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SENATE

} REPORT
No. 1103

INCREASING COMPENSATION FOR WORLD WAR I PRESUMPTIVE SERVICE-CONNECTED CASES, PROVIDE MINIMUM RATINGS FOR SERVICE-CONNECTED ARRESTED TUBERCULOSIS, INCREASE CERTAIN DISABILITY AND DEATH COMPENSATION RATES, LIBERALIZE REQUIREMENT FOR DEPENDENCY ALLOWANCES, AND REDEFINE THE TERMS "LINE OF DUTY" AND "WILLFUL MISCONDUCT"

SEPTEMBER 23 (legislative day, SEPTEMBER 3), 1949.—Ordered to be printed

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

REPORT

[To accompany H. R. 5598]

The Committee on Finance, to whom was referred the bill (H. R. 5598) to increase compensation for World War I presumptive service-connected cases, provide minimum ratings for service-connected arrested tuberculosis, increase certain disability and death compensation rates, liberalize requirement for dependency allowances, and redefine the terms "line of duty" and "willful misconduct," having considered the same, report favorably thereon without amendment, and recommend that the bill do pass.

GENERAL STATEMENT

The committee held hearings on the bill and obtained testimony from all major veterans' organizations and representatives of the Veterans' Administration.

EXPLANATION OF THE BILL

Section 1 of the bill provides for payment of compensation to World War I veterans for disabilities service-connected by statutory presumption at the same rates (100 percent) as are payable for directly service-connected disabilities instead of the present law which provides for payment of 75 percent of such rates. Section 200 of the World War Veterans' Act, 1924, as amended, provided that persons in the armed forces during World War I, who entered active service before November 11, 1918, should be conclusively presumed to have been in

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sound condition when examined, accepted, and enrolled for service, except as to defects, disorders, or infirmities made of record at the time of, or prior to, inception of active service.

This act further provided that any ex-serviceman shown to have had, prior to January 1, 1925, a neuropsychiatric disease, spinal meningitis, an active tubercular disease, paralysis agitans, encephalitis lethargica, or amebic dysentery developing in 10 percent degree of disability, shall be presumed to have acquired his disability in active service. Section 17 of Public No. 2, Seventy-third Congress, March 20, 1933, repealed all public laws granting compensation, including compensation provided under the World War Veterans' Act, 1924, as amended. Such benefits were restored with limitations by Public, No. 141, Seventy-third Congress, March 28, 1934. One such limitation was that where service-connection had been established by virtue of statutory presumptions the compensation should be 75 percent of the rate otherwise payable. Your committee feels that the presumptions established by the World War Veterans' Act, 1924, as amended, were necessary to authorize the finding of service-connection in cases in which it was reasonable to assume that injury or disease was incurred in active military or naval service. Your committee further feels that in cases in which the service-connection of a disability is admitted, there is no sound justification for paying less than the full rate of compensation authorized by law, particularly in the case of World War I veterans suffering from the diseases above mentioned.

Section 2 of the bill provides that any ex-service person shown to have active tuberculosis which is compensable under Public Law 2, Seventy-third Congress, and the Veterans Regulations issued pursuant thereto who has reached a condition of complete arrest shall be rated as totally disabled for a period of 2 years following the date of such arrest; as 50 percent disabled for an additional period of 4 years; and 30 percent for a further 5 years. Following far-advanced active lesions the permanent rating shall be 30 percent, and following moderately advanced lesions the permanent rating, after 11 years, shall be 20 percent, provided there is continued disability, dyspnea on exertion, impairment of health, etc.; otherwise the rating shall be zero percent. It is further provided that the total disability rating for 2 years following complete arrest may be reduced to 50 percent for failure to follow prescribed treatment or to submit to examination when requested.

Under existing regulations of the Veterans' Administration, ratings of 100 percent are provided for service-connected active pulmonary tuberculosis unless the veteran is employed without apparent detriment to his health. Such ratings are continued for 6 months after attainment of arrest or inactivity following hospitalization for active tuberculosis. At the end of the 6-month period, a 50-percent rating is provided for 4½ years and a 30-percent rating for 5 years thereafter. In the case of far-advanced lesions, the 30-percent rating is continued for life, and in moderately advanced lesions after 10 years a 20-percent rating is continued for life where continued disability exists. The 100-percent rating following arrest may be continued for successive periods of 6 months, up to a maximum of 2 years.

It will be observed that section 2 of the bill would provide a rating of 100 percent for the first 2 years following arrest and a 50-percent rating for 4 years thereafter in lieu of the ratings presently provided

by the Veterans Regulations for this period. The committee is of the opinion that the ratings provided by this section are in accord with sound medical principles and that it is preferable that such ratings be fixed by law rather than by a variable determination as presently provided under Veterans Regulations. The statutory ratings proposed by section 2 of the bill would be available to all veterans who served either in peace or in war and who are eligible to benefits provided under Public, No. 2, Seventy-third Congress, and the Veterans Regulations promulgated pursuant thereto. The Veterans' Administration has stated that the cost of this section for the first fiscal year would be approximately \$700,000.

Section 3 of the bill provides for increasing certain disability and death compensation rates. Subsection (a) would increase the basic rates for service-connected disability based on degree of disability. Under this subsection the wartime rate for total disability would be increased from \$138 to \$150 per month with proportionate increases for the nine degrees of partial disability. The new rates represent an increase of approximately 8.7 percent over existing rates for similar degrees of disability. The proposed increase would also result in an increase in the peacetime rates of service-connected disability, based upon percent of disability, in view of existing law which provides 80 percent of the rates authorized for wartime service for disability incurred in or as a result of peacetime service.

Section 3 (b) provides for an increase in the wartime rate of death compensation for a widow with one child from \$100 to \$105 per month, plus \$25 per month for each additional child in lieu of \$15 presently authorized. By virtue of the provisions of Public Law 868, Eightieth Congress, the peacetime rates of death compensation would be automatically increased to 80 percent of the wartime rates provided in this subsection.

It is the belief of your committee that the moderate increases provided in this section are in line with increases in present-day cost of living and the increased wages paid by private industries and the Government.

The Veterans' Administration estimates that section 3 (a) would increase the rates payable to 2,024,100 veterans of World Wars I and II, Spanish-American War, and the Regular Establishment at a cost for the first year of \$84,432,000 and that section 3 (b) would provide increases in death compensation for approximately 58,000 cases at an estimated cost for the first year of \$7,368,000. The total cost of section 3 would approximate \$91,800,000.

Section 4 of the bill authorizes the additional compensation provided under Public Law 877, Eightieth Congress, for the dependents of veterans whose service-connected disability is rated 50 percent. Public Law 877 presently provides additional compensation for the dependents of veterans having a 60-percent or more service-connected disability. Your committee is of the opinion that existing law should be liberalized so as to include additional compensation for those war and peacetime veterans who are 50-percent disabled because such veterans generally are unable to secure suitable regular employment to adequately support themselves and their dependents.

It is estimated by the Veterans' Administration that the enactment of section 4 would result in additional cost the first year of approximately \$15,406,300.

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Section 5 of the bill has for its purpose the liberalizing of the line-of-duty requirements of Veterans Regulations with respect to a service person whose disease, injury, or death was incurred without willful misconduct on his part while in confinement under sentence of court martial or civil court. In such cases the disease, injury, or death would be deemed to have been incurred in line of duty if the sentence of the court martial did not involve an unremitted dishonorable discharge or if the offense for which convicted by civil court did not involve a felony, as defined under the laws of the jurisdiction where the service person was convicted by such civil court.

Under existing provisions of the law, compensation and pension are denied in many cases where the disability or death of the veteran occurred while he was confined under sentence of a court martial or civil court even though the disability or death are in no way attributable to the misconduct of the individual or connected with the circumstances involved in such court martial and conviction. This is a grave injustice which should be rectified.

There is no available information upon which to base an estimate of cost of this section, the Veterans' Administration states.

COST OF THE BILL

The Veterans' Administration has estimated that the total cost of the bill, H. R. 5598, insofar as the items thereof are susceptible of a cost estimate, would approximate \$112,597,300 for the first year.

The report of the Veterans' Administration on H. R. 5598 is as follows:

AUGUST 16, 1949.

Senator WALTER F. GEORGE,
Chairman, Committee on Finance, United States Senate,
Washington 25, D. C.

DEAR SENATOR GEORGE: Further reference is made to your letter of August 6, 1949, requesting a report by the Veterans' Administration on H. R. 5598, Eighty-first Congress, an act to increase compensation for World War I presumptive service-connected cases, provide minimum ratings for service-connected arrested tuberculosis, increase certain disability and death compensation rates, liberalize requirement for dependency allowances, and redefine the terms "line of duty" and "willful misconduct."

H. R. 5598 is in the form of an omnibus bill and, as indicated by the title, covers five separate subjects in the field of veterans' laws. These subjects are considered in five sections, which this report will discuss seriatim.

SECTION 1

The purpose of section 1 of the bill is to provide for payment of compensation to World War I veterans for disabilities service-connected by statutory presumption at the same rates as are payable for directly service-connected disabilities. Under the present law, rates of compensation to World War I veterans for disabilities service-connected by statutory presumption are 75 percent of the rates payable to World War I veterans for directly service-connected disabilities.

This section of the bill is identical with S. 350, Eighty-first Congress, a bill to restore full compensation awards in World War I presumptively service-connected cases with respect to which the Veterans' Administration submitted a report to the committee under date of March 7, 1949, a copy of which is enclosed. The views expressed in the mentioned report on S. 350 are equally applicable to section 1 of the subject bill. The estimated cost of this section, if enacted, is \$4,691,000 for the first year.

It will be noted in the mentioned report on S. 350 that the Bureau of the Budget has advised that the enactment of such legislation would not be in accord with the President's program.

SECTION 2

The purpose of section 2 of the bill is to amend Veterans Regulation No. 3 (a), as amended, by adding thereto a new paragraph II to provide that any ex-service person shown to have active tuberculosis which is compensable under Public, No. 2 and the Veterans Regulations promulgated pursuant thereto, who, in the judgment of the Administrator of Veterans' Affairs, has reached a condition of complete arrest, shall be rated as totally disabled for a period of 2 years following the date of such arrest; as 50-percent disabled for an additional period of 4 years; and 30 percent for a further 5 years. Following far-advanced active lesions the permanent rating shall be 30 percent and following moderately advanced lesions the permanent rating, after 11 years, shall be 20 percent, provided there is continued disability, dyspnea on exertion, impairment of health, etc.; otherwise the rating shall be zero percent. It is provided by the section that its enactment shall not be construed as requiring the reduction of compensation authorized under any other law or regulation and that no compensation shall be payable for any period prior to its enactment. It is also provided that the total disability rating for 2 years following complete arrest may be reduced to 50 percent for failure to follow prescribed treatment or to submit to examination when requested.

The statutory ratings proposed by section 2 of the bill would be applicable to veterans who served either in peace or in war and who are eligible to benefits provided under Public, No. 2, Seventy-third Congress, and the Veterans Regulations promulgated pursuant thereto. Such veterans who have arrested tuberculosis incurred in wartime service would be entitled to the rates provided under part I of Veterans Regulation No. 1 (a), as amended, which presently provides for compensation at the rate of \$138 per month for 100 percent or total disability, \$69 per month for 50 percent disability, \$41.40 per month for 30 percent disability, and \$27.60 per month for 20 percent disability. Such veterans who have arrested tuberculosis incurred in peacetime service would be entitled to compensation under part II of Veterans Regulation No. 1 (a), as amended, which presently provides compensation at the rate of \$110.40 per month for 100 percent or total disability, \$55.20 per month for 50 percent disability, \$33.12 per month for 30 percent disability, and \$22.08 per month for 20 percent disability.

In addition to the amounts specified in the preceding paragraph, veterans who are rated as 100 percent disabled would receive, pursuant to the provisions of Public Law 877, Eightieth Congress, additional allowances for certain dependents ranging in amounts in wartime cases from \$14 to \$91 monthly and in peacetime cases from \$11.20 to \$72.80 monthly.

Under the rating schedule now in effect, ratings of 100 percent are provided for service-connected active pulmonary tuberculosis unless the veteran is employed without apparent detriment to his health. Ratings of 100 percent are continued for 6 months after attainment of arrest or inactivity following hospitalization for active tuberculosis. At the end of the 6-month period, a 50 percent rating is provided for 4½ years and a 30 percent rating is provided for 5 years thereafter. In the case of far-advanced lesions, the 30 percent rating is continued for life, and in the case of moderately advanced lesions after 10 years a 20 percent rating is continued for life, if reexamination discloses continued disability such as dyspnea on exertion or scattered râles, otherwise the rating is zero percent. The 100 percent rating following arrest may be continued for successive periods of 6 months, up to a maximum of 2 years, in any case in which a certificate from a tuberculosis specialist employed by the Veterans' Administration or from a tuberculosis specialist who is approved by the district section chief of tuberculosis and who may be salaried or fee basis, is received before the expiration of each 6-month period following arrest, establishing that the veteran is suffering from inactive pulmonary tuberculosis in a convalescent stage which precludes employment and requires continued special medical rehabilitation under a suitable program of limited activity, in a sheltered workshop or his home, under frequent medical supervision, and the specialist's personal examination confirms the necessity for continuing the program of certain limited activity. This increased rating would be in lieu of the 50 percent rating following 6 months after arrest.

From the foregoing, it will be seen that section 2 of the bill is substantially similar to the present regulations on the subject with the following exceptions:

(1) The 100-percent rating for the first 2 years would be conclusive under the bill, except as to the penalty for failure to follow prescribed treatment or to submit to examination.

(2) The 50-percent rating would be authorized for one additional year under the bill.

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Under the Schedule for Rating Disabilities, 1945, ratings for disabilities from tuberculosis, like any other disease, are based upon the actual disability found to exist. Extensive advances have been made during the past 24 years as the result of studies in the field of tuberculosis. Administrative amendments in the rating schedules have followed such advances and the current rates have been fixed in proportion to the degrees of disablement resulting from the residuals of tuberculosis. It is believed that the current ratings authorized are liberal and medically sound and we are not aware of the justification for the changes proposed by section 2 of the bill.

In view of the indeterminate factors involved, the Veterans' Administration is unable to submit an accurate estimate of the cost of this section of the bill, if enacted. It appears that the added cost for the first 5 years would not be substantial, amounting to something approximating \$700,000 for the first fiscal year. The major portion of the additional cost would arise out of the additional year for which the 50-percent rating would be authorized. Advice has not been received from the Bureau of the Budget with respect to this proposal.

SECTION 3

The purpose of section 3 of the bill is to increase certain disability and death compensation rates. Subsection (a) would increase the basic rates for service-connected disability based on degree of disability and subsection (b) would increase the rate of death compensation payable to a widow with children.

The wartime rate for total disability would be increased from \$138 to \$150 per month with proportionate increases for the nine degrees of partial disability. The new rates of disability compensation would represent an increase of approximately 8.7 percent and would be effected by amending subparagraphs (a) to (j), inclusive, of paragraph II, part I, Veterans Regulation No. 1 (a), as amended. The proposed increase would also result in an increase in the peacetime rates of service-connected disability based upon percent of disability in view of the provisions of Public Law 876, Eightieth Congress, which provides that the rates for disability incurred in or as a result of peacetime service shall be 80 percent of the rates authorized for wartime service.

The proposal would not increase the special rates for certain specific service-incurred disabilities authorized under subparagraphs (k) to (o) of paragraph II, part I, Veterans Regulation No. 1 (a), as amended. These rates range from \$240 to \$360 per month; nor would it increase the presently authorized additional allowance of \$42 per month in connection with the loss or loss of use of one limb or blindness of one eye. Enactment of section 3 (a), therefore, would discriminate against those veterans who, generally speaking, suffer from more serious disabilities.

Subsection (b) would increase the wartime rate of death compensation for a widow with one child from \$100 to \$105, and the rate for each additional child (with widow) from \$15 to \$25. The similar peacetime rates of death compensation would be increased to 80 percent of the stated new wartime rates. The increases would be effected by an amendment of paragraph IV, part I, Veterans Regulation No. 1 (a), as amended.

Wartime and peacetime rates of death compensation for widows, children, and dependent parents were last increased substantially by Public Law 868, Eightieth Congress, July 1, 1948. A further increase in rates for only a portion of such group of dependents might be considered discriminatory with respect to the remaining classes, which include the widow alone, children alone, and dependent mothers and fathers.

It is estimated that the enactment of section 3 (a) of the bill would increase the rates payable to 2,024,100 veterans of World Wars I and II, Spanish-American War, and the Regular Establishment at a cost for the first year of \$84,432,000. Enactment of section 3 (b) would provide increases in death compensation for approximately 58,000 cases at an estimated cost the first year of \$7,368,000.

The Veterans' Administration is not advised as to the relationship of the specific proposals to the program of the President. However, advice has been received with respect to bills proposing percentage increases generally in compensation rates that the enactment thereof would not be in accord with the President's program.

SECTION 4

The purpose of section 4 of the bill is to authorize additional compensation because of dependents, under Public Law 877, Eightieth Congress, July 2, 1948, to veterans whose service-connected disability is rated 50 per centum.

Section 1, Public Law 877, supra, provides that any person entitled to compensation at wartime rates for disability incurred in or aggravated by active service as provided in part I, or paragraph 1 (c), part II, Veterans Regulation No. 1 (a), as amended, or the World War Veterans' Act, 1924, as amended and restored with limitations by Public, No. 141, Seventy-third Congress, March 28, 1934, as amended, and whose disability is rated at not less than 60 per centum, shall be entitled to additional compensation for dependents in the following amounts, if and while rated totally disabled:

Has a wife but no child living, \$21.

Has a wife and one child living, \$35.

Has a wife and two children living, \$45.50.

Has a wife and three or more children living, \$56.

Has no wife but one child living, \$14.

Has no wife but two children living, \$24.50.

Has no wife but three or more children living, \$35.

Has a mother or father, either or both dependent upon him for support, then, in addition to the above amounts, \$17.50 for each parent so dependent.

If and while the veteran is rated partially disabled but not less than 60 percent, the additional compensation authorized on account of dependents is in an amount having the same ratio to the amount provided for total disability as the degree of disability bears to the total disability.

Section 2 of Public Law 877 provides that any person entitled to compensation at peacetime rates for disability incurred in or aggravated by active service as provided in paragraph II, part II, Veterans Regulation No. 1 (a), as amended, except paragraph I (c) thereof, and whose disability is rated at not less than 60 percent, shall be entitled to additional compensation for dependents and the monthly amounts specified therein are 80 percent of the similar rates mentioned above for wartime compensation cases.

Section 4 of the subject bill, if enacted, would grant the following additional amounts for dependents to disabled veterans who are entitled to compensation at wartime rates due to disability of 50 percent and are otherwise eligible for benefits under Public Law 877:

Has a wife but no child living, \$10.50.

Has a wife and one child living, \$17.50.

Has a wife and two children living, \$22.75.

Has a wife and three or more children living, \$28.

Has no wife but one child living, \$7.

Has no wife but two children living, \$12.25.

Has no wife but three or more children living, \$17.50.

Has a mother or father, either or both dependent upon him for support, then, in addition to the above amounts, \$8.75 for each parent so dependent.

Veterans receiving compensation at peacetime rates, whose disability is rated at 50 percent, would receive 80 percent of the above rates under the provisions of section 4 of the bill, if otherwise eligible under Public Law 877.

Public Law 877, Eightieth Congress, was the product of extensive study and consideration by the Congress on the subject of payment of additional benefits because of dependents to veterans entitled to disability compensation. The legislative history of that act indicates that one of the reasons that the benefits provided thereby were limited to those persons 60 per centum or more disabled was the fact that this group of veterans, because of the serious nature of their disabilities, would not generally be in a position to supplement their compensation payments by income from steady employment as would those persons disabled to a lesser degree.

It is estimated that enactment of section 4 of the bill would result in additional cost the first year of approximately \$15,406,300.

We have not been apprised of the relationship of this proposal to the program of the President.

SECTION :

The purpose of section 5 of the bill is to liberalize the line-of-duty requirements of paragraph VIII, Veterans Regulation No. 10, as amended, with respect to a service person whose disease, injury, or death was incurred without willful misconduct on his part while in confinement under sentence of court martial or civil court. In such cases, the disease, injury, or death would be deemed to have been incurred in line of duty if the sentence of the court martial did not involve an unremitted dishonorable discharge or if the offense for which convicted by civil court did not involve a felony, as defined under the laws of the jurisdiction where the service person was convicted by such civil court.

8 INCREASE CERTAIN DISABILITY AND DEATH COMPENSATION .

If section 5 of the bill were enacted, the provisions of paragraph VIII, supra would read as follows (proviso proposed by sec. 5 is in italics):

"PAR. VIII. An injury or disease incurred during military or naval service will be deemed to have been incurred in line of duty and not the result of the veteran's own misconduct when the person on whose account benefits are claimed was, at the time the injury was suffered or disease contracted, in active service in the military or naval forces, whether on active duty or on authorized leave, unless such injury or disease was the result of his own willful misconduct: *Provided*. That venereal disease shall not be presumed to be due to willful misconduct if the person in service complies with the Army or Navy regulations requiring him to report and receive treatment for such disease: *Provided further*. That the requirement for line of duty will not be met if it appears that at the time the injury was suffered or disease contracted the person on whose account benefits are claimed (1) was avoiding duty by deserting the service, or by absenting himself without leave materially interfering with the performance of military duties; (2) was confined under sentence of court martial or civil court: *Provided, however*. *That disease, injury, or death incurred without willful misconduct on the part of the service person shall be deemed to have been incurred to line of duty if the sentence of the court martial did not involve an unremitted dishonorable discharge or if the offense for which convicted by civil court did not involve a felony, as defined under the laws of the jurisdiction where the service person was convicted by such civil court.*"

Under the language of the bill, every disease, injury, or death not due to willful misconduct, incurred by a service person while in confinement under sentence of a court martial or a civil court would be deemed to have been incurred in line of duty unless the court-martial sentence involved an unremitted dishonorable discharge, or the sentence of the civil court involved conviction of a felony, as defined by the laws of the jurisdiction where the person was convicted. It is not clear whether disability occurring prior to the actual remission of a dishonorable discharge is intended to be presumed to have been incurred in line of duty after such remission is made effective. As commissioned officers are dismissed rather than discharged from the service, the bill, if enacted, could be construed as requiring that any disability or death suffered by a commissioned officer while confined under sentence of a court martial was incurred in line of duty.

Section 5 of the bill presents a question of national policy for determination by the Congress, as to whether persons referred to in the bill (and their dependents) whose disease, injury, or death is incurred without willful misconduct on their part while in confinement as prisoners for unlawful acts—by which acts and confinement they rendered themselves unable to perform their service contracts with the Government—should be afforded compensation benefits on a parity with those veterans (and their dependents) whose disease, injury, or death was incurred without willful misconduct on their part while in a duty or leave status in keeping with their service contracts.

It is difficult to understand on what theory disability or death occurring while in confinement under sentence of a civil court could be deemed to have been incurred in line of duty. While there are some cases disallowed, where the veteran was confined under sentence of court martial, which may be thought to involve appealing circumstances, legislative changes designed to relieve in such cases would require reconsideration of the basic principle supporting existing legislation and consideration of possible inequalities which might result as to cases disallowed under other provisions of paragraph VIII of Veterans Regulation No. 10, as amended, heretofore quoted.

In determining whether any liberalization of paragraph VIII, Veterans Regulation No. 10, as amended, is desirable, the committee may wish to consider the provisions of title 18 United States Code 4126, under which compensation may be paid to United States prisoners or their dependents for injuries suffered while employed by the Federal Prison Industries. While such provisions in behalf of civilian prisoners and their dependents may be urged as indicating the propriety of corresponding relief for military prisoners and their dependents, there is for consideration the fact that the present provisions of paragraph VIII of Veterans Regulation No. 10, as amended, are designed, among other things, to assist in the maintenance of military discipline.

There is no available information upon which to base an estimate of cost of section 5, if enacted.

The Veterans' Administration has been advised by the Bureau of the Budget that the enactment of legislation such as that proposed by section 5 of the bill would not be in accord with the program of the President

SUMMARY OF COST

With respect to those portions of the bill which are susceptible of a cost estimate (secs. 1 to 4, inclusive), it is estimated that the cost of H. R. 5598, if enacted, would be approximately \$112,597,300 for the first year.

Sincerely yours,

O. W. CLARK,
Deputy Administrator

(For and in the absence of the Administrator).

Changes made in existing law by the bill are shown as follows (existing law proposed to be omitted is in black brackets; new matter is in italic; existing law in which no changes are proposed is shown in roman):

SECTION 2 OF H. R. 5598

Veterans Regulation Numbered 3 (a), as amended, is hereby amended by adding thereto a new paragraph following paragraph I to read as follows:

"I. The Administrator of Veterans' Affairs is hereby authorized and directed to adopt and apply a schedule of ratings [and] of reductions in earning capacity from specific injuries or combination of injuries. The ratings shall be based, as far as practicable, upon the average impairments of earning capacity resulting from such injuries in civil occupations. The schedule shall be constructed so as to provide ten grades of disability and no more, upon which payments of pension shall be based, namely, ten percent, twenty percent, thirty percent, forty percent, fifty percent, sixty percent, seventy percent, eighty percent, ninety percent, and total, one hundred percent. The Administrator of Veterans' Affairs shall from time to time readjust this schedule of ratings in accordance with experience.

"II. *Any ex-service person shown to have active tuberculosis which is compensable under Public Law Numbered 2 and the Veterans Regulations promulgated pursuant thereto, who in the judgment of the Administrator of Veterans' Affairs has reached a condition of complete arrest, shall be rated as totally disabled for a period of two years following such date of arrest, as 50 per centum disabled for an additional period of four years, and 30 per centum for a further five years. Following far advanced active lesions the permanent rating shall be 30 per centum, and following moderately advanced lesions, the permanent rating, after eleven years, shall be 20 per centum, provided there is continued disability, dyspnea on exertion, impairment of health, and so forth; otherwise the rating shall be zero per centum: Provided, That this Act shall not be construed as requiring a reduction of compensation authorized under any other law or regulation: Provided further, That no compensation shall be payable under this Act for any period prior to its enactment: And provided further, That the total disability rating herein provided for the two years following a complete arrest may be reduced to 50 per centum for failure to follow prescribed treatment or to submit to examination when requested.*"

SECTION 3 (A) OF H. R. 5598

Subparagraphs (a) to (j), inclusive, of paragraph II, part I, Veterans Regulation Numbered 1 (a), as amended, are hereby amended to read as follows:

"(a) If and while the disability is rated 10 per centum the monthly compensation shall be **[\$13.80]** \$15.

"(b) If and while the disability is rated 20 per centum the monthly compensation shall be **[\$27.60]** \$30.

"(c) If and while the disability is rated 30 per centum the monthly compensation shall be **[\$41.40]** \$45.

"(d) If and while the disability is rated 40 per centum the monthly compensation shall be **[\$55.20]** \$60.

"(e) If and while the disability is rated 50 per centum the monthly compensation shall be **[\$69.00]** \$75.

"(f) If and while the disability is rated 60 per centum the monthly compensation shall be **[\$82.80]** \$90.

"(g) If and while the disability is rated 70 per centum the monthly compensation shall be **[\$96.60]** \$105.

"(h) If and while the disability is rated 80 per centum the monthly compensation shall be **[\$110.40]** \$120.

"(i) If and while the disability is rated 90 per centum the monthly compensation shall be **[\$124.20]** \$135.

"(j) If and while the disability is rated as total the monthly compensation shall be **[\$138.00]** \$150."

10 INCREASE CERTAIN DISABILITY AND DEATH COMPENSATION

SECTION 3 (B) OF H. R. 5598

Paragraph IV of part I of Veterans Regulation Numbered 1 (a), as amended, is hereby amended 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 I hereof, shall be entitled to receive compensation at the monthly rates specified next below:

"Widow but no child, \$75; [widow with one child, \$100 (with \$15 for each additional child)] *widow with one child, \$105 (with \$25 for each additional child)*; no widow but one child, \$58; no widow but two children, \$82 (equally divided); no widow but three children, \$106 (equally divided) (with \$20 for each additional child; total amount to be equally divided); dependent mother or father, \$60 (or both), \$35 each."

SECTION 5 OF H. R. 5598

Paragraph VIII of Veterans Regulation Numbered 10, as amended, is hereby amended as follows:

"PAR. VIII. An injury or disease incurred during military or naval service will be deemed to have been incurred in line of duty and not the result of the veteran's own misconduct when the person on whose account benefits are claimed was, at the time the injury was suffered or disease contracted, in active service in the military or naval forces, whether on active duty or on authorized leave, unless such injury or disease was the result of his own willful misconduct: *Provided*, That venereal disease shall not be presumed to be due to willful misconduct if the person in service complies with the Army or Navy regulations requiring him to report and receive treatment for such disease: *Provided further*, That the requirement for line of duty will not be met if it appears that at the time the injury was suffered or disease contracted the person on whose account benefits are claimed (1) was avoiding duty by deserting the service, or by absenting himself without leave materially interfering with the performance of military duties; (2) was confined under sentence of court martial or civil court [.]: *Provided, however, That disease, injury, or death incurred without willful misconduct on the part of the service person shall be deemed to have been incurred in line of duty if the sentence of the court martial did not involve an unremitted dishonorable discharge or if the offense for which convicted by civil court did not involve a felony as defined under the laws of the jurisdiction where the service person was convicted by such civil court.*"

