

ADDITIONAL COMPENSATION FOR SURVIVING DEPENDENTS

HEARING BEFORE THE COMMITTEE ON FINANCE UNITED STATES SENATE EIGHTIETH CONGRESS SECOND SESSION

ON

S. 644

**A BILL TO INCREASE THE COMPENSATION PAYABLE TO THE
SURVIVING CHILDREN OF CERTAIN DECEASED VETERANS
WHOSE DEATH WAS WARTIME SERVICE-CONNECTED**

S. 2232

**A BILL TO PROVIDE ADDITIONAL COMPENSATION TO WIDOWS
AND OTHER DEPENDENTS OF CERTAIN VETERANS**

S. 2651

**A BILL TO PROVIDE ADDITIONAL COMPENSATION TO WIDOWS
AND OTHER DEPENDENTS OF CERTAIN VETERANS**

MAY 26, 1948

Printed for the use of the Committee on Finance



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ADDITIONAL COMPENSATION FOR SURVIVING DEPENDENTS

WEDNESDAY, MAY 26, 1948

UNITED STATES SENATE,
COMMITTEE ON FINANCE,
Washington, D. C.

The committee met, pursuant to call, at 10 a. m., in room 312, Senate Office Building, Senator Eugene D. Millikin, chairman, presiding.

Present: Senators Millikin, Butler, George, and Johnson of Colorado.

The CHAIRMAN. The hearing will come to order.

The first witness is Senator Baldwin. We are discussing a series of bills here this morning. Senator Baldwin is the author of S. 644, and together with that we have S. 2232 and 2651.

(S. 644, S. 2232, and S. 2651 are as follows:)

[S. 644, 80th Cong., 1st sess.]

A BILL To increase the compensation payable to the surviving children of certain deceased veterans whose death was wartime service-connected

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (a) of section 14 of the Act entitled "An Act to provide more adequate and uniform administrative provisions in veterans' laws pertaining to compensation, pension, and retirement pay payable by the Veterans' Administration, and for other purposes", approved July 13, 1943, is amended to read as follows:

"(a) The surviving widow, child, or children of any deceased person, entitled to wartime service-connected death compensation or pension at the rates provided in paragraph 2 of section 5 of Public Law Numbered 198, Seventy-sixth Congress, approved July 19, 1939, as amended (U. S. C., title 38, secs. 472b, 472b-1, 357b), shall be entitled to receive compensation or pension at the monthly rates specified below:

"Widow but no child, \$60; widow with one child, \$100, with \$40 for each additional child; no widow but one child, \$40, with \$40 for each additional child."

Sec. 2. The rates of compensation or pension authorized by this Act shall become effective on the first day of the month following the date of enactment of this Act and shall not be awarded for any period prior to such day.

Sec. 3. The rates of compensation or pension authorized by this Act shall not be increased by virtue of the provisions of section 2 of the Act entitled "An Act relating to veterans' pension, compensation, or retirement pay during hospitalization, institutional or domiciliary care, and for other purposes", approved August 8, 1946.

[S. 2232, 80th Cong., 2d sess.]

A BILL To provide additional compensation to widows and other dependents of certain veterans

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following rates of compensation are hereby established for surviving widows, children, and dependent parents of deceased veterans of World War I or World War II whose deaths are the result

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of service in such wars, or the results of contingencies provided for in United States Code, title 38, sections 501a, 501a-1, and paragraph 4, part VII, Veterans Regulation 1 (a), as amended:

Widow but no child, \$60; widow with one child, \$115, with \$20 for each additional child (subject to apportionment regulations); no widow but one child, \$50 with \$20 for each additional child (total amount to be equally divided); dependent mother or father, \$75; dependent mother and father, \$40 each.

Sec. 2. Such compensation shall not be diminished by reason of other benefits allowed by other provisions of law.

Sec. 3. This Act shall become effective on the first day of the second month following the date of its enactment.

[S. 2651, 80th Cong., 2d sess.]

A BILL To provide additional compensation to widows and other dependents of certain veterans.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following rates of compensation are hereby established for surviving widows, children, and dependent parents of deceased veterans of the World War I or World War II whose deaths are the result of service in such wars, or the results of contingencies provided for in United States Code, title 38, sections 501a, 501a-1, and paragraph 4, part VII, Veterans Regulation 1 (a), as amended:

Widow but no child, \$75; widow with one child, \$115 with \$20 for each additional child (subject to apportionment regulations); no widow but one child, \$50 with \$20 for each additional child (total amount to be equally divided); dependent mother or father, \$75; dependent mother and father, \$40 each.

Sec. 2. Such compensation shall not be diminished by reason of other benefits allowed by other provisions of law.

Sec. 3. Notwithstanding any other provision of law or veterans' regulation, for the purpose of payment of compensation under laws administered by the Veterans' Administration, one parent whose annual income does not exceed \$1,800, or two parents whose annual income does not exceed \$3,000, shall be deemed to be dependent. In determining annual income any payments made by a parent for expense of last illness of the veteran or such expense of burial of the veteran as exceeds the amount of allowance authorized by Veterans Regulation Numbered 9 (a), as amended, shall be excluded and any payments by the United States Government because of disability or death under laws administered by the Veterans' Administration shall not be considered nor shall life-insurance payments from any other source, including income therefrom in an amount less than \$3,000 received in any one year, be considered.

Sec. 4. This Act shall become effective on the first day of the second month following the date of its enactment.

The CHAIRMAN. We will incorporate in the record at this point the Veterans' Administration reports on these three bills, together with two tables showing the percentages of increase from 1917 to the present and from 1935 to the present.

(The report on S. 644 is as follows:)

Hon. EUGENE D. MILLIKIN,
*Chairman, Committee on Finance,
United States Senate, Washington 25, D. C.*

DEAR SENATOR MILLIKIN: Further reference is made to your letter requesting a report on S. 644, Eightieth Congress, a bill to increase the compensation payable to the surviving children of certain deceased veterans whose death was wartime service connected.

The purpose of the bill is to amend section 14 (a) of Public Law 144, Seventy-eighth Congress, as amended, to provide wartime service-connected death compensation at the rate of \$40 per month for each surviving child, whether there be a widow or not. These rates would be applicable to all wars and, in addition, to peacetime service, provided the conditions outlined in Public Law 359, Seventy-seventh Congress, approved December 19, 1941, are met. It is further provided that the rates so established shall become effective on the first day of the month following the date of enactment of the bill and shall not be increased by virtue of the provisions of section 2 of Public Law 662, Seventy-ninth Congress, approved August 8, 1946.

The rates now payable under paragraph 2, section 5 of Public Law 108, Seventy-sixth Congress, as amended by section 14 (a), Public Law 144, Seventy-eighth Congress, as amended, are as follows:

Widow but no child, \$00; widow with one child, \$78, with \$15.60 for each additional child (subject to apportionment regulations); no widow but one child, \$30; no widow but two children, \$45.60 (equally divided) with \$12 for each additional child (total amount to be equally divided).

Section 2, Public Law 662, Seventy-ninth Congress, approved August 8, 1946, increased by 20 percent the monthly rates of compensation and pension payable to veterans of World War I, World War II, Spanish American War and those peacetime veterans whose disability was incurred under conditions outlined in Public Law 359, Seventy-seventh Congress, and their dependents, which are payable under the laws or regulations administered by the Veterans' Administration. This increase is included in the above figures.

The increases in compensation which would be authorized by S. 644 are shown in the following table:

	Existing law	S. 644	Increase
			<i>Percent</i>
Widow with 1 child.....	\$78.00	\$100	28.2
Widow with 2 children.....	93.60	140	49
Widow with 3 children.....	109.20	180	64.8
Widow with 4 children.....	124.80	220	76.2
Widow with 5 children.....	140.40	260	85.1
No widow but 1 child.....	30	40	33.3
No widow but 2 children.....	45.60	60	75.4
No widow but 3 children.....	67.60	120	108.2
No widow but 4 children.....	89.60	160	130
No widow but 5 children.....	111.60	200	145

Numerous bills have been introduced in the Eightieth Congress for the purpose of granting new or increased benefits for the dependents of deceased veterans. In addition to proposals for increased death compensation many of the bills would extend to surviving widows and children the "readjustment" benefits of vocational rehabilitation and education and training, together with subsistence allowances, and the guaranty or insurance of loans for homes, businesses and farms. The latter benefits, authorized by Public Law 16, Seventy-eighth Congress, and the Servicemen's Readjustment Act of 1944, as amended, were conceived for the basic purpose of helping our returning service men and women bridge the gap from war to peace activity and therefore have been appropriately confined to the veteran himself. On the other hand, the Government has long recognized a moral obligation to assist in the maintenance of surviving widows, children and dependent parents of those veterans whose deaths are connected with their military service and has sought to fulfill that obligation by a well established program of monetary gratuities known as death compensation. It is the view of the Veterans' Administration that if it be determined by the Congress that additional relief is needed for certain dependents of deceased veterans, such relief should be extended in the established field of death compensation, to the extent justified.

The modern system for the payment of compensation to veterans for disabilities incurred in wartime service and to the widows and children of veterans dying from such disabilities finds its inception in the Act of October 6, 1917 (Public No. 90, 65th Congress), which was an amendment to the War Risk Insurance Act. Under the system in effect prior to the World War, pensions were granted not only to veterans and dependents of veterans who had suffered disability or death as the result of war service, but also to disabled veterans merely because of the fact that they had served in the armed forces during time of war. With the outbreak of the World War, however, it was apparent that the old pension system was inadequate and after careful study by the Congress, assisted by a committee of prominent citizens, a modern program of veterans' relief was established by the mentioned act of October 6, 1917.

This act contained a new and practicable scheme of disability and death compensation analogous to workmen's compensation legislation. The chief concern was with the welfare of the veteran disabled in the service and his dependents, and the law contained no provision for persons whose disabilities were not incident to military service. The history of veterans' legislation during the ensuing years clearly demonstrates that the Congress has considered that the primary obligation

of the Government consists of providing reasonable compensation for those veterans and the dependents of veterans who suffer disability or death as the result of an injury or disease incurred in active service. Although the Congress has from time to time given attention to the subject of pensions based upon service alone or disability and death not connected with service, the two fields of veterans' relief are separate and distinct and have no proper relationship to each other. Accordingly, it is believed that any affirmative action designed to remove certain inequalities in the compensation system by increasing particular monetary rates, should not, in itself, be construed as a precedent for similar action with respect to pensions.

The legislative history of the various laws relating to rates of compensation or pension for veterans and their dependents reveals that prior to the enactment thereof the Congress gave consideration to various factors; for example, in the rates being paid to similar groups of veterans under laws in effect at the time the proposed rates were being considered; differentiation between benefits based upon service-connected disability or death and those based upon non-service-connected disability or death; historical development of the pension or compensation program of the group involved, including consideration of the program pertaining to similar groups and the effect of the proposed legislation; the estimated expenditures involved, and the ability of the Government to meet the obligation which would be assumed. However, a comprehensive study of the historical development of the compensation system and the rates payable thereunder discloses certain inequities which should be adjusted. With respect to the amounts payable to or for surviving children of veterans whose deaths were the result of a wartime disability, it is believed that a reasonable increase in the rates for this class of dependents is merited and would be warranted in the light of economic conditions today.

The precise amount of increase in the monetary rate which may be proper in any case is difficult to establish and is, of course, a matter primarily for determination by the Congress in the light of the various factors mentioned above. It is suggested, however, that increases to one group beyond a fair and justifiable amount may well lead to demands from other groups for proportionate increases, not in themselves justifiable. In times of economic stress, excessive rates of governmental gratuities for a few groups may become a special target of attack and result in drastic and unreasonable reductions for all groups.

Subject to a limited exception, hereinafter discussed, the Congress has consistently fixed the rates of compensation for more than one child at lesser amounts for the second child and succeeding children than for the first child. Presumably this action has been taken in the belief that the costs of maintaining children do not increase 100 percent with each additional child. S. 644, however, would authorize initially the amount of \$40 for the first child (an increase of 122 percent over the present amount) and the same amount for each additional child regardless of number. Furthermore, no distinction is made in the bill, as to amounts payable for children, between cases in which there is a widow and those in which the children are orphans. Generally speaking, it is believed that the cost of a child's maintenance in conjunction with that of its mother's is substantially less than that of a child without parent, and this is particularly true in the case of several children. Although the orphaned child may reside with friends or relatives, the quantity and quality of the support and care he receives often bears a marked relationship to the amount of his monthly compensation payment.

As previously indicated, the modern system for the payment of compensation to widows and children of war veterans was established by the act of October 6, 1917, after thorough study and consideration. Presumably, the new system provided fair and reasonable rates at that time and the ratio among them was generally appropriate. Accordingly, reference to, and the use of, such rates as a general pattern may be helpful in considering the present problem. Under that act the rate for the widow alone was \$25; a widow with one child \$35; a widow with two children \$47.50 and \$5 for each additional child up to two. The rate for no widow but one child was \$20; no widow but two children \$30; no widow but three children \$40, with \$5 for each additional child up to two. The law also provided for the payment of \$20 to a widowed mother, subject to certain conditions. The limitation as to number of children was removed by section 201 of the World War Veterans' Act, 1924, and subsequent limitations on the total amount payable to the widow and children were removed by Public Law 673, Seventy-ninth Congress, approved August 8, 1946. The amount provided by the act of October 6, 1917, for the second child where there is a widow was larger than the amount authorized for the first child. However, this dis-

parity was adjusted by the act of June 25, 1918 (Public No. 175, 65th Cong.), and since that date the Congress has consistently authorized a lesser amount for the second and succeeding children.

It will be noted that the rate of compensation for the widow alone has been increased from \$25 in 1917 to \$60 today, or an increase of 140 percent since the inception of the present compensation system. The percent increases among the rates for children however, have been substantially less, notwithstanding the fact that in the vast majority of cases the need of a governmental contribution toward the support of dependents is substantially greater than where children are involved than it is in the case of the widow alone who is normally able to supplement her income by employment. The Veterans' Administration recognizes that there is no perfect formula by which adequate and equitable rates may be fixed, consonant with the ability of the Government to meet the financial obligation incurred thereby. However, after careful study of the problem and all of the factors involved, the Veterans' Administration is of the view that a reasonable approach to an equitable adjustment of the existing rates for children would be to select the mentioned 1917 childrens' rates, as revised by the act of June 25, 1918, *supra*, as the basic pattern and apply thereto the same percent of increase as the Congress has made to date in the rate for the widow alone, namely 140 percent. An increase in the rates for children by 140 percent of the rates contained in the 1917-18 pattern will generally raise them to a more equitable level and at the same time a reasonable ratio between them and the rate for the widow along will be maintained. The application of this formula will result in substantial increases in all cases of children with no widow. In the group of children with widow, increases would be effected in cases of widows with one to four children, but with respect to widows with five or more children, certain small reductions in rates would result.

To obviate any possible reduction in existing rates for any class, it is believed desirable to depart from the 1917-18 pattern in this limited instance and provide a new rate of \$51 for each additional child (with widow) after the second child, rather than a rate of \$12 for which would be the amount resulting from a strict application of the mentioned formula. Increases would thereby be affected with respect to all children. A proposed draft of bill to accomplish this purpose is enclosed for the consideration of the committee.

In connection with the subject of compensation for dependents of deceased veterans it is respectfully suggested that consideration also be given to an adjustment of the payments authorized for widows, children and dependent parents of deceased veterans of the Regular Establishment, commonly referred to as peacetime death compensation. For many years the Congress has recognized the characteristic differences between the type and nature of wartime service and that of peacetime service by establishing in the case of disability compensation for the veteran himself, a differential under which peacetime rates are equivalent to 75 percent of the wartime rates. However, legislation in behalf of the peacetime dependents has not consistently followed this principle. For example, the present rate for the widow of a peacetime veteran is 63 percent of the rate payable to the widow of a veteran whose death was wartime service-connected, and the existing rate for a dependent parent of a deceased peacetime veteran is only 55 percent of the rate payable in similar wartime cases.

A further inequality is apparent when a comparison of the existing rate of compensation for a widow based on a peacetime veterans' service-connected death is made with the prevailing rate of pension authorized for a widow of a World War I or II veteran, whose death had no connection with his military service. The peacetime rate for the widow is \$38, while the pension for the nonservice-connected death is \$42. Although in the latter case there are certain income limitations which may restrict eligibility for the pension, nevertheless, there is no apparent justification for providing the larger gratuity on account of a death which had no connection with the service rendered. An adjustment of the peacetime rates for dependents to a level equal to 75 percent of the wartime death compensation rates would serve to remove this disparity and would place the dependents on a par with the veterans themselves with respect to the differential between peacetime and wartime compensation now firmly established among the veterans concerned. Section 3 of the enclosed draft of proposed bill, which would accomplish these purposes, is submitted for the consideration of your committee.

It is estimated that S. 644, if enacted, would grant increased compensation during the first year to the surviving children of approximately 82,230 veterans whose death was wartime service-connected. These cases are classified as follows: World War II, 78,400; World War I, 7,500; Regular Establishment entitled to

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wartime rates 300; and Spanish-American War, 30. Based on this estimate, the additional cost to the Government for the first year would be \$32,752,000.

In comparison with the above estimate of the cost of S. 644, section 1 of the enclosed draft of bill, if enacted, would grant increased compensation during the first year to the surviving children of the same number and classification of deceased veterans at a cost of \$10,844,000. Section 3 of the proposed bill, if enacted, would grant increased compensation during the first year to the widows, children, and dependent parents of 12,600 veterans whose death was peacetime service-connected at a cost of \$1,634,000. The subject matter of section 3 is, of course, not within the scope of S. 644. The total estimated additional cost of the proposed bill for the first year would be \$12,478,000.

In view of the foregoing, the Veterans' Administration would suggest for your consideration the proposals substantially in the form embodied in the enclosed draft of proposed bill rather than as contained in S. 644.

Advice has been received from the Director, Bureau of the Budget, that there would be no objection to the submission of this report to your committee.

Sincerely yours,

CARL R. GRAY, Jr.,
Administrator.

Enclosure:

A BILL. To increase the rates of service-connected death compensation payable to certain widows, children and dependent, parents of persons who served in the active military or naval service, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That paragraph IV of part I of Veterans Regulation Numbered 1 (a), as amended, is hereby amended to read as follows:

"The surviving widow, child or children, and dependent mother or father of any deceased person who died as the result of injury or disease incurred in or aggravated by active military or naval service as provided in part I, paragraph 1 hereof, shall be entitled to receive compensation at the monthly rates specified next below: Widow but no child, \$60; widow with one child, \$84; widow with two children, \$102 (with \$15 for each additional child); no widow but one child, \$48; no widow but two children, \$72 (equally divided); no widow but three children, \$96 (equally divided) (with \$12 for each additional child; total amount to be equally divided); dependent mother or father, \$54 (or both), \$30 each."

Sec. 2, subparagraph (c), paragraph I, part II, Veterans Regulation Numbered 1 (a), as amended, is hereby amended to read as follows:

"(c) Any veteran or the dependents of any deceased veteran otherwise entitled to compensation under the provisions of part II of this regulation or the general pension law shall be entitled to receive the rate of compensation provided in part I of this regulation, if the disability or death of such veteran resulted from an injury or disease received in line of duty (1) as a direct result of armed conflict, or (2) while engaged in extra hazardous service including such service under conditions simulating war, or (3) while the United States is engaged in war."

Sec. 3. Paragraph III of part II of Veterans Regulations Numbered 1 (a), as amended, is hereby amended to read as follows:

"The surviving widow, child or children, and dependent mother or father of any deceased person who died as a result of injury or disease incurred in or aggravated by active military or naval service as provided for in part II, paragraph I hereof, shall be entitled to receive compensation at seventy-five per centum of the rates specified for such dependents in paragraph IV, part I hereof, as now or hereafter amended."

Sec. 4. The increases provided by this Act shall be effective from the first day of the second month following the passage of this Act.

(The report on S. 2232 is as follows:)

Hon. EUGENE D. MILLIKIN,
Chairman, Committee on Finance,
United States Senate, Washington 25, D. C.

DEAR SENATOR MILLIKIN: This is in further reply to your letter of February 28, 1948, requesting a report by the Veterans' Administration on S. 2232, Eightieth Congress, a bill to provide additional compensation to widows and other dependents of certain veterans.

The purpose of the bill is to establish new and higher rates of compensation for the surviving widows (with child or children), children and dependent parents of deceased veterans of World War I or World War II, whose deaths are the result,

of service in such wars or "the results of contingencies provided for in United States Code, title 38, sections 501a-1, and paragraph 4, part VII, Veterans Regulation No. 1 (a), as amended." The mentioned United States Code sections set forth section 31, Public Law 141, Seventy-third Congress, March 28, 1934, and section 12, Public Law 866, Seventy-sixth Congress, October 17, 1940, and have reference to cases where the deaths of veterans are attributable to an injury, or aggravation of an existing injury, as a result of having submitted to an examination or as the result of training, hospitalization, or medical or surgical treatment awarded under any of the laws granting monetary or other benefits to World War veterans. Paragraph 4, part VII, Veterans Regulation No. 1 (a), as amended, authorizes wartime benefits where the death of a World War II veteran is attributable to an injury or aggravation of an injury as a result of the pursuit of a course of vocational rehabilitation, as provided for in that regulation.

The existing rates for wartime service-connected death compensation are authorized by section 5 of Public Law 198, Seventy-sixth Congress, as amended by section 14 (a) of Public Law 144, Seventy-eighth Congress. Such rates were subsequently increased by 20 percent pursuant to section 2 of Public Law 662, Seventy-ninth Congress, approved August 8, 1946. A comparison of the existing rates with the rates proposed by S. 2232 follows:

	Existing law	S. 2232
Widow but no child.....	\$60.00	\$60
Widow with 1 child.....	78.00	115
Widow with 2 children.....	93.00	135
Widow with 3 children.....	109.20	155
Widow with 4 children.....	124.80	175
Widow with 5 children.....	140.40	195
No widow but 1 child.....	30.00	50
No widow but 2 children.....	45.60	70
No widow but 3 children.....	57.60	90
No widow but 4 children.....	69.60	110
No widow but 5 children.....	81.60	130
Dependent mother or father.....	54.00	75
Dependent mother and father each.....	30.00	40

The rates set forth above for death compensation under existing law are applicable to the dependents of veterans of all wars. They also apply to the dependents of peacetime veterans provided the veterans' deaths were incurred under the conditions set forth in Public Law 359, Seventy-seventh Congress, i. e., (1) as a direct result of armed conflict, or (2) while engaged in extra-hazardous service, including such service under conditions simulating war. The present language of S. 2232 which requires that the deaths be the result of service in World Wars I or II (or the named contingencies, not applicable here) would appear to exclude the dependents of such peacetime veterans from the benefit of the increased rates proposed. The dependents of veterans whose deaths were the result of service in wars prior to World War I would also be excluded from the benefits of the bill.

It is estimated that S. 2232 would provide increases the first year for the widows (with child or children), children and dependent parents of approximately 51,000 deceased veterans of World War I at a cost of \$14,043,000. In addition, widows (with child or children), children and dependent parents of approximately 210,000 deceased veterans of World War II would be eligible for increases the first year under the bill at a cost of \$71,078,000. The total cost for the first year would approximate \$85,121,000.

In responding to requests from committees of the Congress for reports on general legislative proposals, it is my policy to state the effects, pertinent legislative history and estimate of cost and to refrain from recommending whether or not the committee should give favorable consideration to the proposal, it being my thought that such determination is primarily a legislative function. Accordingly, no recommendation is made for or against S. 2232. In connection with the subject matter of this proposal, you are, of course, aware of my report of January 21, 1948, on S. 644, copy of which is enclosed. That report incorporated certain suggested approaches to the problem for the consideration of the committee and it is respectfully requested that they be viewed in the light of my policy as stated above.

Advice has been received from the Bureau of the Budget that the enactment of either S. 2232 or S. 644 would not be in accord with the President's program, but

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that the enactment of the Veterans' Administration's alternative proposal transmitted with the letter of January 21, 1948, on S. 644, to your committee would be in accord with the President's program.

Sincerely yours,

CARL R. GRAY, Jr., *Administrator.*

Enclosure.

(Report on S. 2651 is as follows:)

Hon. EUGENE D. MILLIKIN,
*Chairman, Committee on Finance,
United States Senate, Washington 25, D. C.*

DEAR SENATOR MILLIKIN: This is in further reply to your letter of May 12, 1948, requesting a report by the Veterans' Administration on S. 2651, Eightieth Congress, a bill to provide additional compensation to widows and other dependents of certain veterans.

The purpose of section 1 of the bill is to establish new and higher rates of compensation for the surviving widows, children, and dependent parents of deceased veterans of World War I or World War II, whose deaths are the result of service in such wars or the results of contingencies provided for in United States Code, title 38, sections 501a, 501a-1, and paragraph 4, part VII, Veterans Regulation No. 1 (a), as amended.

The mentioned United States Code sections set forth section 31, Public Law 141, Seventy-third Congress, March 28, 1934, and section 12, Public Law 860, Seventy-sixth Congress, October 17, 1910, and have reference to cases where the deaths of veterans are attributable to an injury, or aggravation of an existing injury, as a result of having submitted to an examination or as the result of training, hospitalization, or medical or surgical treatment awarded under any of the laws granting monetary or other benefits to World War veterans. Paragraph 4, part VII, Veterans Regulation No. 1 (a), as amended, authorizes wartime benefits where the death of a World War II veteran is attributable to an injury or aggravation of any injury as a result of the pursuit of a course of vocational rehabilitation, as provided for in that regulation.

Section 1 of S. 2651 is similar to section 1 of S. 2232, Eightieth Congress, with the exception that the latter bill would provide no increase in compensation for a widow with no child. The Veterans' Administration submitted a report on S. 2232 to your committee under date of April 28, 1948.

The bill would also establish a basis for determination of dependency for parents, for the purpose of payment of compensation under laws administered by the Veterans' Administration, by providing that one parent whose annual income does not exceed \$1,800 shall be deemed to be dependent, or two parents whose annual income does not exceed \$3,000 shall be deemed dependent. It is provided that in determining annual income payments made for the expense of last illness of the veteran and expense of burial over and above the amount authorized by Veterans Regulation No. 9 (a), as amended, presently the sum of \$150, shall be excluded and any payments by the United States Government because of disability or death under laws administered by the Veterans' Administration of life insurance payments from any other source, including income therefrom in an amount less than \$3,000 received in any one year, shall not be considered.

The existing rates for wartime service-connected death compensation are authorized by section 5 of Public Law 108, Seventy-sixth Congress, as amended by section 14 (a) of Public Law 144, Seventy-eighth Congress. Such rates were subsequently increased by 20 percent pursuant to section 2 of Public Law 662, Seventy-ninth Congress, approved August 8, 1946. A comparison of the existing rates with the rates proposed by S. 2651 follows:

	Existing law	S. 2651
Widow but no child.....	\$60.00	\$75
Widow with 1 child.....	78.00	115
Widow with 2 children.....	93.00	135
Widow with 3 children.....	109.20	155
Widow with 4 children.....	124.80	175
Widow with 5 children.....	140.40	195
No widow but 1 child.....	30.00	50
No widow but 2 children.....	45.60	70
No widow but 3 children.....	57.60	90
No widow but 4 children.....	69.60	110
No widow but 5 children.....	81.60	130
Dependent mother or father.....	64.00	75
Dependent mother and father each.....	30.00	40

The rates set forth above for death compensation under existing law are applicable to the dependents of veterans of all wars. They also apply to the dependents of peacetime veterans provided the veterans' deaths were incurred under the conditions set forth in Public Law 359, Seventy-seventh Congress, 1. c., (1) as a direct result of armed conflict, or (2) while engaged in extra hazardous service, including such service under conditions simulating war. The present language of S. 2651 which requires that the deaths be the result of service in World Wars I or II (or the named contingencies, not applicable here) would appear to exclude the dependents of such peacetime veterans from the benefit of the increased rates proposed. The dependents of veterans whose deaths were the result of service in wars prior to World War I would also be excluded from the benefits of the bill.

Section 3 of S. 2651 would provide a fixed annual income limitation applicable to dependent parents of deceased veterans for the payment of death compensation under laws administered by the Veterans' Administration as the basis of determining the dependency of such persons.

The amount would be \$1,800 in the case of one parent and \$3,000 in the case of two parents. Under existing law and regulations of the Veterans' Administration (R. and P. R-1057), no fixed amount is prescribed as the basis for determining dependency, and various factors are considered in arriving at a conclusion in the particular case as to whether dependency actually exists. Generally speaking, dependency is held to exist if the father or the mother does not have an income sufficient to provide reasonable maintenance for such father or mother and members of his or her family under legal age, and for dependent adult members of the family if the dependency of such adult member results from mental or physical incapacity. In determining dependency, certain items of income are disregarded, including proceeds of insurance issued by the Veterans' Administration, pension or compensation under laws administered by the Veterans' Administration, World War Adjusted Compensation Act, or Adjusted Compensation Payment Act benefits, 6 months' death gratuity, mustering-out pay, and donations or assistance from charitable sources.

In the absence of evidence to the contrary, dependency is generally held to exist when the monthly income from sources proper to consider does not exceed: (a) \$80 for a mother or father (not living together), (b) \$135 for a mother and father (living together), (c) plus an increase in either of the amounts stated in (a) or (b) by \$35 for each additional member of the family whose support is to be considered. However, the mentioned regulations emphasize that the amounts stated are not controlling in any case but are to be used only as prima facie evidence. Accordingly, each claim is subject to adjudication upon the particular facts thereof. The Veterans' Administration believes that the present provisions of law and regulations afford a sufficient latitude to include all meritorious cases and afford a flexibility of administration.

It is estimated that S. 2651, if enacted, would provide increases the first year for the widows, children and dependent parents of approximately 71,500 deceased veterans of World War I at a cost of \$18,137,000. In addition, widows, children and dependent parents of approximately 247,700 deceased veterans of World War II would be eligible for increases the first year under the bill at a cost of \$70,704,000. The total cost for the first year would approximate \$88,841,000. This estimate of cost is based on the present determination of dependency of parents as facts are not available upon which a practicable estimate of cost could be made on the basis of the income limitation for parents proposed by the bill.

In responding to requests from committees of the Congress for reports on general legislative proposals, it is my policy to state the effects, a pertinent legislative history and estimate of cost and to refrain from recommending whether or not the committee should give favorable consideration to the proposal, it being my thought that such determination is primarily a legislative function. Accordingly, no recommendation is made for or against S. 2651. In connection with the subject matter of section 1 of the bill, you are, of course, aware of my report of January 21, 1948, on S. 644. That report incorporated certain suggested approaches to the problem for the consideration of the committee and it is respectfully requested that they be viewed in the light of my policy as stated above.

Advice has been received from the Bureau of the Budget with respect to S. 2232 and S. 644, each of which is similar in purpose to section 1 of S. 2651, and with respect to H. R. 3748, which is identical with S. 2651, that the enactment of any such bill would not be in accord with the President's program, but that the enact-

10 ADDITIONAL COMPENSATION FOR SURVIVING DEPENDENTS

ment of the Veterans' Administration's alternative proposal transmitted with the letter of January 21, 1948, on S. 644 to your committee would be in accord with the President's program.

Sincerely yours,

CARL R. GRAY, JR.,
Administrator.

(The tables referred to follow:)

Percentage of increase—1917 to present

	1917 rate	Present rate	Percent Increase
Widow	\$25.00	\$70.00	140
Widow, 1 child	35.00	78.00	122+
Widow, 2 children	47.50	93.00	97+
Each additional child	5.00	15.00	212
No widow, 1 child	20.00	30.00	50
No widow, 2 children	30.00	45.00	52
No widow, 3 children	40.00	57.00	44
Each additional child	5.00	12.00	140

Percentages of increase—1935 to present

	1935 rate	Present rate	Percent Increase
Widow, under 50 years	\$30	\$60.00	100
Widow, 50 to 65 years	35	60.00	71+
Widow, over 65 years	40	60.00	50
Widow under 50 years, 1 child under 10 years	45	78.00	95
Widow under 50 years, 1 child over 10 years	45	78.00	73+
Widow, 50 to 65 years, 1 child under 10 years	50	78.00	56
Widow, 50 to 65 years, 1 child over 10 years	50	78.00	56
Widow over 65 years, 1 child under 10 years	55	78.00	41+
Widow over 65 years, 1 child over 10 years	55	78.00	41+
Additional for each child:			
Up to 10 years	8	15.00	95
From age 10 years	13	15.00	20
No widow, 1 child	20	30.00	50
No widow, 2 children	33	45.00	38+
No widow, 3 children	40	57.00	25+
Each additional child	8	12.00	50

STATEMENT OF HON. RAYMOND E. BALDWIN, A UNITED STATES SENATOR FROM THE STATE OF CONNECTICUT

Senator BALDWIN. This bill would increase the allowance to the widows and children of men killed in action. This bill would give to a widow with no children \$60; to a widow with one child, \$100, with \$40 for each additional child, and also \$40 for each additional child where there is no widow.

Under the present law, Mr. Chairman, a widow with one child gets \$78 a month. These figures are all on a monthly basis. This law would increase it to \$100 a month.

Under the present law a widow with two children gets \$93.60. This would increase it to \$140. With three children, \$109.20; this bill would increase it to \$180. With four children, \$124.80; this bill would increase it to \$220. With five children, \$140.40; this would increase it to \$260, and there would of course be a corresponding increase for each child where there is no widow; that is, each orphan.

Presently one child gets \$30; this would increase it to \$40. Two children get \$45.60; this would make it go to \$80. Three children get

\$57.60; this would be \$120. Four would get \$69.60; this would be \$160 under this bill. Five, \$81.60; under this bill it would give them \$200.

It seems to me there is a manifest justice in increasing the allowances for these people. A widow of a veteran killed in action today, a widow with three orphan children now gets from the Government a total pension for herself and children of \$109.20. I think in view of the present living costs that is entirely inadequate.

Recently we voted to increase the educational benefits paid to veterans attending school; a single veteran \$75 a month, and \$120 for a veteran with two or more dependents.

In other words, a veteran who survived the war, and who may not ever have heard a shot fired in anger can get \$120 for himself and his wife and two children, as compared to the widow of a man killed in action, a widow and two children who are now getting \$109.20.

The recommendation of the Veterans' Bureau is that this be increased percentagewise. I think, Mr. Chairman, that that is not a realistic way of going about it. I think that these figures should be increased, as I suggest in this bill S. 644, and I urge favorable consideration of the bill.

I do not believe that the widows and orphans have been organized. They really are an unorganized group, and so they do not have a voice as loud as some other groups. But I cannot stress too strongly my sincere conviction that we are being remiss in our obligations if we do not more equitably deal with these unfortunate victims of the war.

I may say, Mr. Chairman, that I do not know of any group in the whole country that is more entitled to consideration than this group, the group of young women and their children whose husbands and fathers have given their lives in this last war.

It may well be that some of these veterans who have received honorable injuries and must spend their lives in hospitals are to be privileged above this group. I think that is true. I think we must do everything for them. I think, however, that this particular group that S. 644 is designed to help is next to these horribly injured veterans the most deserving group for veterans' benefits in the whole United States.

Another phase of this thing was brought to my attention recently which to me manifests the injustice of the present situation. I know of a case, or the case was brought to my attention, whereby a widow with two girls 18 years of age was widowed by a casualty of this war. She lost her husband in actual combat. Those two youngsters are going to school, going to college. She is struggling to put them through. Right alongside of them are some girls who served in the WAAC Corps and I do not intend by this to belittle the WAAC Corps but they gave great service during the war, and they are receiving GI benefits which take care of substantially their education, while right alongside of them are these two girls going to school who get the benefits presently allowed under this act, and no more, whereby they gave their father on the field of battle.

I cannot too strongly urge, Mr. Chairman and members of the committee, that this bill be given favorable consideration, and either this proposal, or one that would grant a substantial increase in these benefits be provided for these widows and orphans; that is, true widows and orphans of the war.

Thank you very much.

The CHAIRMAN. Thank you very much, Senator.

The next witness is Omar B. Ketchum.

STATEMENT OF OMAR B. KETCHUM, NATIONAL LEGISLATIVE DIRECTOR, VETERANS OF FOREIGN WARS OF THE UNITED STATES, WASHINGTON, D. C.

Mr. KETCHUM. Mr. Chairman and members of the committee, my name is Omar B. Ketchum. I am the national legislative director of the Veterans of Foreign Wars of the United States.

I would like to preface my remarks which I had originally prepared here, owing to a statement which Senator Baldwin has just made to the committee.

I was somewhat surprised and a little disturbed by the Senator's remarks to the effect that there was no adequate voice or spokesman for the widows and orphans, and that he thought they were perhaps being neglected.

I do want this committee to know that the Veterans of Foreign Wars are very much concerned with the problems and the welfare of widows and orphans, as throughout the long history of our organization the problems of widows and orphans and the dependents of deceased servicemen have ranked around the top of all of our mandates and our objectives, and that for many, many years we have included in our program demands for adequate care and treatment of widows and orphans.

Senator BALDWIN. May I interrupt my friend there? I am afraid he may have misunderstood my remarks. I may have extended them beyond what I intended to cover. I happen to be a member of the Veterans of Foreign Wars myself, and I know what the VFW has done.

What I intended to imply, and what I repeat is that these widows among themselves have no organization. Someone else has to speak for them. They have no organization of their own and consequently no voice. It is only other veterans' organizations that can speak for them. That is what I meant to imply.

The CHAIRMAN. I doubt whether any phase of the veterans' problem is not adequately represented. It is often forgotten how many Members of Congress are veterans themselves, how many Members of Congress have brothers who were veterans, how many Members of Congress have sons and daughters who are veterans. I know of no field of neglect in the entire subject.

In other words, if there were no lobby at all, I am inclined to believe that the veterans' interests would be well taken care of by the simple fact of the large representation that veterans have in Congress.

Proceed.

Mr. KETCHUM. Mr. Chairman, I appear here this morning with respect to S. 644, S. 2232, and S. 2651, all of which bills would provide additional compensation for widows and orphans of veterans whose deaths were wartime-service-connected.

The three bills pending before the committee on the subject of widows' and orphans' pensions all vary in some respects. Rather than take the committee's time to discuss the relative merits of each bill, I shall limit my testimony to the bill S. 2651, introduced by

Senator Ives, which is identical to the bill supported by the Veterans of Foreign Wars before the House Veterans' Committee. It is my understanding that the House bill, H. R. 3748, is now on the House Calendar.

The CHAIRMAN. Do they have a rule on it?

MR. KETCHUM. They have not a rule so far as I recall up until this morning. I do not know; they may have been able to obtain a rule.

We are optimistic that bill will be one of the bills that I believe the House will give the green light to. We are very much encouraged in that belief.

I would like to state at this point that the bill S. 2651 is a bill jointly sponsored by the four major veterans' groups—the Veterans of Foreign Wars, American Legion, DAV, and AMVETS—and I understand the Regular Veterans Association is also in favor of the bill; and the bill represents national mandates of these organizations.

I am not going to take up the committee's time by discussing the statistical basis for our plea that this bill be approved. If I were to do that I would have to present the figures of the Bureau of Labor Statistics, and I am sure that in the past 18 months you have become more than well acquainted with the declining purchasing power of the dollar as represented by that much bedeviled Bureau.

Mr. Chairman, the widows and orphans of our war dead represent one deserving group that has received little consideration in our hurried efforts to rehabilitate the veteran. The average age of the World War II widow is, I believe, about 26 years. I understand that some who have placed that a little higher say 28; some say 29. We have estimated it at 26. A great percentage of them have one or more small children. These are not in a position to work to supplement their small pensions. By necessity many of them are forced to work, and the loss is in the care which they are unable to give their young children.

The spiraling cost of living has placed their welfare in jeopardy. While wages have been increased to meet the rise in the cost of food and other necessities, these widows continued to try to make ends meet on the fixed income of a pension. All fixed income groups suffer from the rise in prices; but none suffers more, nor is any group more deserving, than the women and little children that our heroic dead left behind.

We urge this committee to expedite approval of this bill; and we stress this particular bill because it considers a slight increase in pensions for the widow as well as the children. The equities of their case for an increase stand out in bold relief—it would, therefore, be superfluous for me to attempt to analyze the particular provisions of the bill. It provides a moderate increase to a deserving group; and we strongly urge the approval of this bill, S. 2651.

I would like at this time to suggest two amendments which we believe would clarify certain provisions of the bill:

1. On page 2, line 14, delete the word "or" and insert in lieu thereof the word "and." I am confident that it is the intention of the author of the bill, as well as the group sponsoring it, that both the expense of last illness of the veteran and the expense of burial in excess of the statutory sum be excluded from computing the income of the parents.

I think that was more of a typographical error than anything else. It should be "and" instead of "or," and exclude both expense items.

2. On page 2, line 24, strike out the period and add a proviso as follows:

Provided, That no compensation shall be reduced or discontinued by the enactment of this Act.

This is a customary proviso in legislative drafting where an ostensibly beneficiary bill might under certain circumstances act to the detriment of an individual. This proviso is made necessary by a recent regulation issued by the VA, R. and P. R. 1057, which liberalizes to some extent the standards or conditions for determining dependency of parents. The liberalization does not go far enough, of course, and that is the reason for our urging this legislation. However, under certain circumstances, the dependent parent might receive less under S. 2651 than under this VA regulation.

The regulation would provide that where dependent parents had other small children who might be brothers and sisters of the deceased veteran, they would be entitled to earn a certain amount of money and still remain eligible to receive the pension.

This bill, of course, sets up for the first time some specific income limitations affecting parents and it is entirely possible that there might be a very few cases of parents who are now receiving the pension and who under this new Veterans' Administration Regulation are eligible to earn a certain amount of money and still retain the pension. So we have asked that this proviso be inserted to make certain that those few families might not be denied this pension because of the income limitations which are placed in this particular bill.

I make here in the statement an analysis of increase under S. 2651 which, of course, refers to the service-connected deaths. Under existing law, a widow gets \$60; under S. 2651, \$75. A widow and one child presently, \$78; under S. 2651, \$115. Each additional child, present law, \$15.60; the contemplated law or S. 2651, \$20. No widow, one child, present law, \$30; under the proposed bill it is \$50. No widow, two children, present law, \$45.60; proposed law, \$70. Each additional child, present law, \$12; proposed law, \$20. Dependent parents, two, under existing law, \$54; under proposed bill, \$75. Dependent parents, each, under existing law, \$30; under proposed bill, \$40.

That concludes the statement. I have information as to cost here which has largely been tabulated by the VA. Undoubtedly they have submitted an estimate of the cost.

(The submitted estimate appears on p. 32.)

The CHAIRMAN. We would like to have that.

Mr. KETCHUM. If you want to wait for the VA, the figures which we are using are largely the figures which have been compiled from the statistics prepared by the Veterans' Administration.

The CHAIRMAN. I believe it would be a good thing to put it in right now.

Mr. KETCHUM. I will first advise of the number of persons estimated to be affected under this legislation. According to the present statistics compiled by the VA, there are approximately 29,093 widows and 12,164 dependent children, making a total of 92,591 dependents affected from World War I. That is both widows and orphans from World War I who would be affected.

The CHAIRMAN. Irrespective of whether they are living with the parent.

Mr. KETCHUM. Well, those are the ones who are in receipt of compensation at the present time. So we assume, of course, that that total figure would be affected by this increase in legislation. That also includes the parents. I neglected to mention that. The total figure that I gave you includes 51,334 dependent parents of deceased World War I veterans, making the total 92,591 who would be affected by this increased legislation.

As to World War II, the figures indicate that there are 102,809 widows, 114,412 children, dependent children, and 203,397 parents, or a total of 420,618 persons who would be affected by this proposed legislation. Those persons are presently in receipt of compensation under existing law.

As to costs, it is estimated insofar as World War I dependents are concerned, the cost would approximate \$19,219,000. With respect to the dependents of World War II deceased veterans, it is estimated that the cost would approximate \$80,277,000, or a total cost for the dependents of both World War I and World War II of \$99,496,000.

That is the estimate of cost that was submitted by the Veterans' Administration, and was included in the report of the House Committee on Veterans' Affairs when the companion bill was reported out.

We are inclined to believe, however, Mr. Chairman, that the estimates by the VA represent, of course, all possible factors and the maximum. We are inclined to believe that the cost would actually be less than that. We are certain that the VA does not underestimate costs in making reports to the Congress.

The CHAIRMAN. What is your own rough discount that you put on?

Mr. KETCHUM. We estimate it would be some place between 75 and 80 million dollars, instead of the \$99,000,000.

Senator GEORGE. You mean additional cost?

Mr. KETCHUM. Additional cost; yes.

Senator BUTLER. Your estimate then would approximately be \$20,000,000 under the VA.

Mr. KETCHUM. Twenty million dollars under; yes, sir.

The CHAIRMAN. Have we any statistics on how many widows are living by themselves, how many are living with families, with or without children?

Mr. KETCHUM. Mr. Chairman, I am sorry I do not have that particular information here this morning. You mean as to how many of them have children or not, and how many of them do not have children?

The CHAIRMAN. How many are living with others—with parents, for example.

Mr. KETCHUM. I am sorry I could not give you any information on that. I do have some information on the number of children involved in age brackets which I think is important in showing what these widowed mothers are up against.

The CHAIRMAN. Yes; I think that is important. Have you that tabulated?

Mr. KETCHUM. I do not have it in a separate form. I only have it in the pamphlet, Mr. Chairman, but it is pertinent to note—

The CHAIRMAN. Can you take some tear sheets out of it and put it in the record?

Mr. KETCHUM. I can give this to the reporter for the record.

The CHAIRMAN. Put that in the record.

(The tabulation is as follows:)

Excerpt from hearing before the House Veterans' Committee on H. R. 3748, showing distribution of children in various age groups. (Information supplied by Gold Star Wives.)

Present ages of children:	Number of children in each age group	Present ages of children—Con.	Number of children in each age group
18.....	1, 024	8.....	6, 143
17.....	1, 024	7.....	6, 143
16.....	1, 024	6.....	7, 166
15.....	1, 024	5.....	11, 261
14.....	1, 024	4.....	20, 475
13.....	2, 047	3.....	16, 380
12.....	2, 047	2.....	15, 356
11.....	3, 072	1.....	1, 024
10.....	3, 072		
9.....	3, 072	Total.....	102, 378

Mr. KETCHUM. The largest number of these children of these widows of World War II, in the age bracket from about 3 to 5 years. In other words, in going down the tabulation of the age groups from 1 year to 18 years, we find that the largest group of those children fall within that 3 to 5 age group, which indicates that it would be almost impossible for the mother, unless she could put the children under competent care, to leave those children to accept employment to supplement her income.

The CHAIRMAN. Do you have any statistics on how many are employed?

Mr. KETCHUM. I do not have those here, Mr. Chairman.

The CHAIRMAN. Are there any statistics on this subject that anyone knows about?

Mr. KETCHUM. I do not know. I understand some of the groups representing the widows will be available to testify. They may have that. I understand they have made some surveys. Whether they have that specific information, I could not tell you, Mr. Chairman.

Mr. KRAABEL. We have here an excerpt from the Administrator of Veterans' Affairs Annual Report of June 30, 1947, which I believe is authentic information, and that is on that subject.

The CHAIRMAN. What is the gist of it, please?

Senator GEORGE. Was the widow's pension affected by remarriage? I have forgotten now.

Mr. KETCHUM. Yes.

Senator GEORGE. It ceases on remarriage.

Mr. KETCHUM. Yes.

Senator GEORGE. Of both World War I and World War II.

Mr. KETCHUM. Yes; that is right. I know, Senator, because I have a case of that in my own family. My oldest boy was lost in the service. He left a widow, and she subsequently remarried.

Senator GEORGE. That was my recollection, but so many things pass over the bridge, you cannot keep them all in mind.

Mr. KETCHUM. That is true.

The CHAIRMAN. If the statement is on that point, it appears to be short, let us read the whole thing.

Mr. KETCHUM. It is hard for me to pick out the pertinent part. It is from the Administrator of Veterans' Affairs, and the report of June 30, 1947, shows that as of that date the dependents of 223,554 deceased veterans, this is veterans of World War II they are talking about, were receiving payments of dependency compensation. The dependents received such benefits totaled 389,215. Of this number 107,760, or 27 percent, were widows; 103,974, or 26 percent were children, and 186,508, or 47 percent were parents.

The veteran's widow was his only dependent in 38,179 cases, or 17 percent. Parent or parents, in 101,389 cases, or 46 percent, and children, only in 8,909 cases, or 4 percent.

The CHAIRMAN. Just exactly what is that 4 percent figure?

Mr. KETCHUM. First they have given you the total number of deceased World War II veterans then they break it down in percentage, the dependents of those veterans, in categories of widows, children, and dependent parents.

The veteran's widow was his only dependent in 38,179 cases. That is out of a total of 223,554 deceased veterans. In 38,719 cases the widow was the only dependent which he left, or 17 percent. In 101,398 cases, the parents were the only dependents, or 46 percent of the total, and children only in 8,909 cases, or 4 percent.

In other words, in 74,534, or 33 percent of the cases, payments were made to a combination of two or more of these beneficiaries.

The average monthly value of compensation per case was \$70.68 at the end of the fiscal year. I do not find anything in here, Mr. Chairman, however, that is pertinent to your generation as to how many of these widows are living with families or how many of them are working and how many are not working.

The information here seems to be more as to how the dependents are divided up into categories.

The CHAIRMAN. Let me ask again, does anyone here have any information on how many of these widows are employed, full time or part time?

Mr. BIRDSALL. Mr. Chairman, it would be difficult to get authentic information on that, because of the fact that we do not have any way of tracing them, because there is no income limitation on your service-connected death. On the non-service-connected death, the only information we would have, the disallowance was because of income, but some of them do not apply at all, where income is high enough, so we would not have that figure.

The CHAIRMAN. Has anyone ever made any rough estimates on the subject?

Mr. BIRDSALL. Not to my knowledge. Inasmuch as we are getting current information, the statistics which were read into the record are extracted from the annual report for June 30, 1947.

I understand we are to give you current information on that, and we will include in the request an effort to get that other for you, if we have anything at all.

The CHAIRMAN. I did not hear anything, in what Mr. Ketchum read, that bore on the question.

Mr. KETCHUM. Actually, it was a recapitulation of previous information and later information which I had furnished.

The CHAIRMAN. The reason I asked the question is, as I understand it, it has never been the theory to grant full living-cost pensions to

widows. It has always been the theory of Congress, at least heretofore, to give them a helpful sum of money which, together with what they might do to help themselves, together with what help they might get from their families, would tide them over.

I am not discussing the merits of that philosophy, but I think that has been the philosophy. If I am wrong about that, I wish someone would correct me.

Mr. KETCHUM. I think that is not only true in the case of widows and orphans, Mr. Chairman, but also true in the case of disabled veterans. I do not think the Congress has ever contended that the maximum compensation payments today are intended to provide a generous living. It is more or less supplemental and helpful. But I do not think it ever was contended that it was full subsistence and would provide an average standard of living.

The CHAIRMAN. I think it would be very illuminating if we had statistics of the kind suggested, but I can understand also that they might not be available.

Mr. KETCHUM. Of course, another thing that must be taken into consideration at all times, and it was something that troubled our organization when this legislation first came under consideration by the House committee. Shall we get the benefits for the widows and orphans completely out of line with the benefits that are payable to the totally disabled veteran and his dependents. However, one of the bills which was discussed yesterday which would give dependency allowances to the seriously disabled service-connected veteran, would if enacted enable these two payments to be kept in balance, that is, payments to the living permanently disabled veteran and his family, and the payments to the widow and children.

The CHAIRMAN. Let me ask you this. Taking this bill on its own bottom, what are the precedent factors that we should be considering? What impact would it have in other fields? You have mentioned one.

Mr. KETCHUM. I do not know of any other particular pension programs which this bill would have an impact on.

The CHAIRMAN. You understand the purpose of my question?

Mr. KETCHUM. Yes.

The CHAIRMAN. Half of all of the arguments in behalf of this kind of legislation is that there is a discriminatory element between different classes of veterans, and we have to be very careful what we do or we create a new imbalance, which in turn must be rectified.

Mr. KETCHUM. I cannot think of any other substantial group of dependents that would be at a disadvantage through enactment of this bill. For example, we have always recognized that the widows and orphans of the service-deceased veterans should be entitled to more consideration than those widows and orphans of veterans whose deaths occurred from non-service connected causes but who are granted a gratuity pension because their husbands served in the armed services.

The CHAIRMAN. Would this bill require a review of the legislation that you are talking about now?

Mr. KETCHUM. Mr. Chairman, there is another bill that is coming before this committee which we think will be helpful to this other group of widows and orphans, that is, those whose husbands' deaths were not service connected. For instance, the income limitation bill, which will be before this committee this morning, will grant some

additional advantages to that group of widows and orphans insofar as income limitation is concerned, and will be very helpful to that group.

So we think that helps to balance the program.

That concludes my testimony, and I know you have others here who want to appear.

Senator GEORGE. There is no income limitation.

Mr. KETCHUM. There is no income limitation.

Senator GEORGE. On the service-connected death.

Mr. KETCHUM. That is correct.

The CHAIRMAN. It is only on the nonservice.

Mr. KETCHUM. The only income limitation applies to the parents.

Senator GEORGE. To the parents.

Mr. KETCHUM. That is right. There is right in this bill which we are proposing here, there is a specific income limitation affecting the dependent parents or affecting parents of the service connected.

Senator GEORGE. There is no limitation otherwise.

Mr. KETCHUM. None that applies against the widow.

Senator GEORGE. None against the widow and children.

Mr. KETCHUM. That is right.

The CHAIRMAN. The chairman has a letter from Senator Ives in which he states:

I regret that I shall not be able to be present to speak on behalf of my bill, S. 2651, by reason of my necessary attendance at another committee meeting.

I would respectfully request that you have my statement, enclosed herewith, placed in the record of this hearing.

That will be done at this point.

STATEMENT OF HON. IRVING M. IVES, A UNITED STATES SENATOR FROM THE STATE OF NEW YORK

Mr. Chairman and members of the committee, this bill provides for an increase in the compensation paid to dependents of men killed in service at the following rates:

	Existing rate	S. 2651	Increase
Widow.....	\$50.00	\$75.00	\$15.00
Widow with 1 child.....	75.00	115.00	37.00
Widow with 2 children.....	93.00	135.00	41.40
Widow with 3 children.....	109.20	155.00	45.80
Widow with 4 children.....	124.80	175.00	50.20
Widow with 5 children.....	140.40	195.00	54.60
No widow but 1 child.....	30.00	50.00	20.00
No widow but 2 children.....	45.00	70.00	24.40
No widow but 3 children.....	57.00	80.00	32.40
No widow but 4 children.....	69.00	110.00	40.40
No widow but 5 children.....	81.00	130.00	48.40
Dependent father or mother.....	51.00	75.00	24.00
Dependent mother and father, each.....	30.00	40.00	10.00

The veterans' program of the United States is undoubtedly one of the most comprehensive acts of gratitude shown by any nation in history toward its veterans. It is, however, still incomplete and certain inequities need to be brought to light and rectified. Chief among these is the present scale of pensions paid to the families of men who were killed in war.

It should be kept in mind that the death of these men unalterably denied them the privilege of using any and all part of the veterans' benefit program. They do not participate in the education program, nor do their dependents. They do not participate in the on-the-job training, nor do their families. They do not require Veterans' Administration hospital facilities, nor are their dependents eligible. They did not use employment readjustment compensation. They did not even collect terminal-leave pay, nor was it extended to include their dependents. In effect, the supreme sacrifice has received the smallest reward, and it is only by extending proper care to the families these men left behind that we can show our gratitude to them.

The recent passage by the Senate of the bill providing an increase in the subsistence pension for veterans attending school indicates an awareness of the increased cost of living, and a desire to keep the veterans' program in conformity with its original intent despite inflationary factors. It cannot be denied that, although the statistics of the Bureau of Labor indicate an increase in the cost of food of 102.3 percent and in clothing of 96.3 percent over the 1935-39 base years, there has been practically no adjustment of the dependents' compensation figures in consideration of the economy. For many widows and parents who are aged, ill, or unemployable; who have children or other relatives requiring their care, this must represent catastrophe. It is interesting to note that the veterans' subsistence pension was increased from \$60 to \$75 which parallels the widows' increase I am advocating in S. 2651.

The cost of this program represents a comparatively small sum in the Veterans' Administration budget. There are 137,029 widows of World Wars I and II, 115,483 children of World Wars I and II, and 240,039 dependent parents of World Wars I and II. An increase of \$15 per month to these widows would represent an annual cost of \$24,065,220. An increase of \$13 per month to these children (based on Veterans' Administration figures that half of these children are the second child of a family) would represent an annual cost of \$18,015,348. An increase of \$10 per month to each parent would represent a cost of \$28,804,680.

A total appropriation for the first year of \$71,485,248. This presents a strong contrast to the expenditures by the Veterans' Administration for the fiscal year 1947 under Public Law 346 of \$2,144,252,539. Thirty years of the administration of increases under my bill, S. 2651, will only reach the same level as the expenditures under Public Law 346 for 1 year.

It should also be noted that, whereas the processing of claims under subsidy legislation cost the Veterans' Administration 6 cents on a dollar, there is no administrative procedure required for the administration of S. 2651, other than that which already exists.

Due to the circumstances of death, remarriage of widows, and the attainment of majority by children, the costs of this increase are bound to grow progressively smaller. Proof of this fact exists by studying the records of World War I. Dependents of World War I service-connected cases have decreased from 100,270 in 1939 to 76,760 in 1947--an approximate decrease of 3.3 percent per year. Because of this certain yearly physical diminishment, the entire pension appropriation will, within a reasonable time, drop below even its level before this increase, even though the increase will then be in effect.

From a practical point of view, this legislation should be heartily endorsed. It is a sound approach to a very real problem, and is the best general solution to a situation which should not be neglected. It is coincident with American practice and principle that the Nation's gratitude to these men who died to preserve it should be expressed in reasonable care for their families. In the name of national conscience the inadequacies of present laws should be remedied without further delay.

Senator BALDWIN. I would like to read a short paragraph which I take from the report of the Veterans' Administration on 644 which pertains to the numbers involved, and the cost of S. 644.

It is estimated that S. 644, if enacted, would grant increased compensation during the first year to the surviving children of approximately 86,230 veterans whose death was wartime service connected. These cases are classified as follows: World War II, 78,400; World War I, 7,500; Regular Establishment entitled to wartime rates, 300; and Spanish-American War, 30. Based on this estimate the additional cost to the Government for the first year would be \$32,752,000.

There was one other that came from the VA, I believe, that I would like to mention here, in support of what Mr. Ketchum said about the age groups of these children. I have these figures that indicate that in the age group of two, there are 15,000, and in the age group of three, there are sixteen-thousand-odd; in the age group of four, 20,000; in the age group of five, 11,000; and then as you go on up through the years, it decreases, until you get to 18, where there is only 1,024.

The CHAIRMAN. Thank you very much.

Mr. KETCHUM. In other words, the critical period is in those groups from two to five.

Senator BALDWIN. Where the mother has to really give some care to these children and cannot do much to support herself.

Mr. KETCHUM. I thought that was very pertinent. The committee should know about that.

I might in conclusion, Mr. Chairman and members of the committee, say that our advocacy of the bill introduced by Senator Ives is in no wise a reflection upon the bill which Senator Baldwin is appearing on here this morning. It so happens that it meets largely the mandates of the organizations and is a companion bill to the one which we have put in so much time on in the House, and which we believe has a reasonable chance of passage over there.

The CHAIRMAN. Thank you very much.

Mr. KETCHUM. Thank you.

The CHAIRMAN. The next witness is Mr. Kraabel.

STATEMENT OF T. O. KRAABEL, THE AMERICAN LEGION, WASHINGTON, D. C.

Mr. KRAABEL. Mr. Chairman and gentlemen of the committee, the American Legion has prepared a summary statement of its position in support of S. 2651, which is a companion bill of H. R. 3748, which we understand is now on the House Calendar. This statement sets forth the present and proposed rates and an analysis by our claims expert as to the relationship of this to the next bill on your calendar to be considered later in the day, and on that point I would want to request if necessary that Mr. Stevens, our claims expert,

be made available to you to compare and analyze these two provisions.

Just one or two points: First, S. 2651 includes the parents, as the former witness has stated, and that in the comparison that the chairman asked might have to be made as to other groups. If this bill were passed, I might say that there is another bill, H. R. 4900, which has to do with the widows and dependents of the veterans who died from non-service-connected deaths, and in that proposed adjustment there would be equalization, and at the same time differential, so that the widows of the service-connected deaths will have of course the higher rate, and in proportion to what has generally prevailed down through the years.

I believe, sir, that under the caption of the next bill on your calendar we will have more to say in the comparison of two similar sections in the two bills.

That is all I have at this time, plus my statement.

S. 2651 is also a measure to which all major veterans organizations are agreed.

The American Legion recognizes that increased living costs make difficult the attempts of surviving dependents of war veterans to exist with the present death compensation payments. There is an urgent need for a grant of the proposed payments.

This bill will increase wartime service-connected death compensation rates payable to surviving widows, children, and dependent parents of deceased veterans of World Wars I and II. It is also provided that these shall be the rates allowed if the deaths of such veterans establish entitlement of these dependents to benefits under section 31, Public Law 141, Seventy-third Congress, approved March 28, 1934, Title 38 United States Code section 501a (result of training, hospitalization, or medical or surgical treatment); Section 12, Public Law 866, Seventy-sixth Congress, approved October 17, 1940, Title 38 United States Code Section 501a-1 (result of examination); and, paragraph 4, part VII, veterans regulation 1 (a), as added by Public Law 16, Seventy-eighth Congress, approved March 24, 1943, Title 38 United States Code, chapter 12 (result of pursuit of vocational rehabilitation course).

Present and proposed rates of wartime death compensation follow:

	Present	Proposed
Widow, no child	\$60.00	\$75
Widow, 1 child	78.00	115
Each additional child (subject to apportionment regulations)	15.00	20
No widow, 1 child	30.00	50
No widow, 2 children (equally divided)	45.00	70
Each additional child (total equally divided)	12.00	20
Dependent father or mother	54.00	75
Dependent mother and father, each	30.00	40

Section 3, S. 2651, is identical with section 4, S. 2258. This latter bill is also before this committee. The purpose of this section is to provide a statutory basis for determining dependency of parents for the payment of compensation under laws administered by the Veterans' Administration. The American Legion believes that too many parents are deprived of death compensation who are in fact dependent. The bill would provide an admission that dependency of a parent or of

parents exists for award of service-connected compensation on an identical basis to that proposed in section 3, S. 2258 (companion bill H. R. 4242 on House Calendar) for purpose of award of non-service-connected death pension to widows and children. The amounts established as income limitations, \$1,800 and \$3,000, for widows, children, and parents are the same.

Also these are the amounts proposed as ceilings in section 1, S. 2258 (and sec. 1, H. R. 4242) in determining entitlement of a permanently and totally disabled war veteran to pension payment for non-service-connected disability.

It is necessary that the American Legion recommend these amendments to this bill:

Section 1, line 5, page 1, strike "the." The word is superfluous.

Section 3, line 14, page 2, substitute "and" for "or." The intent is to exclude both expense of last illness and of burial.

Section 4, line 24, page 2, change the period to a colon and add:

Provided, That no compensation shall be reduced or discontinued by the enactment of this Act.

This savings clause is required because an amendment of a Veterans' Administration Regulation, R. & P. R. 1057, was approved May 5, 1948. Conceivably the compensation paid some parents might be discontinued now that the regulation was modified while these bills, S. 2051 and H. R. 3847, are being considered by the Congress.

We respectfully urge favorable and prompt consideration of this measure.

The CHAIRMAN. Thank you very much.

Mr. KRAABEL. Thank you.

The CHAIRMAN. Mr. Floyd.

STATEMENT OF WILLIAM M. FLOYD, NATIONAL COMMANDER, REGULAR VETERANS ASSOCIATION, WASHINGTON, D. C.

Mr. FLOYD. Mr. Chairman and members of the committee, my name is W. M. Floyd. I am the national commander of the Regular Veterans Association. I will not take up any of your time. I know you are pressed for time, and I want to concur with the American Legion and Veterans of Foreign Wars in behalf of these bills—put ourselves on record for that.

The CHAIRMAN. Thank you very much.

Mr. FLOYD. Thank you.

The CHAIRMAN. Mr. McLaughlin.

STATEMENT OF ROBERT McLAUGHLIN, NATIONAL LEGISLATIVE DIRECTOR, AMVETS, WASHINGTON, D. C.

Mr. McLAUGHLIN. Our organization agrees with the other veterans' organizations in support of this bill. However, it was based on a resolution passed at our 1947 national convention expressly supporting H. R. 3748, which is the companion bill in the House—on the calendar over there now.

I should like to comment that last night's press showed that the General Motors index of cost of living shows an increase of 67 percent over their base period of 1940, and in view of the fact that this bill would provide only about a 25-percent increase in benefits to widows.

I feel that it is not being too generous. I would like to include my statement.

There are some things that are self-evident. In the case of S. 2651, a bill to provide additional compensation to widows and other dependents of certain veterans, a mere review of the rates paid now and those provided under the proposed legislation will convince all of the need of this measure.

Under this bill, a widow without child will receive \$75 per month; under the present law she receives \$60.

Under S. 2651, a widow with one child would receive \$115, as compared with the present \$78. This is a particularly important stage in this series of rates, for the first child of a widow is the costly one. It removes her from the employment market, making it necessary for her to stay home and care for her child. Each additional child will be paid at the rate of \$20, in contrast to the present \$15.60.

Now, in the case of orphans, one child will receive \$50, with \$20 for each additional child under the provisions of S. 2651. Under the present law a child would receive \$19; two children would receive \$28; with \$8 for each additional child to be divided equally among the children.

A dependent mother or father would receive \$75 together under this legislation, or \$40 separately; and under the present law, they receive \$30 together or \$20 each.

In view of the present living costs, none of these figures is generous. In the case of every recipient of this type of compensation, the breadwinner of the family is gone, through no wish or desire of his own. He has served his country all too well. AMVETS feels that this Congress can do no less to compensate in part the widows and orphans of those who died in this last war than to enact this bill. We are proud to go on record in support of S. 2651.

The CHAIRMAN. Thank you very much.

Mr. McLAUGHLIN. Thank you.

The CHAIRMAN. Mr. Quentin E. Camp is substituting for Mr. Tate.

STATEMENT OF QUENTIS E. CAMP, ASSISTANT NATIONAL DIRECTOR OF CLAIMS, DISABLED AMERICAN VETERANS, WASHINGTON, D. C.

Mr. CAMP. Mr. Chairman and members of the committee, Mr. Tate is unable to be here today, but he has sent his statement that I would like to put in the record, and assure you that the Disabled American Veterans concur in the prior presentations.

S. 2651 was introduced by Senator Ives and is a companion to H. R. 3748, now on the House Calendar. Its purpose is to increase the rates of compensation paid to surviving widows, children, and dependent parents of deceased veterans of World Wars I and II in cases where the death of the veteran is the result of a service-connected disease or injury. Also included are the survivors where the veteran's death is attributable to an injury or aggravation of an existing injury as a result of having submitted to an examination or as the result of training, hospitalization, or medical or surgical treatment awarded under any of the laws granting monetary or other benefits.

The House Committee on Veterans' Affairs expressed itself as believing the existing rates to be service-connected widows, children,

and dependent parents of veterans are inadequate, especially in view of prevailing economic conditions and the high cost of living (Rept. No. 1008, 80th Cong., 1st sess.). We of the Disabled American Veterans concur in that opinion.

Section 3 of the bill would establish a basis for determination of dependency of parents providing that one parent whose annual income does not exceed \$1,800 shall be deemed to be dependent, or two parents whose annual income does not exceed \$3,000 shall be deemed to be dependent, and, further, in determining annual income payments made for the expense of last illness of the veteran and expense of burial over and above the amount authorized by Veterans Regulation No. 9 (a), as amended, presently the sum of \$150, shall be excluded; also payments made by the United States Government because of disability or death under laws administered by the Veterans' Administration as is provided by existing law, and life-insurance payments from any other source, including income therefrom, in an amount less than \$3,000 received in any one year. This provision will simplify the adjudication of claims of dependent parents and substitute a clear, definite rule for administrative discretion.

We urge the committee's early and favorable action on this proposal.

The CHAIRMAN. Thank you very much.

Mr. CAMP. Thank you.

The CHAIRMAN. Mr. Birdsall.

STATEMENT OF GUY H. BIRDSALL, VETERANS' ADMINISTRATION, WASHINGTON, D. C.

Mr. BIRDSALL. The Veterans' Administration furnished a report to the committee which you have inserted in the record on Senate bill 644, and that particular bill is the one which would increase the rates of children. The other bill, Senate bill 2232, also would increase the rates for children. In each instance there is no increase of the widows' rate.

In our report on S. 2651, which is identical with the bill on the House Calendar, we referred to a suggestion which was made in our report on Senate bill 644. The bills 644 and 2232 would have introduced a different ratio of rates as between children where there is a widow and where there is not a widow than has been followed since 1917.

In that connection, I might state that the Veterans' Administration made a thorough study of the children's rates in our death compensation cases starting back from the act of October 6, 1917, following through on its amendments, and merely offered for the committee's consideration, without affirmatively initiating any proposal, the possibility of increasing the children's rates, because it was found upon the basis of that study, to follow through on the principle of relationship of those rates, and taking into consideration the increases of the widows' rates and not the children, in many instances, that there was ample justification for certain increases in the children's rates.

So that in the report on 644, it was offered to the committee that certain changes be made in the children's rates and a draft bill was attached to the report; included with that was also a section 2 which would have the effect of establishing the same ratio as between the service-connected death cases and to the wartime-service-connected

death cases, as exists with disability cases. The 75 percent relationship which now exists would thus be preserved.

At the present time those rates have not received changes; although the veterans' rates have changed, and the wartime-service-connected death cases have changed, the peacetime deaths have not. Therefore, this would have the effect of establishing uniformity by bringing them up to 75 percent.

An estimate of cost of that suggestion was also included.

The CHAIRMAN. An estimate of cost?

Mr. BIRDSALL. On that particular draft furnished the committee for the children alone, it would grant increased compensation during the first year to the surviving children of the same number of children that we had in the estimate on 644 at a cost of \$10,844,000.

The peacetime section would be 12,600 veterans' cases at a cost of \$1,634,000, making a total estimated cost of \$12,478,000 for the first year.

That cleared the Bureau of the Budget.

As to the changes in the widows' rates, the Veterans' Administration merely set forth the existing rates with reference to the history of increases set up a table of comparison of the present rates with the proposed rates without comment or recommendation, rather as to whether or not the legislation should be enacted.

The policy of the Administrator is to furnish the full facts and effects and not affirmatively recommend for or against on the theory that it is a matter for the Congress to determine.

The CHAIRMAN. Just tentatively, I would like to hang a red lantern on that new policy. It can be argued that the Veterans' Administration, being the source of perhaps more information than any other single source, should give us the benefit of its recommendations. I am not pressing the matter. I am merely filing a caveat on it.

Mr. BIRDSALL. I might say, Mr. Chairman, that in case there is proposed legislation that would involve the administration of benefits—that is, make it impracticable to administer the benefits—in that event the Administrator's policy would be so to state to the committee.

The CHAIRMAN. You are in direct contact with all of these cases over the United States. You are in a superb position to give us the benefit of your advice, and, as I say, I am not making any point except to say that tentatively, personally speaking, I am not entirely content with that policy.

Mr. BIRDSALL. There is another item in connection with S. 2651—that is, a section which would establish an income limitation, an exact income limitation in connection with the determination of dependency of parents in service-connected death cases.

Under the existing law that is subject to regulation. Those regulations have recently been liberalized, and I believe that Mr. Ketchum referred to the liberalization. If you would care to hear with me, I would read shortly from the report on that.

The CHAIRMAN. Go ahead, please.

Mr. BIRDSALL (reading):

In the absence of evidence to the contrary, dependency is generally held to exist when the monthly income from sources properly to be considered does not exceed \$80 per month for a mother or father not living together; (b) \$135 for a mother and father living together; (c) plus an increase in either of the amounts stated by \$35 for each additional member of the family whose support is to be considered.

However, the mentioned regulations emphasize that the amounts stated are not controlling in any case, but are to be used only as prima facie evidence. Accordingly, each claim is subject to the adjudication upon the particular facts thereof. The Veterans' Administration believes that under the present provisions of law the regulations afford a latitude to include meritorious cases and flexibility of administration.

Senator GEORGE. I will be obliged to leave to attend another meeting. I will have to read the concluding statements in this and other bills in the record.

The CHAIRMAN. It is very seldom, if at all, that you are absent. Thank you, Senator.

Mr. BIRDSALL. I might at this juncture also insert the estimated cost that was furnished your committee on this particular bill in our report of May 25, which is a more recent estimate of cost. That is the only reason I feel probably it ought to be specially put in.

The CHAIRMAN. We will be glad to have that at this point.

Mr. BIRDSALL. It is estimated that Senate bill 2651, if enacted, would provide an increase for the first year for the widows, children, and dependent parents of approximately 71,500 deceased veterans of World War I at a cost of \$18,137,000 the first year; in addition, widows, children, and dependent parents of approximately 247,700 deceased veterans of World War II at a cost of \$78,784,000 the first year.

The total cost for the first year would approximate \$97,841,000. The estimated cost is based on the present determination of dependency of parents, as the facts are not available upon which to make a practicable estimate of the cost should the income limitation provided in the bill be applied.

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

Mr. BIRDSALL. Thank you.

The CHAIRMAN. Mrs. Abdill, please. We are very glad to have you here. Will you identify yourself to the reporter?

STATEMENT OF MRS. E. W. ABDILL, GOLD STAR WIVES OF WORLD WAR II, ALEXANDRIA, VA.

Mr. ABDILL. Mrs. E. W. Abdill, member of the Gold Star Wives of World War II, and also member of the National Association of War Widows of the Regular Armed Forces, 3304 Gunston Road, Alexandria, Va.

Mr. Chairman and Senators, I feel a great responsibility in being invited today to present testimony in regard to these bills that have to do with the increase of compensation for war widows and children of the men who lost their lives in World War II. I want to assure you that my interests are for all war widows, regardless of organization.

I must concur with Senator Baldwin that I do not believe war widows are terribly well organized. I do not believe it is possible to organize them, but nevertheless there are numerous groups who have been trying to express themselves.

I hope that what I have to say will be of real assistance to you in determining the wisest and most practical measures to be recommended by your committee.

First, I cannot stress too much the urgent need for action in the increase of compensations. Senator Baldwin eloquently expressed the feelings of war widows generally in regard to their expense of bringing

up children and in regard to the amount of compensation they are receiving in relation to the consideration and money that is being spent on the veterans.

The 42-percent drop in the purchase value of the dollar has created a crucial situation where previously circumstances were none too good.

You asked some housing statistics. Some statistics are available but I could not guarantee that they are a true picture, except that they do show that the housing for war widows and war orphans presents a sad situation all over the country. Many widows have had to crowd in with families, because they have not been able to manage to pay high rent or find low-rental housing, nor have they been, as you know, eligible for the 4-percent loan on the GI homes.

This has really caused a great deal of resentment, I might say, and hardship in many cases. Our statistics showed that about 60 percent of the Gold Star Wives organizations were faced with housing problems.

In my analysis of the existing needs, I would like to mention four categories in which war widows and war orphans could be grouped.

The first includes the widows with dependent children. These most urgently need substantial increase in compensation. I do not believe I need to mention the high cost of living under the present inflationary circumstances, and it seems only just and fair that increase should be made in the widows' compensation, as well as the dependent children's. The war widow who shoulders the responsibility of raising her family alone is certainly deserving of some consideration for herself.

Furthermore, the husbands of these war widows expected in case of their death in the service that a compensation would be paid the widows that would at least have a purchase value of \$60. At present \$60 is worth \$35.

In the bill S. 644 there is provided an allowance for war orphans of \$40 a month. Such a provision has excellent merits and certainly would be of great assistance. Since the introduction of this bill, however, inflation has taken such an upturn, as well as an appearance of permanency, that some adjustment has become necessary to assist the war widow herself for her future security.

The bill H. R. 3748 and its companion bill S. 2651 do offer the 25 percent increase for the widow herself, and the basic maintenance amount for the widow with one child. The additional children do not fare so well under the provisions of these bills, but the basic amount of \$115 for a widow with one child seems like a very wise provision. In fact, the many considerations that I know have gone into the drafting of those two bills, H. R. 3748 and S. 2651, have made these bills desirable to practically all war widows who know about these bills that it has been my experience to have talked to.

There is an important point which no doubt could somehow be remedied in reference to these two bills, and this is in reference to war orphans who have completed high school and are continuing their education in college or vocational schools. They may be the second or third or fourth child in the family, and hence only would draw under those bills \$20 a month. To be consistent they should receive compensation comparable to the subsistence allowance given the GI while taking his education.

The bill S. 644 would allow \$40 per month through college, regardless of the number of children in the family. The amount of \$40 does

not exactly compare so favorably with the \$75 that the GI receives, but it is definitely an improvement over the \$18 per month given war orphans at the present time.

And, incidentally, I am a good authority on the problems and expense of college education for war orphans. I have one daughter in college now, and a second daughter will be ready in a year. I find that \$18 per month just about provides writing paper and such items as lipsticks.

There are many war widows who have children ready for college but who through lack of adequate compensation allowance are unable to permit the children to attend.

The statistics that the Veterans' Administration presented concern war orphans under 18 years of age, yet I know many war widows whose children are so rapidly approaching college age, and many who are in the 18- to 21-year age group. Many war widows have more than one child and they are the ones who have the greatest problem.

This information I am giving to you with the request that the committee consider the possibilities of including in pending legislation an adequate allowance for war orphans in college or secondary vocational schools. In other words, the bill, S. 2651, could easily be adjusted to provide that at the time that war orphans enter college or vocational training after graduating from high school, that they could receive a subsistence at least comparable with the \$75 the GI receives.

In the second category of dependents of men who lost their lives in World War II are the older women, some with grown children, some who are not in vigorous health, many of whom are unable to find suitable employment, and that I have seen in many cases. The financial security that was planned by their husbands has been wrecked by inflation. These women need and are deserving of an increase in compensation.

In the third category of dependents is the war orphan, who has lost both parents or where the mother has remarried. The increase as provided in the two bills, 3748 of the House and S. 2651, seems a wise provision for this group. However, again I might say that \$20 for each additional child does not always prove to be very helpful.

In the fourth category I place the young war widow with no children. Many of them have paid for training for jobs. Many are working at whatever they have been able to find. Some were fortunate in having been equipped for a vocation previous to marriage. Many have not yet adjusted themselves.

The CHAIRMAN. Do you have any remarriage statistics?

Mrs. ABDILL. From an insurance company I was told that they based their statistics on a good many years of experience. They found that among World War I widows 40 percent remarried.

The CHAIRMAN. Within what period of time?

Mrs. ABDILL. That I do not know.

Regardless of what they are doing or whether or not they will remarry, it is my opinion that their husbands would certainly expect that the United States Government would include them in extending to them more security than \$60 a month purchases as of today.

In closing, I wish to again emphasize that this whole matter of increase in compensation is urgent, and I cannot begin to tell you the number of war widows with children who are looking anxiously to Congress to accomplish something before disbanding in June.

The CHAIRMAN. Thank you very much.

Mrs. ABILE. Thank you, Mr. Chairman.

The CHAIRMAN. Mrs. Frances Nelson.

**STATEMENT OF MRS. FRANCES NELSON, NATIONAL TREASURER,
GOLD STAR SOCIETY OF AMERICAN WAR WIDOWS AND OR-
PHANS, WASHINGTON, D. C.**

Mrs. NELSON. I am national treasurer of the Gold Star Society of American War Widows and Orphans, 1617 Rhode Island Avenue, NW, Washington, D. C.

The CHAIRMAN. Proceed.

Mrs. NELSON. We thank the chairman and members of the committee for the privilege of presenting the views of the Gold Star Society of American War Widows and Orphans in support of S. 2651 introduced by Senator Ives, of New York.

We believe that S. 2651 represents a fair and equitable increase in the present inadequate pensions received by widows and orphans of men killed in the war.

The principle of pensions to these people as an expression of gratitude for their husbands' and fathers' sacrifice is a long-established one, but it cannot be denied that skyrocketing living costs have reduced present rates below the real value that was intended by Congress. Statistics of the Bureau of Labor support this. The over-all cost of living in March 1948 has increased 66.9 percent over 1935-39 base period. Food costs, which represent the major item in any low-income budget, have increased 102.3 percent. Pensions have not walked hand in hand with this trend.

The Budget Section of the Bureau of Labor Statistics indicates today's minimum budget for a family of four to be \$3,458 per annum. I might stress that is a minimum budget.

The widow with three children receives an annual pension of \$1,310.40, and it is important to point out here that the widow and child receives no other Government benefits. There is no provision for their medical care. They do not share in the vast program of the Servicemen's Readjustment Act. Surely some measure is in order to rectify their insufficient place in the scheme of veterans' legislation.

It is interesting to note that the Board of Public Welfare of the District of Columbia has established a boarding rate of \$35 per month plus clothes and medical care to children under its jurisdiction. Despite the general knowledge that welfare assistance is pared to an absolute minimum, this figure in dollars and cents alone is double the monthly sum given to the children of our war dead.

We realized as to the gentlemen of the committee that the \$15 increase requested for a widow alone will not represent her livelihood, but this \$15 increase does recognize her equal right to the single person's subsistence rate by the Eightieth Congress under Public Law 411 and 512 recently enacted. There can be no doubt that it will practically represent comfort in many cases of illness, elder years, and unemployability.

We have an estimation of the cost of this program in round figures to be \$70,000,000 for the first year. I have a table here if you want me to just submit in the record.

The CHAIRMAN. We will be glad to have you put it in the record.

(The table is as follows:)

Widows, World Wars I and II, 137,020, increased \$15	\$24, 005, 220
Children, World Wars I and II, 116,482, average increase, \$13	18, 015, 348
Parents, World Wars I and II, 240,030, increased \$10	28, 804, 080
Total	71, 485, 248

The CHAIRMAN. May I ask how you arrived at your estimate?

Mrs. NELSON. Yes, sir. We used the figures of the VA for the annual year 1947, and we took their figures for World Wars I and II, the number of people on the roll, and multiplied it by the annual increase, and we arrived at \$71,485,248. That is to be exact. This can be checked with that, and the table is here.

The CHAIRMAN. Mr. Birdsall has testified that the figure would be substantially in excess of that.

Mrs. NELSON. Yes, I realized that he has, sir, and I do not know why we do not jibe on those figures.

The CHAIRMAN. What is the difference in the method of calculation, Mr. Birdsall?

Mr. BIRDSALL. Of course, we would not know exactly the detailed basis upon which the other estimate is made, but what we have done in such instances where separate study is made, we are very pleased to take the factors Mrs. Nelson has used and run them against our own break-down in supplying the estimate, and usually by explanation there is an accord in opinion.

The CHAIRMAN. If you wish to, you might get together with Mr. Birdsall.

Mrs. NELSON. We have actually used your figures, except I believe that you break it down by category of a widow and than a widow with one child and widow with two children. Is not that the way you compute it, sir?

Mr. BIRDSALL. I would suggest that the estimate of the Veterans' Administration is based upon current data.

Mrs. NELSON. We compute it with the over-all figure of so many widows and so many children, and so many parents, and then we have increased the widow by \$15 and increased the parent according to the increases under this bill, and increased that.

The CHAIRMAN. It might not be a bad idea for the two of you to talk together, and if you can agree upon a different figure, let the committee have the benefit of it. If you remain in disagreement it will not be necessary to submit anything further to the committee.

Mrs. NELSON. I see. Since the pension rolls are bound to decrease, the cost must follow suit, and it should be especially noted that there are no additional administrative costs involved in this bill. I am making a comparison to any other type of legislation that would represent a subsidy as against this being merely a change in the amount of the check, and you have your same office procedure and your same personnel set-up.

We appreciate that Congress must consider costs at all times in order to promote the welfare of our country. It does not seem likely however that there can be any question of this legislation being unaffordable in view of the expenditures for the fiscal year 1947 under Public Law 346 of \$2,144,252,539, which sum would pay for 30 years of increases under S. 2651.

The CHAIRMAN. What expenditure is that?

32 ADDITIONAL COMPENSATION FOR SURVIVING DEPENDENTS

Mrs. NELSON. That is the expenditure under Public Law 346; that is the on-the-job training and the veterans' school program.

The share of dependents in the cost of the over-all veterans' program has always been small. This would not seem to be in accord with the undeniable fact that their sacrifice has been the ultimate one.

Gentlemen, we believe this bill represents more than the dollars involved. It represents respect for the deceased serviceman and his obligations. It represents thoughtfulness of his sacrifice; it represents the truest war memorial.

May I add that we are deeply grateful to the representatives of the veterans' organizations who have appeared here in support of this bill. We believe our husbands are grateful to know that the veterans remain so deeply concerned with widows' and orphans' welfare, and we join with those good gentleman in urging consideration and passage of this measure by the committee.

The CHAIRMAN. Thank you very much.

Mrs. NELSON. Thank you.

Mr. BIRDSALL. If you care to have us do so, we have a statement on the actual expenditures broken down by titles. We will be very glad to have it in the record for further information.

The CHAIRMAN. It may be inserted in the record at this point. (The information is as follows:)

Veterans' Administration—Estimated cost of Public Laws 16 and 346—Cumulative to Apr. 30, 1947

Program	Fiscal year				Cumulative total to Apr. 30, 1947
	1944	1945	1946	1947 to Apr. 30	
Administrative expenses (Public Law 16 and 346)	\$42, 188	\$5, 835, 233	\$16, 403, 228	\$116, 629, 393	\$168, 010, 042
Direct benefits (Public Law 16):					
Supplies	1, 500	107, 037	1, 011, 753	1, 854, 282	2, 976, 472
Equipment	9, 811	329, 127	3, 110, 988	7, 969, 322	11, 410, 248
Tuition	229, 858	2, 846, 978	13, 201, 691	31, 638, 890	48, 217, 390
Counseling		223, 700	3, 210, 687	4, 113, 644	7, 551, 031
Subsistence allowance	566, 668	7, 016, 319	37, 993, 447	150, 963, 670	196, 600, 131
Total, direct benefits (Public Law 16)	807, 837	10, 654, 001	58, 537, 569	199, 869, 778	260, 769, 275
Direct benefits (Public Law 346):					
Education and training:					
Supplies		390, 273	3, 885, 590	7, 500, 703	11, 699, 020
Equipment		748, 102	12, 870, 845	47, 537, 015	57, 175, 962
Tuition		5, 750, 189	62, 409, 734	335, 128, 021	403, 297, 944
Counseling		23, 235	1, 337, 396	2, 593, 024	3, 956, 555
Subsistence allowance		7, 802, 860	317, 905, 345	1, 281, 273, 141	1, 606, 981, 349
Loan guaranty:					
First year interest			8, 295, 169	60, 418, 009	74, 713, 178
Guaranty losses			174, 304	1, 240, 324	1, 414, 688
equisition of property				35, 658	35, 658
Readjustment allowance		23, 512, 150	1, 000, 908, 782	1, 211, 246, 950	2, 235, 667, 882
Total, direct benefits (Public Law 346)		38, 144, 809	1, 407, 787, 225	2, 918, 999, 808	4, 394, 931, 842
Grand total all costs	850, 025	64, 534, 133	1, 512, 728, 022	3, 262, 498, 979	4, 830, 611, 159

¹ Includes an estimated obligation of \$191,000 per month for the last 4 months of fiscal year 1946.

NOTE.—Costs from appropriations Army and Navy Pensions, Salaries and expenses, and Readjustment benefits.

Estimated requirements for fiscal year 1948, for Public Law 349 costs

	Excess 1947 funds to be used in 1948	Total requirements, fiscal year 1948
Education and training.....	\$180,000,000	\$2,839,250,000
Loan guaranty.....		81,010,000
Readjustment allowances.....		979,600,000
Total requirements fiscal year 1948.....		3,800,860,000
Excess fiscal year 1947 funds to be used in fiscal year 1948.....	—180,000,000	—180,000,000
Total, readjustment-benefits appropriation.....		\$3,710,860,000

¹Total taken from H. R. 3830, 80th Cong., 1st sess., House of Representatives Report of Independent Offices appropriation bill, 1948, dated June 13, 1947, House Report No. 689.

The CHAIRMAN. We will proceed now to other business.
 (Thereupon at 11:15 a. m., the committee proceeded to consideration of other business.)

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