3	31.57
30 percent	27,580	15.1	1,507,425	54.65	2,907	46.6	10.5	54.27	1,331	3.5	11.3	73.05	18,566	13.4	87.2	55.43
40 percent	11,754	6.4	898,892	76.48	123	2.1	1.1	72.47	1,331	3.5	11.3	73.05	10,292	7.5	87.6	76.97
50 percent	7,752	4.2	899,100	115.98	989	15.9	12.6	112.59	3,414	8.9	44.2	113.03	3,319	2.4	43.2	119.99
60 percent	8,193	4.4	1,582,580	193.16	171	2.7	2.1	169.88	1,215	3.1	14.8	183.55	6,807	4.9	83.1	195.46
70 percent	4,950	2.7	1,097,137	221.64	84	1.3	1.7	173.25	3,038	7.9	61.4	221.01	1,828	1.3	35.9	224.92
80 percent	2,050	1.1	539,315	263.08	108	1.7	5.3	204.76	609	1.6	29.7	267.73	1,333	1.0	65.0	265.68
90 percent	616	.3	184,023	298.74	8	.1	1.3	255.25	165	.5	26.8	294.89	443	.3	71.9	300.96
100 percent	15,878	8.9	6,287,286	395.97	753	12.1	4.8	348.56	11,467	29.7	72.2	381.38	3,658	2.7	23.0	451.50

Senator TALMADGE. Thank you very much, Mr. Owen, and your associates.

Our next witness is Mr. Charles L. Huber, National Director of Legislation, Disabled American Veterans.

STATEMENT OF CHARLES L. HUBER, NATIONAL DIRECTOR OF LEGISLATION, DISABLED AMERICAN VETERANS; ACCOMPANIED BY WILLIAM FLAHERTY, ASSISTANT DIRECTOR OF LEGISLATION; AND WILLIAM GARDNER, ASSISTANT DIRECTOR OF RESEARCH

Mr. HUBER. Mr. Chairman and members of the subcommittee:

I appreciate the opportunity of appearing before the subcommittee to express the views of the Disabled American Veterans on the disability compensation and related bills which you have under consideration.

Mr. Chairman, we have prepared a comprehensive statement containing the full text of our views and the merits of these pending measures. With your permission, Sir, I would like to submit this statement for the record and then express in summary fashion some general thoughts with respect to each proposal.

At the outset, Mr. Chairman, I want to take this occasion to commend and congratulate you and the subcommittee members on the accomplishments attained during the 1st Session of the 91st Congress.

Shortly after the formation of the subcommittee last year, the chairman took immediate and effective action to bring about needed improvements in the dependency and indemnity compensation program. As a result of the subcommittee's initiative, generous increases in DIC payments were authorized for well-deserving widows and children of veterans whose deaths were service related.

Senator TALMADGE. If you would yield at that point, the Chair desires to express on behalf of the full committee deep appreciation for your generous statement, and I want to point out that this subcommittee and the Finance Committee are wholly nonpartisan in these efforts. Every action this subcommittee has taken to date has been by unanimous vote.

Mr. HUBER. Certainly we appreciate that.

The DAV is most grateful to the subcommittee for its vigorous effort in securing approval of these new and improved survivors' benefits which helped so much to enhance the living standards of our nation's war widows.

We also want to pay tribute to staff members Tom Vail of the full Senate Finance Committee, and Mike Stern of the subcommittee, both of whom have at all times performed their duties with a deep sense of dedication to the committee and to the cause of America's veterans.

Scheduling hearings on the disability compensation program promptly in the 2nd Session of the 91st Congress indicates quite clearly that the subcommittee intends to remain a strong, effective and persuasive force in the affairs of the nation's war veterans and their dependents.

Moving now to the subject matter of this hearing, Mr. Chairman, the DAV most emphatically supports the enactment of S. 3348, the bill which you so thoughtfully introduced early in this current session of the Congress. The bill has three principal features which, if enacted, would serve to satisfy resolutions adopted by the DAV National Convention.

The bill would increase by 11 percent all basic rates of disability compensation, as well as the amounts of additional compensation for dependents payable to veterans 50 percent or more disabled.

Finally, the bill would provide a presumption of service connection for disability incurred by a veteran who was a prisoner of war for at least six months.

Mr. Chairman, there are four other compensation bills pending before the subcommittee which, if enacted, would also satisfy resolutions adopted by the DAV National Convention.

The first of these is S. 357, a bill to provide a long-delayed and long-deserved increase in the single statutory awards payable to veterans for the service incurred loss or loss of use of a single extremity or body organ.

H.R. 10912 would permit the recoupment of disability compensation at a monthly rate not in excess of the compensation to which the veteran would be entitled based on the degree of disability as determined in the initial Veterans Administration rating.

S. 2505 would authorize an annual clothing allowance of \$300 to veterans who, because of service-connected disabilities, are constrained to wear prosthetic appliances which tend to tear or wear out their clothing.

S. 2504 would extend eligibility for dependency allowances to all eligible veterans with compensable service-connected disabilities.

The final bill, H.R. 10106, would permit the recognition of an adopted child of a veteran as a dependent from the date of issuance of an interlocutory decree, and authorize benefits on behalf of such child from the date of that decree, if otherwise eligible.

Mr. Chairman, in our detailed statement which we are submitting for the record, we analyze each of these bills and explain the reasons why we feel their enactment is necessary and desirable.

We know that the subcommittee will give each proposal full and sympathetic consideration and that this will be done at the earliest possible moment.

Again, Mr. Chairman, many thanks for giving us the opportunity to present the views of the Disabled American Veterans in these important legislative matters.

Senator TALMADGE. You may rest assured, Mr. Huber, at the earliest possible opportunity the committee will give consideration to all of these bills that you have mentioned.

Senator MILLER?

Senator MILLER. With regard to this last bill you commented on, H.R. 10106, which you say would permit benefits on behalf of the child from the date of the interlocutory decree, what change does that make? What is the present law?

Mr. HUBER. They only pay benefits under the current law when the final decree is given. This bill would permit an earlier payment. Actually, the adopted parents have this child in their custody and so have the expense of raising it.

Senator MILLER. No further questions.

Senator TALMADGE. Thank you very much, Mr. Huber.

Mr. HUBER. If I may, Mr. Chairman, I would like to make one comment on the CPI phase of the compensation program.

The last compensation bill approved by the Congress, the CPI was only figured to April 1, 1968. This bill was not effective until January 1, 1969, but during that interim there was a 3.8 percent increase in the CPI. During 1969, there was a 6.1 percent increase, and during January of this year there has been four-tenths of 1 percent, so actually you have a 10.3 percent increase in the CPI alone from the time they stopped figuring the CPI and the last cost-of-living increases. Even figuring that way and not considering the philosophy of your bill, you still come out about the same.

This has not been mentioned yet this morning.

Senator MILLER. That is the very reason why I asked the representatives of the VA to give us the picture down to date, so we know where we are as of now on this CPI.

In that connection, I would just offer this thought, that if we follow this CPI, we might be better off in the present period at least than if we used some kind of a comparable computation which is going to be about a year late.

Do you have any thoughts on those comparability statistics in connection with computing increases for disability benefits?

Mr. HUBER. I missed the first part of your question.

Senator MILLER. The VA representatives indicated they could use and perhaps are using somewhat these comparability studies which are used as a basis for determining increases in Civil Service salaries. But the problem I see and I think you would have is that these studies are ordinarily made for a period that ends about a year before the comparability increases go into effect. So you have a 1-year time lag.

I don't know how else we are going to get comparability without good studies, and I don't see how we are going to avoid a certain time lag. I do not know whether you would prefer to follow something like the comparability studies or whether you would prefer to follow the CPI.

My suggestion to you is that we might come out better if we used the CPI because we can compute that right up to last month. Do you have any preferences on that?

Mr. HUBER. Mr. Gardner tells me also that wage information is available monthly.

Senator MILLER. Wage information, but not comparability studies.

Mr. HUBER. Even under the current law, compensation is supposed to be paid on the basis of the impairment of earning capacity of the average person. That means compensation ought to be comparable to the average earnings, and it certainly is not at this point.

For example, a 10 percent or 90 percent veteran is not given 90 percent of 100 percent. He is only given about 60 percent of 100 percent, when based on rates. I think there is a lack of valid data available on which to base a judgment. I think perhaps the VA study will throw some more light on this, but I certainly do not believe there is any reason to wait until that study is completed.

The Veterans' Administration made the same recommendations in 1968—wait and study.

Senator MILLER. I wish we could come up with some finalized analysis so that we would know what are truly comparable losses of earnings by various disability categories, and then a year or two later, whenever Congress sees fit to operate, all we have to do is just update them by the CPI. It would make it infinitely simpler for us and I am sure for you.

But, as it is now, I get the impression that if we just apply an across-the-board CPI factor, we may be doing equity in some cases, but in other cases we may not.

Mr. HUBER. That is true, and we would agree.

Senator MILLER. I have no further questions.

Senator TALMADGE. Thank you very much, Mr. Huber, together with your associates.

(Mr. Huber's prepared statement follows:)

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

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE: I am pleased to come before you to present the views of the Disabled American Veterans on legislation relating to the disability compensation program for veterans who are disabled as a result of service in the Armed Forces.

Before proceeding to the substance of our statement, Mr. Chairman, I want to take this occasion to commend and congratulate you and the subcommittee members on the accomplishments attained during the 1st Session of the 91st Congress.

I want to recall for the record that, although the Subcommittee was created just a year ago, it very quickly gave recognition to the principle that the country owes a particular responsibility to war veterans, their dependents and survivors.

This recognition was given practical effect when the Subcommittee initiated the action which brought to passage last session legislation granting increases in the Dependency and Indemnity Compensation payments to 108,200 widows and 35,200 minor children of veterans whose deaths were service related.

The legislation also widened the range of death benefits by authorizing additional Dependency and Indemnity Compensation payments of \$20 a month for each minor child of deceased veterans, and supplemental payments of \$50 monthly for widows who require regular aid and attendance.

The DAV is most grateful to the Subcommittee for its efforts to secure approval of these new and enlarged benefits which helped so much to improve the living standards of these deserving war widows.

We are grateful also for the Subcommittee's actions last year which brought about Senate approval of bills to expand and improve the servicemen's group life insurance program and establish a new special life insurance program for veterans of the Vietnam Era.

I want to pay special tribute to Staff Members Tom Vail, of the full Finance Committee, and Mike Stern, of the Subcommittee who have at all times performed their work with a deep sense of dedication to the Committee and to the cause of America's veterans.

Moving now to the subject matter of this hearing, Mr. Chairman, the DAV most emphatically supports the enactment of S. 3348, the bill which you so thoughtfully introduced early in this current session of the 91st Congress.

The bill has three principal features which, if enacted, would serve to satisfy resolutions adopted by the National Convention of the Disabled American Veterans.

The proposals would increase by 11 percent all basic rates of disability compensation, as well as the amounts of additional compensation for dependents payable to veterans 50 percent or more disabled. Further the bill would grant service connection on a presumptive basis for any disability incurred by a veteran who was held as a prisoner of war for six months or more during wartime or after January 31, 1955. This presumption can be rebutted by clear and convincing evidence that the disability was not incurred in or aggravated by that service.

In urging approval of the compensation rates set forth in the bill, Mr. Chairman, it should be recorded that throughout the years successive Congresses of the United States have maintained that disabilities incurred as a result of serv-

ice in our Armed Forces entitled the sufferer to very special recognition and gratitude from the Nation; and it has been accepted that compensation payments should be adequate to meet the particular needs of those who are disabled, and that these needs should be met by providing payments based on the ingredients of understanding and compassion.

In your remarks accompanying the introduction of S. 3348, Mr. Chairman, you gave meaning to this long-established practice when you stated that, "There is no way to adequately compensate a veteran who has lost a limb or an eye, or a veteran who has suffered irreparable psychological damage in the service of his country." You said that, "The Congress has never sought to repay the disabled American veteran for the pain and suffering, physical and mental, which a disability often brings." You asked the question, "Can you place a price tag on the value of one's eyesight? Can you attach a dollar value to a man's ability to be a working productive member of society?"

Continuing your remarks, Mr. Chairman, you declared that, "The Purpose (of compensation) is to compensate the veteran for the average economic loss resulting from the disease or injury sustained during his military service. Thus, compensation payments are based not on need, but on the degree of disability of the veteran."

Your remarks give substance to the basic and fundamental fact that VA compensation represents payment borne as a direct charge upon the Treasury for disability, which in turn represents the average impairment in earning capacity resulting from that disability.

The basic rates of compensation payable in wartime cases currently range from \$23 for a 10 percent disability to \$400 a month for total disability.

Of the more than 2 million veterans on the compensation rolls, there are approximately 118,000 whose income is limited solely to monthly compensation payments. During 1967-68, these deserving veterans, whose disabilities resulted directly from their service in our Armed Forces, saw their ability to live by reasonable standards being eroded more rapidly than ever before.

Recognizing that this group has a special right to expect that their standard of living should be maintained at a reasonable level, the Congress acted on legislation which, when approved as Public Law 91-493 on August 19, 1968, inaugurated a new concept regarding compensation payments for the totally-disabled veteran.

Effective January 1, 1969, the new law increased the 100 percent basic rate by \$100 a month, which brought the totally-disabled veteran's annual income up to a level roughly equivalent to the after-tax earnings of the Nation's 46 million production workers employed in private industry.

As pointed out in your introductory remarks on S. 3348, Mr. Chairman, the latest available figures from the Department of Labor indicate that the wages of the average production worker were increased approximately 11 percent in 1969, and his monthly after-tax earnings are now approaching \$450. Moreover, wages are expected to keep on rising at a high rate through the current year.

S. 3348 would continue the precedent established in 1968 by authorizing for the totally-disabled veteran compensation comparable to the wages received by his able-bodied contemporaries. We are pleased to note that this same principle of tying increased earnings to compensation payments would be applied also to those veterans whose disabilities are rated less than total.

We are certain that thoughtful consideration by the Subcommittee, the full Committee, and the Congress will result in approval of the well-deserved compensation increases proposed in S. 3348.

As you know, Mr. Chairman, under existing law any veteran entitled to compensation for disability incurred in or aggravated by active service and whose disability is rated not less than 50 percent is entitled to additional compensation for his dependents. S. 3348 would increase these monthly allowances by 11 percent.

The group of veterans involved here are in the critical level of severe disability which reflects substantial economic impairment.

Because of the loss of earning capacity and the steadily increasing costs of education, medical care, food, clothing, and other items of maintenance, many of these seriously-disabled veterans are in dire need of assistance to support their dependents.

These additional rates of compensation were last increased by Public Law 89-311, effective December 1, 1965. We think the Chairman's proposal to increase these allowances by 11 percent is timely, is appropriate, and will be much appreciated by these worthy beneficiaries.

Section 3 of the bill, as mentioned earlier, would provide a presumption of service connection for a disability incurred by a veteran who was a prisoner of war for at least six months.

The DAV supports the principle of this proposal because it is a well-established fact that the treatment accorded nearly all American prisoners of war is substandard in terms of nutrition, fatigue, stress, and lack of medical care.

American servicemen who were captured by the enemy during wartime were subjected to mental stress and extreme hardship that is not generally recorded in their service medical records, and thus cannot be considered or appraised by the Veterans Administration.

Indeed, medical records are so difficult to secure that it is often impossible for ex-prisoners of war to establish service connection for disabilities that in all likelihood are traceable to their days of imprisonment.

The "National Conference on the Later Effects of Imprisonment and Deportation" conducted at The Hague in November 1961, reached the opinion that there exists ailments and disabilities which appear long afterwards among prisoners who were interned or imprisoned in concentration camps. The Conference concluded that these effects can become manifest at any time after liberation, and no time limit can be set for their appearances. These effects can also be found among former prisoners of war who lived under exceptional conditions of stress.

In its report, the Conference recommended that complete free medical care, both preventive and curative, be provided to persons who were interned or imprisoned in prisoner-of-war or concentration camps.

We urge approval of Section 3 of S. 3348 since it would give recognition to the extreme physical and psychic trauma suffered by American POW's as a result of exceptionally-severe conditions and hardships of their internment.

Mr. Chairman, there are four other compensation bills pending before the Subcommittee which, if enacted, would satisfy resolutions adopted by the DAV National Convention.

The first of these is S. 357, a bill to provide a long-delayed and long-deserved increase in the single statutory awards payable to disabled veterans under subparagraph (k) of Section 314, title 38, U.S. Code, for loss, or loss of use of, a single extremity or body organ.

Although the basic rates of disability compensation have been increased at more-or-less regular intervals over the years and were most welcome, the monthly rates for these single statutory awards have remained constant since July 1, 1952, at which time there was granted an increase of \$5 a month over the rate prevailing since September 1, 1946.

It is significant to note that the Bureau of the Budget—ever since the 85th Congress—has consistently opposed legislation to increase these statutory awards. The reason given is that a "current" study is being conducted to determine the validity of the Veterans Administration's Schedule for rating disabilities. After fourteen years, it seems to us that the Bureau of the Budget's reason for opposing this legislation has become rather threadbare.

Like you, Mr. Chairman, the DAV "awaits with great interest" the results of the VA study. However, we believe that an adjustment in these special statutory awards is long overdue and that the Congress should act now to increase the payments this year. This request seems reasonable in view of the fact that the VA is uncertain as to when its study will be completed.

The conditions which are the basis for these special monthly payments include disabilities that can never be adequately compensated for in terms of monetary benefits alone. Not only is physical ability impaired, but the loss of an extremity or an organ very often has a lasting adverse effect upon the individual's social and economic well-being.

Since the cost of goods and services has risen substantially during the 1952-1970 period, we believe a generous increase in the statutory payments for these disabilities is justifiable. We urge the Subcommittee's favorable consideration of this bill.

H.R. 10912. This bill provides that the recoupment of disability compensation shall be at a monthly rate not in excess of the compensation to which the veteran would be entitled based on the degree of disability as determined in the initial VA rating.

Under present law, members of our Armed Forces who are rendered permanently unfit to perform their military duties because of a service-incurred disability may, under certain specified conditions, be granted disability severance pay, which is a lump-sum, non-recurring benefit computed on the basis of rank and length of service.

Present law requires, however, that the amount of such severance pay shall be deducted from any compensation for the same disability to which the veteran may be entitled under laws administered by the Veterans Administration. As severance pay often amounts to several thousands of dollars, and recoupment of this amount from disability compensation generally requires an extended period of time, the present recoupment provisions often result in hardship situations.

On many occasions, the service-connected condition which may have been rated at 10-to-30 percent disabling at the time of discharge unexpectedly changes into a totally-disabling condition with consequent termination of the veteran's income from employment.

In these instances, the veteran may be granted a 100 percent disability rating by the Veterans Administration, but the recoupment provisions continue to bar the payment of disability compensation until such time as the full amount of severance pay has been recouped.

Under the terms of H.R. 10912, the rate at which disability severance pay may be recouped would be limited to a monthly amount not in excess of the compensation to which the veteran would currently be entitled for the degree of disability assigned on his initial VA rating. The balance between that amount and any increased evaluation would be made payable to the veteran rather than being applied toward the recoupment of his severance pay.

We urge the Committee to give favorable consideration to this meritorious proposal.

S. 2502. This bill would amend title 38 of the U.S. Code to authorize an annual clothing allowance of \$300 to veterans who, because of service-connected disabilities, are constrained to wear prosthetic appliances, which tend to wear out or tear their clothing.

The proposal expressed in this bill is a matter of special importance to veterans who suffer with limb amputations. It is a hard fact that the necessary prosthetic appliances hasten the wearing-out process of items of clothing. Trousers and sleeves of jackets are particularly subject to tearing or wearing out very quickly.

We think it most fair and equitable that these veterans be compensated with an allowance; and we urge the Committee's approval of this deserving and appealing relief measure.

S. 2504 would extend eligibility for dependency allowances to all eligible veterans with compensable service-connected disabilities.

As mentioned previously, existing law provides that a veteran with a service-connected disability rated at 50 percent or more is entitled to additional compensation for his wife, his children, and his dependent parents.

Veterans rated 10 through 40 percent disabled are not presently entitled to these additional payments. Many of the disabilities rated less than 50 percent for compensation purposes reflect a high degree of industrial impairment. These disabilities include amputation, blindness in one eye, extensive muscle damage, and severe symptoms associated with diseases covering all systems of the body.

The DAV believes that the extension of these dependency allowances to all veterans with compensable disabilities is proper and desirable, and we urge the Subcommittee's favorable consideration of this proposal.

H.R. 10106, as approved by the House of Representatives on October 6, 1969, revises the definition of a "child" for purposes of veterans benefits to recognize an adopted child as a dependent from the time of the issuance of an interlocutory decree.

On February 10, 1970, the distinguished Chairman of this Subcommittee, for himself and Senator Cranston, submitted an amendment to the House passed bill which was designed to improve and expand two aspects of the Dependency and Indemnity Compensation program for widows and orphans of servicemen and veterans whose death was related to military service.

The amendment (No. 494) would correct a deficiency in the DIC legislation enacted by the Congress last year which increased by 10 percent the monthly payments to the children of deceased veterans where there is no widow entitled and by removing an inequity in the law through an extension of DIC benefits to certain survivors of veterans who were insured under government life insurance on a premium-free basis.

While we have no National Convention mandate on this latter provision, Mr. Chairman, we believe it has substantial merit and we fully support its passage. Moreover, in accordance with our Convention mandate, we strongly support that portion of the amendment which provides a long delayed increase in DIC pay-

ments for an estimated 44,000 children of deceased veterans who were overlooked at the time when rates were last adjusted.

In closing, Mr. Chairman, I want to say again that you and the members of the Subcommittee have been very responsive and warmly compassionate to the needs of America's veterans and their dependents.

On behalf of the DAV, I want to thank you very much, indeed.

Senator TALMADGE. The next witness is Mr. Charles E. Mattingly, National Legislative Commission, American Legion, accompanied by Mr. Edward H. Golembieski, director, National Rehabilitation Commission of the American Legion.

STATEMENT OF CHARLES E. MATTINGLY, NATIONAL LEGISLATIVE COMMISSION, AMERICAN LEGION; ACCOMPANIED BY EDWARD H. GOLEMBIESKI, DIRECTOR, NATIONAL REHABILITATION COMMISSION, AMERICAN LEGION

Mr. MATTINGLY. On behalf of the American Legion, I want to thank you for this opportunity to make known to you and members of the subcommittee the position of the American Legion with reference to improvements in the veterans' compensation program.

Our program commission charged with services to veterans, including the compensation program, is our National Rehabilitation Commission. Mr. Chairman, our expert in this area and Director of our National Rehabilitation Commission is with me this morning. I would like to introduce him as our chief witness, Mr. Edward H. Golembieski.

Senator TALMADGE. We are delighted to have you, sir. We will insert your full statement in the record, and you may summarize it if you wish, Mr. Golembieski.

Mr. GOLEMBIESKI. Mr. Chairman, you do have our prepared statement. We are appreciative of the fact that you are holding these hearings to inquire into the possibility of increasing the compensation rates not only for the veterans, but for their dependents as well, and to make other improvements in the law in the area of veterans affairs.

From my statement, you will note that in general we do support the three bills mentioned in our statement.

One area of some doubt in our minds was on section 3 of S. 3348 where we questioned whether the 180 days was a valid elapsed time as a prisoner of war or a period to be held in interment or detention as a measure of whether a disability was or was not incurred during that period of detention or as a POW.

In our statement we referred to the fact that we have urged the National Research Council to do a study on the long-range effects of prisoner of war experiences, to see what trauma, either mental or physical, would do in the long range. However, we are not opposing it. The only thing we do question is, whether the 180 day reservation you have there is a valid one. We have nothing to say that it isn't. We would prefer to perhaps leave the elapsed time open and let the burden of proof rest with the Administrator to rebut it with clear and convincing evidence.

Senator TALMADGE. Without reference to any time whatever?

Mr. GOLEMBIESKI. Yes, sir.

Senator TALMADGE. If you have any additional views on that, we would appreciate your submitting them for the record.

Senator MILLER. Did you say there is a study now being made on that?

Mr. GOLEMBIESKI. We had a series of resolutions coming to our conventions urging that the schedule be amended to provide a prisoner of war syndrome and doing other adjustments in the law. We felt we did not know enough about it. A study had been done in 1954. The monograph that was published by the National Research Council in conjunction with the VA and Department of Defense was inconclusive. In 1963, we urged another study. That study is now in progress and it is my understanding that it should be wrapped up in about a year.

We have some of the advance data on it, but not the total report. Until we do get that final report, the American Legion insofar as urging other adjustments in the law or the schedule is going to keep these resolutions in a deferred status. We have no objection at this time, though, to this provision of the law, if the committee so wills.

Senator TALMADGE. Senator Miller?

Senator MILLER. On that point, I think we could all understand how a man could be confined as a prisoner of war under particularly nice conditions for 6 months and the chances of having a disability would be far, far less than somebody confined for only 2 weeks under terrible conditions. This is the problem I have with an arbitrary number of days without any regard to conditions or the possibilities of certain diseases being incurred which might be much greater, say, in North Vietnam, than in some other part of the world.

It would seem that perhaps a refinement, perhaps a presumption if certain diseases or certain symptoms show up later on of a certain category, instead of just whether it is any kind of a disability. If it is broken out by the kind of traumas or the kind of diseases that might well arise from such imprisonment in a certain part of the world, we might have a much fairer approach.

Mr. GOLEMBIESKI. This was our thinking, sir; that perhaps this study would begin to single out the differences, say, between a POW in Japan or Korea and a POW in Europe. I don't think the current study will take in anything on the experiences of our men in Vietnam right now. I think we have about 1,400 men who are POW's or who have been declared missing in action. Some exceed 5 years. In Japan they went as high as 42 months in detention.

Senator TALMADGE. That will exceed any POW time in American history, will it not?

Mr. GOLEMBIESKI. I believe so, with the exception that perhaps we might have some hanging on in Korea that we know nothing about. Whether all of our men have been repatriated, I do not know.

Senator TALMADGE. Thank you very much, gentlemen.

(Mr. Golembieski's prepared statement follows:)

STATEMENT OF E. H. GOLEMBIESKI, DIRECTOR, NATIONAL REHABILITATION
COMMISSION, THE AMERICAN LEGION

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE: It is a distinct pleasure for The American Legion to appear before your Subcommittee to present our views on the three bills under consideration today. We are pleased with and thankful for your aggressive and knowledgeable approach to the needs of the service-disabled and of their dependents and survivors.

With your permission, I will now address myself to the provisions of each of these measures.

S. 3348, a bill to amend title 38, United States Code, so as to (1) increase the rates of disability compensation by about 11 percent; (2) increase by the same percentage the additional compensation payable for dependents of those veterans whose service-connected disability is rated not less than 50 percent; and (3) amend the provisions of this title to authorize service-connection for disabilities of certain veterans who had been held as a prisoner of war or who were forcibly detained or interned by a foreign government or power notwithstanding the absence of a record that such disability was incurred in or aggravated while in such status.

With respect to the increased compensation provision of this bill, we support the principle that the rates of disability compensation be related to the average after-tax earnings of the production workers in private industry.

By law, the Administrator of Veterans Affairs must adapt and apply a schedule of ratings based on reduction in earning ability from certain injuries or combination of injuries. The percentage ratings must be based, as far as possible, upon the average impairment of earning ability resulting from such injuries in civil occupations.

Although a look at the February 1970 Monthly Labor Review, U.S. Department of Labor, reveals that the average of spendable weekly earnings of production or nonsupervisory workers is moving to a higher amount month by month, we believe other factors should be given consideration in justifying the needed increase in disability compensation. One factor, because of the selectivity of personnel for active duty—physical and mental health and education, skills and education acquired in service, availability of education and training following service—as revealed by reports and statistics of the Veterans Administration on income of war veterans, is that war veterans had a higher average income than nonveterans. As an illustration of this point, the median income of war veterans in 1966 was \$7,050—significantly higher than the \$5,060 median of nonveterans.

A second factor is standard of living. Bulletin No. 1570-5, U.S. Department of Labor, on standards of living for an urban family of four persons, spring 1967, gives the following: "The total average cost in urban areas of the United States in the spring of 1967 came to \$5,915 for the lowest of three budgets presented; \$9,076 for the moderate budget; and \$13,050 for the higher budget."

These amounts represented out-of-pocket expenses for the three standards of living described in the bulletin, and applied to a family consisting of a husband age 38, who was employed fulltime; his wife, who was not employed outside the home; a boy 13 and a girl 8 years of age.

Mr. Chairman, the point we are making is that the monthly payments of disability compensation should take into consideration not only the national average of spendable income of private sector production workers but also the economic impairments suffered when compared to the veteran's nondisabled peers, as well as the income needed to provide a fair and reasonable standard of living.

We firmly believe, Mr. Chairman, that the foregoing discussion supports not only the increased monthly rates of disability compensation proposed but also the increased amounts in the additional compensation for dependents payable to those veterans whose service-connected disabilities are rated at 50 percent or higher.

For the purpose of basic entitlement to disability compensation, section 3 of this bill would amend section 312 of title 38, United States Code, so as to provide that the disability of any veteran of a war or of service after January 31, 1955 shall be deemed to be service-connected if for a period of not less than 180 days during his active military, naval, or air service such veteran was either held as a prisoner of war or while in line of duty was forcibly detained or interned by a foreign government or power, unless the Veterans Administration can show by clear and convincing evidence that such disability was not incurred in or aggravated in line of duty while serving in the active military, naval, or air service.

As we had testified in our earlier appearance before this Subcommittee, The American Legion had initiated in 1963 a study of the National Academy of Sciences, National Research Council, in cooperation with the Veterans Administration, of the long-range effects of the physical and psychological trauma sustained by prisoners of war of Japan, Europe, and Korea. Earlier studies, because of their limited scope, were inconclusive. Pending the completion of

this latest study, The American Legion holds in abeyance those resolutions that sought special consideration of physical and mental disability or death attributed years later to a prisoner of war experience.

Because of the beneficial purpose of this amendment, we favor the enactment of this provision. We suggest, though, Mr. Chairman, that the 180-day period of detention or internment or being held a prisoner of war may be too restrictive. Perhaps a better approach would be to delete this language and to substitute for it language which would shift the burden of proof to the veteran where such prisoner of war or forcible period was less than 90 days.

H.R. 10106, an Act to revise the definition of "child" for the purpose of veterans benefits provided by title 38, USC, so as to recognize an adopted child as a dependent from the date of issuance of an interlocutory decree.

If enacted, the bill would permit the recognition as a "child" of a person with respect to whom an interlocutory decree of adoption has been issued by an appropriate adoption authority. This revised definition would permit the payment of benefits from the date of that decree unless and until it is rescinded, provided that the child remains in the custody of the adopting parent or parents during the interlocutory period.

Amendment No. 494 as submitted by you, Mr. Chairman, and referred to the Senate Finance Committee on February 16, 1970, would increase dependency and indemnity compensation for children payable under 38 USC 413 and 414, and authorize payment of DIC under certain restrictions to the service-connected survivors of those veterans with national service life insurance premium waivers in effect at time of death after April 30, 1957.

Section 101(4) now recognizes as a child a person whom an individual has accepted as a stepchild into his household. In our opinion, the concern for the child which an adoptive parent has expressed by this action, and the parent-child relationship which exists following the issuance of the interlocutory decree, is at least as strong as that which exists where a person has accepted a stepchild into his household.

In view of the fact that the adoptive parent is responsible for the maintenance, care, and education of the child from the date of issuance of the interlocutory decree, this amendment would remove a discrimination against adoptive parents during that period between the interlocutory and final adoption decrees which denied them entitlement to benefits for the child.

Although we do not have a mandated position on this legislation, because of its beneficial purpose we favor its enactment.

Section 413 of title 38, United States Code, provides for specific monthly payments of dependency and indemnity compensation to children of the veteran whenever there is no widow entitled to DIC. And section 414 of this title provides for supplemental DIC payments to those children who have attained age 18.

As the Subcommittee knows, the monthly dependency and indemnity compensation payments to these children were last increased effective January 1, 1967. Since then, the cost of living has advanced by approximately 11 percent. In view of this, we urge the amendment of sections 413 and 414 as proposed in your amendment to HR 10106.

Before departing from the subject of dependency and indemnity compensation, Mr. Chairman, I respectfully direct your attention to the inequitable restrictions of subsection (a) of section 417 of title 38, United States Code. This subsection states that no dependency and indemnity compensation shall be paid to the widow, children, or parents of any veteran dying after April 30, 1957, having in effect at time of death a policy of United States Government life insurance or National Service life insurance under section 724 of this title, unless waiver of premium on such policy was granted. Where DIC is not payable by reason of this provision, that subsection provides that death compensation may be paid. Under section 321, the rate of death compensation to a widow on a wartime service-connection is \$87, and 80 percent of this amount where death is determined to be due to peacetime service. Because of the hardship imposed on the survivors of those servicemen who chose to retain the waiver of premiums on their Government life insurance, it is urged that subsection (a) of section 417 of title 38, United States Code, be amended as proposed, Mr. Chairman.

H.R. 10912, an Act to amend title 38, USC, to liberalize the conditions under which the Administrator of Veterans Affairs is required to effect recoupment from disability compensation otherwise payable to certain veterans.

A member of the Armed Forces permanently incapable of performing the duties of his rank, grade, or office because of a physical or mental condition, and whose disability, as determined under the VA Schedule for Rating Disabilities, is evaluated at less than 30 percent, or at more than 30 percent but with less than 8 years service, is separated for physical disability with a lump-sum payment (disability severance pay).

With respect to disability severance pay, subsection 1212(c) of title 10, United States Code, provides that the amount of such pay received by the former member of the Armed Forces shall be deducted from any compensation for the same disability to which the former member or his dependents become entitled under any laws administered by the Veterans Administration.

And 38 USC 3104(a) precludes any former member of the Armed Forces from receiving the full amount of disability compensation to which he is eligible from the Veterans Administration and the full amount of retired or retirement pay to which he is eligible from the Armed Forces.

These two provisions preclude the possibility of double compensation for the same disability.

Because of the recoupment or offset provision imposed by 10 USC 1212(c) before VA disability compensation may be payable, we occasionally encounter a case of financial hardship. An illustration of such a situation is a member separated with disability severance pay of \$6000 based on a condition rated 20 percent disabling. He files a claim for VA disability compensation. Suddenly, the service-connected condition becomes totally disabling. Although the veteran's VA disability rating is increased to 100 percent, the recoupment provision precludes any payment of compensation until the full lump-sum severance payment has been offset. Consequently, the veteran and his family are deprived of any maintenance during this period.

The amendment to title 38, United States Code, proposed in HR 10912 would provide that the deduction of disability severance pay from disability compensation as required by 10 USC 1212(c) shall be made at a monthly rate not in excess of the rate of compensation to which the former member of the Armed Forces would be entitled based on the degree of his disability as determined on the initial Veterans Administration rating.

Mr. Chairman, we believe that the provisions of HR 10912 would alleviate the hardship situations that develop under the present laws. We urge favorable consideration by your Subcommittee.

In conclusion, Mr. Chairman, may I again say thanks to you and your Subcommittee for the opportunity to testify on these pending measures.

Senator TALMADGE. Our next witness is Mr. Francis W. Stover, Director, National Legislative Service, Veterans of Foreign Wars of the United States.

We are happy to have you with us again, Mr. Stover. Your full statement will appear in the record, and you may summarize it as you desire.

STATEMENT OF FRANCIS W. STOVER, DIRECTOR, NATIONAL LEGISLATIVE SERVICE, VETERANS OF FOREIGN WARS OF THE UNITED STATES; ACCOMPANIED BY NORMAN D. JONES, DIRECTOR, NATIONAL REHABILITATION SERVICE

Mr. STOVER. With me on my right is Mr. Norman D. Jones, the Director of our National Rehabilitation Service.

Mr. Chairman, and members of the subcommittee, thank you for this opportunity. We deeply appreciate the invitation to appear before this distinguished subcommittee to present the views of the VFW on S. 3348 and other bills before the subcommittee.

Very briefly, the Veterans of Foreign Wars supports S. 3348. The position of the Veterans of Foreign Wars is determined by the resolutions which are adopted by the delegates to our national conventions. Our most recent national convention was held in Philadelphia, Penn-

sylvania, last August. Several resolutions were approved in the field of veterans' disability compensation. One in particular which I have made a part of my remarks is in point on the majority of the provisions of your bill S. 3348.

I would like to point out to the subcommittee that the sense of this VFW resolution also addresses itself to the philosophy which has been expressed by the 11 percent increase which is proposed in your bill. I would like to read the resolve clause of this VFW national resolution which is identified as number 4. It reads as follows:

Be it resolved, by the 70th National Convention of the Veterans of Foreign Wars of the United States, that the Congress improve the compensation program for he service disabled so that the average loss of earning power caused by the veteran's disability will reflect the high American standard of living and that there be proportionate increases in all ratings from 10 percent to 100 percent so that a veteran who overcomes his handicap will not be penalized.

I think the reference to loss of earnings with proportionate increases in the rates is in direct support of the 11 percent increase in compensation rates which are proposed in the bill before you.

Another resolution I made a part of my remarks addresses itself to the former prisoners of war. In the VFW we find there is a great amount of frustration experienced by many prisoners of war who are unable to successfully establish service connection for conditions which they firmly believe were caused by their confinement in the hands of the enemy during wartime.

The resolution we have which is part of my remarks is identified as VFW resolution number 83. A careful reading of it indicates it concerns itself with prisoners of war of the Japanese during World War II. The resolution goes on and lists several conditions which should be presumed to be service-connected which could very well be caused by their confinement as prisoners of war.

The next resolve clause of resolution 83 goes on to support S. 1607. The VFW believes section 3 of S. 3348 will substantially carry out the purpose and intent of our resolution 83, which would shift the burden of proof on the Veterans Administration to show by clear and convincing evidence that the condition claimed by the veteran did not occur while he was a prisoner of war.

The other provisions in your bill are also strongly endorsed by the VFW, namely the dependency allowance, which has not been increased since 1965, as you know, the dependency allowance is paid to veterans whose disability is 50 percent or more.

The VFW is deeply appreciative of your prompt action in holding hearings on these programs, and we feel an increase is warranted at the earliest possible date.

Senator TALMADGE. Senator Miller?

Senator MILLER. I have no questions.

Senator TALMADGE. Thank you very much, gentlemen. We appreciate your appearing before us again.

(Mr. Stover's prepared statement follows:)

STATEMENT OF FRANCIS W. STOVER, DIRECTOR NATIONAL LEGISLATIVE SERVICE
VETERANS OF FOREIGN WARS OF THE UNITED STATES; ACCOMPANIED BY
NORMAN D. JONES, DIRECTOR OF NATIONAL REHABILITATION SERVICE

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE: Permit me to extend the thanks and appreciation for the invitation and opportunity to testify in behalf of the Veterans of Foreign Wars of the United States concerning legisla-

tion to increase compensation payments to approximately two million service connected disabled veterans.

My name is Francis W. Stover and my title is Director of the National Legislative Service of the Veterans of Foreign Wars of the United States.

Since the beginning of this Republic, service connected disability benefits for veterans who have served in the Armed Forces and their dependents have always been the first to be provided for. Down through the years the people of the United States have demonstrated their willingness to support liberal and generous benefits for those who have been wounded in battle or disabled because of their war service. As the Veterans of Foreign Wars has indicated on many occasions, the service connected disabled veteran deserves the highest consideration.

Again this position has been taken with respect to V.F.W. Priority Legislative Goals. This year our Commander-in-Chief, Ray Gallagher, has put his stamp of approval on a nine-point Priority Legislative and Security Program for 1970. It is most pleasing to advise this Subcommittee that the first or No. 1 point of this Priority Program relates to the service connected disabled veteran and reads as follows:

"1. Increase compensation payments and statutory awards to service connected disabled veterans and include an escalation clause to reflect the increased cost of living.

"2. Increase VA automobile allowance for certain disabled veterans to \$3,000.

"3. Presumption of service connection for diseases suffered by prisoners of war.

"4. Provide complete medical care by VA to seriously disabled service connected veterans for non-service connected conditions."

The Priority Program reflects the basic position of the Veterans of Foreign Wars as determined by the delegates to our National Convention, which was held in Philadelphia last August. These delegates, representing more than 1,500,000 members, adopted a large number of resolutions. Two of these are directly in point and in support of S. 3348 and similar legislation before this Subcommittee. Others, however, also relate to improved and liberalized benefits dealing with the Veterans Administration service connected compensation program, and it would, therefore, be deeply appreciated if copies of these resolutions could be made a part of my remarks at the conclusion of my statement.

The major resolution of the Veterans of Foreign Wars, in support of S. 3348, is identified as No. 4 and is entitled "Compensation Program for Service Connected Veterans" and is as follows:

Whereas, veterans who have suffered wounds and disabilities during wartime service deserve the highest consideration or, if deceased, their surviving widows, children and parents; and

Whereas, compensation payments reflect the average impairment in loss of earning power caused by specific disabilities or combination of injuries; and

Whereas, there has been a failure to keep compensation payments on a par with the increased cost of living, which has skyrocketed during the last decade; and

Whereas, a shortened life span caused by a service connected disability is not a factor in his loss of earning capacity; and

Whereas, the 100% totally disabled veteran is now receiving only \$4,800 a year which is below the average income of Americans; and

Whereas, the majority of veterans receiving service connected compensation are unable, because of their disability, to obtain regular employment; and

Whereas, the last increase in disability compensation did not raise the rates of those veterans receiving statutory awards for specific losses; now, therefore

Be it resolved, by the 70th National Convention of the Veterans of Foreign Wars of the United States, that the Congress improve the compensation program for the service disabled so that the average loss of earning power caused by the veteran's disability will reflect the high American standard of living and that there be proportionate increases in all ratings from 10% to 100% so that a veteran who overcomes his handicap will not be penalized; and

Be it further resolved, that there be substantial increases not only in all basic compensation rates, but that the statutory awards for specific losses, such as a foot or hand or eye, be increased also to reflect the increased cost of living since the statutory awards were last increased.

In line with this resolution, the Veterans of Foreign Wars supports the proposal in S. 3348 to increase compensation rates by 11% for the 10% through 90% disabled and \$50 a month for the 100% and totally disabled veteran. The 11% increase carries out the V.F.W. philosophy that compensation rates should reflect the increased earnings and not be limited to the average cost of living increase. Since the last compensation increase, which went into effect in January, 1969, there has been an 11% increase in average earnings of Americans.

This bill incorporates this fact, which is as it should be. As the distinguished Chairman of this Subcommittee pointed out when he introduced this legislation, compensation payments reflect the average economic loss resulting from the disability incurred by the veteran because of his military service. Consequently, the V.F.W. strongly recommends that this increase be favorably considered and approved by not only the Subcommittee, but the full Finance Committee, the Senate, and the Congress.

Mr. Chairman and Members of the Subcommittee, the delegates to our Philadelphia Convention adopted another resolution which would be substantially carried out by one of the provisions of S. 3348. It is Resolution No. 83 entitled "Presumption of Service Connection for Former POW'S," which reads as follows:

Whereas, the State of New Mexico has a great number of ex-prisoners of war survivors of the Death March from Bataan, the 200th Coast Artillery, and also other prisoners of war; and

Whereas, these veterans have suffered untold privations, beatings, and shortening of life span, and are in need of treatment for their disabilities; and

Whereas, numerous disabilities listed under VA Regulation 1309, can be traced back to the untold privations and beatings, diseases of the cardiovascular, pulmonary system and joint diseases; now, therefore

Be it resolved, by the 70th National Convention of the Veterans of Foreign Wars of the United States, that we go on record supporting legislation to amend Section 312, Title 38 U.S. Code to include Paragraph 6, 'Any disease listed under VA Regulation 1309, disease subject to presumptive service connection shall be considered service connected where the veteran was a prisoner of war suffering malnutrition, avitaminosis, beriberi, pellagra and untold beatings'; and

Be it further resolved, that we go on record urging support of Senate Bill No. 1607.

Section 3 of S. 3348 carries out V.F.W. Resolution No. 83 with respect to the conditions listed therein in the next to the last "Resolved" clause.

It is our experience that the principal complaint respecting prisoners of war is their inability to establish service connection for conditions that they firmly and absolutely believe were caused by their confinement by the enemy as a prisoner of war. This provision in your bill will shift the burden of proof of service connection from the veteran to the Veterans Administration. It is believed that this legislation will be extremely helpful and will satisfactorily resolve some of the claims which have been denied former prisoners of war, which they have been unable to prove as being connected with their confinement as a former prisoner of war.

You will note that Resolution No. 83 addresses itself to S. 1607 by Senator Montoya of New Mexico and seven co-sponsors which would establish a presumption of service connection for former prisoners of war. Depending upon the length of time the veteran was a prisoner of war, he would be deemed to have a service connected disability of 100% if he were a prisoner 180 days or more, and he would be entitled to be 30% disabled if he had been a prisoner of war for less than 180 days.

The Veterans of Foreign Wars strongly recommends that liberalizing legislation be approved by the Congress to help veterans who were former prisoners of war. S. 1607 would be a giant step in this direction; in fact, S. 1607 would probably resolve most of the problems which have arisen respecting the disabilities incurred by prisoners of war with respect to service connection for entitlement to VA compensation. The alternative, as provided in S. 3348, is equally desirable by a large number of former prisoners of war. By providing the presumption that disabilities of former prisoners of war are related to his military service, unless the VA can show by clear and convincing evidence that the disability is not service related should provide a powerful assist to this small group of veterans who presently have the burden of proving that their disabilities, which were incurred many, many years ago, are service connected.

Lastly, the Veterans of Foreign Wars commends this Subcommittee for proposing an increase for the dependents of veterans whose disabilities are rated

at 50% or higher. Dependency allowances have not been increased since 1965. Increasing the dependency allowances by 11% for these more seriously disabled veterans, as proposed in S. 3348, is strongly supported by the Veterans of Foreign Wars.

In summary, Mr. Chairman, the Veterans of Foreign Wars strongly supports the purpose and intent of S. 3348 as it relates to an increase in the compensation payments for all living veterans and dependency allowances which are provided for veterans who are disabled 50% or more. In addition, the Veterans of Foreign Wars strongly supports legislation to liberalize and improve the present compensation program, as it relates to former prisoners of war, as provided in S. 3348 and S. 1607.

It is our strong recommendation that the bill approved and advanced by this Subcommittee to your full Committee will incorporate the V.F.W. position and recommendations presented today.

Thank you again for the privilege of appearing before this distinguished Subcommittee concerning this most important veterans program.

Senator TALMADGE. Our next witness is Mr. Julius D. Morris, national president, Blinded Veterans Association.

Mr. Morris, we are happy to have you with us. You may proceed as you wish.

**STATEMENT OF JULIUS D. MORRIS, NATIONAL PRESIDENT,
BLINDED VETERANS ASSOCIATION, ACCOMPANIED BY JACK
STREET, ADMINISTRATIVE ASSISTANT**

Mr. MORRIS. Mr. Chairman, I have with me my administrative assistant, Jack Street.

I am Julius D. Morris, national president of the Blinded Veterans Association. It is a pleasure to be here to represent my organization to testify on S. 3348.

The Blinded Veterans Association was organized in 1945 by a group of servicemen blinded in World War II. Our membership has grown and today we include members from all of the wars and the Korean conflict, Vietnam, and some from peacetime services. The principle objective of our association has been to assist our Nation's war blinded in overcoming their handicap, with the final goal being to equip them to take their rightful place and fulfill a full and satisfying life in their community.

Through rehabilitation services of the Veterans' Administration, educational assistance, enlightened legislation by you gentlemen, most of us have come a long way in attaining that goal. But, Mr. Chairman, many, many of us still remain a victim of our handicaps and have to live on fixed disability compensation. Because of our disability, many of us are underemployed or unemployed. In many instances, our disabilities prevent our wives from becoming employed to augment the family income. We find ourselves subjected to a fixed income and short of funds to meet the ever-rising cost of living.

The disparity between our disability compensation and a cost of living is great, and it is continually increasing. For a brief time following the enactment of disability compensation we are always behind until the subsequent enactment.

This was so for the compensation increase previously testified to in December of 1965 and again in January of 1969, and probably will be so following the enactment of this proposed legislation should you gentlemen see fit to give it to us.

Blindness, Mr. Chairman, is a great loss. It is an expensive loss and it is a financial handicap. It is handicap most dreaded by us, and from time to time we have to resort to the Congress to help us in equalizing our financial losses. So that we would be able to support ourselves and our families in accordance with the living conditions with which we find ourselves confronted in America today.

For this reason, my association wholeheartedly endorses the provision for the compensation increase in S. 3348.

We also have advocated the abolishment of peacetime rates of compensation. We feel whereas America is confronted with a situation which it has to maintain such a large force, that periods of peacetime and wartime becomes more of an arbitrary calendar date than it becomes of conflict as such. An individual who loses sight in peacetime is no less handicapped than he would have been had he lost it during wartime. For this reason we advocate and recommend this subcommittee amend S. 3348 to provide wartime rates of compensation for all disabilities service-connected occurring subsequent to World War II.

Dependency allowances—we find that the disparity between a dependency allowance and the cost of living is great. It is a glaring one. The Consumer Price Index tells us that the cost of living has increased some 64.1 percent since 1947, whereas the dependency allowance of a wife of a totally disabled veteran has increased from \$21 a month to \$25 a month during that same period of time. This is only a 19 percent increase.

The proposed recommendation for dependency allowance increases in S. 3348, in the opinion of the Blinded Veterans' Association, is totally inadequate, and we recommend a provision, reflected in House bill 10814, be substituted and in its place that section 315, paragraph A-1 be amended and that the recommendation following the substitution be in lieu of the provisions of S. 3348.

These provisions would be approximately twice the amount reflected in the proposal in S. 3348.

The Blinded Veterans' Association also urges passage of the provisions in S. 3348 calling for the presumption of subsequent disability. This was reflected in the membership of our national convention in 1968 and again in 1969.

In closing, Mr. Chairman, I want to thank you for my opportunity to appear here and to have the honor to represent my organization. I urge your support of S. 3348.

Senator TALMADGE. Thank you very much, Mr. Morris, for appearing before us. The committee will give due consideration to your suggested amendments.

(Mr. Morris' prepared statement follows:)

STATEMENT OF JULIUS D. MORRIS, NATIONAL PRESIDENT, BLINDED VETERANS ASSOCIATION; ACCOMPANIED BY JACK STREEF, ADMINISTRATIVE ASSISTANT

Mr. Chairman and Members of the Subcommittee: I am Julius D. Morris, National President of the Blinded Veterans Association. It is a privilege for me to be here to represent our Association and to testify on S. 3348, a bill of utmost importance to our members and to all veterans who were disabled as a result of their service in the Armed Forces of the United States.

The Blinded Veterans Association is observing its Twenty-fifth Anniversary this year. We were organized in 1945 by servicemen who were blinded in World

War II. Since then, our membership has steadily grown and now includes veterans whose blindness resulted from service in World Wars I and II, the Korean Conflict, in Viet Nam, and during peacetime service.

Since its inception, the principal purpose of the Blinded Veterans Association has been to assist the Nation's war-blinded to effectively cope with and overcome the severely handicapping effects of blindness, with the ultimate goal being a full and satisfying life commensurate with individual capability.

Through high quality, comprehensive rehabilitation services by the Veterans Administration; through educational assistance; through enlightened legislation by the Congress; and through our individual efforts and those of the Blinded Veterans Association, many of us have come a long way in reaching this goal. But many of us, both old and newly blinded alike, and for many reasons, remain the victims of our handicaps and must live and provide for our families on the fixed income of our disability compensation.

Because of our disabilities and conditions stemming from them, many of us are unemployed or underemployed. In many instances, our disabilities prevent our wives from obtaining employment to augment the family income, the method used by more and more families to meet the rising costs of living.

These costs have gone up steadily over the years except for a brief period following the Korean Conflict. For those of us who must make it on the fixed income of our disability compensation, the disparity between our compensation and rising costs begins after enactment of a compensation increase and widens steadily until it is reduced by a subsequent increase. Except for a brief period, we are always behind. This was true when increases were enacted in December 1965, and again in January 1969. There is every reason to believe it will also be true following enactment of this compensation increase.

The loss of sight is many losses. It is expensive and it is a financial handicap—the handicap most felt by most of us. For this reason we must, from time to time, turn to the Congress for help in equalizing our financial losses so that we may provide for ourselves, our wives, and our children under the changing conditions and standards of life in America. For these reasons, we wholeheartedly support the provisions of S. 3348 to provide increases in the rates of disability compensation at this time.

The Blinded Veterans Association also strongly advocates the abolition of the peacetime rate of disability compensation so that all servicemen who have sustained service-connected disabilities since World War II are compensated at the wartime rate. In our time with the need for the United States to maintain large armed forces, peacetime and wartime periods are more a matter of arbitrary calendar dates rather than actual hostilities; and an individual blinded during a so-called peacetime period is no less disadvantaged than a serviceman blinded during a wartime period. We urge that S. 3348 be amended to provide for wartime compensation rates for all individuals disabled by reason of their military service since World War II.

DEPENDENCY ALLOWANCES

The disparity between the rise in the cost of living and dependency allowances is glaring indeed and the Blinded Veterans Association feels that the increases provided for in S. 3348 are wholly inadequate.

The Consumer Price Index tells us that the cost of living has risen by 64.1% since 1947 while the dependency allowance for the wife of a veteran rated totally disabled has increased from \$21 per month to \$25 per month—an increase of only 19%.

We therefore urge that in lieu of the dependency allowance increases provided for in this bill, the Subcommittee substitute the provisions of H.R. 10914 and that section 315(1) of title 38, United States Code be amended—

(a) by striking out "\$25" in subparagraph (A) and inserting in lieu thereof "\$50";

(b) by striking out "\$43" in subparagraph (B) and inserting in lieu thereof "\$80";

(c) by striking out "\$55" in subparagraph (C) and inserting in lieu thereof "\$105";

(d) by striking out "\$68" and "\$13" in subparagraph (D) and inserting in lieu thereof "\$125" and "\$20", respectively;

(e) by striking out "\$17" in subparagraph (E) and inserting in lieu thereof "\$35";

(f) by striking out "\$30" in subparagraph (F) and inserting in lieu thereof "\$60";

(g) by striking out "\$13" and "\$13" in subparagraph (G) and inserting in lieu thereof "\$85" and "\$20", respectively;

(h) by striking out "\$21" in subparagraph (H) and inserting in lieu thereof "\$40";

(i) by striking out "\$10" in subparagraph (I) and inserting in lieu thereof "\$75".

DISABILITIES OF FORMER PRISONERS OF WAR

The Blinded Veterans Association supports the enactment of the section of S. 3348 calling for the presumption of service-connection for the subsequent disabilities of former prisoners of war. Resolutions to that effect were unanimously adopted by our membership at national conventions held in 1968 and again in 1969.

CONCLUSION

In 1968, a Veterans Advisory Commission, established by the President of the United States, stated, as a part of its findings, that military service "constitutes the highest response to the obligations of citizenship, and should continue to be the basis of a reciprocal obligation on the part of the nation to provide reasonable assistance to veterans commensurate with the greater sacrifices experienced by them. With this in mind, the obligation to provide for the disabled and needy veteran as well as his dependents is a national commitment."

On this first anniversary of the establishment of the Subcommittee on Veterans' Legislation of the Senate Committee on Finance, I would like to thank you, Mr. Chairman and members, for the dedicated service and important contributions you are making toward the fulfillment of this national commitment and for this opportunity to appear before you.

Senator TALMADGE. The next witness is Mr. Peter Lassen, executive director, Paralyzed Veterans of America.

STATEMENT OF PETER LASSEN, EXECUTIVE DIRECTOR, PARALYZED VETERANS OF AMERICA, ACCOMPANIED BY HARRY SCHWEIKER

Mr. LASSEN. Thank you, Mr. Chairman. I would like to introduce Mr. Harry Schweiker, my assistant.

Senator TALMADGE. We are delighted to have you, sir.

Mr. LASSEN. We do wish to thank you, Mr. Chairman and the other members of this committee and the other committee in the Senate for recognizing the need for basing the raise in compensation on the loss of earning power, rather than the cost of living.

We feel that this is justified. We, the Paralyzed Veterans of America, do support S. 3348. We think it is a very fine bill. However, in view of the lack of standard proof which would interpret the rates of disability compensation on the loss of earnings and other noneconomic factors, we submit we were somewhat disappointed in the fact that the bill did not consider an increase in the rate authorized under subsection (r) of section 314 title 38.

As you know, this is the section which provides an allowance for those disabled who are otherwise eligible for compensation under section (o) and who are in need of regular aid and attendance of another person. Many paralyzed veterans, especially those who are afflicted with servical spinal cord injury, must be cared for around the clock if they are to survive. Often it must be members of their families who take care of them, for there are precious few people who would work those hours for the small pay.

In other cases, where the individual is sold to a nursing care home, he must pay up to twice the allotted amount for his vital needs. If we are to assist those veterans in maintaining family and community living, we must provide the financial means to allow them to leave the VA hospitals and the other institutions. We do hope your committee will also consider an increase in the aid and attendance allowance.

We have a number of other points, Mr. Chairman. I will submit them for the record and be as brief as possible.

Thank you.

Senator TALMADGE. We appreciate your appearing before us and we will give due consideration to your suggestions when the committee meets in executive session.

(Mr. Lassen's prepared statement follows:)

STATEMENT OF PETER L. LASSEN, EXECUTIVE DIRECTOR, PARALYZED VETERANS OF AMERICA

Mr. Chairman, thank you for the privilege of appearing before this committee in support of S. 3348—to increase the rates of compensation for service-connected veterans and their dependents.

The Paralyzed Veterans of America wishes to commend Mr. Talmadge, the chairman of this Committee, and Senator Yarborough and Senator Cranston for recognizing the need and justification for basing compensation rates on the loss of earning power rather than on the cost of living. This I believe was basic in the original intent of creating the compensation programs; and though we must bear the cost of living in mind, for the catastrophically disabled, loss of earning power must remain prime.

For those veterans who have suffered spinal cord injury, the Senators have extended some recognition to factors other than economic. But how does one express in economic terms the loss of the ability to walk at all; or the lack of being able to physically enjoy all facets of life and love with one's wife and children? I feel that Senator Talmadge drew attention to some of these factors by noting the inadvertent omission of the dependents' allowance from S. 3341, and submitting S. 3348 in its stead. For this we are grateful.

In view of the lack of substantive proof which would interpret rates of disability compensation on loss of earnings and other noneconomic factors, we submit that the average 11 percent increase reflected in S. 3348 is surely a welcome interim rate. On the other hand, Mr. Chairman, members of the Paralyzed Veterans of America were disappointed that the bill did not consider an increase in the rate authorized under subsection (r) of Section 314, Title 38, United States Code. As you know, this is the section which provides an allowance for those disabled otherwise eligible for compensation under subsection (o), who are in need of the regular aid and attendance of another person. Many paralyzed veterans, especially those who are afflicted with cervical spinal cord injuries, called quadriplegia, must be cared for around the clock if they are to survive. Often, it must be members of their families who take care of them; there are precious few others who would work those hours for the small pay. In other cases, where the individual is sold to a nursing-care home, he must pay up to twice the allotted amount for his vital needs. If we are to assist those veterans to maintain their independence in family and community living, we must help provide the financial means to allow them to leave the VA hospitals and institutions. We urge that your Committee consider an increase in this aid and attendance allowance.

Mr. Chairman, there is one other matter relating to the compensation program which, with your permission, we will lay before you at this time. This concerns the differentiation of compensation rates to service-connected disabled veterans of wartime and peacetime service. Under present law, veterans injured during so-called peacetime periods are only entitled to eighty percent of the wartime rate. We question how, in these modern times, we can arbitrarily assign an 80 percent rating to a 100 percent disability simply because it occurred at a time which was determined to be between two periods of war. In the beginning, Korea was not a war. It was a police action. Viet Nam did not start out as a war. Later law made it so. We must question—When does a hot war become a cold peace?

Mr. Chairman, there are historical precedents to this question. In previous testimony on the subject, the Veterans Administration submitted a very comprehensive statement in support of an equal program of benefits. In its summation of testimony, the VA stated, ". . . we are unable to justify a continuance of the differential in the rates of disability compensation on any basis which is consistent with the nature and purposes of that benefit. We accordingly recommend enactment of (legislation) which would authorize payment in peacetime cases of the present wartime rates of disability compensation and additional compensation for dependents."¹ We hope that your Committee will consider the elimination of this highly questionable differential.

Without dwelling on it for too long at this time, Mr. Chairman, it is our hope that at some near future time, your Committee will look into the program of compensation for the widows and children of deceased service-connected veterans. It is the firm and stated belief of our organization—a belief which can be well documented—that severe hardship exists for beneficiaries under the VA Dependency and Indemnity Compensation Program. We will be happy to testify at that time.

Thank you very much.

Senator TALMADGE. The next witness is Colonel James W. Chapman, Senior Legislative Counsel, Retired Officers Association.

Colonel, we are happy to have you with us again, sir. You may insert your statement in full in the record and summarize it if you wish.

STATEMENT OF COL. JAMES W. CHAPMAN, SENIOR LEGISLATIVE COUNSEL, RETIRED OFFICERS ASSOCIATION

Colonel CHAPMAN. I want to say I appreciate the opportunity to be here. I have really only two points to make, and I make them very briefly.

One, the Retired Officers Association, which, of course, consists entirely of veterans, strongly endorses S. 3348 and commends you for having introduced this bill with the other Senators.

Secondly, I would like to call the committee's attention to one thing which we believe does require correction in this general area, and commend it to you for consideration in this bill or at some other appropriate time, and that is the fact that military retirees are a very peculiar class of people in that they are the only Government employees who, upon retirement, if they receive an award for a disability which they incurred during their service-connected period must forego a part of their retirement pay if they are to receive this compensation for a disability.

We strongly urge the committee to consider this so we, like foreign service and civil service people, may receive compensation both for our length of service and for any disability which we receive.

Thank you.

Senator TALMADGE. We will give that consideration when we meet in executive session. Is there anything further you would like to add?

Colonel CHAPMAN. No, sir.

Senator TALMADGE. We do appreciate very much your appearing before us, and your valuable contribution.

¹Hearings before the Subcommittee on Compensation and Pension, House of Representatives, April 1965.

(Colonel Chapman's prepared statement follows:)

STATEMENT OF THE RETIRED OFFICERS ASSOCIATION

(Presented by Col. James W. Chapman, USAF, Retired, Senior Legislative Counsel, Retired Officers Association)

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE: I am Colonel James W. Chapman, United States Air Force (Retired), the Senior Legislative Counsel of the Retired Officers Association, which has its national headquarters here in Washington at 1625 Eye Street, Northwest.

Our Association has a membership of over 121,000 retired officers of the seven uniformed services—the Army, Navy, Air Force, Marine Corps, Coast Guard, Coast and Geodetic Survey (now called ESSA—the Environmental Science Services Administration) and the Public Health Service.

All of our members are veterans—many are veterans of several wars and extensive peacetime service in both “hot” and “cold” war situations—and, as such, are vitally interested in the bill under consideration today.

I appreciate the opportunity of appearing before this Committee to express the views of the Retired Officers Association on S. 3348 which would increase the rates of compensation for disabled veterans.

The Retired Officers Association has studied the bill in depth and strongly endorses it. We are very pleased to notice that, for the first time, the compensation increases are based on something other than the increase in the cost-of-living. Basing the increases on the raise that has taken place in earnings is much more realistic.

We are also pleased that the proposal provides that disabilities suffered by disabled veterans who were prisoners of war for at least six months will be presumed to be service-connected unless the Veterans Administration can show otherwise by clear and convincing evidence.

Also, Mr. Chairman, in connection with this program, we wish to invite the Committee's attention to the inequitable situation that exists for a military retiree who has a service-connected disability and who is entitled to compensation from the Veterans Administration. Under current law such retiree must waive so much of his retired pay as is equal to the amount of his compensation. I would like to point out that individuals who have retired under governmental retirement plans, other than those applicable to the armed forces, may not only count the time spent in the active military services both for the purpose of determining eligibility for retirement and for establishing their retired annuity rates, but they may also receive compensation for disabilities incurred as the result of the same service.

In accordance with current provisions of law set forth in Title 38, United States Code, Section 3104 prohibiting “duplication of benefits,” a veteran who devoted the major portion of his adult life to the service of his country in the armed forces, and who is entitled to retired pay by virtue of this service, is precluded from receiving compensation for disabilities or disease he may have suffered during his service, except to the extent that such retirement pay is waived. Under this rule, military retired pay is treated as a “benefit” and thereby operates to bar concurrent receipt of a VA pension or compensation.

The Retired Officers Association maintains that military retired pay is a separate and distinct entitlement and is in no way comparable to “pension” or “compensation.” Each benefit was established for a specific and totally different purpose.

Military retired pay, based upon length of service retirement, is *earned compensation* comparable in all respects to retirement annuities offered in private, professional, industrial, and other Federal, state, or municipal government retirement plans. An individual who has chosen the military service as a career has just as much right to the total compensation to which his long years of service entitle him as does an individual who has chosen a different career. Similarly, an individual who has completed a career in the military services should be entitled to compensation for disability he suffered during that service on the same basis as any other individual who is receiving a retirement annuity

without the requirement of relinquishing a portion of his annuity in order to receive such compensation. If it is right for the majority of qualified veterans to receive compensation from the Veterans Administration for a service-connected disability concurrently with retirement annuities, we hold that it is right for *all* qualified veterans to be so entitled, regardless of the source of the annuity.

The requirement for some adequate legislation to correct this discrimination is apparent. We urge the Committee to give this problem its most earnest consideration. We strongly recommend that the law be changed to permit concurrent payment of VA disability compensation and retired pay for military personnel based on longevity or age.

Mr. Chairman, this concludes our statement. I wish to thank you and the members of the Committee for the opportunity to present our views.

Senator TALMADGE. The subcommittee will now stand in recess upon call of the Chair.

(Whereupon, at 11:20 a.m., the committee recessed, to reconvene upon call of the Chair.)

APPENDIX

(By order of the chairman, the following communications are made a part of the printed record.)

STATEMENT OF COLONEL JOHN T. CARLTON, EXECUTIVE DIRECTOR, RESERVE OFFICERS ASSOCIATION OF THE UNITED STATES

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE: We appreciate the opportunity to present to you our views concerning S. 3348 providing much-needed increases of compensation for disabled veterans. We commend the committee for its action to initiate this legislation.

We feel that this bill would be further strengthened if it contained a provision which has long been needed. This proposal would provide that military personnel who are retired for longevity and are also entitled to receive compensation from the Veterans Administration for service-connected disabilities receive both payments concurrently. This action could be accomplished simply by adding to S. 3348 the provisions of H.R. 3132 (copy attached). Also attached is copy of our Association's Resolution No. 29 of 22 June 1965 which outlines quite succinctly I believe our justification for this proposal.

As an additional justification, I should like to remind the committee that the President's Veterans Advisory Council in its Recommendation No. 73 pointed out the inequities involved if the suggested amendment (H.R. 3132) is not enacted.

[H.R. 3132, 91st Cong., 1st sess.]

A BILL To amend section 3104 of title 38, United States Code, to permit certain service-connected disabled veterans who are retired members of the uniformed services to receive compensation concurrently with retired pay, without deduction from either

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3104(a) of title 38, United States Code, is amended by adding at the end thereof the following: "Notwithstanding the preceding sentence, emergency officers', regular, or reserve retirement pay may be paid to any veteran concurrently with compensation for any service-connected disability rated 30 per centum or more in degree disabling without deduction from either the retirement pay or the compensation; however, nothing in this sentence shall permit payment of retirement pay and compensation based upon the same disability."

RESOLUTION NO. 29—RESERVE OFFICERS ASSOCIATION OF THE UNITED STATES

CONCURRENT RECEIPT OF VA COMPENSATION AND RETIRED PAY

Whereas, this Association has long supported legislation to provide for concurrent receipt of retired pay and VA compensation in appropriate cases, and

Whereas, legislation has been introduced into the 88th, 89th and 90th Congresses to effectuate such proposal, and

Whereas, as repeatedly asserted by the Congress and by the Department of Defense, "retired pay is earned income and constitutes 'retainer' pay or deferred payment for services previously rendered", and

Whereas VA compensation is a wholly unrelated form of compensation dependent upon, and measured by, injuries received while in military service which injuries have been found to reduce to a compensable degree the earning capacity of the victim of such injuries, and

Whereas, military pay is fully earned at time of retirement, and its reduction because of receipt of compensation from other sources is wrong, inequit-

able, and destructive of the entire concept upon which military retirement is based, and

Whereas, present law discriminates against those who have suffered reduced earning capacity by reason of service-connected disability, by unfairly reducing their earned retirement income, whereas those who suffered no such disability are permitted to receive their retirement pay in full,

Now therefore be it resolved that the Reserve Officers Association of the United States support legislation which would provide for the concurrent receipt of VA compensation and Retired Pay by retired members of the Uniformed Services, within the limitations set forth in those Bills.

(This resolution updates Resolution #27, 26 Feb. 1965 and supersedes same.)
Adopted by the National Convention June 22, 1968.

ATTEST:

JOHN T. CARLTON,
Executive Director.

STATEMENT BY ROBERT W. NOLAN, NATIONAL EXECUTIVE SECRETARY, FLEET RESERVE ASSOCIATION, REPRESENTING 75,000 CAREER ENLISTED MEN OF THE UNITED STATES NAVY AND MARINE CORPS

INTRODUCTION

MR. CHAIRMAN AND MEMBERS OF THIS DISTINGUISHED COMMITTEE: I am Robert W. Nolan, the National Executive Secretary of the Fleet Reserve Association, an organization comprised of more than 75,000 career enlisted personnel of the United States Navy and United States Marine Corps. As a retired Chief Petty Officer, it is indeed an honor for me to appear in behalf of my shipmates.

The shipmates of the Fleet Reserve Association applaud and commend this Committee for its leadership in improving veterans benefits. We deeply appreciate Senator Talmadge's introduction of S. 3348 to increase the veteran's disability compensation. We are confident that your impartial and knowledgeable consideration of the proposal will result in the enactment of this direly needed legislation.

THE BASIC PROVISIONS OF S. 3348

S. 3348 contains three basic provisions and with your permission I will state the Fleet Reserve Association's position on each and our reasons therefore.

A. The language increases the rates of disability compensation. We fully support this basic tenet. Disability compensation at present rates for veterans who are seriously disabled imposes a standard of living for these vallant men which is much lower than that which they would have attained except for their service connected disabilities and much lower than the median national income level of wage earners.

In recent years the inflationary spiral has continued upwards at a rapid rate. For the past several years inflation has risen at an annual rate of 7 percent. The purchasing power of the dollar has greatly decreased and the costs of goods and services has greatly increased. Indications of the Consumer Price Index and economists' predictions point to a continuing increase in the cost of living.

A war veteran who has served his country in time of peril at great personal sacrifice should be provided a reasonable measure of financial relief when he is economically and physically disadvantaged.

B. This legislation will increase the rates of additional compensation payable for dependents of veterans whose service connected disability is rated not less than 50 percent. We, also, fully subscribe to this feature of S. 3348.

The dependents of these disabled veterans should not want. They, too, are the unfortunate victims of the "guns and butter" or business as usual during a period when many Americans personally contributed to the safety and well-being of the United States and the Free World. The opportunity for them to receive an equitable standard of living should not be denied to them.

In order to maintain compensation rates at levels which are economically realistic, it has been necessary from time to time to adjust these rates to the changing cost of living in America. In view of the situation today, it is clear that another adjustment is due and justified.

C. Section 3 of the legislation amends Section 312 of the statute to authorize service connection for disabilities of any veteran of a war or service after January 31, 1955 who had been held as a prisoner of war or who was forcibly detained or interned by a foreign government or power, unless the administrator can show that such disability was not incurred or aggravated in the active military service.

Because of the beneficial purpose of this section of the bill, we heartily favor its enactment which is long overdue. However, there is one provision which we strongly recommend amending. This is the specification of a 180-day period of detention or internment as a prisoner of war. We believe that when one considers the present and future potential enemy's disregard for the humane provisions of the treatment of prisoners of war under the Geneva Treaty of 1949 that the required period of 180 days is far too restrictive and it should be lowered to not less than 90 days.

With this amendment we believe that S. 3348 is a praiseworthy example of bridging the gap between the veteran and his government. It will more fully meet the economic needs of the disabled veteran.

The Fleet Reserve Association in testifying before the U.S. Veteran's Advisory Commission on June 27, 1967, advocated a study of veteran's disability compensation program to prove the need for the provisions of S. 3348.

President Johnson, in his January 31, 1967 special message to the Congress on Veterans Affairs, stated in part, ". . . to assure that our tax dollars are being utilized most wisely and that our government is meeting fully its responsibilities to all those to whom we owe so much . . .".

THE CAREER MILITARY MAN AS A VETERAN

The second point I wish to make today is a clarification of the term "veteran". During my experience of twenty-one years of active naval service and almost twenty years as an active member of the Fleet Reserve Association I have found a marked difference in the minds of many as to just who is a "veteran". Definition of the Term "Veteran":

Webster's Dictionary gives two clear definitions of a "veteran". They are:

1. "One who has had long experience and practice in any service, profession, industry or art, or originally and commonly, in military service.

2. "United States Statutes. An ex-member of the military or naval service who by length and type of service or degree of disablement, honorable discharge or release, and otherwise, meets statutory requirement precedent to the extension of benefits provided by law for ex-servicemen."

These two definitions are comprehensibly compatible. They leave no room for doubt as to what constitutes a veteran. The specific language of Federal law governing veterans clarifies these definitions by stating the periods of military service which must be met to qualify as a veteran. Yet, we find a misunderstanding of these definitions in the mind of the American public officials. Oftentimes, career military personnel find themselves in a stage of limbo because Government officials lose sight of the fact that career military personnel are indeed veterans in the fullest sense of the word, in fact many times more so.

What contributes to the misunderstanding of the career military man as a veteran? We believe the basis of the misunderstanding hinges on the term "ex-serviceman". The average citizen-soldier admirably fulfills his military obligation and then promptly returns to civilian status and the pursuits of civilian life. Thus, within a relatively short span of time he has qualified as a veteran and has become an ex-serviceman.

The man who chooses a military career, for whatever reason, must serve a minimum of twenty years, unless he is medically discharged or retired, to qualify as an ex-serviceman. Even then, he is often disqualified as an ex-serviceman in some people's minds because he voluntarily chose to serve his country for a major portion of his adult life. When in fact, the very nature of his military career has qualified him as a veteran several times over under the provisions of the Federal statutes!

We have no quarrel with the language of the statutes in this respect. We wholeheartedly agree that a veteran must be an ex-serviceman; but is an ex-serviceman any the less a veteran because he chose a military career? Are his surviving dependents any the less deserving of the benefits of the law? We think not!

We remind you that while he is entitled to military retired pay so long as he lives, there is no military annuity for his dependent survivors. They depend wholly upon the laws governing veterans' benefits for compensation. Therefore, we ask the American public and all government officials to fully recognize, without prejudice, the career serviceman as the fully qualified veteran that he is. Further, in the words of our President, "if there be any doubt, let that doubt be resolved in behalf of the veteran".

THE INEQUITY TO CAREER MILITARY PERSONNEL RECEIVING VETERANS DISABILITY COMPENSATION

The current law governing veterans disability compensation requires one who is in receipt of military retainer or retired pay to waive a portion of his military retainer or retired pay equal to the sum of the veterans disability compensation he is entitled to receive.

The career military veteran is the only veteran who must waive a portion of his personal income to receive disability compensation. We are told this is because the same employer is paying the retired pay and the disability compensation. But what of all the other Federal employees who draw their salary or retired compensation and receive the disability compensation concurrently?

The U.S. Veterans Advisory Commission, after exhaustive field investigation and study of veterans problems, in its report of March 18, 1968, to the Administrator of Veterans Affairs outlined this inequity and possible corrective action in its Recommendation number 73 on page 70 of its report.

We sincerely believe that this inequity should be abolished. The House Veterans Affairs Committee now has a bill, H.R. 3132, which, if enacted, would correct this inequity. We suggest that this Committee may wish to investigate the issue and draft comparable legislation for the consideration of the Senate.

SUMMATION

In expressing our full support of S. 3348, we are reminded of President Johnson's words in his historic veterans message to the Congress on January 31, 1967, when he stated in part:

"No act of Government, and no legislative proposal can ever repay the Nation's debt to these brave men . . . The measures I propose in some small way serve notice to these Americans—in and out of uniform—that we will never let them down."

Mr. Chairman, this concludes our statement. We sincerely appreciate the opportunity to present the career Sailor's and Marine's view on this vital legislation. The fact that under our democratic form of government we can do so explains in part why the members of the Fleet Reserve Association have chosen to devote the majority of their adult lives in service to our Country.

On behalf of our 75,000 members, I thank you.

STATEMENT OF ARTHUR A. BRESSI, PAST NATIONAL COMMANDER AND SPECIAL PROJECTS OFFICER, AMERICAN DEFENDERS OF BATAAN AND CORREGIDOR

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE: I am Arthur B. Bressi, Past National Commander and Special Projects Officer of the American Defenders of Bataan and Corregidor Incorporated. May I introduce to this Subcommittee my associate and our National Secretary, J. Walter Foy.

Ours is a unique organization in that criteria for membership is limited to those of our Armed Forces, including any unit or Force of the Asiatic Fleet, Philippine Archipelago, Wake Island, the Mariana Island, Midway Island and the Dutch East Indies who bore arms between the period 7 December 1941 to 7 May 1942 in defense of the aforementioned. The majority of our membership, it goes without saying, were overwhelmed during the defense of the Philippines and the survivors of Bataan, Corregidor, the Death March and the horrors of prison camps under our then Japanese enemy, suffered no less than thirty-nine months in prison camps under the most horrendous of conditions.

Lest it appear that we also suffer from bad manners, Mr. Chairman, may I, on behalf of our membership, extended our sincerest greetings and extend to you and members of the committee our deepest gratitude for permission to include our remarks in the Record. Not only that, Sir, but you have given us a new

lease on life inasmuch as the passage of some twenty-five years since our liberation from prison camps has seen very little in legislation related directly to the plight of former prisoners of war.

At the outset, Sir, may I say that we see no honor in having been prisoners of war and we plead that in our particular and specific circumstances, we regard our claim to frame only that portion wherein we, with inadequate weapons, food rations which had been pared to one-eighth of a garrison ration and medical supplies only a memory, delayed the timetable of a vastly superior numerical force and by our actions perhaps were responsible for the failure of the Japanese to invade Australia.

The ravages of prison camps, Mr. Chairman, are now history. However, you may rest assured that every story that you ever heard about horrors, privations, sufferings, beatings and starvation are quite true. Malnutrition and its residual effects still have, even after these many years, a wear-down factor which is rather difficult to detect, let alone arrest or cure.

We of the American Defenders of Bataan and Corregidor, Sir, do not claim any expertise on the exact rates of compensation as proposed in S. 3348 and if we are permitted, our major comment would be that we see a necessity for an increase to keep up with the cost of living index and that by the time legislation is enacted, it is always behind that index.

Our principal interest, as you would imagine, would lie in section 3 of S. 3348 and would be related to those circumstances we appreciate because we have lived through them. It is gratifying to note, Sir, and to be present during the testimony of the preceding seven agencies and organizations of whom six heartily endorse and urge passage of Section 3. The only dissenter in the issue was the Veterans Administration and although the reasons advanced by Mr. Olney B. Owen would, in any other circumstance, bear merit, our opinion is that we feel it would be better to pay compensation to one individual not deserving than to deny rightful, deserved and earned compensation to one who could not file properly a claim. We are in even greater accord in the presumptive factors of Section 3, wherein the burden of proof would be transferred to the Veterans Administration. It is extremely difficult, and in some cases, virtually impossible for the individual veteran to prove conclusively his claim. Too much time has passed to make easy these tasks and the Veterans Administration with its resources would be much better off if greater weight factors were granted to the veteran.

The lengthy study concluded at The Hague in 1961 concerning Later Effects of Imprisonment (among other factors) concluded that there exists ailments and disabilities which appear long afterward among those who had been incarcerated as prisoners and probably the most important key phrase was that these effects become manifest at any time after liberation, and no time limit can be set for their appearance. This body also concluded that these conditions were particularly manifest among those prisoners who lived under exceptional circumstances and conditions of stress. We believe that without any question or doubt that we suffered more than any other group of Americans who had been incarcerated during the established dates of World War II.

It has been our experience as an existing organization that the principal complaint among our membership was the frustrating inability to establish service connection for what we firmly believe was caused by our confinement by the Japanese as prisoners of war. At one time, and this was very limited to a short period following World War II, medical jackets provided spaces for Project "J" (for Japanese) and Project "G" for German prisoners of war. Apparently this is no longer prevalent because a question raised at three separate and distinct prisoner of war conventions failed to reveal anyone present who had knowledge that these identifying blocks on a medical jacket are still in vogue. It may be claimed—and perhaps rightfully so—that great weight factors are placed on a veteran having been a prisoner of war but my own experience has been that many veterans whom I know personally feel a high degree of futility in presenting themselves to make claim to such or to a given body. This futility is not vindictive; doctors come and doctors go; may retire after lengthy and honorable service. A new crop of doctors enter the scene. One of our veterans will go before the doctor and an inevitable question by the doctor is: "Where did you serve?" Our veteran answers: "Bataan." and the New doctor counters with: "Oh, where is Bataan?" I may exaggerate this, Mr. Chairman, but in so doing, I do so only to make a point. It takes a doctor with knowledge specifically related to a Bataan to treat diseases incurred on Bataan. Not for one instance am I say-

ing or even implying that our medical personnel do not have knowledge of Bataan and its peculiar diseases; what I am saying is that the doctors built-in signal system must be attuned to every little ailment that was ours otherwise a give-away clue may pass by unacknowledged and unrecognized.

In our long history of men who have given freely of themselves in combat and follow diligently the orders of superiors committing them to combat, prisoners of war have been in the decided minority as compared to our overall given troop strength. No one wants to be a prisoner of war and even at this late date there is sufficient evidence to believe even turncoats regretted their individual actions in attempt to defect to the other side. What I am saying is that, with the help of the Veterans Administration, we are really a small group, almost insignificant in the overall two-million plus on the present roles of the V.A. We are not asking anything out of reason. After some twenty-five years we are just a little tired of attempting to prove that we are right and that we claim only that which is rightfully ours. We don't want hand-outs only a fair shake. It is difficult when one is firmly convinced that he is less a man because of his prisoner of war experience. It is difficult to convince oneself that under other circumstances he may have been one thing or another and no amount of rationalization removes that stigma we have concerning the fact that we were prisoners of war. Again, at the risk of repetition, I state that we feel no honor in having been prisoners of war. The overwhelmingly majority had no idea of what was going on at the exact moment the terms of surrender were being discussed by our superiors. We did not have the communications with which we seem to be blessed today.

Leading towards a conclusion, Mr. Chairman, we are a proud organization and we seek only that we be recognized without the necessity of great research and expenditure of personal funds in an attempt to prove that we are deserving on the basis of having experienced the factors which we levy such claims. Perhaps we rely too greatly on something which was part of the service we knew and it prompts in us a few questions which we would give to you for consideration. What happened to the word which was bond? What has happened to the handshake which was so much tighter than affidavits which today go unheeded? What happens when a man goes before an authority and in sincerity states: "Hey Doc, I'm really loused up and need your help"? For myself and on a very personal note, you know, I don't know that it is worth the effort to go through what I know one must to prove a claim.

Mr. Chairman, thank you and the members of your Subcommittee for giving me this opportunity to insert our remarks in the record.

LOS ANGELES, CALIF., *March 12, 1970.*

SENATE FINANCE COMMITTEE,
SUBCOMMITTEE ON VETERANS' LEGISLATION,
*New Senate Office Building,
Washington, D.C.*

DEAR SIR: I, Jean B. LeMelle, Social Security No. 547-14-2538, Claim No. C-12811412, herewith submit five copies of written comments to be presented to the Honorable Committee of Veterans Legislation at its hearing scheduled for March 18, 1970. In an endeavor to avoid the repetition of mistakes, I respectfully present my suggestions to the Sub-Committee. These suggestions urge the Drafting Committee to be alert to these facts, which have been obtained through research. Errors made inadvertently by Congress did cause numerous Veterans (who would otherwise have been fully eligible for V.A. benefits) to be deprived of their just entitlements up until their demise.

On the other hand, there were citizens with strictly non-military status, and the same mistakes, because of a scanty definition of the language of certain bills or acts, plunged them into lengthy and costly unnecessary litigations. Whereas, with the addition of a few extra words (to close any loopholes) an apparent clear language of a bill, could have forestalled calamity.

I herewith approve and pledge my support of Senator Talmadge's bill, S. 3348. And, as a supplement, I also beg for the restoration of the office once centralized in Washington, D.C., in the past--headed by one man who was then known by the name of "Chief Pension and Compensation Examiner" and who is a "qualified Lawyer."

We beg for the enactment of Senator Herman E. Talmadge's bill: a proposed law to soften pensions cuts, threatened by the recent increased Social Security benefits; insofar as it will cause added hardship to already destitute pensioners now faced with extra high cost of living.

Each for himself alone and not for his Co-Affiant, herewith affixed his signature:

JEAN B. LEMELLE.
 EDDIE CARTER, 262-05-4831.
 GROVER G. MENG, 560-14-6015.
 JOHN B. BURGER, 551-10-0574.

On this the 11th day of March, 1970, personally appeared before me Jean B. LeMelle, known to me to be the person whose name is subscribed to the within instrument, I, Julie Light, Notary Public in and for the County of Los Angeles, State of California:

JULIE LIGHT.

MARYSVILLE, WASH., March 7, 1970.

C #1174110.

Senator HERMAN TALMADGE,
 Mr. TOM VAIL,
 Chief Counsel, Senate Finance Committee,
 New Senate Office Building, Washington, D.C.

DEAR SIR: Enclosed find affidants, etc., of my claim—I was disabled in 1917, U.S. Navy, discharged November 28, 1920. I filed claim in 1922 in Eau Claire, Wis., and was rated 10%, \$8.00 per month. In 1924, I went into the V.A. Hospital at Maywood, Illinois for (3) three months and was rated 45% which I have held ever since. But due to my disability, which is retracted knee joint or torn ligaments, I have never been sure of my step since. As I cannot put my weight on my left leg and bend the knee without falling. On December, my knee went out on me and I fell and turned my left ankle paralyzing the push-off in the toes of the left foot. I was working as an electrician and on January 7, 1954 the Electrical Union laid me off as I was unable to climb a ladder or balance myself on a scaffold. I have not worked at gainful wages since, which cut my social security payments, as I was 61 years old then. On July 8, 1969, my knee went out on me again and I fell down off a high curb in Mesa, Arizona and fractured (broke) the achilles tendon on my good right foot and leg, now I can't walk without a cane and with great effort and pain. I have fallen many times, hurting my shoulders and neck all due to my service connected disability. My shoulders and neck hurt every time I use them or turn my head. I can't walk one-half block without having to take nitro-glycerin tablets for Angina pains.

I think a bill should be passed when a disabled Vet gets 45% rating, he should get 45% of 100% value, which would be \$180.00 per month, instead I get \$106.00 for 45% which in reality is just a little over 26%. I'm in constant pain when I move around or walk.

I hope Senator Talmadge's bill goes through for \$450.00 per 100%, but I still say \$106.00 is not 45% of \$400.00.

Thanking you, I remain,
 Yours very sincerely,

HENRY J. TAKLO.

ST. PETERSBURG, FLA., March 14, 1970.

V.A. claim #244971.
 Attention—All Committee Members.

Senator HERMAN E. TALMADGE,
 Chairman of the Subcommittee on Veterans Legislation,
 Senate Committee on Finance,
 Washington, D.C.

HONORABLE SIR: I am one of the forgotten wounded veterans of World War One. I trained at Camp Gordon, Atlanta, Ga., and went Overseas with the 82d All American Division. I was wounded in action by shrapnel in the Argonne Forest and receive a 40% disability compensation rating.

In the old days a disabled veteran rated at 40% received 40% of the 100% base compensation rate. Now the disabled veteran with a 40% rating of \$89.00 per month receives only 22.25% of the 100% rate of \$400.00. In addition the disabled veterans with 50 to 100% ratings receive an additional allowance for dependents which makes the percentage more out of line.

What did we disabled veterans do wrong to receive the decrease in the percentage of the 100% rate. Now we World War One Veterans are too old to earn a living and are 100% out of the labor market and depend on other income.

A percentage increase based on the cost of living is not the answer as our present compensation ratings are too much out of line now. I feel the least you should consider would be to return to the old method and prorate the disability rating to the correct percentage of the 100% base compensation rate. The allowance for dependents should apply to all ratings and not to those over 50%.

I also suggest that you consider granting Out-Patient treatment for all World War One Veterans on the same basis that are granted to Spanish American War Veterans. If you wait much longer we will all be dead and I don't believe that you want to wait that long.

I suggest that you check into the advisability of setting up a Board of Review which is not on the Veterans Administration payroll to review the decisions of the Veterans Appeal Board. The Appeal Board decisions are not always right but they are final and the disabled veteran has no recourse. In the case where there is a difference in medical opinions between the Doctors of the Veteran and the Doctors of the Veterans Administration, Doctors from the outside and not the Veterans Administration payroll should be used.

I understand that this is the time for your Committee to consider suggestions to improve benefits for the Disabled Veterans. I know your Committee will do the best you can for us.

Sincerely yours,

DEAN R. CLIFFORD.

