

# Calendar No. 1757

77TH CONGRESS }  
2d Session }

SENATE

{ REPORT  
{ No. 1703

## REGULATING THE DELIVERY OF UNITED STATES GOVERNMENT CHECKS TO ADDRESSES OUTSIDE THE UNITED STATES

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NOVEMBER 20 (legislative day, NOVEMBER 17), 1942.—Ordered to be printed

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

### REPORT

[To accompany H. R. 7408]

The Committee on Finance, to whom was referred the bill (H. R. 7408) to amend the act of October 9, 1940, entitled "An act to restrict or regulate the delivery of checks drawn against funds of the United States or any agency or instrumentality thereof, to addresses outside the United States, its territories, and possessions, and for other purposes," having considered the same, report favorably thereon and recommend that the bill do pass.

Section 2 of the act of October 9, 1940, Public, No. 828, Seventy-sixth Congress, provides that checks representing payments under laws administered by the Veterans' Administration drawn in favor of foreign payees be deposited in a special deposit account, and when the amount transferred to such special deposit account on behalf of any individual payee equals \$1,000, the amounts of any further checks, except checks under contracts of insurance, payable to such payee under such laws, are covered in the Treasury as miscellaneous receipts. Accordingly, such payees will not be able to secure more than the aggregate amount of \$1,000 monetary benefits under laws administered by the Veterans' Administration, except under contracts of insurance, when and if payment may be made in accordance with the provisions of that act.

This bill amends section 1 of the act by adding two provisos at the end thereof so as to include within the purview of the act payments for certain incompetent beneficiaries residing in foreign countries for whom guardians have been appointed and who are residing in the United States or other places where the act at present does not authorize or require that benefits payable to them be placed in the special deposit account, although such guardians are unable to use such funds for the care or comfort of their wards. Under existing law, payments may result which would be greatly in excess of \$1,000 in such cases, whereas payments to those who have no guardians or have guardians appointed in foreign countries are limited to \$1,000 maximum. This bill will eliminate this inequality and thus effectuate desired uniformity.

The proposed legislation was recommended by the Veterans' Administration in a letter to the Speaker of the House of Representatives under the date of July 8, 1942, and also has the approval of the Budget. A similar letter also was directed to the President of the Senate by the Veterans' Administration. The letter of the Administrator of Veterans' Affairs, outlining the purposes and intent of the proposed bill, is as follows:

JULY 8, 1942.

HON. SAM RAYBURN,

*House of Representatives, Washington, D. C.*

MY DEAR MR. SPEAKER: There is enclosed draft of a proposed bill to amend the act of October 9, 1940, to restrict or regulate the delivery of checks drawn against funds of the United States, or any agency or instrumentality thereof, to addresses outside the United States, its Territories, and possessions, and for other purposes, with the request that it be referred to the appropriate committee of the House of Representatives in order that it may be introduced and enacted into law. Advice has been received from the Bureau of the Budget that there is no objection by that office to the presentation of this proposed legislation for the consideration of the Congress.

The purpose of the proposed bill is to authorize the deposit of money in the special deposit account entitled "Secretary of the Treasury, proceeds of withheld foreign checks," payable under laws administered by the Veterans' Administration to certain incompetent beneficiaries residing in foreign countries, but who have guardians, or other persons legally vested with their care, residing in the United States or its territories or possessions.

Under section 2 of Public, No. 828, Seventy-sixth Congress, approved October 9, 1940, checks representing payments under laws administered by the Veterans' Administration drawn in favor of foreign payees are deposited in the special deposit account above mentioned, and when the amount transferred to such special deposit account on behalf of any individual payee equals \$1,000 the amounts of any further checks, except checks under contracts of insurance, payable to such payee under such laws, are covered in the Treasury as miscellaneous receipts. Accordingly, such payees will not be able to secure more than an aggregate amount of \$1,000 monetary benefits under laws administered by the Veterans' Administration, except under contracts of insurance, when and if payment may be made in accordance with the provisions of the said act.

There are certain incompetent beneficiaries residing in foreign countries for whom guardians have been appointed and who are residing in the United States or other places where the provisions of Public, No. 828 do not authorize or require that benefits payable to them be placed in the special deposit account, although such guardians are unable to use such funds for the care or comfort of their wards. In such cases it is possible that large estates will be built up which are of no practicable value at this time to the incompetent beneficiaries. This may result in the payment to the estates of such beneficiaries of sums greatly in excess of \$1,000, whereas payments to those who have no guardians, or have guardians appointed in foreign countries, will be limited to \$1,000 maximum. As one of the purposes of Public, No. 828 was to prevent accumulation of large estates accumulated from benefits payable under laws administered by the Veterans' Administration, not needed by beneficiaries thereof, it is obvious that those beneficiaries residing in foreign countries who have guardians appointed in the United States are receiving or may receive benefits which Public, No. 828 was designed to prohibit.

The proposed amendment will obviate this objectionable feature and make the provisions of Public, No. 828 applicable to all incompetent beneficiaries residing abroad, regardless of where their guardians may have been appointed.

There are certain cases in which beneficiaries residing in foreign countries have dependents in the United States who are in need of support from the amounts payable to such beneficiaries. It is, of course, desirable to continue the support of such dependents from the funds of the beneficiary residing abroad. The second proviso of the proposed bill would authorize continuation of payments to such dependents.

Very truly yours,

FRANK T. HINES, *Administrator.*

