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{ REPORT
{ No. 2325

AMENDMENTS TO CERTAIN LAWS RELATING TO THE VETERANS' ADMINISTRATION

JUNE 8, 1936.—Ordered to be printed

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

REPORT

[To accompany H. R. 12869]

The Committee on Finance, to which was referred the bill (H. R. 12869) to liberalize the provisions of Public Law No. 484, Seventy-third Congress, to effect uniform provisions in laws administered by the Veterans' Administration, to extend the Employees' Compensation Act with limitations to certain World War veterans and other persons, and for other purposes, having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

The general purposes of the bill, together with the estimated total cost for the first year, are fully set out in the attached excerpt from the report (H. Rept. 2899) submitted to the House on May 29, 1936, by Mr. Rankin, from the Committee on World War Veterans' Legislation.

The committee recommends the elimination from the bill of section 404, relating to the purchase of uniforms for nonprofessional personnel employed at field stations of the Veterans' Administration, since the committee has been informed that the provision would not meet with Budget approval and the Veterans' Administration has also recommended that it be stricken from the bill. With this change the proposed legislation has the approval of the Treasury and the Veterans' Administration. It should also be noted that the estimated cost of operation under the bill with section 404 eliminated will be reduced \$45,000 the first year, and \$22,500 each year thereafter.

In addition, the committee recommends the elimination from the bill of section 405, relating to authorizing the installation of telephones in quarters of other than medical officers on Veterans' Administration reservations. With the elimination of section 405, it should be stated that the estimated annual cost of the proposed legislation will be reduced by \$3,500.

[Excerpt from H. Rept. 2899 to accompany H. R. 12869]

Title I of the bill enlarges the group of widows and children of World War veterans to whom benefits will be paid following the death of the World War veteran, the cause of death not being shown to be connected with his military service. Under the act approved June 28, 1934, Public, No. 484, Seventy-third Congress, these benefits were payable to widows and children where the service-connected disability of the veteran at the time of death was 30 percent or more, provided that the disability was directly connected with service and provided that the veteran's death was not due to misconduct. This bill does not change the percentage of degree of disability of 30 percent but does permit the payment of compensation even though the veteran's disability was presumed by law to be connected with service and notwithstanding the veteran's death was caused by his misconduct.

Titles II and III of the bill are to codify, consolidate, and make uniform certain sections of present laws and regulations relating to the administration of benefits under the Veterans' Administration, particularly with respect to the recognition of representatives of veterans, primarily veterans' organizations, and the recognition and control of agents and attorneys, the making of investigations and the penalty provisions of the existing law for charging or attempting to charge beneficiaries illegal or excessive fees. Title IV of the bill amends provisions of existing law and veterans' regulations so as to eliminate the annual determination of dependency in the case of parents of veterans, to eliminate the provision which bars burial allowance if a veteran's net assets at time of death equal or exceed \$1,000, to liberalize the time for filing and completing claim for burial allowance, and to exclude Government insurance and adjusted-compensation benefits from the term "annual income" in determining eligibility for non-service-connected pension under part III, Veterans' Regulation No. 1 (a), as amended. It further provides authority for the Veterans' Administration to purchase uniforms for certain nonprofessional personnel employed at field stations and to furnish official telephone service at field stations.

Title V of the bill is to provide relief to World War veterans, their dependents, and other persons on account of deaths or injuries caused by the hurricane on September 2, 1935, on the Florida Keys by providing that the benefits of the Employees' Compensation Act as extended to employees of the Federal Civil Works Administration be granted to this particular group.

Practically all of the employees located on the keys at the time of the hurricane being World War veterans, it was determined to investigate the circumstances surrounding the hurricane and the status of this group of veterans as to benefits. Hearings were conducted and testimony taken with reference to all of the facts presented to the committee following an investigation conducted by the Veterans' Administration, Federal Emergency Relief Administration, and the Weather Bureau, and State officials.

It was found upon investigation that these veterans were in need of employment and were assigned to a State project at the instance of the Federal Government in an effort to meet their needs. The determination of location took into consideration availability of employment and the fact that it afforded favorable working conditions. It was further found that of the number of veterans in the camps only a very small number of those who lost their lives or were injured were in a status which would permit the payment of benefits to the dependents or a disabled veteran himself, either under State or Federal law. Available records indicate the death of 105 persons, whose bodies were identified, who were not attached to the camps but who were living on the islands at the time they were killed. This figure is a minimum as there were, as well, unidentified dead and missing. The evidence clearly shows that the tidal wave was entirely unexpected and that it was impossible to even anticipate the hurricane within sufficient time to insure safety of those concerned, including resident women and children, and that in view of the tidal wave accompanying the hurricane resulting in a depth of water reaching 17 feet, it was impossible to save the persons involved. Never before, according to the testimony, had the water reached a level in excess of 6 inches.

Due to the exigencies incident to the hurricane it was directed by the Governor of Florida that certain bodies be cremated, this action being justified from a public health standpoint. It was also found that the Weather Bureau had done all that was possible within the limitations of their facilities, but it is believed that an increased appropriation should be made available for the Bureau in order that more adequate safeguards may be established to avoid a recurrence of a similar disaster. It is believed that the evidence supports relief to the injured and the

dependents of deceased World War veterans and other persons employed on this project who were injured or died as the result of the hurricane, and that this relief should be provided by the Federal Government.

After careful study it is the conclusion of the committee that the relief to be afforded should be that provided for Federal employees engaged in a similar capacity and for that reason provision is made in the bill to provide employees' compensation benefits in the same manner and under the same conditions as are furnished employees of the Public Works Administration. It will be noted that the bill will cover the World War veterans who constitute the highest percentage of the group and will include other persons, i. e., other veterans as well as civilians, who were assigned to the camps.

There follows a statement of the estimated initial annual cost of the bill, extracts from a report furnished the Veterans' Administration by the United States Employees' Compensation Commission, a letter from the Administrator of Veterans' Affairs, and also a letter from the Governor of Florida dated April 6, 1936, referred to in this report:

Estimated cost of H. R. 12869

Title I, sec. 1, would amend Public, No. 484, to include presumptive cases and misconduct cases, leaving the 30-percent disability requirement as it now stands in the law. It is estimated that the additional cost of including presumptive cases rated 30 percent or more would approximate \$60,000 annually and would affect 170 cases. To include misconduct cases rated 30 percent or more would cost approximately \$150,000 annually and would affect approximately 420 cases; total annual cost approximately \$210,000. ----- \$210, 000

The estimates quoted above take into consideration only those cases which have been disallowed and can be considered a minimum cost. The maximum cost would depend largely upon the number of cases where application is made for benefits.

Title II, secs. 200 to 203, inclusive, provides uniform provision governing agents and attorneys, and penalties referring thereto. No additional cost is involved.

Title III, secs. 300 to 303, inclusive, establishes uniform law governing subpoenas, investigations, and oaths. No additional cost involved.

Title IV, sec. 400, eliminates annual determination of dependency under World War Veterans' Act. Administrative savings would offset cost involved.

Sec. 401 would remove \$1,000 asset limitation for burial awards. This would increase expenditures for burials by approximately \$97,000 annually, affecting approximately 1,000 cases annually.----- 97, 000

Sec. 402 would permit filing of claim for burial within 1 year subsequent to burial rather than date of death and extend from 6 months to 1 year the period for filing evidence. No appreciable cost anticipated.

Sec. 403 eliminates as "annual income" in the limitation for pension under Veterans' Regulation 1 (a), as amended, pt. III, payments of term and converted insurance and World War adjusted compensation. No appreciable cost.

Sec. 404 authorizes purchase of uniforms for certain nonprofessional field personnel. First year, estimated cost approximately \$45,000; subsequent years \$22,500 annually.----- 45, 000

Sec. 405 authorizes installation of telephones in quarters of other than medical officers on Veterans' Administration reservations. Estimated annual cost, \$3,500.----- 3, 500

Title V, sec. 500, extends the benefits of the Employees' Compensation Act to World War veterans and other persons and their dependents for injuries or death incurred in the Florida hurricane.

The Employees' Compensation Commission has reported an estimate of \$25,000 annually with a total cost of \$325,000.----- 25, 000

As to disability cases, they have reported no possible basis upon which to estimate the cost. The annual cost for death cases would approximate \$25,000.

Title VI, sec. 600, pertains to effective date of act and penalties. No additional cost involved.

Total estimated cost for first year ----- 380, 500