

WORLD WAR VETERANS' LEGISLATION

HEARING

BEFORE A

SUBCOMMITTEE OF THE
COMMITTEE ON FINANCE
UNITED STATES SENATE

SEVENTY-SIXTH CONGRESS

THIRD SESSION

ON

S. 3833, S. 3834, S. 3835, S. 3981

H. R. 8930 and H. R. 9000

BILLS AND ACTS RELATING TO WORLD WAR
VETERANS' LEGISLATION

MAY 20, 1940

Printed for the use of the Committee on Finance



UNITED STATES
GOVERNMENT PRINTING OFFICE
WASHINGTON : 1940

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WORLD WAR VETERANS' LEGISLATION

MONDAY, MAY 20, 1940

UNITED STATES SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON FINANCE,
Washington, D. C.

The subcommittee met, pursuant to call, at 10 a. m., in room 312, Senate Office Building, Senator Walter F. George (chairman) presiding. Senator GEORGE: The committee will come to order.

For the record, the hearing this morning is primarily on H. R. 9000 and H. R. 8930. There has been introduced in the Senate a bill identical with H. R. 9000, S. 3981, by Senator Lundeen, and there was also introduced in the Senate a bill, S. 3834, identical with House bill H. R. 9000 and S. 3981 except that no pensions are provided for dependent fathers and mothers. In that respect that bill differs from H. R. 9000. We also have pending before the subcommittee H. R. 8930, dealing with administrative provisions in veterans' laws, and a companion Senate bill, S. 3833. In addition, I wish to call attention to S. 3835, which I introduced by request. The purpose of S. 3835 is to provide for the control of payments of financial benefits to veterans and their dependents residing outside the continental limits of the United States, except for Hawaii, Alaska, Puerto Rico, Virgin Islands, and the Panama Canal Zone. There will be inserted in the record copies of each of these bills to which reference has been made.

[H. R. 9000, 76th Cong., 3d sess.]

AN ACT, To provide more adequate compensation for certain dependents of World War veterans, and for other purposes

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

"IV. (a) Subject to the income limitation of part III, paragraph II hereof, as amended, the surviving dependent widow as hereinafter defined, child, or children, and/or dependent mother or father of any deceased person who served in the active military or naval service during the World War, and whose service therein was as defined by part III, paragraph I hereof, as amended, shall be entitled to receive compensation at the monthly rates specified next below:

"Widow but no child, \$20; widow and one child, \$28; widow and two children, \$34 (with \$4 for each additional child); no widow but one child, \$12; no widow but two children \$18 (equally divided); no widow but three children, \$24 (equally divided) (with \$3 for each additional child; total amount to be equally divided); dependent mother or father, \$20; or both, \$15 (each).

"(b) As to the widow, child, or children, the total compensation payable under this paragraph shall not exceed \$50. Where such benefits would otherwise exceed \$50, the amount of \$50 may be apportioned as the Administrator of Veterans' Affairs may prescribe."

Sec. 2. For the purpose of payment of compensation under the provisions of this Act, the term "widow" shall mean a woman who was married prior to July 3, 1921, to the person who served; or who was married prior to May 13, 1933,

to the person who served, provided a child was born of such marriage: *Provided*, That the provisions of section 3 of the Act of May 13, 1938 (Public, Numbered 514, Seventy-fifth Congress), insofar as they are not inconsistent with the provisions of this Act, shall govern the determination of eligibility of a widow for benefits under this Act.

Passed the House of Representatives May 13, 1940.

Attest:

SOUTH TRIMBLE, *Clerk.*

[S. 3981, 76th Cong., 3d sess.]

A BILL To provide more adequate compensation for certain dependents of World War veterans, and for other purposes

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

"IV. (a) Subject to the income limitation of part III, paragraph II hereof, as amended, the surviving dependent widow as hereinafter defined, child, or children, and/or dependent mother or father of any deceased person who served in the active military or naval service during the World War, and whose service therein was as defined by part III, paragraph I hereof, as amended, shall be entitled to receive compensation at the monthly rate specified next below:

"Widow but no child, \$20; widow and one child, \$28; widow and two children, \$34 (with \$4 for each additional child); no widow but one child, \$12; no widow but two children, \$18 (equally divided); no widow but three children, \$24 (equally divided) (with \$3 for each additional child; total amount to be equally divided); dependent mother or father, \$20; or both, \$15 (each).

"(b) As to the widow, child, or children, the total compensation payable under this paragraph shall not exceed \$56. Where such benefits would otherwise exceed \$56, the amount of \$56 may be apportioned as the Administrator of Veterans' Affairs may prescribe."

Sec. 2. For the purpose of payment of compensation under the provisions of this Act, the term "widow" shall mean a woman who was married prior to July 3, 1921, to the person who served; or who was married prior to May 13, 1938, to the person who served, provided a child was born of such marriage: *Provided*, That the provisions of section 3 of the Act of May 13, 1938 (Public, Numbered 514, Seventy-fifth Congress), insofar as they are not inconsistent with the provisions of this Act, shall govern the determination of eligibility of a widow for benefits under this Act.

[S. 3834, 76th Cong., 3d sess.]

A BILL To provide more adequate compensation for certain dependents of World War veterans, and for other purposes

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

"IV. (a) Subject to the income limitation of part III, paragraph II hereof, as amended, the surviving dependent widow as hereinafter defined, child, or children of any deceased person who served in the active military or naval service during the World War, and whose service therein was as defined by part III, paragraph I hereof, as amended, shall be entitled to receive compensation at the monthly rates specified next below:

"Widow but no child, \$20; widow and one child, \$28; widow and two children, \$34 (with \$4 for each additional child); no widow but one child, \$12; no widow but two children, \$18 (equally divided); no widow but three children, \$24 (equally divided) (with \$3 for each additional child; total amount to be equally divided).

"(b) As to the widow, child, or children, the total compensation payable under this paragraph shall not exceed \$56. Where such benefits would otherwise exceed \$56, the amount of \$56 may be apportioned as the Administrator of Veterans' Affairs may prescribe."

Sec. 2. For the purpose of payment of compensation under the provisions of this Act, the term "widow" shall mean a woman who was married prior to July 3, 1921, to the person who served; or who was married prior to May 13, 1938, to the

person who served, provided a child was born of such marriage: *Provided*, That the provisions of section 3 of the Act of May 13, 1938 (Public, Numbered 614, Seventy-fifth Congress), insofar as they are not inconsistent with the provisions of this Act, shall govern the determination of eligibility of a widow for benefits under this Act.

[H. R. 8930, 76th Cong., 3d sess.]

AN ACT To amend section 202 (3), World War Veterans' Act, 1924, as amended, to provide more adequate and uniform administrative provisions in veterans' laws, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Public Law Numbered 484, Seventy-third Congress, approved June 28, 1934, as amended, is hereby amended by adding a new section thereto numbered 6 to read as follows:

"Sec. 6. There shall be no recovery of payments heretofore or hereafter made under the provisions of this Act from any person who, in the judgment of the Administrator, is without fault on his part and where, in the judgment of the Administrator, such recovery would defeat the purpose of benefits otherwise authorized or would be against equity and good conscience. No disbursing officer and no certifying officer shall be held liable for any amount paid to any person where the recovery of such amount from the payee is waived under the provisions of this section. This section shall be deemed to be in effect as of June 28, 1934."

SEC. 2. (a) That paragraphs II, III, and IV of Veterans Regulation Numbered 9 (a), as amended, be further amended to read as follows:

"II. Where an honorably discharged veteran of any war, or a veteran of any war in receipt of pension or compensation dies after discharge, the Administrator, in his discretion and with due regard to the circumstances in each case, shall pay, for burial and funeral expenses and transportation of the body (including preparation of the body) to the place of burial, a sum not exceeding \$100 to cover such items and to be paid to such person or persons as may be prescribed by the Administrator. The Administrator may, in his discretion, make contracts for burial and funeral services within the limits of the amount herein allowed without regard to the laws prescribing advertisement for proposals for supplies and services for the Veterans' Administration. No deduction shall be made from the burial allowance because of any contribution from any source toward the burial and funeral (including transportation) unless the amount of expenses incurred is covered by the amount actually paid for burial and funeral (including transportation) purposes by a State, county, or other political subdivision, workmen's compensation commission, State industrial accident board, employer, burial association, or Federal agency: *Provided*, That no claim shall be allowed for more than the difference between the entire amount of the expenses incurred, and the amount paid by any or all of the foregoing agencies or organizations: *Provided further*, That nothing herein shall be construed to cause the denial of or a reduction in the amount of the burial allowance otherwise payable because of a cash contribution made by a burial association to any person other than the person rendering burial and funeral services: *And provided further*, That nothing herein contained shall be construed so as to cause payment of the burial allowance or any part thereof in any case where specific provision is otherwise made for payment of expenses of funeral, transportation, and interment under any other Act.

"III. Where death occurs in a Veterans' Administration facility within the continental limits of the United States, the Veterans' Administration will (a) assume the actual cost (not to exceed \$100) of burial and funeral, and (b) transport the body to the place of burial within the continental limits of the United States or to the place of burial in Alaska if the veteran was a resident of Alaska and had been brought to the United States as beneficiary of the Veterans' Administration for hospital or domiciliary care. Where a veteran dies while hospitalized under authority of the Veterans' Administration in a Territory or possession of the United States the Veterans' Administration will (a) assume the actual cost (not to exceed \$100) of burial and funeral, and (b) transport the body to the place of burial within the Territory or possession.

"IV. Claims for reimbursement must be filed within two years subsequent to the date of burial of the veteran. In the event the claimant's application is not complete at the time of original submission, the Veterans' Administration will notify the claimant of the evidence necessary to complete the application and if such evidence is not received within one year from the date of the request therefor no allowance may be paid: *Provided*, That the Administrator is authorized and directed to adjudicate any unpaid claim filed within two years after the enactment

of this Act where death occurred on or after March 20, 1933, and claim was not filed within the regulatory period, and to grant burial allowance under the laws and regulations in effect on the date of adjudication after the enactment of this Act, if all other requirements are met."

(b) That paragraph III of Veterans Regulation Numbered 6 (a), as amended, be further amended to read as follows:

"III. To persons unable to defray the cost thereof, transportation and other necessary expenses incidental thereto will be supplied to cover travel to a Veterans' Administration facility for domiciliary or hospital care; to cover return travel to the place from which the person proceeded to the facility, when he is regularly discharged upon completion of such care; and to cover travel involved in a transfer, deemed necessary, from one Veterans' Administration facility to another. All such travel will be subject to grant of prior authorization therefor. In the event of death of any such person within the continental limits of the United States prior to his discharge from such care, transportation expenses (including preparation of the body) for the return of the body to the place of burial within the continental limits of the United States, or to the place of burial on Alaska if the veteran was a resident of Alaska and had been brought to the United States as a beneficiary of the Veterans' Administration for hospital or domiciliary care, may be paid in the discretion of the Administrator of Veterans' Affairs, when deemed necessary and as an administrative necessity. In the event of death of any such person in a Territory or possession of the United States transportation expenses (including preparation of the body) for the return of the body to place of burial within the Territory or possession may be paid."

(c) This section shall be applied to any claim for burial benefits pending in the Veterans' Administration on the date of its enactment.

SEC. 3. Where a disabled person, entitled to pension, compensation, or emergency officers' retirement pay under laws or regulations administered by the Veterans' Administration, and his wife are not living together, or where the child or children are not in the custody of the disabled person; or where, in death cases, the child or children are not in the custody of the widow, the amount of the pension, compensation or emergency officers' retirement pay may be apportioned as may be prescribed by the Administrator of Veterans' Affairs.

The Act of March 3, 1899 (30 Stat. 1370, ch. 400; U. S. C., title 38, secs. 45, 46, 47, and 49), with the exception of the last proviso (U. S. C., title 38, sec. 192), paragraph VII of Veterans Regulation Numbered 6 series (U. S. C., title 38, ch. 12, appendix), and all other provisions of law or regulation in conflict with the foregoing are repealed or modified to conform with the provisions of this section.

SEC. 4. That paragraph IV, Veterans Regulation Numbered 6 (a), as amended (U. S. C., title 38, ch. 12, appendix), is hereby amended to read as follows:

"IV. No person shall be entitled to receive domiciliary, medical, or hospital care, including treatment, who resides outside of the continental limits of the United States or its Territories or possessions: *Provided*, That in the discretion of the Administrator of Veterans' Affairs necessary hospital care, including medical treatment, may be furnished to veterans who are citizens of the United States and who are temporarily sojourning or residing abroad, for disabilities due to war service in the armed forces of the United States."

SEC. 5. That section 3 of Public Law Numbered 262, Seventy-fourth Congress, approved August 12, 1935, is hereby amended by adding at the end thereof the following sentence: "From and after the date of approval of this amendatory Act this section shall be construed to prohibit the collection by set-off or otherwise out of any benefits payable pursuant to any law administered by the Veterans' Administration and relating to veterans, their estates, or their dependents, of any claim of the United States or any agency thereof against (a) any person other than the indebted beneficiary or his estate; or (b) any beneficiary or his estate except amounts due the United States by such beneficiary or his estate by reason of overpayments or illegal payments made under such laws relating to veterans, to such beneficiary or his estate or to his dependents as such: *Provided, however*, That if the benefits be insurance payable by reason of yearly renewable term or of United States Government life (converted) insurance issued by the United States, the exemption herein provided shall be inapplicable to liens existing against the particular insurance contract on the maturity of which the claim is based, to secure unpaid premiums or loans on such contract or interest on such premiums or loans: *Provided further*, That nothing in this amendatory Act shall be construed to modify or repeal section 7 of Public Law Numbered 425, Seventy-fourth Congress, enacted January 27, 1930 (38 U. S. C. 687-b; 49 Stat. 1101)."

Sec. 6. That on and after the date of enactment of this Act, World War veterans otherwise entitled to the statutory award under the provisions of the last paragraph of section 202 (3), World War Veterans' Act, 1924, as amended, for the loss of the use of one or more feet or hands, shall be paid \$35 per month additional compensation in lieu of \$25 per month previously authorized.

Sec. 7. Section 1 of Public Law Numbered 196, Seventy-sixth Congress, July 19, 1939, is hereby amended by striking therefrom the words "and who was in receipt of compensation therefor on March 19, 1933" and by substituting for the second proviso thereof the following: "Provided further, That where a World War veteran dies or has died, and service connection for any of the foregoing conditions is or would have been established under the provisions of this amendment, the surviving widow, child, or children, if otherwise eligible thereto, shall be awarded death compensation under Public Law Numbered 484, Seventy-third Congress, as amended."

Sec. 8. Public Law Numbered 196, Seventy-sixth Congress, July 19, 1939, is further amended by adding thereto a new section to be known as section 3, as follows:

"Sec. 3. Payments to veterans and their dependents under the provisions of this amendment shall be effective the date of application for benefits thereunder."

Sec. 9. That when disability compensation or pension based upon service-connected disability has been forfeited by a veteran under section 504 of the World War Veterans' Act, 1924, as amended (43 Stat. 1312; U. S. C., title 38, sec. 555), or section 15 of Public Law Numbered 2, Seventy-third Congress (48 Stat. 11; U. S. C., title 38, sec. 715), compensation or pension payable except for the forfeiture, from and after the date of suspension of payments to the veteran, shall be paid to his wife, child or children, and/or dependent parents, such payments not to exceed the amount payable in case such veteran had died from such service-connected disability: *Provided*, That no compensation or pension shall be paid to any dependent who has participated in the fraud for which the forfeiture was imposed.

The provisions of section 504, World War Veterans' Act, 1924, as amended, or section 15 of Public Law Numbered 2, Seventy-third Congress, shall not be construed to prohibit reimbursement on account of expenses incurred in the burial of such veteran otherwise authorized by law, or to prohibit payments of death compensation benefits for service-connected death or under Public Law Numbered 484, Seventy-third Congress, as amended.

Benefits authorized by this section shall not be paid for any period prior to the date of this enactment.

Passed the House of Representatives May 6, 1940.

Attest:

SOUTH TRIMBLE,
Clerk.

[S. 3833, 76th Cong., 3d sess.]

A BILL To amend section 202 (3), World War Veterans' Act, 1924, as amended, to provide more adequate and uniform administrative provisions in veterans' laws, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Public Law Numbered 484, Seventy-third Congress, approved June 28, 1934, as amended, is hereby amended by adding a new section thereto numbered 6 to read as follows:

"Sec. 6. There shall be no recovery of payments heretofore or hereafter made under the provisions of this Act from any person who, in the judgment of the Administrator, is without fault on his part and where, in the judgment of the Administrator, such recovery would defeat the purpose of benefits otherwise authorized or would be against equity and good conscience. No disbursing officer and no certifying officer shall be held liable for any amount paid to any person where the recovery of such amount from the payee is waived under the provisions of this section. This section shall be deemed to be in effect as of June 28, 1934."

Sec. 2. (a) That paragraphs II, III, and IV of Veterans Regulation Numbered 9 (a), as amended, be further amended to read as follows:

"II. Where an honorably discharged veteran of any war, or a veteran of any war in receipt of pension or compensation dies after discharge, the Administrator, in his discretion and with due regard to the circumstances in each case, shall pay, for burial and funeral expenses and transportation of the body (including preparation of the body) to the place of burial, a sum not exceeding \$100 to cover such items and to be paid to such person or persons as may be prescribed by the Admin-

istrator. The Administrator may, in his discretion, make contracts for burial and funeral services within the limits of the amount herein allowed without regard to the laws prescribing advertisement for proposals for supplies and services for the Veterans' Administration. No deduction shall be made from the burial allowance because of any contribution from any source toward the burial and funeral (including transportation) unless the amount of expenses incurred is covered by the amount actually paid for burial and funeral (including transportation) purposes by a state, county or other political subdivision, workmen's compensation commission, State industrial accident board, employer, burial association, or Federal agency: *Provided*, That no claim shall be allowed for more than the difference between the entire amount of the expenses incurred, and the amount paid by any or all of the foregoing agencies or organizations: *Provided further*, That nothing herein shall be construed to cause the denial of or a reduction in the amount of the burial allowance otherwise payable because of a cash contribution made by a burial association to any person other than the person rendering burial and funeral services: *And provided further*, That nothing herein contained shall be construed so as to cause payment of the burial allowance or any part thereof in any case where specific provision is otherwise made for payment of expenses of funeral, transportation, and interment under any other Act.

"III. Where death occurs in a Veterans' Administration facility within the continental limits of the United States, the Veterans' Administration will (a) assume the actual cost (not to exceed \$100) of burial and funeral, and (b) transport the body to the place of burial within the continental limits of the United States or to the place of burial in Alaska if the veteran was a resident of Alaska and had been brought to the United States as beneficiary of the Veterans' Administration for hospital or domiciliary care. Where a veteran dies while hospitalized under authority of the Veterans' Administration in a Territory or possession of the United States, the Veterans' Administration will (a) assume the actual cost (not to exceed \$100) of burial and funeral, and (b) transport the body to the place of burial within the Territory or possession.

"IV. Claims for reimbursement must be filed within two years subsequent to the date of burial of the veteran. In the event the claimant's application is not complete at the time of original submission, the Veterans' Administration will notify the claimant of the evidence necessary to complete the application and if such evidence is not received within one year from the date of the request therefor no allowance may be paid: *Provided*, That the Administrator is authorized and directed to adjudicate any unpaid claim filed within two years after the enactment of this Act where death occurred on or after March 20, 1933, and claim was not filed within the regulatory period, and to grant burial allowance under the laws and regulations in effect on the date of adjudication after the enactment of this Act, if all other requirements are met."

(b) That paragraph III of Veterans Regulation Numbered 6 (a), as amended, be further amended to read as follows:

"III. To persons unable to defray the cost thereof, transportation and other necessary expenses incidental thereto will be supplied to cover travel to a Veterans' Administration facility for domiciliary or hospital care; to cover return travel to the place from which the person proceeded to the facility, when he is regularly discharged upon completion of such care; and to cover travel involved in a transfer, deemed necessary, from one Veterans' Administration facility to another. All such travel will be subject to grant of prior authorization therefor. In the event of death of any such person within the continental limits of the United States prior to his discharge from such care, transportation expenses (including preparation of the body) for the return of the body to the place of burial within the continental limits of the United States, or to the place of burial in Alaska if the veteran was a resident of Alaska and had been brought to the United States as a beneficiary of the Veterans' Administration for hospital or domiciliary care, may be paid in the discretion of the Administrator of Veterans' Affairs, when deemed necessary and as an administrative necessity. In the event of death of any such person in a Territory or possession of the United States, transportation expenses (including preparation of the body) for the return of the body to place of burial within the Territory or possession may be paid."

(c) This section shall be applied to any claim for burial benefits pending in the Veterans' Administration on the date of its enactment.

SEC. 3. Where a disabled person, entitled to pension, compensation, or emergency officers' retirement pay under laws or regulations administered by the Veterans' Administration, and his wife are not living together, or where the child or children are not in the custody of the disabled person; or where, in death

cases, the child or children are not in the custody of the widow, the amount of the pension, compensation, or emergency officers' retirement pay may be apportioned as may be prescribed by the Administrator of Veterans' Affairs.

The Act of March 3, 1899 (30 Stat. 1379, ch. 460; U. S. C., title 38, secs. 45, 46, 47, and 49), with the exception of the last proviso (U. S. C. title 38, sec. 192), paragraph VII of Veterans Regulation Numbered 6 series (U. S. C., title 38, ch. 12, appendix), and all other provisions of law or regulation in conflict with the foregoing are repealed or modified to conform with the provisions of this section.

SEC. 4. That paragraph IV, Veterans Regulation Numbered 6 (a), as amended (U. S. C., title 38, ch. 12, appendix), is hereby amended to read as follows:

"IV. No person shall be entitled to receive domiciliary, medical, or hospital care, including treatment, who resides outside of the continental limits of the United States or its Territories or possessions: *Provided*, That in the discretion of the Administrator of Veterans' Affairs necessary hospital care, including medical treatment, may be furnished to veterans who are citizens of the United States and who are temporarily sojourning or residing abroad, for disabilities due to war service in the armed forces of the United States."

SEC. 5. That section 3 of Public Law Numbered 262, Seventy-fourth Congress, approved August 12, 1935, is hereby amended by adding at the end thereof the following sentence: "From and after the date of approval of this amendatory Act this section shall be construed to prohibit the collection by set-off or otherwise out of any benefits payable pursuant to any law administered by the Veterans' Administration and relating to veterans, their estates, or their dependents, of any claim of the United States or any agency thereof against (a) any person other than the indebted beneficiary or his estate; or (b) any beneficiary or his estate except amounts due the United States by such beneficiary or his estate by reason of overpayments or illegal payments made under such laws relating to veterans, to such beneficiary or his estate or to his dependents as such: *Provided, however*, That if the benefits be insurance payable by reason of yearly renewable term or of United States Government life (converted) insurance issued by the United States, the exemption herein provided shall be inapplicable to liens existing against the particular insurance contract on the maturity of which the claim is based, to secure unpaid premiums or loans on such contract or interest on such premiums or loans: *Provided further*, That nothing in this amendatory Act shall be construed to modify or repeal section 7 of Public Law Numbered 425, Seventy-fourth Congress, enacted January 27, 1936 (38 U. S. C. 687-b; 49 Stat. 1101)."

SEC. 6. That on and after the date of enactment of this Act, World War veterans otherwise entitled to the statutory award under the provisions of the last paragraph of section 202 (3), World War Veterans' Act, 1924, as amended, for the loss of the use of one or more feet or hands, shall be paid \$35 per month additional compensation in lieu of \$25 per month previously authorized.

SEC. 7. Section 1 of Public Law Numbered 196, Seventy-sixth Congress, July 19, 1939, is hereby amended by striking therefrom the words "and who was in receipt of compensation therefor on March 19, 1933" and by substituting for the second proviso thereof the following: "*Provided further*, That where a World War veteran dies or has died, and service connection for any of the foregoing conditions is or would have been established under the provisions of this amendment, the surviving widow, child, or children, if otherwise eligible thereto, shall be awarded death compensation under Public Law Numbered 484, Seventy-third Congress, as amended."

SEC. 8. Public Law Numbered 196, Seventy-sixth Congress, July 19, 1939, is further amended by adding thereto a new section to be known as section 3, as follows:

"SEC. 3. Payments to veterans and their dependents under the provisions of this amendment shall be effective the date of application for benefits thereunder."

SEC. 9. That when disability compensation or pension based upon service-connected disability has been forfeited by a veteran under section 504 of the World War Veterans' Act, 1924, as amended (43 Stat. 1312; U. S. C., title 38, sec. 555), or section 15 of Public Law Numbered 2, Seventy-third Congress (48 Stat. 11; U. S. C., title 38, sec. 715), compensation or pension payable except for the forfeiture, from and after the date of suspension of payments to the veteran, shall be paid to his wife, child or children, and/or dependent parents, such payments not to exceed the amount payable in case such veteran had died from such service-connected disability: *Provided*, That no compensation or pension shall be paid to any dependent who has participated in the fraud for which the forfeiture was imposed.

The provisions of section 504, World War Veterans' Act, 1924, as amended, or section 15 of Public Law Numbered 2, Seventy-third Congress, shall not be

construed to prohibit reimbursement on account of expenses incurred in the burial of such veteran otherwise authorized by law, or to prohibit payments of death compensation benefits for service-connected death or under Public Law Numbered 484, Seventy-third Congress, as amended.

Benefits authorized by this section shall not be paid for any period prior to the date of this enactment.

[S. 3835, 76th Cong., 3d sess.]

A BILL To provide for the control of payments of financial benefits to veterans and their dependents who reside outside the continental limits of the United States, except for Hawaii, Alaska, Puerto Rico, Virgin Islands, and the Panama Canal Zone.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, thirty days subsequent to the enactment of this Act, the Administrator of Veterans' Affairs is authorized and directed to make no financial payments to any veteran or dependent of veteran residing outside the limits of continental United States, except Hawaii, Alaska, Puerto Rico, Virgin Islands, and the Panama Canal Zone, except under such regulations as the Administrator of Veterans' Affairs shall promulgate to guarantee the actual receipt of and the entire freedom of expenditure of the full amount of such benefits by such veterans or their dependents: *Provided,* That in the absence of any such guaranty the Administrator of Veterans' Affairs shall be authorized and directed to make an impoundment of such payments not to exceed \$1,000, which may later be paid the veteran or his dependents under such regulations as may be promulgated by the Administrator of Veterans' Affairs to guarantee the full receipt and full freedom of the expenditure of such payments by the veterans or their dependents.

Senator GEORGE. All right, you may proceed, Congressman Rankin.

STATEMENT OF HON. JOHN E. RANKIN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MISSISSIPPI

Mr. RANKIN. Mr. Chairman, I would like to discuss briefly H. R. 9000, H. R. 8930, both of which have passed the House, and S. 3835, which is a companion bill now pending before the Committee on World War Veterans' Legislation of the House, of which I am chairman.

I will first take them up in reverse order, and merely say with reference to S. 3835, with reference to stopping the money now being sent to Europe, that is being confiscated by others over there in many instances. I hope the Senate will pass that bill and send it over to the House. I do not think we will have any trouble with it there.

S. 3835, as I have stated, is pending before this committee and there is also pending a bill in the House identical with it.

With reference to H. R. 8930, I am in hopes that the Senate will pass that bill and also add to it a provision for increasing the disability allowance for totally disabled World War veterans from \$30 to \$40 a month. That bill is also pending before the House committee, but we are drawing near the end of the session, and it seems to me that this is our best chance to get it enacted into law. I feel confident that the House would concur in such an amendment. The rest of the bill is largely administrative and will be explained to you by General Hines later.

Now, with reference to H. R. 9000, I wish to say that this measure was introduced in the House, or the measures out of which this bill finally grew, and we began to hold hearings on it the 3d of February. We just got it through the House a few days ago.

The justification for that measure is this: In the first place, there were large numbers of veterans suffering from service-connected disabilities who did not know what their rights were. There were a great

many of them, whose disabilities were caused from poison gas and other exposures and who were not conscious of these lurking maladies until it was too late. A large number of veterans came out of the war determined not to apply for compensation. These were what we call borderline cases. We raised the presumptive period to January 1, 1925, I believe, and provided that veterans who broke down prior to that time should be considered as presumptive service-connected, but the men who died subsequent to that time did not come under the provisions of the veterans' laws.

In 1929 I brought out a bill—I said I did, I was not chairman of the committee at that time, but I was considered the moving spirit behind it, and they called it the Rankin bill, to extend this presumptive period to January 1, 1930. That bill was approved by the House by a vote of 324 to 49. It was approved by the Senate by a vote of 66 to 6, exactly 11 to 1. It was vetoed by President Hoover and that veto was sustained in the House under the promise that a bill would be brought out immediately to take care of the situation. As soon as the veto was sustained, they brought out the disability-allowance bill and passed it under the suspension of the rules with only 40 minutes of debate. None of us had ever seen it. Not a single Democrat had ever glanced at it, although I was the ranking Democrat on the Veterans' Committee. That measure was passed by an overwhelming vote of both Houses and signed by the President, but unfortunately it left out the widows and orphans of these men.

Later, when the economy bill came around, it cut all of them off the roll that came under the disability-allowance bill, except the ones who were totally and permanently disabled, and reduced them from \$40 to \$30 a month.

This bill is taking care of the widows and orphans of those men and is not out of line with the veterans' legislation of the past. About 1890, or probably earlier than that, a similar bill was passed for the widows and orphans of veterans of the Civil War. Twenty-three years after the Spanish-American War was over, a similar bill was passed for the widows and orphans of the Spanish-American War veterans, and we are asking for exactly the same compensation for these widows that we are giving the others, with this exception, that they were not required to prove dependency and these are. We provide that any widow who was married to the veteran prior to July 3, 1921, the legal date of the closing of the World War, and who is dependent, shall be compensated at the rate of \$20 a month. That is exactly the provision that applied to the Spanish-American War widows.

We also provide that if she married him prior to May 13, 1938, she shall be compensated in the same manner, provided she had children by the veteran. The first child is to receive \$8 a month, the second child \$6 a month, the third child and all the rest of the children \$4 each.

Senator CONNALLY. Let me ask you right there, if she married prior to 1938 and had a child, she gets compensation and the child gets compensation?

Mr. RANKIN. Yes.

Senator CONNALLY. But if she married him between 1921 and 1938, and had no children, she gets nothing, is that right?

Mr. RANKIN. Yes. Of course, no matter when she married him prior to 1938, if she has children by him she is eligible.

Senator CONNALLY. I understand, but I am asking if she hasn't any children.

Mr. RANKIN. Yes. Now, there was some objection to that provision, and, of course, that would be left to the consideration of the committee.

The Spanish-American War widows, it is true, did not get but, I believe it was, \$4 for each child. We have increased the amount for the children.

Now, one of the main things we are driving at is to enable these widows who have children by these veterans to keep off the relief roll.

As I said in the House, we cut this bill, it seems to me, to the bone. Under the circumstances we reduced it, in my opinion, to the irreducible minimum.

There has been a good deal of complaint in some quarters because of the fact that we provide for taking care of the dependent parents. Now, that word "dependent" was not in the Spanish-American pension law or the Civil War pension law. As I understand it, it is construed to mean to have an income of not more than \$50 a month. Under the World War legislation the dependent parents of the man who died as the result of service-connected disabilities are compensated. These old people are not, so we are putting them in this bill.

The question has been raised, and to my surprise it was argued on the floor, that this expenditure would grow by leaps and bounds. One member went on to say that by 1968 there would be an enormous burden. As a matter of fact, this is a diminishing group. The average age now is 74 years, and by 1968 the average age would be 102 years. In my humble opinion it would not only be a diminishing group, but that load will diminish from this day further, because these old people are passing out very rapidly.

But they come back and tell you that this is a new departure, that it was not written into the pension laws with reference to veterans of former wars. That is true. This is the first administration that ever adopted the humane principle of taking care of the indigent aged by the Federal Government.

They come back and tell you that they will be taken care of through social security. That is not true. In the first place, social security does not cover the farmer except insofar as he helps to bear the burden not only in taxes but in increased prices for the industrial commodities that he has to buy. They tell you, though, that the old-age pension, through the Federal Government and the State governments, takes care of it. As a matter of fact, the old-age pension system violently discriminates against the old people in the agricultural States, the very ones who bear the heaviest burden of meeting the tariff expenditures and the other increases that this law would bring about. Those States have labored under discriminatory tariffs, discriminatory freight rates, exorbitant interest rates, exorbitant utility rates, for so long that they are unable to put up their part of the amount necessary to pay the old people what they are paid in the richer States.

Now let me refer you to the record on page 153 of the hearings before the House Committee on World War Veterans' Legislation. There is a table which I ask unanimous consent to insert in the record as part of my remarks.

Senator GEORGE. It may be inserted in the record.
(The table referred to is as follows:)

Old-age assistance in States with plans approved by the Social Security Board, by regions and States, October 1939

[Data reported by State agencies, corrected to Nov. 15, 1939]

Region ¹ and State	Number of recipients	Average amount per recipient	Number of recipients per 1,000 estimated population 65 years and over ²
Total.....	1,596,982	\$19.17	4239
Region I:			
Connecticut.....	16,619	26.88	142
Maine.....	12,507	20.66	145
Massachusetts.....	81,151	28.41	246
New Hampshire.....	4,673	23.64	88
Rhode Island.....	6,705	19.16	149
Vermont.....	5,572	15.40	143
Region II: New York.....	113,232	24.21	143
Region III:			
Delaware.....	2,646	10.97	126
New Jersey.....	30,335	20.00	121
Pennsylvania.....	79,916	21.67	4120
Region IV:			
District of Columbia.....	3,321	24.94	79
Maryland.....	17,721	17.39	163
North Carolina.....	34,651	9.99	248
Virginia.....	15,643	9.60	103
West Virginia.....	17,749	12.30	226
Region V:			
Kentucky.....	45,147	8.67	244
Michigan.....	79,114	16.46	271
Ohio.....	123,708	22.76	256
Region VI:			
Illinois.....	136,793	19.74	273
Indiana.....	65,502	17.46	227
Wisconsin.....	48,709	21.64	221
Region VII:			
Alabama.....	17,675	9.77	160
Florida.....	36,362	11.76	383
Georgia.....	22,642	8.10	173
Mississippi.....	19,862	7.46	232
South Carolina.....	22,255	8.19	359
Tennessee.....	38,773	10.04	296
Region VIII:			
Iowa.....	53,122	20.01	243
Minnesota.....	66,158	20.76	339
Nebraska.....	27,206	14.50	276
North Dakota.....	8,586	17.76	239
South Dakota.....	13,995	17.24	333
Region IX:			
Arkansas.....	17,951	6.01	222
Kansas.....	25,359	18.10	218
Missouri.....	77,140	18.91	4247
Oklahoma.....	69,699	17.59	586
Region X:			
Louisiana.....	30,019	10.68	370
New Mexico.....	3,918	12.82	291
Texas.....	120,936	8.46	424

¹ Social Security Board administrative regions.

² Population as of July 1, 1939, estimated with advice of the U. S. Bureau of the Census.

Alabama, Florida, Georgia, Mississippi, South Carolina, Tennessee, West Virginia, Wyoming, and Hawaii. District of Columbia, Delaware, Maryland, New Jersey, New York, North Carolina, North Dakota, South Carolina, Texas, West Virginia, Wyoming, and Hawaii.

NOTE: Figures are rounded to the nearest 100, but the total number of recipients is not rounded.

Old-age assistance in States with plans approved by the Social Security Board, by regions and States, October 1959—Continued

(Data reported by State agencies, corrected to Nov. 18, 1959)

Region and State	Number of recipients	Average amount per recipient	Number of recipients per 1,000 estimated population 65 years and over
Region XI:			
Arizona.....	7,081	\$20.48	450
Colorado.....	9,689	32.83	491
Idaho.....	8,481	21.81	316
Montana.....	12,202	17.91	394
Utah.....	13,788	21.03	511
Wyoming.....	3,256	23.83	328
Region XII:			
California.....	133,717	32.73	291
Nevada.....	2,244	26.68	374
Oregon.....	20,032	21.34	249
Washington.....	39,001	22.05	312
Territories:			
Alaska.....	1,304	27.77	320
Hawaii.....	1,717	11.00	176

¹ Includes \$108,519 incurred for payments to 3,370 recipients 60 but under 65 years of age. Rate per 1,000 excludes these recipients.

Mr. RANKIN. Take, for instance, North Carolina, which is probably the wealthiest, or one of the wealthiest, of all the agricultural States, especially in the South. Instead of getting the full amount of \$30, they get the amount of \$9.99 a month. In Virginia they get \$9.60 a month. In Kentucky \$8.67 a month. In Indiana it goes as high as \$17.46 a month. In Georgia—let us take that group of Southern States there from which you and I come—in Alabama they only get \$9.77 a month; in Florida \$11.76 a month; in Georgia, \$8.10 a month; in Mississippi, \$7.46 a month; in South Carolina, \$8.10 a month; and in Tennessee, \$10.04 a month.

In Nebraska, \$14.50 a month; in North Dakota, \$17.76 a month; in South Dakota, \$17.24 a month.

In Arkansas, \$6.01 a month; in Texas, \$8.46 a month, and so forth.

Why? Because those States have been bled by indirect taxes, and not taxes alone to pay the Government, but taxes to fatten the tariff barons of this Nation so long that they are unable to meet their part of this expenditure, and for that reason we have included them here.

It does not discriminate against the old people in any other State, but it does give these old people who sent their sons to the war, in the agricultural States, at least, decent treatment, equitable treatment, uniform treatment with the old people in every other State in the Union. This was a national war, and I have contended from the very beginning that these people, these veterans and their dependents, should be treated alike in every State in the Union.

We have fixed the wages by law in industry at a minimum, I believe, of 32 cents an hour. A farmer is paid according to the price he gets for his crops. A cotton farmer makes on an average of 1 cent an hour for every cent a pound he gets for his lint cotton. Today the farmers in your section and mine, and throughout the South, are working for 9 or 10 cents an hour, but they are paying the increased price of the industrial commodities that this law brings.

The wheat farmer is not any better off. The dairy farmer, the corn farmer and cattle farmer are all our competitors, and when you

drive the cotton farmer to where he cannot live and wheat, dairy products, cattle and hogs are all out of line with cotton, immediately he goes into that class of farming and becomes a serious competitor for his neighbors in the West and Middle West.

So these discriminations cannot continue, we might as well understand it now, they will not fit into a free economy.

We have tried, while these old people are living and rapidly dying off, these old people who went through all the hell and agony of the World War, who saw their sons march away in 1917 and 1918 and come back broken in health and invariably become a burden upon them for the rest of their lives, we are proposing here to give them a small pittance of \$20 a month for one or \$30 a month for two.

As I said, this will be a diminishing group. It is a diminishing group, and in a few years from now they will all be gone. I came here this morning particularly to urge the committee to hold that provision in the bill, because it was not discussed at the various conventions, as I understand it, or at some of the conventions, at least, of the veterans' organizations, but I know the situation. I probably get more veteran mail than any other dozen men in Congress, probably more than any Senator. I know this situation.

Oh, they tell us it will cost a good deal of money. It will not cost as much to put them on the roll in your State or mine as it will to put them on relief in some other States. You do not have to have somebody supervising them there. This bill will greatly reduce the relief roll and W. P. A. roll of every State in the Union, and bring a measure of justice to which I think these people are entitled.

Now, if there is any question that either of you would like to ask, I would be glad to answer.

Senator GEORGE. Senator Walsh?

Senator WALSH. No.

Mr. RANKIN. If not, I thank the committee for this opportunity to present this cause.

Senator GEORGE. The committee is glad to hear you.

General HINES, I believe you are next on this list this morning.

STATEMENT OF GEN. FRANK T. HINES, ADMINISTRATOR OF VETERANS' AFFAIRS

General HINES. Mr. Chairman, and gentlemen of the committee. I appreciate the opportunity of being invited to appear before you. Shall I proceed, Mr. Chairman, in the order of the bills as Mr. Rankin took them up?

Senator GEORGE. Suit your convenience about that, General.

General HINES. I can do that.

Senator GEORGE. Perhaps that is a very good way.

S. 3835

General HINES. The first bill that the Congressman mentioned is S. 3835. This bill provides, as the Senator knows, for the control of payment of financial benefits to veterans and their dependents who reside outside the continental limits of the United States, except for Hawaii, Alaska, Puerto Rico, Virgin Islands, and the Panama Canal Zone. It is a simple bill. It authorizes the Administrator of Veter-

ans' Affairs and directs him to make an impoundment of such payments not to exceed \$1,000, which may later be paid the veteran or his dependents.

For some time, Mr. Chairman, the Veterans' Administration and the State Department have been looking into the matter of a large number of benefits paid abroad. We had heard claims that these benefits were not reaching the beneficiaries, and I am sure the committee can appreciate that it is a rather delicate thing to accuse anyone of interfering with the payments of those benefits. We have endeavored, wherever possible, that the benefits be paid through our representatives abroad. In some instances that has not been done and it has not been possible, although the State Department has, in my judgment, done an excellent piece of work in distributing those benefits.

Apparently, although I am not prepared to say positively, the difficulty which has brought about the suggestion that some control be made, is because of certain taxes levied against these payments. I doubt if, even with this authority, there would be much that could be done about that. However, this bill does permit the impoundment of a certain sum here and that in itself would safeguard a certain amount of the benefits regardless of what is taking place.

At this time I would prefer that the bill not become law until the State Department has had the opportunity, which they are now working upon, to give us further information as to just what is going on.

Senator WALSH. How many veterans are affected by this legislation? That is, how many payments are made to veterans abroad?

General HINES. Senator, of course it is divided up, as you realize, among veterans, dependents of veterans, and reaches quite large sums of money. For instance, foreign countries, persons who are receiving insurance benefits amount to 514, that is, those who are beneficiaries or veterans who are permanently and totally disabled. We have a total of all kinds affected of 10,228.

Senator WALSH. What is the amount of money that is distributed monthly?

General HINES. The amount of money involved that is going outside the continental limits of the United States, or our possessions, amounts to an annual disbursement of \$6,461,000 a year.

Senator WALSH. Thank you.

Senator GEORGE. Are those disbursements now being made regularly, General?

General HINES. No, sir. In some places, and on advice of the State Department in quite a number of places now, we are asked not to send the checks. We issue the checks so that the award will not be interfered with, but they are being held by the Treasury until the State Department indicates that delivery can be made. Finland and Poland are examples, and undoubtedly that list will be extended as conditions proceed abroad.

The articles that have appeared relate to certain examples in Russia upon which we have no information, that is, we know what awards have been made there, but we have no information that the things claimed in these various articles actually took place. We have endeavored to get accurate information, not only in connection with

those articles in the cases mentioned, but to make sure that the beneficiaries are getting the full amount of money.

Now, regardless of what we do, I am sure we all appreciate that the conversion of American dollars into whatever form of money is being used, is a fluctuating sort of a standard. It is apt to bring about inequalities in the various countries, dependent upon the amount of money involved.

If this legislation should become law, I will endeavor to do the best I can in administering it, of course, but I do feel that we are effectively looking into the situation and will get information which will enable us probably to present whatever law is needed to the committee better than I am prepared at this time.

I have not had occasion to refer this legislation and I am not sure that the committee has, to the Secretary of State, but no doubt the Secretary of State will have some opportunity of commenting on the bill.

Senator GEORGE. The Bureau is cooperating with the Secretary of State and the Treasury Department in trying to handle the situation?

General HINES. We are. We are all working together and have been for more than a year, Mr. Chairman.

Are there any other questions on that, Mr. Chairman?

Senator GEORGE. No, General.

H. R. 8930 and S. 3833

General Hines. I would like to take up next S. 3833. The companion bill of the House is H. R. 8930. This is an omnibus bill, and covers a number of items which we have recommended be included, and we have no objection to them becoming law.

Senator GEORGE. Is there any provision in the bill, General, that the Veterans' Administration does not approve?

General HINES. Yes; there are some two or three sections that I would like to call your attention to. I may run over the bill quickly.

On section 1 of the bill we have rendered a favorable report to the Committee on World War Veterans' Legislation. That adds a new section to the act of June 28, 1934 (Public, No. 484, 73d Cong.) as amended, authorizing the waiver of overpayments under that act that provides compensation for widows and children of World War veterans whose deaths are not due to service-connected causes, but who, at the time of death, had a disability connected with World War service. In other words it would apply to benefits under Public, No. 484, the same provisions that are in the World War Veterans' Act which authorize the waiver of collection of an overpayment when it appears to be against equity and good conscience. It has been held that the existing law does not cover overpayments under Public, No. 484, and this provision will bring such benefits in line. We have no objection to that.

Section 2 deals with the burial allowances and primarily permits payment in those cases where other benefits or burial allowances are given by organizations. A number of organizations that veterans belong to pay burial benefits. Under the existing law we find an inequality in the way the veteran who probably has an estate and is able to pay, gets the benefit while the ones inclined or by virtue of financial condition are obliged to take out benefits in these associations

are discriminated against by the existing law, which requires us not to pay benefits under those circumstances. The bill limits, however, the total payment either through associations that pay burial benefits, or by the Government—it limits it to the total cost not exceeding the cost of the burial and funeral. It would also extend the period for filing claim from 1 year to 2 years from date of burial with other desirable changes. We have no objection to that section.

Section 3 establishes a unique provision governing the apportionment of compensation. In other words, take the Spanish War group. The basic law, as it was reenacted following the Economy Act, would require, for instance, if we gave the veteran separated from his wife the increase for aid and assistance, which is \$40, under existing law that would have to be divided between the veteran and his wife. Of course, if the legislation is sound to pay aid and assistance, then it certainly would be unsound to take half of the allowance for aid and assistance and pay it to the wife rather than to the person who is to receive the aid and assistance. That is probably the best example of the effect of the new legislation which would establish uniformity in apportionment and leave it, as in the case of veterans of the World War, to the regulations established by the Veterans' Administration.

Section 4 amends paragraph IV of Veterans Regulations 6 (a) to modify the existing part denying receipt of domiciliary, medical, or hospital care outside of the continental limits of the United States, its Territories or possessions. It would permit, in the discretion of the Administrator of Veterans' Affairs, hospital care or treatment to veteran citizens of the United States temporarily sojourning or residing abroad for disabilities due to war service in the armed forces of the United States. Some veterans, through no choice of their own, are required to be abroad. This provision would permit giving hospitalization to those men wherever it is possible by the Veterans' Administration. Of course, it would have to be in contract institutions, because we have no institutions in Europe, but it would be only in the service-connected cases and in the case of those that are temporarily residing abroad or temporarily visiting abroad, who would become ill and have to be taken care of, they would receive the benefits that are now given to their comrades who are in the United States. I realize that provision, at this particular time, might not be an easy one to administer, Mr. Chairman, but I think it is a good provision of law.

Section 5 amends section 3 of Public, 262, of the Seventy-fourth Congress, to preclude the collection of indebtedness from veterans and their dependents except where the overpayment arose in connection with the specific type of benefit from which collection is to be made, and to prohibit collection of such overpayment from any person other than the individual or his estate to whom such overpayment was made, except when such overpayment was made to his dependents as such.

The cases that are distressing and those which the provision would assist and overcome the objection that has been raised, are primarily related to insurance overpayments. Manifestly that section is of interest to the Comptroller General as well as to the Veterans' Administration, and I have an understanding that probably he has been called upon by the Budget for a report. The present law has been construed by the Comptroller General to authorize and require offset

against amounts due a dependent widow, parent, or child, amounts owed the Government by the deceased veteran, or from the designated beneficiary of his insurance policy any amount so owed by the deceased veteran. In other instances it requires collection from compensation pension or insurance a debt due the United States arising out of a transaction unrelated to these benefits.

We have no objection to that section, but we do suggest, in our report on the bill, an amendment which I hope the committee will give attention to, and if the amendments are made, then we would not object to the bill. However, I do feel that the committee should receive a report from the Comptroller General on it.

I will read the amendment. The Veterans' Administration favors enactment of this section into law except that in order fully to protect the Government life insurance fund it is suggested that beginning on line 5, page 8, after the word "to" and continuing through line 8, the language be stricken and the following substituted therefor:

indebtedness existing against the particular insurance contract upon the maturity of which the claim is based, whether such indebtedness be in the form of liens to secure unpaid premiums, or loans, or interest on such premiums or loans, or indebtedness arising from overpayments of dividends, refunds, loans, or other insurance benefits:

The Government life-insurance fund, as the Senators know, is that converted insurance carried by approximately 600,000 veterans who have converted their old war-risk insurance into permanent forms of insurance.

Section 6 of the bill covers a small group of veterans that were not covered by the amendment which the Congress passed last year increasing the rate of increased compensation from \$25 to \$35 for the loss of the use of one foot, one hand, or one eye in lieu of the \$25 payments heretofore. The committee will remember that there was a provision suggested that we pay all combat cases \$10, regardless of whether there was disability or not. I offered to the committee the suggestion that in lieu of doing that I would review combat cases and endeavor to make sure that if there was any semblance of disability, that they would be given something. A large number of those have been reviewed, and if the committee is interested we could put into the record the statement showing the results.

Then I further suggested that if the committee desired to give a greater amount to those who had lost an arm or a leg, that they increase the \$25 to \$35, and that was what was done. That covered all of the cases under Public, No. 2, but there is a group of cases covered under what is known as section 202 (3) of the World War Veterans' Act that were not covered, and they are generally those that are in the higher variants of the 1925 rating schedule.

One of the arguments that I made against giving a flat rate was that it upset the whole rating structure, that we had built up this rating policy based upon disability as compared with the prewar occupation, and that I thought it was inadvisable to upset it. Of course, doing what we did created, just as we have here, another inequality, and the chances are that if we do this to this group, we may create some more inequality. I have no serious objection to this. I would prefer not to have it in the bill, unless it can be pointed out that there are really some cases that are not being adequately compensated, but it would make it a better bill if it were left out.

We have some other sections here to which we have offered no objection. The cost of the bill is not large. The details of just what it will do, in greater detail than I have given it, are covered in the report submitted to the Bureau of the Budget under date of May 11, and I ask that it may be inserted in the record when received by the committee.

Senator GEORGE. It will be so inserted, General.
(The report referred to is as follows:)

VETERANS' ADMINISTRATION,
Washington, May 24, 1940.

Hon. PAT HARRISON,
Chairman, Committee on Finance,
United States Senate, Washington, D. C.

MY DEAR SENATOR HARRISON: Further reference is made to your request of April 25, 1940, for a report on S. 3833, "A bill to amend section 202 (3), World War Veterans' Act, 1924, as amended, to provide more adequate and uniform administrative provisions in veterans' laws, and for other purposes."

The purpose of the bill, which is identical with H. R. 8930 (76th Cong.), which was reported on favorably by the House of Representatives under date of March 19, 1940 (copy of H. Rept. No. 1814 enclosed), and passed the House of Representatives May 6, 1940, is to effect administrative and substantive changes with respect to the granting of veterans' benefits. Since the sections of the bill are relatively unrelated they will be considered separately.

SECTION 1. WAIVER OF RECOVERY OF OVERPAYMENTS OF COMPENSATION UNDER PUBLIC, NO. 484 (73D CONG.), AS AMENDED

Section 1 of the bill would amend Public, No. 484 (73d Cong.), as amended, by adding a new section thereto so as to authorize the Administrator of Veterans' Affairs to waive recovery of overpayments made under that act in those cases where in the judgment of the Administrator the person to whom the payments were made was without fault and where such recovery would defeat the purpose of benefits otherwise authorized or would be against equity and good conscience. Disbursing and certifying officers would be relieved of liability for any amount paid to any person where recovery from the payee is waived under the provisions of this section. The provisions of section 1 are similar to provisions of section 28 of the World War Veterans' Act, 1924, as amended (38 U. S. C. 453), and section 4 of the act of June 9, 1930 (38 U. S. C. 341c), pertaining to pension payments to beneficiaries of the former Pension Bureau. The act of August 7, 1930 (Public No. 324, 76th Cong.), provides that "no disbursing officer and no certifying officer of the Veterans' Administration shall be held liable for any amount paid to any person where the recovery of such amount from the payee is waived under existing laws administered by the Veterans' Administration."

The Administrator of Veterans' Affairs has authority to waive recovery of overpayments of death compensation or pension paid under Public, No. 2 (73d Cong.), March 20, 1933, and the Veterans Regulations promulgated pursuant thereto, under laws restored by Public, No. 141 (73d Cong.), March 28, 1934, under laws restored by Public, No. 269 (74th Cong.), August 13, 1935, and under laws providing death pension on account of service prior to April 21, 1898. Some of the death pensions included under the laws above referred to are service pensions payable without reference to service-connected disability or death.

Public, No. 484 (73d Cong.), approved June 28, 1934, as amended, provides payment of death compensation at specified rates to the widows and children of any deceased World War veteran (1) who, while receiving or entitled to receive compensation, pension, or retirement pay for 10 percent disability or more presumptively or directly incurred in or aggravated by service in the World War, dies or has died from a disease or disability not service connected, or (2) who was honorably discharged after having served 90 days or more (or who, having served less than 90 days, was discharged for disability incurred in the service in line of duty), who dies or has died from a disease or disability not service connected and at the time of death had a disability directly or presumptively incurred in or aggravated by service in the World War for which compensation would be payable if 10 percent or more in degree.

Public, No. 484, as amended, does not specifically authorize the Administrator of Veterans' Affairs to waive recovery of overpayments made under that act, and

the statutes heretofore quoted cannot be construed to permit waiver of recovery of such overpayments.

Payment of compensation under Public, No. 484, as amended, is prohibited to any widow without child, or a child whose annual income exceeds \$1,000, or to a widow with child or children whose annual income exceeds \$2,500. A considerable number of cases of this character were found wherein claimants who, without fault on their part, had received improper or excessive benefits under Public, No. 484, as amended, were unable to make refund, and would suffer undue hardship if compelled to make restitution. However, under existing law the committee on waivers and forfeitures of the Veterans' Administration was, and is, unable to grant any relief. Under similar circumstances, improper or excessive payments of death compensation made under the World War Veterans' Act, 1924, as amended, as restored by Public, No. 141 (73d Cong.), March 28, 1934, or of pension paid under Public, No. 2 (73d Cong.), March 20, 1933, or laws restored by Public, No. 269, or death pensions payable on account of service prior to April 21, 1898, could be waived. The inequality and inequity of denying relief in cases of overpayments of compensation under Public, No. 484, as amended, which is granted in cases of overpayments of compensation and pension under the other laws above referred to, is manifest.

Enactment of section 1 would remove the now existing inequalities above pointed out, and would also be consistent with the obvious intention of Congress of affording a uniform system of relief for veterans and their dependents from recovery of overpayments of compensation or pension in all cases where absence of fraud on the part of the payee is shown, and recovery would be against equity and good conscience, or would defeat the purpose of benefits otherwise authorized.

Section 1 is identical with H. R. 7895 (76th Cong.), "A bill to authorize waiver of recovery of payments under Public Law No. 484, Seventy-third Congress, as amended, and for other purposes," upon which the Veterans' Administration rendered a report to the Committee on World War Veterans' Legislation, House of Representatives, under date of February 29, 1940, recommending favorable consideration by that committee. The report cleared the Bureau of the Budget under date of February 28, 1940.

SECTION 2. BURIAL BENEFITS

Section 2, which is divided into three subsections, would amend provisions of existing veterans' regulations, promulgated under Public No. 2 (73d Cong.), March 20, 1933, with respect to the granting of burial allowance. The purposes of subsection (a) are as follows:

Paragraph II, Veterans Regulation No. 9 (a), as amended, provides for the granting of a burial allowance in an amount not to exceed \$100 where an honorably discharged veteran of any war or a veteran of any war in receipt of pension or compensation dies after discharge; and no deduction may be made from the sum allowed because of any contribution toward the burial and funeral (including transportation) which may be made by a State, county, or other political subdivision, lodge, union, fraternal organization, society or beneficial organization, insurance company, Workmen's Compensation Commission, State industrial accident board, or employer, *but the aggregate of the sums allowed from all sources may not exceed the actual cost of the burial and funeral (including transportation).* The experience of the Veterans' Administration in administering this provision has demonstrated that the denial of burial benefits, by reason of the above italicized limitation, in those cases where there has been a contribution by a lodge, union, or insurance company, has produced unfair results in that it is usually a veteran of moderate means who buys burial insurance of this type, whereas the veteran of larger means may leave a substantial estate, yet the burial allowance would be paid for the veteran in better financial circumstances. Subsection (a) would amend the last sentence of paragraph II, Veterans Regulation No. 9 (a), as amended, so that no deduction would be made from the burial allowance because of any contribution from any source toward the burial and funeral (including transportation) unless the amount of expenses incurred is covered by the amount *actually paid* for burial and funeral (including transportation) purposes by a State, county, or other political subdivision, Workmen's Compensation Commission, State industrial accident board, employer, burial association, or Federal Agency; except that no claim would be allowed for more than the difference between the entire amount of the expenses incurred and the amount paid by any or all of the foregoing agencies or organizations; and nothing contained in the regulation, as amended, would be construed to cause the denial of or a reduction in the amount of

the burial allowance otherwise payable because of a cash contribution made by a burial association to any person other than the person rendering burial and funeral services; nor would anything contained in the regulation, as amended, be construed so as to cause payment of the burial allowance or any part thereof in any case where specific provision is otherwise made for payment of expenses of funeral, transportation, and interment under any other act. Such an amendment was recommended to the Senate Committee on Military Affairs under date of July 25, 1939, in connection with a report on S. 1647 (76th Cong.). The report cleared the Bureau of the Budget under date of July 24, 1939.

Subsection (a) would also amend paragraph III, Veterans Regulation No. 9 (a), as amended, so as to authorize transportation of the body of a veteran who died in a Veterans' Administration facility to the place of burial rather than the place of residence or nearest national cemetery, or such other place as the next of kin might direct where the expense would not be greater than to the place of residence. The amendment would apply only to cases where the veteran died in a facility within the continental limits of the United States and transportation would not be authorized beyond the continental limits unless the veteran was a resident of Alaska and had been brought to the United States by the Veterans' Administration for hospital or domiciliary care. The paragraph would be further amended so as to authorize transportation of the body of a veteran who died while hospitalized by the Veterans' Administration in a Territory or possession of the United States to the place of burial within the Territory or possession.

Prior to March 20, 1933, section 201 of the World War Veterans' Act, 1924, as amended, permitted transportation of the remains to the place of burial within the continental limits of the United States, its Territories or possessions. The restrictive provisions of the existing regulation require an interchange of considerable correspondence to determine whether the expense of transportation to the place of burial will exceed that to the place of residence or to the nearest available national cemetery, and to obtain a deposit of the difference in cost in those cases where the expense is greater. Moreover, it is believed that under the prior law there was no abuse of the authority to transport the remains to the place of burial. The foregoing facts were included in a report which the Veterans' Administration submitted to the chairman of the Senate Committee on Military Affairs under date of June 21, 1939, with respect to S. 211 (76th Cong.), following which the committee introduced S. 2756. This latter bill which passed the Senate August 9, 1939, and was referred to the Committee on World War Veterans' Legislation, House of Representatives, is substantially the same as the proposed amendment to paragraph III, Veterans Regulation No. 9 (a), as amended, as contained in subsection (a) of section 2 of the bill now under consideration, the only difference being that S. 2756, by confining its terms to the continental United States made no provision for the return of a resident of Alaska to that Territory from the United States nor for burial within a Territory or possession of a veteran who died in such Territory or possession. Such an amendment to S. 2756 was recommended to the Committee on World War Veterans' Legislation, House of Representatives, under date of February 15, 1940. The report cleared the Bureau of the Budget under date of February 14, 1940.

Subsection (a) of section 2 would also amend paragraph IV of Veterans Regulation No. 9 (a), as amended, so as to extend from 1 year to 2 years the time, subsequent to the date of burial of a veteran, within which claim for reimbursement of burial expenses might be filed; and to permit the adjudication and payment of any unpaid claim filed within 2 years after the enactment of the proposed act where death occurred on or after March 20, 1933, and claim was not filed within the regulatory period. This amendment is similar to H. R. 7449 (76th Cong.), upon which a favorable report was submitted to the Committee on World War Veterans' Legislation, House of Representatives, under date of February 15, 1940. The report cleared the Bureau of the Budget under date of February 14, 1940.

Subsection (b) of section 2 would amend the last sentence of paragraph III of Veterans Regulation No. 6 series, which authorizes burial expenses of persons who die while undergoing hospital or domiciliary care as beneficiaries of the Veterans' Administration who are ineligible for burial benefits under Veterans Regulation No. 9 (a), as amended, but whose bodies must be disposed of as an administrative necessity, to effect uniformity with the proposed amendment to paragraph III of Veterans Regulation No. 9 (a), as amended, heretofore discussed. This is merely a formal change. A similar provision was contained in section 2 of S. 2756 (76th Cong.), supra, and the Veterans' Administration under date of February 15, 1940, recommended to the Committee on World War Veterans' Legislation, House of Representatives, that it be amended to conform to the language as it appears in the bill. This report cleared the Budget under date of February 14, 1940.

Subsection (c) of section 2 provides that the section shall be applied to all claims for burial benefits pending in the Veterans' Administration on the date of its enactment. Such a provision would effect uniformity in the adjudication of all claims for burial benefits whether filed prior or subsequent to the enactment of the proposed act.

SECTION 3. UNIFORM APPORTIONMENT OF VETERANS' BENEFITS

Section 3 would provide a uniform procedure with reference to the awarding of part of a veteran's pension or compensation to his wife or children where they are not living together, regardless of the law under which entitlement is established. The procedure would also apply in death cases where the child or children are not in the custody of the widow.

Where a former member of the armed forces of the United States, who is in receipt of monetary benefits from the Veterans' Administration on account of such service, is living apart from his wife or children, the monetary benefit is subject to "division" under the act of March 3, 1899 (ch. 460, 30 Stat. 1379; 38 U. S. C. 45, 46, 47, 49), or to "apportionment" under paragraphs VI or VII, Veterans Regulation No. 6—Series (38 U. S. C., ch. 12, appendix), depending upon the particular law or regulation under which the monetary benefit is granted.

Whereas Veterans Regulation No. 6—Series vests discretionary power of apportionment in the Administrator of Veterans' Affairs, the act of March 3, 1899, directs the Administrator (formerly the Commissioner of Pensions) to cause one-half of the pension to be paid to the pensioner's wife or the guardian of his children. When Veterans Regulation No. 6—Series was promulgated, it applied to awards of disability pension, compensation, or emergency officers' retirement pay based upon service in the armed forces from and after April 21, 1898, i. e., the Spanish-American War, including the Boxer Rebellion and Philippine Insurrection, the World War, and the Regular Establishment. By virtue of the act of August 13, 1935 (ch. 521, 49 Stat. 614; 38 U. S. C. 368, 369), which reenacted all laws in effect on March 19, 1933, granting pension to veterans of the Spanish-American War, including the Boxer Rebellion and Philippine Insurrection, their widows and dependents, pensions payable under such reenacted laws are now subject to "division" under the act of March 3, 1899.

The service pension laws prescribe minimum and maximum rates of pension proportioned to the degree of inability to earn a support as determined by the Administrator of Veterans' Affairs, who is directed to consider each and every infirmity and to rate the aggregate of the disabilities shown. Specific rates are provided based upon the age of the veteran, the maximum rate being the same as the maximum rate for disability. A specific rate, in excess of the maximum for disability or age, is provided if the pensioner is, on account of age or physical disabilities, helpless or blind, or so nearly helpless or blind as to need or require the regular aid and attendance of another person.

If a veteran who is entitled to pension at the most advanced rate on account of the need for aid and attendance, is living apart from his wife under the conditions outlined in the act of March 3, 1899, it is required that one-half of his *entire* pension be paid to the wife.

Section 202 (5) of the World War Veterans' Act, as amended (38 U. S. C. 478), provides as follows:

"If disability results from the injury—

"If the disabled person is so helpless as to be in need of a nurse or attendant, such additional sum shall be paid, but not exceeding \$50 per month, as the Administrator of Veterans' Affairs may deem reasonable."

An allowance granted to a World War veteran under the foregoing authority is not subject to apportionment in the event he is living apart from his wife since it is not considered to be a part of his basic rate of disability compensation. A similar rule applies with reference to benefits payable under Veterans' Regulation No. 1 (a), as amended, where the veteran is so helpless as to be in need of regular aid and attendance.

It is believed that the practice as authorized by paragraph VII of Veterans Regulation No. 6—Series, heretofore referred to, produces more equitable results than that required by the act of March 3, 1899, *supra*. The first paragraph of section 3 conforms to the language of paragraph VII, Veterans Regulation No. 6—Series, with necessary changes to extend its terms to all laws administered by the Veterans' Administration. The second paragraph of the section provides for the repeal of existing laws governing the apportionment or division of veterans' benefits. The section is identical with a draft which the Veterans' Administration submitted to the President of the Senate and the Speaker of the House of Repre-

sentatives under date of March 9, 1940, with a recommendation that it be enacted into law. The proposal cleared the Bureau of the Budget under date of February 27, 1940. The section is also identical with H. R. 9088 (76th Cong.); and is substantially the same as S. 3777, upon which a favorable report was rendered your committee under date of May 1, 1940.

SECTION 4. FURNISHING OF HOSPITAL CARE TO VETERANS RESIDING ABROAD WHO ARE AMERICAN CITIZENS, SUFFERING FROM SERVICE-CONNECTED DISABILITIES

Section 4 would amend paragraph IV of Veterans Regulation No. 6-Series to read as follows, the proposed new language being in italic.

"IV. No person shall be entitled to receive domiciliary, medical, or hospital care, including treatment, who resides outside of the continental limits of the United States or its territories or possessions: *Provided, That in the discretion of the Administrator of Veterans' Affairs necessary hospital care, including medical treatment, may be furnished to veterans who are citizens of the United States and who are temporarily sojourning or residing abroad, for disabilities due to war service in the armed forces of the United States.*"

In denying domiciliary, medical, or hospital care to veterans who reside outside the continental limits of the United States or its Territories or possessions, the regulation as it now stands is in consonance with another provision of the Veterans Regulations issued pursuant to Public, No. 2 (73d Cong.), which limits the right to treatment primarily to that which can be afforded in Government facilities.

As a result of study of the effects of Veterans' Regulations issued under Public, No. 2 (73d Cong.), it is the opinion of the Veterans Administration that the regulation works a hardship on certain veterans suffering with service-connected disabilities who are temporarily sojourning abroad and others who, from necessity rather than choice, are temporarily residing abroad in the promotion of American interests. The proposed amendment would permit the hospitalization of such veterans who have had war service and who are American citizens, when necessary for the relief of service-connected disabilities.

This section is identical with H. R. 6586 (76th Cong.), upon which a favorable report was submitted by the Veterans' Administration to the Committee on World War Veterans' Legislation, House of Representatives, under date of June 23, 1939. Similar proposed legislation cleared the Bureau of the Budget under date of May 15, 1939, in connection with a report to the same committee on H. R. 2988 (76th Cong.).

SECTION 5. EXEMPTION OF VETERANS' BENEFITS FROM SET-OFF UNDER CERTAIN CLAIMS OF THE UNITED STATES

Section 5, which is identical with H. R. 8426 (76th Cong.), would amend section 3 of Public, No. 262 (74th Cong.), August 12, 1935, so as to prohibit collection by set-off or otherwise out of any benefits payable pursuant to any law administered by the Veterans' Administration and relating to veterans, their estate, or their dependents of any claim of the United States or any agency thereof against (a) any person other than the indebted beneficiary or his estate, or (b) any beneficiary or his estate, except amounts due the United States by such beneficiary or his estate by reason of overpayments or illegal payments made under such laws relating to veterans to such beneficiary or his estate or his dependents as such. If the benefits be yearly renewable term or United States Government life (converted) insurance, the exemption would be inapplicable to liens thereon to secure unpaid premiums or loans on such contracts or interest on such premiums or loans.

The present section 3 has been construed by the Comptroller General to authorize and require offset against amounts due a dependent widow, parent, or child, amounts owed the Government by the deceased veteran or from the designated beneficiary of his insurance policy any amount so owed by the deceased veteran. It also required in many other instances collection from compensation, pension, or insurance, a debt of a beneficiary due the United States as the result of some transaction wholly unconnected with the benefit otherwise payable to such beneficiary.

It is the feeling of the Veterans' Administration that the United States should not collect its indebtedness from veterans and their dependents except when the overpayment arose in connection with the specific type of benefit from which collection is to be made; and ought not to collect such overpayment from any person other than the individual or his estate to whom such overpayment was made except when such overpayment was made to his dependent as such.

The Veterans' Administration favors enactment of this section into law, except that in order fully to protect the Government life-insurance fund, it is suggested that beginning on line 5, page 8, after the word "to" and continuing through line 8, the language be stricken and the following substituted therefor: "indebtedness existing against the particular insurance contract upon the maturity of which the claim is based, whether such indebtedness be in the form of liens to secure unpaid premiums, or loans, or interest on such premiums or loans, or indebtedness arising from overpayments of dividends, refunds, loans, or other insurance benefits:".

SECTION 6. INCREASED COMPENSATION ON ACCOUNT OF LOSS OF THE USE OF ONE OR MORE FEET OR HANDS

Section 6 would amend section 202 (3), World War Veterans' Act, 1924, as amended, to increase from \$25 to \$35 per month the additional compensation for the loss of the use of one or more feet or hands. Under section 202 (3), World War Veterans' Act, 1924, as amended, as reenacted with limitations by Public Law No. 141 (73d Cong.), March 28, 1934, additional compensation in the amount of \$25 is payable for the loss of the use of a creative organ or one or more feet or hands. Before the enactment of section 6, Public Law No. 198 (76th Cong.), July 19, 1939, Veterans Regulation No. 1 (a), part I, paragraph II, subparagraph (k), provided increased compensation of \$25 per month for the anatomical loss or loss of use of only one foot, or one hand, or one eye. Under section 6, Public Law No. 198 (76th Cong.), the foregoing rate was increased to \$35 per month for the disabilities enumerated in the said subparagraph. H. R. 5452 (76th Cong.) (which later, with amendments, became Public Law No. 198 (76th Cong.), July 19, 1939), when it passed the House of Representatives, contained in section 6 an amendment to subparagraph (k), paragraph II, part I, Veterans Regulation No. 1 (a), as amended, which would have added a new proviso to the subparagraph to read as follows:

"Provided, That in no event shall the rate of pension (including the \$25 increase) for anatomical loss of one foot, or one hand, or one eye, be less than \$100 per month."

The action of the Committee on World War Veterans' Legislation in reporting the particular proposed measure appears to have been predicated on the consideration which the committee gave to H. R. 4186 (76th Cong.), at the time of the hearings March 3, 1939 (pp. 421-430), and also on H. R. 5291 (76th Cong.), on which hearings were conducted April 6, 1939 (pp. 431-446, inclusive).

When the bill reached the Committee on Finance, United States Senate, hearings were conducted before a subcommittee thereof, May 18, 1939. In appearing on the proposed measure, I indicated that it would be undesirable to depart from the rating policy, and that if it were found necessary to take action it would probably be better to raise the standards of ratings uniformly, although it would be more costly, as such action would be more in accord with sound principle. Attention was also invited to the rating practice of the Veterans' Administration and it was indicated that the Presidential regulations dealing with the particular group were liberal in providing increased pension over and above that authorized on the basis of evaluations of disability based upon scientific considerations. The opinion was expressed by me that action should not be taken which would bring about greater inequalities.

It was my further suggestion that proposals of this nature, in setting up special rates for special groups would produce further departure from the rating policy and, if adopted, would bring about requests for equalization from other groups not benefited by special legislation. I also expressed the desire to review any cases which might be brought to attention where it was thought that the existing rating practice was inadequate. The committee was advised that if they determined to take action to amend the existing law, it would be preferable to amend the \$25 monthly increased compensation under subparagraph (k), paragraph II, part I, Veterans' Regulation No. 1 (a), as amended. The bill was reported out by the committee with an increase from \$25 to \$35 per month under the foregoing regulation, in lieu of the House proposal.

Under section 202 (3), World War Veterans' Act, 1924, as amended, as reenacted with limitations by Public, No. 141 (73d Cong.), the loss of use must have resulted from an injury received in active service in line of duty between April 6, 1917, and November 11, 1918, or if the injury was incurred while the veteran was serving with the United States military forces in Russia, the dates extend from April 6, 1917, to April 1, 1920. Under Veterans' Regulation No. 1 (a), as amended, part I,

It is not necessary that the injury or disease shall have been incurred between April 6, 1917, and November 11, 1918, or between April 6, 1917, and April 1, 1920. As to service entered into prior to November 11, 1918, or if in Russia, before April 2, 1920, if the injury or disease was incurred in or aggravated by such service and before July 2, 1921, the increased compensation is payable. Under section 5 of Public Law No. 304 (75th Cong.), August 10, 1937, if the veteran had prior service between April 6, 1917, and November 11, 1918, and the injury or disease was incurred or aggravated in a reenlistment on or after November 12, 1918, and before July 2, 1921, the increased compensation may be payable.

Public Law No. 2 (73d Cong.), and the veterans regulations promulgated thereunder, eliminated occupational variants formerly provided in the 1925 schedule and extensions. The 10-step rating schedule devised under Public Law No. 2 (73d Cong.), and Veterans' Regulation No. 3 (a), as amended, adopted generally the rating which appeared under variant 5 of the 1925 schedule. As a result, when the 1925 schedule and extensions in effect on March 10, 1933, was restored by Public Law No. 141 (73d Cong.), many World War cases remained on the rolls under Public Law No. 2, because under the 1925 schedule their occupational variant was from 1 to 4, inclusive. The cases generally which would be benefited by section 6 are those wherein the occupational variants under the 1925 schedule are from variants 6 to 9, inclusive.

The eligibility criteria under Public Law No. 2 and the Veterans' Regulations include the requirement of an honorable discharge. This requirement does not exist with reference to rates restored with limitations under Public Law No. 141 (73d Cong.). For this reason certain veterans, whose discharge was not honorable, are entitled to benefits under the World War Veterans' Act, 1924, as amended, who are not eligible, for the rates under Public Law No. 2 (73d Cong.), and the veterans regulations. This group if otherwise entitled to the additional compensation under section 202 (3), World War Veterans' Act, 1924, as amended, would receive benefits under section 6.

It is therefore apparent that while the amendment to part 1, Veterans Regulation No. 1 (a), as amended, as contained in Public Law No. 198 (76th Cong.), singled out the particular group for special rates to the exclusion of other disabilities having similar effect on earning capacity, the proposed legislation would have the effect of further enlarging the inequality and superimposing an increase in the rates of compensation in cases where because of the higher occupational variants the basic rates of compensation for the disabilities are already higher than the basic rates provided under the 1933 schedule. There is a further consideration in connection with the proposed legislation, viz, that the loss of the use of a creative organ is not made the basis for the proposed increase, although included among the three conditions in section 202 (3) of the World War Veterans' Act, 1924, as amended. Moreover, the granting of the increase under section 202 (3), World War Veterans' Act, 1924, as amended, would automatically introduce the question as to the inequality which might result by not including the anatomical loss or loss of use of one eye, which is made the basis for increased compensation under Veterans Regulation No. 1 (a), as amended.

While the proposed legislation might be considered as containing certain elements of uniformity, the foregoing analysis of the effects thereof in the opinion of the Veterans' Administration does not furnish adequate basis upon which proposed changes could be adequately supported.

For the foregoing reasons, the Veterans' Administration is unable to recommend section 6 to the favorable consideration of your committee. The section is identical with H. R. 7558 (76th Cong.), upon which an unfavorable report was rendered the Committee on World War Veterans' Legislation, House of Representatives, under date of February 13, 1940, the Bureau of the Budget having advised under date of February 12, 1940, that there would be no objection to its submission.

SECTION 7. GRANTING COMPENSATION TO CERTAIN WORLD WAR VETERANS ON ACCOUNT OF PARALYSIS, PARESIS, OR BLINDNESS, AND TO THE DEPENDENTS OF SUCH DECEASED VETERANS

Section 7 would amend section 1 of the act of July 19, 1930 (Public No. 196, 76th Cong.), as indicated by the following comparative text of which the parts to be stricken out are in black brackets and the new matter is in italics.

"That on and after the date of enactment of this Act any World War veteran suffering from paralysis, paresis, or blindness, or who is helpless or bedridden, as the result of any disability, [and who was in receipt of compensation therefor on March 19, 1933,] may be awarded compensation under the laws and inter-

pretations governing this class of cases prior to the enactment of Public Law Numbered 2, Seventy-third Congress, March 20, 1933, subject, however, to the limitations, except as to misconduct or willful misconduct, contained in sections 27 and 28 of Public Law Numbered 141, Seventy-third Congress, March 28, 1934, as amended by section 5 of Public Law Numbered 304, Seventy-fifth Congress, August 10, 1937: *Provided*, That the language herein contained shall not be construed to reduce or discontinue compensation authorized under the provisions of section 26 of Public Law Numbered 141, Seventy-third Congress: *Provided further*, That where a World War veteran dies or has died [from disease or injury, service connection of which is or would have been reestablished under the provisions of this Act,] and service connection for any of the foregoing conditions is or would have been established under the provisions of this amendment, [his] the surviving widow, child, or children, if otherwise eligible thereto, shall be awarded death compensation under Public Law Numbered 484, Seventy-third Congress, as amended."

The act of July 19, 1939, *supra*, restores, with certain limitations, compensation to those World War veterans who were on the rolls March 19, 1933, under that part of section 200 of the World War Veterans' Act, 1924, as amended, which provides as follows:

"* * * no person suffering from paralysis, paresis, or blindness shall be denied compensation by reason of willful misconduct, nor shall any person who is helpless or bedridden as a result of any disability be denied compensation by reason of willful misconduct."

The limitations referred to are (1) the veteran must have entered the service prior to November 12, 1918, or prior to April 2, 1920, if there was service in Russia; (2) if service connection had been established by presumption, the amount of compensation is reduced by 25 percent under the provisions of sections 27 and 28, Public No. 141 (73d Cong.); (3) compensation was not restored if the original entitlement was based upon fraud, misrepresentation of a material fact or unmistakable error as to conclusions of fact or law, or if clear and unmistakable evidence disclosed that the disease, injury, or disability had inception before or after the period of active military or naval service, unless such injury, disease, or disability was shown to have been aggravated during such service. In reviewing the case of any veteran as to whom compensation was being paid on March 19, 1933, for such service-connected disability, reasonable doubts are resolved in favor of the veteran, the burden of proof being on the Government.

The second proviso of section 1 of the act grants death compensation to widows and children of such veterans who died from disease or injury service connection of which had or would have been reestablished under the provisions of the act. These benefits are payable under Public, No. 484 (73d Cong.), June 28, 1934, as amended, which act provides compensation, at somewhat lower than war service-connected death rates, where the veteran at time of death was suffering from World War service-connected disability.

Section 7 has two purposes, the first of which is to amend section 1 of the act of July 19, 1939, so as to eliminate the requirement that the veteran shall have been in receipt of compensation on March 19, 1933, on account of one of the conditions enumerated in the act. The effect of such an amendment would be to extend the benefits of the act in any case where the conditions are met either before or after March 19, 1933.

The second purpose of the section is to amend the second proviso of section 1 of the act of July 19, 1939, so as to eliminate an inequality under which widows and children of World War veterans who died prior to July 1, 1933, are not required to prove that the death was the result of service in order to be entitled to compensation under Public, No. 484 (73d Cong.), as amended, whereas, service connection must be proved if the death occurred on or after July 1, 1933, except as to service-connected blind cases under section 26, of Public Law No. 141, March 28, 1934.

There would be no objection on the part of the Veterans' Administration to the enactment of this section, which, with the exception of the proviso, is similar in purpose to H. R. 8478 (76th Cong.).

SECTION 8. EFFECTIVE DATES OF AWARDS UNDER SECTION 7

Section 8 would add a new section to the act of July 19, 1939, *supra*, to be known as section 3 and to read as follows:

"Sec. 3. Payments to veterans and their dependents under the provisions of this amendment shall be effective the date of application for benefits thereunder."

In the interest of uniformity of administrative provisions, it is suggested that this section be amended to read as follows:

"Except as provided in section 6 of Public Law Numbered 304, Seventy-fifth Congress, approved August 16, 1937 (U. S. C., title 38, sec. 472d), compensation authorized by section 7 of this Act shall not be payable effective prior to the receipt of application therefor in the Veterans' Administration, and in no event shall compensation therein authorized be effective prior to the date of enactment of this Act."

There would be no objection to its enactment in this form.

SECTION 9. PAYMENT OF SERVICE-CONNECTED BENEFIT TO DEPENDENTS OF VETERAN WHO HAS FORFEITED HIS RIGHT THERETO

Section 9 would modify the provisions of section 504 of the World War Veterans' Act, 1924, as amended (43 Stat. 1312, U. S. C., title 38, sec. 555), and section 15, Public, No. 2 (73d Cong.), March 20, 1933 (48 Stat. 11; U. S. C., title 38, sec. 715), which provide for forfeiture of veterans' benefits in case of fraud, so as to permit payment of compensation or pension based upon service connected disability to the wife, children, and dependent parents of a veteran who has forfeited the right to such benefits by virtue of the above-cited provisions of law. Payments to the dependents would be payable from and after the date of suspension of payments to the veteran but not prior to the date of enactment of the proposed act, would be limited to the amount payable to the veteran except for the forfeiture, but would not exceed the amount payable in case the veteran had died from service-connected disability. Compensation or pension would not be payable to any dependent who had participated in the fraud for which the forfeiture was imposed.

The above-cited provisions of law would be further modified so as to permit reimbursement on account of expenses incurred in the burial of such veterans otherwise entitled by law, and to permit payments of death compensation for service connected death or death compensation under Public, No. 484 (73d Cong.), as amended. Under existing law, in service-connected death cases, death compensation is payable to the veteran's widow, child, or dependent parent, so that the section, if enacted into law, would not establish new eligibility for that group. The intention apparently is to provide death benefits notwithstanding forfeiture of benefits by the veteran, as distinguished from forfeiture by claimants for benefits based upon the death of the veteran. To insure this result, it is suggested that on page 10, line 3, there be inserted immediately preceding the word "The," the following: "Forfeiture of benefits by a veteran under." The word "The" should then be changed to "the."

The Veterans' Administration would interpose no objection to the enactment of this section with the amendment above suggested.

With reference to the matter of cost, the following statement indicates, by sections, the estimated cost insofar as it has been possible to evaluate the expenditures which the bill would entail.

ESTIMATED COST OF S. 3833

Section 1 would permit waiver of recovery of overpayments under Public, No. 484 (73d Cong.), June 28, 1934, as amended, and it is not possible to estimate the cost involved; but it would be nominal.

Section 2 would liberalize the provisions of Veterans Regulation No. 9 (a), as amended, pertaining to the granting of burial benefits. It is estimated that the proposed extension of the period for filing claim from 1 year to 2 years would entail additional annual cost in the approximate amount of \$65,000. It is not possible to estimate the cost of the proviso.

Section 3 would extend the authority of the Administrator of Veterans' Affairs governing apportionment of pension, and it is not possible to estimate the cost involved; but it would be nominal.

Section 4 would permit necessary hospital care, including medical treatment, for veterans who are citizens of the United States and temporarily sojourning or residing abroad, for disabilities due to war service in the armed forces of the United States. It is estimated that the annual cost would be approximately \$50,000, affecting approximately 65 veterans.

Section 5 would amend section 3 of Public, No. 262, (74th Cong.), August 12, 1935, to prohibit collection of indebtedness due the United States by set-off as hereinbefore explained. It is not possible to estimate the cost involved.

Section 6 would amend section 202 (3), World War Veterans' Act, 1924, as amended, providing in lieu of the statutory award of \$25 per month for the loss of the use of one or more feet or hands a statutory award of \$35 per month. It is estimated that this section would provide increased payments for approximately 1,400 veterans at an additional annual cost of approximately \$84,000.

Section 7 would amend Public, No. 196 (76th Cong.), to remove the present requirement that the veteran must have been on the rolls on March 19, 1933, and provide compensation benefits under Public, No. 484 (73d Cong.), as amended, for the widows and children of veterans covered by Public, No. 196, as amended by the bill. It is estimated that approximately 100 veterans would be entitled to compensation under this section at a first-year cost of \$107,100. There are no records available on which to base an estimate of cost of paying the dependents who would be entitled under this section.

Section 8 provides in effect that the payments authorized by the provisions of section 7 are to be effective the date of application for benefits thereunder.

Section 9 would permit the payment (with limitations) of compensation or pension based upon service-connected disability, to the wife, children, and dependent parents of a veteran who has forfeited the right to such benefits, under the provisions of section 504, of the World War Veterans' Act, 1924, as amended, or section 15 of Public, No. 2 (73d Cong.). It is not possible to estimate the cost. Certain death benefits are also authorized. No estimate of cost.

The total estimated cost of S. 3833 is \$306,000.

The Veterans' Administration recommends S. 3833 for favorable consideration by your committee subject to the comment and conclusion pertaining to section 6 and the formal changes suggested in sections 5, 8, and 9.

The Bureau of the Budget has advised the Veterans' Administration that the enactment of the proposed legislation, with the exception of sections 5 and 6, would not be in conflict with the program of the President. I am informed by that office that the enactment of section 6 of the bill would not be in accord with the program of the President and that I will be advised at a later date with respect to the relationship of section 5 of the bill to the program of the President. Upon receipt of further advice concerning section 5 of the bill, a supplemental report in regard thereto will be furnished your committee.

Very truly yours,

FRANK T. HINES, *Administrator.*

General HINES. It has been suggested in connection with the burial allowance that, of course, a number of claims have been disallowed under the existing law due to the fact that burial benefits have been allowed by lodges, unions, and fraternal organizations, and it has been suggested that this be made retroactive. I think Senator Minton is particularly interested in that item. We have very seldom recommended retroactive action in cases of this kind, but in case the committee desires to give consideration to such a provision, we have drafted the amendment that will do it, and I can say to the committee that the number of cases involved is not large. It is hard to estimate how many would come in that have been disallowed, because some of them may not have been disallowed for this particular reason. The estimate furnished is that the bill would involve an additional expenditure of \$65,000.

Senator WALSH. What will be the annual cost?

General HINES. That is the annual cost. No estimate is given as to the retroactive provisions in the bill as drafted or if amended as suggested. However, the cost would be small, taking into consideration the limited load and the requirement of a new claim in two years.

Senator GEORGE. General, will you offer that amendment or put that amendment in the record, if you have it?

General HINES. Yes, I have it right here in case you desire to consider it. We do not, of our own initiative, recommend it. The total cost of the bill without the amendment would be \$306,000. The report shows by sections the cost of each section.

(The amendment referred to is as follows:)

On page 4, line 17, after the word "Provided," strike out the remainder of the language continuing through line 24, and insert in lieu thereof the following:

That where the death of a veteran occurred on or after March 20, 1933, and claim for burial allowance was not filed, or was filed after the expiration of the regulatory period, or was filed within the regulatory period and disallowed, the Administrator of Veterans' Affairs is hereby authorized and directed to receive and adjudicate a claim filed within two years after the date of enactment of this Act and to grant burial allowance under the provisions of laws and regulations governing such allowance as amended by this Act.

General HINES. Now, Mr. Chairman, there is another matter that will undoubtedly come to the attention of the Senate in relation to another bill, and if anything is to be done about it, so far as the Veterans' Administration is concerned, this bill would be the place to take care of it. It has to do with the Walter-Logan bill. Is that the name of it?

Senator GEORGE. Yes.

General HINES. The Walter-Logan bill. I am sure the committee is familiar with the fact that the Congress has given the Administrator of Veterans' Affairs very broad powers in settling claims, and they did it for a particular purpose. The reasons for doing it are just as sound today as they were then, and that is that you are endeavoring to bring some finality into these cases. I am sure that in the administration of that section of the law which makes the decisions of the Administrator of Veterans' Affairs final and conclusive upon all other agencies of the Government and the courts as well, except where you have granted authority to sue on contracts of Government insurance, that in the administration of that broad authority we have endeavored to exercise it with discretion. I am not sure that those who proposed the bill that would curtail that authority have any particular complaint against our administration of it. They may have, but I have not heard of it. There have been some cases of writs of mandamus, of course, in court, and there always will be against any administrative officer, but generally we have been able to handle those matters in court very well. So that, if the committee feels that that bill will become a law, then I offer this suggested amendment as a proposed section 11 in this bill, and may I read it:

SEC. 11. Notwithstanding any other provisions of law except as provided in section 19 of the World War Veterans' Act, 1924, as amended, the decisions of the Administrator of Veterans' Affairs on any question of law or fact concerning a claim for benefits or payments under this or any other Act administered by the Veterans' Administration shall be final and conclusive and no other official or any court of the United States shall have power or jurisdiction to review any such decisions.

That does not extend the present authority, as I understand it from Mr. Odom, the Solicitor, but it does, if it becomes a section of this bill and is passed by the Congress; it does indicate again that it is the intention of Congress that that provision of the existing law remain in effect.

Senator GEORGE. Of course, if the Walter-Logan bill is not enacted into law you would not need that amendment.

General HINES. Would not need that; no, sir; but for uniformity it would be highly desirable.

There is one other amendment, Mr. Chairman, to Section 9 that we suggest. The intention of that section apparently is to provide death benefits notwithstanding forfeiture of benefits by the veteran as distinguished from forfeiture by claimants for benefits based upon the death of the veteran. To get this result it is suggested that on page 10, line 3, there be inserted immediately preceding the word "The," the following:

"Forfeiture of benefits by a veteran under." The word "The" should then be changed to "the," spelled with a small "t." The Veterans' Administration would interpose no objection to the enactment of that section if the amendment is adopted.

I desire to suggest another amendment to the bill which is proposed as an additional section to be numbered 10 and to read as follows:

SEC. 10. Veterans Regulation Numbered 11 (U. S. C., title 38, ch. 12, appendix), promulgated under the Act of March 20, 1933 (Public, Numbered 2, Seventy-third Congress), is hereby amended by adding a new paragraph thereto numbered "III," to read as follows:

"III. The provisions of Veterans Regulation Numbered 11 shall apply to all claims under any of the laws administered by the Veterans' Administration: *Provided*, That the Administrator of Veterans' Affairs may release information, statistics, or reports, to individuals or organizations when, in his judgment, such release would serve a useful purpose."

The purpose of the first part of the new paragraph is to establish uniformity by extending the provisions of Veterans Regulation No. 11 to claims under any of the laws administered by the Veterans Administration. This provision will remove administrative complications resulting from the present necessity of administering Veterans Regulation No. 11 and certain provisions of the pension laws concurrently as to different groups.

As to the proviso of the suggested new paragraph, Veterans Regulation No. 11 provides that the files, records, reports, and other papers and documents pertaining to any claim, either pending or adjudicated, shall be deemed confidential and privileged and no disclosure can be made thereof except under the specified conditions set forth in the regulation. The restrictions contained in the existing regulation have precluded me from releasing information, statistics, or reports to individuals or organizations where, in my judgment, such release would have served a useful purpose. I believe that the proviso will permit a necessary discretion governing the release of information to individuals or organizations and will facilitate better administration.

Now, Mr. Chairman, unless there are some questions on that bill, I will take up the next one.

Senator GEORGE. General, of course I suppose the committee very well understands the whole difficulty with reference to the suggested amendment by Congressman Rankin, that there be added to this an increased disability allowance for the totally disabled veteran, increasing it from \$30 to \$40.

General HINES. Mr. Chairman, under normal conditions, normal circumstances, we probably would not offer any objection to that suggested provision for one reason more than any other, and that is that at one time the \$40 rate was paid, but under existing conditions, when the demands are so great upon our Treasury, I do feel that it is a piece of legislation that could well be deferred. I hope that it will not be included in this omnibus bill, because we have obtained practically, as I stated, what I call the green light on the bill. I am

doubtful of receiving either the approval of the Budget or the approval of the President on that increase. It would cost a great deal more than the balance of the bill. Recently we have issued an order, administrative order, which contemplates dealing very liberally with that group, taking into account factors which had not been taken into account before. Undoubtedly it will bring an increased number of veterans in under the \$30 rate. It will be costly, as those things are, but I think the order is fair. It has received almost universal approval of the service organizations and Members of Congress who are familiar with that group of veterans, and we are dealing with those men who are totally disabled due to disabilities, at least a majority of them, not due to service.

While we have never called that particular legislation pension legislation, it gets very close to it. I feel at this time, in view of the liberalizing administrative order and other demands being made upon the Government for things which we must do first, I am hopeful the committee will decide to defer that increase. However, should it receive favorable consideration of the committee, I do urge you to put it in a separate bill.

Senator WALSH. How much would it involve?

General HINES. As I remember, about \$6,000,000. Is that not right?

Senator GEORGE. That is my recollection.

General HINES. Yes. It would cover, at the time this estimate was made, 55,180 veterans. I know that that number has been increased and will be increased a great deal. Our estimate at that time was \$6,592,000.

H. R. 9000 and S. 3834

Now, Mr. Chairman, if there are no other questions on this particular bill, I would like to take up H. R. 9000 and S. 3834. This bill, S. 3834, would amend part III of Veterans Regulation 1 (a) by adding a new paragraph providing compensation benefits for the dependent widow and child of a World War veteran without regard to the cause of the veteran's death, or the requirement of the existence of a service-connected disability at time of death. The veteran must have served honorably for a period of 90 days or more during the World War, or if less than 90 days was discharged for disability incurred in service in line of duty.

It also requires that the veteran must have been in the active service before the cessation of hostilities November 11, 1918, but as to those persons who served within the United States military forces in Russia prior to April 2, 1920, the rates approximate those for peacetime service-connected deaths. The total amount payable shall not exceed \$56.

Mr. CHAIRMAN. I am now talking about the Senate bill rather than H. R. 9000. It requires that a widow shall prove dependency under regulations to be prescribed by the Administrator, while under the provisions of existing law that is not required, it is not required that the widow show dependency.

In Public 484, Seventy-third Congress, as amended, World War non-service-connected death, an income limitation is provided. The bill provides an income limitation as contained in the existing law which would apply to children. The bill would require that the

widow must have been married to the veteran prior to July 3, 1921, unless a child is born of the marriage to the veteran, in which event the marriage delimiting date is extended to include the widow's marriage to the veteran prior to May 13, 1938. The provisions of section 3 of Public 514, Seventy-fifth Congress, would govern the determination of eligibility of the widow for benefits under the bill.

This bill is identical with H. R. 9000 except that dependent parents are excluded from benefits under S. 3834. H. R. 9000 was favorably reported by the World War Veterans Committee and, as the committee knows, has passed the House.

Senator WALSH. What bill included the dependency?

General HINES. Both bills include dependency, but one bill, the Senate bill, does not include dependent parents.

Senator WALSH. I understand.

General HINES. Now, Mr. Chairman, the committee is thoroughly familiar with the fact that we have legislated almost yearly in endeavoring to take care of the widows and children of the World War veterans. I think we can safely say that we have on the rolls the widows and children of the service-connected cases. There may be some argument as to the rates, whether those rates should be increased. Personally I feel there would be no objection if they were increased, although we have tried to keep them in line with what seemed to be fair, and in line with our policy in dealing with dependents of other wars. This bill, no matter how we approach it, no matter how sympathetic we may be, is a service pension for the dependents of the World War.

At this time, Mr. Chairman, reviewing what has already been done, it has appeared to the Administration that it would have been a splendid thing if action on this bill could have been deferred. You are thoroughly familiar with the demands that are being made upon the Treasury—and this is a costly piece of legislation—at this time. I know that those demands have the full approval of every service organization, and, I think, the people of the United States. I am doubtful whether it is good strategy on the part of anyone to urge the passage of this bill at this time. Most certainly I have no desire, as Administrator of Veterans' Affairs, to recommend to the President, and I know that he has no desire to send back to the Congress, legislation dealing with widows and children, but he has to measure these things in the light of what other demands are made upon our Government at this time.

Most certainly the World War group, looking back over all of the legislation that the Congress has passed in dealing with them, must feel as I do, that they have been generously dealt with. One of the great measures of relief given to that group was not given to the other groups. The greatest benefit, in my judgment, was that of hospitalization. That was tendered to this group early, and later the other groups of veterans have been brought in.

It is true that that does not necessarily hit this particular bill or have much bearing on it, except the total cost of the legislation, but only the other day the President approved a recommendation of the Federal board, involving a further extension of our hospitals. Between now and the peak of 1949, as we estimate it, that, alone, will cause an expenditure of some \$30,000,000, a program which he has approved in principle, subject to review only from year to year by

the Federal board, so that they may check it as against the experience of the preceding year. He feels, and I feel, that it is an obligation which we will carry out.

Now, we might well, in the consideration of legislation of this kind, ask ourselves the question as to how far does the Federal Government's obligation go to a man who served his country, or the dependents of a man who served this country where his wife has married him many years after the war. Now, it is true that we have a precedent of about 150 years where we have eventually taken in and adopted service pensions similar to this, but we have never had an experience where preceding legislation has endeavored to do so much as we have for the World War group.

Of course, I feel that if we at this time feel it necessary to give consideration to legislation of a service pension nature to the dependents of the World War group, that most certainly the first widow entitled to consideration is the widow who was the wife of the veteran when he served.

Senator WALSH. We have a precedent of the wife of a President, who married him after he left the office of President, getting a pension of \$5,000 a year.

General HINES. That is right, Senator; I know we have. We have probably precedents on most all these things, but looking at the matter as we do today, in the face of conditions, and I think a study of most of our legislation dealing with other groups will show that it has always been influenced by the conditions existing at the time. Sometimes the Congress has been liberal, sometimes that attitude has been reversed and they have tightened up. I haven't much doubt but what eventually there will be a service pension for the World War group and their dependents, and it will be based upon what we have done for other groups, but I question whether this is the time to make the start.

Certainly no one has greater sympathy for a dependent of a man who has stood the acid test of his citizenship in serving his country, but we must keep in mind that many of the widows that will come on the rolls will be those that married veterans many years after the war. It is not like the widow who was the wife of a veteran who did share whatever anguish came at the time he was rendering that service.

I suggested to the House committee that if they felt that this type of legislation should be enacted, why not give consideration first to the widow who was the wife of the veteran when he served? We had a precedent for that in the Civil War.

Senator WALSH. Is that the way the Civil War pensions began?

General HINES. The Civil War has the highest rate of pension that we pay, \$50 to the widow who was the wife of the veteran when he served.

Senator WALSH. How soon was that enacted after the end of the Civil War?

General HINES. I think I have it here. I have a table here that is rather interesting, and if it will not take up much space, I suggest that it be put into the record.

Senator GEORGE. All right.

(The table referred to is as follows:)

Historical development of service pensions for widows and children of Civil War and Spanish-American War veterans, including rates and certain elements of entitlement, compared with service pensions for widows and children of World War Veterans as provided by H. R. 9000 (76th Cong.)

	Period between end of war and law	Rate for widow	Rate for child	Period between end of war and delimiting marriage dates	Income and dependency limitations
CIVIL WAR					
Mar. 4, 1861, to Aug. 20, 1860:					
Act of June 27, 1860...	Years 24	\$8.00	\$2.00	24 years (June 27, 1860)	No means of support other than daily labor.
Act of May 9, 1900...	31	8.00	2.00	24 years.....	Annual income limitation of \$250 added to above provision.
Act of Apr. 19, 1908...	42	12.00	2.00do.....	Previous restrictions eliminated.
Act of Sept. 8, 1916	50	12.00	2.00	[Extended to 39 years (June 27, 1905). 39 years.....	No financial restrictions.
Act of Oct. 6, 1917...	51	25.00	2.00		
Act of May 1, 1920...	51	30.00	6.00	do.....	Do.
Act of July 3, 1926...	60	50.00	6.00	Must have been wife during veteran's service.	Do.
Act of May 23, 1929...	62	40.00	6.00	39 years; widow must be 76 years old.	Do.
Act of June 9, 1930...	64	40.00	6.00	39 years; widow must be 70.	Do.
SPANISH-AMERICAN WAR ¹					
Apr. 21, 1898, to July 4, 1902:					
Act of July 16, 1918...	16	12.00	2.00	16 years (July 16, 1918).	No means of support other than daily labor; income not over \$250 per annum.
Act of Sept. 1, 1922...	20	20.00	4.00	20 years (Sept. 1, 1922).	Previous restriction eliminated.
Act of May 1, 1926...	24	30.00	6.00	20 years.....	No financial restrictions.
Veterans' Regulation No. 1 (a), pt. III, (act Mar. 20, 1933). ²	31	16.00	4.50do.....	Pension not payable if income exceeds \$1,000, or \$2,500 if widow has minor children.
Act of Mar. 28, 1934...	32	22.50	4.50do.....	Widow must be exempt from Federal income tax.
Act of Aug. 13, 1935...	33	30.00	6.00do.....	No financial restrictions.
WORLD WAR					
Apr. 6, 1917, to Nov. 11, 1918. ³ H. R. 9000.	} 22	20.00	{ \$8.00 16.00 \$4.00	[Marriage before July 3, 1921, except if child born of marriage, date extended to May 13, 1938.	[Widow and parents must establish dependency under regulations of Veterans' Administration. Pension not payable if income of unmarried person exceeds \$1,000, or \$2,500 if married or with minor children.

¹ Higher rate payable if widow of veteran during service, or if 70 years old.

² Including Boxer Rebellion and Philippine Insurrection.

³ War dates are: Spanish-American War, Apr. 21, 1898, to Aug. 13, 1898; Philippine Insurrection, Aug. 13, 1898, to July 4, 1902; Boxer Rebellion, June 30, 1900, to May 13, 1901.

⁴ For first child.

⁵ Each additional child.

⁶ If there was service in Russia, the ending date is Apr. 2, 1920.

⁷ For second child.

NOTE.--If there is no widow, the rate for a child or children of Civil or Spanish-American War veterans is that prescribed for widow and child or children, whereas under H. R. 9000 special (lower) rates are prescribed for a child or children. In the absence of a widow.

Prepared in office of Solicitor, Veterans' Administration, Feb. 3, 1940.

General HINES. It gives the period between the end of the war and the various types of legislation. It covers the Civil War, the Spanish War, and World War up to the time that we prepared it.

Now, the legislation that I have just referred to on the Civil War was the act of July 3, 1926, 60 years after the war the widow was granted \$50, and the rate per child was \$6.

Senator WALSH. The widow who was married to the veteran during the time he served?

General HINES. Yes. It says "must have been the wife during the veteran's service."

There are no financial restrictions.

Senator WALSH. How about the Spanish War?

General HINES. The Spanish War has no provision like that, but the first Act on the Spanish War was the act of July 16, 1918, 16 years after the end of the war, when they granted a \$12 pension to the widow and \$2 to the child.

Senator WALSH. Regardless of whether she was the wife during the service time or not?

General HINES. It was a straight service pension, and it was finally amended, and the last act dealing with widows of the Spanish War was the act of August 13, 1935, 33 years after the war, when the rate was increased to \$30 and \$6 for the child, and the period between the end of the war and the delimiting marriage date was 20 years, income and dependency limitations, none. This was a reenactment of prior service pension laws.

Senator WALSH. General, how do the rates in the House bill compare with the rates paid now to widows of veterans who died as the result of disease or injuries incurred in the service?

General HINES. We have, of course, the service-connected death. The last enactment was Public, 198, Seventy-sixth Congress, when the widow who was under 50 with no child was granted \$38; a widow under 50 with one child was granted a rate from \$48 to \$53, depending upon the age of the child, and so on down. The widow alone 50 years of age or over receives \$45 under that act. Now the nonservice rate in this bill is for the widow with no child, \$20; the widow with one child, \$28. That is under S. 3834.

I have a table which I suggest, Mr. Chairman, be entered in the record, which gives those comparisons of rates.

Senator GEORGE. It may be entered in the record, General.

(The table referred to is as follows:)

Rates payable to widows and dependents of World War veterans under existing laws and regulations and rates proposed by H. R. 9000 (76th Cong.)

	Service-connected death		Non-service-connected death while veteran suffering from service-connected disability, Public 484 (73d Cong., as amended, sec. 2)	Non-service-connected death as proposed by H. R. 9000 (76th Cong.)
	Veterans Regulation No. 1—Series, pt. I	Public No. 198 (76th Cong., sec. 5)		
Widow under 50, no child.	\$30.....	\$38.....	\$30.....	\$20.
Widow under 50, 1 child.	\$40-\$45 ¹	\$48-\$53 ¹	\$38.....	\$28.
Widow under 50, 2 children.	\$48-\$58 ¹	\$56-\$66 ¹	\$42.....	\$34.
Widow 50 to 65, no child.	\$35.....	\$45.....	\$30.....	\$20.
Widow 50 to 65, 1 child.	\$45-\$50 ¹	\$55-\$61 ¹	\$38.....	\$28.
Widow 50 to 65, 2 children.	\$53-\$63 ¹	\$63-\$73 ¹	\$42.....	\$34.
Widow over 65, no child.	\$40.....	\$45.....	\$30.....	\$20.
Widow over 65, 1 child.	\$50-\$55 ¹	\$55-\$60 ¹	\$38.....	\$28.
Widow over 65, 2 children.	\$58-\$68 ¹	\$63-\$73 ¹	\$42.....	\$34.
Each additional child.	\$8-\$13 ¹	\$8-\$13 ¹	\$4.....	\$4.
No widow, 1 child.	\$20.....	\$20.....	\$15.....	\$12.
No widow, 2 children.	\$33 ²	\$33 ²	\$22 ²	\$18. ²
No widow, 3 children.	\$46 ²	\$46 ²	\$30 ²	\$24. ²
Each additional child.	\$8 ²	\$8 ²	\$3 ²	\$3. ²
Dependent mother or father.	\$20.....	\$45.....	No provision.....	\$20.
(Or both)	\$15 each.....	\$25 each.....	do.....	\$15 each.
Limitations on total amount payable.	Total amount shall not exceed \$75. Otherwise subject to apportionment.	As to widow and children total payment shall not exceed \$83. (Subject to apportionment.) Authorized amount shall be paid in event monthly payment of compensation under Veterans' Regulations 1—Series, pt. I and of yearly renewable term or automatic insurance does not exceed amount of compensation above authorized.	Total payment shall not exceed \$64. (Subject to apportionment.)	As to widow and children total payment shall not exceed \$56. (Subject to apportionment.)

¹ Dependent upon age of child. Higher rate payable if child over 10.
² Equally divided.

Senator WALSH. Does it appear that the rates are comparable with the rates following the Spanish-American War, General?

General HINES. Taking into account the value of the dollar at that time, this rate is comparable, I would say.

Now, Mr. Chairman, I feel that I should call attention to the item of cost. Frequently when I do it, I receive much criticism, but the committee is entitled to the information. With regard to the matter of cost, it is estimated that the bill would make eligible for compensation during the first year 30,500 widows alone, 66,700 widows with children, and 23,500 children alone. The estimated maximum first year cost of the foregoing dependents is approximately \$39,914,000 a year. However, based upon our experience in dealing with legislation of this kind, we submit, as the estimate of the first year's cost, due to the fact that widows for some reason are not as prompt in filing claims as veterans, we estimate the first year's cost to be \$19,957,000.

Senator GEORGE. That is the cost on the Senate bill?

General HINES. That is the cost on the Senate bill.

Senator GEORGE. Not on H. R. 9000?

General HINES. No. The cost on H. R. 9000 would be greater than that, due to the dependents.

Senator GEORGE. The dependent parents?

General HINES. The additional amount of the cost of the dependent parents is estimated. It is estimated that the parents of approximately 32,800 deceased veterans would be entitled to compensation at a cost of approximately \$8,472,000 the first year. However, it can be assumed, and we are willing to agree with Mr. Rankin, that that cost is a decreasing cost. But, likewise, if we are going to take that into consideration, I will say that the other is an increasing cost. We estimate the peak would be about 1968. The increased cost of the dependents, leaving the parents out of the picture, would be approximately \$3,000,000 increase a year, as best we can tell. We have attempted to avoid making long-range estimates, but taking the estimate as best we can make it over a 3-year period, it runs approximately an increase of \$3,000,000.

Senator WALSH. Have we reached the peak in the case of the widows of Spanish War veterans?

General HINES. No, sir. We have reached the peak of the dependents of all the other wars.

Senator WALSH. Have we reached the peak of the pensions to the Spanish War veterans themselves?

General HINES. I think we have. The curve is leveling off very much. I think we have reached the peak of the total numbers. The cost may increase slightly, but not very much, because of the rate of \$60 at 65 as they get older, but both groups, both the Civil War group and the Spanish War group, are going very rapidly, and those costs will certainly start downward.

Mr. Chairman, there is not any piece of legislation that I would like to be in a position to recommend more than that dealing with dependents of the men who served their country. I submitted this to the Budget with a fair report which you have granted permission to

be entered in the record, and they advise me that this bill would not be in accord with the President's financial program.

I will be very glad now, Mr. Chairman, to answer any questions on the bill, or on any matter dealing with the bill.

Senator GEORGE. You have covered the ground very well, General. Thank you for your appearance here this morning.

I will insert in the record at this point the report General Hines submitted on S. 3834.

VETERANS' ADMINISTRATION,
Washington, May 16, 1940.

Hon. PAT HARRISON,
Chairman, Committee on Finance,
United States Senate, Washington, D. C.

MY DEAR SENATOR HARRISON: Further reference is made to your request of April 25, 1940, for a report on S. 3834, Seventy-sixth Congress, a bill to provide more adequate compensation for certain dependents of World War veterans, and for other purposes.

This bill, if enacted into law, would add a new paragraph to part III of Veterans Regulation No. 1 (a), as amended, to read as follows:

"IV. (a) Subject to the income limitation of part III, paragraph II hereof, as amended, the surviving dependent widow as hereinafter defined, child, or children of any deceased person who served in the active military or naval service during the World War, and whose service therein was as defined by part III, paragraph I hereof, as amended, shall be entitled to receive compensation at the monthly rates specified next below:

"Widow but no child, \$20; widow and one child, \$28; widow and two children, \$34 (with \$4 for each additional child); no widow but one child, \$12; no widow but two children, \$18 (equally divided); no widow but three children, \$24 (equally divided) (with \$3 for each additional child; total amount to be equally divided).

"(b) As to the widow, child, or children, the total compensation payable under this paragraph shall not exceed \$56. Where such benefits would otherwise exceed \$56, the amount of \$56 may be apportioned as the Administrator of Veterans' Affairs may prescribe."

The bill is similar in purpose to the following-described bills of the Seventy-sixth Congress, upon which reports were rendered the Committee on World War Veterans' Legislation, House of Representatives, under the dates specified:

	<i>Date of report</i>
H. R. 287	July 10, 1930
H. R. 1986	July 1, 1939
H. R. 3044	Sept. 18, 1939
H. R. 3238	Oct. 20, 1939
H. R. 4583	Aug. 26, 1939
H. R. 7593	Feb. 13, 1940
H. R. 7950	Apr. 10, 1940

With one exception, the bill is identical with H. R. 9000, Seventy-sixth Congress, which was reported on favorably by the Committee on World War Veterans' Legislation, House of Representatives, March 25, 1940. (Copy of Report No. 1829 enclosed.) The only difference between S. 3834 and H. R. 9000 is that the latter bill provides compensation for dependent parents, whereas S. 3834 contains no such provision.

Part III of Veterans Regulation No. 1 (a), as amended, which the bill proposes to amend, grants pension on account of disabilities or death not the result of service, under the conditions hereafter outlined. Disability pension is payable to any honorably discharged veteran of the Spanish-American War, Boxer Rebellion, Philippine Insurrection, or the World War who is permanently and totally disabled not as a result of misconduct and not the result of military or naval service, if such veteran served at least 90 days or was discharged for disability incurred in line of duty and was in the active service before the cessation of hostilities. Death pension is payable to the widow or children of any deceased veteran of the Spanish-American War, Boxer Rebellion, or Philippine Insurrection at the rates prescribed

on the enclosed chart, provided the service of such disabled-veteran was as above described. Payment of pension is not to be made to any unmarried person whose annual income exceeds \$1,000, or to any person with minor children whose annual income exceeds \$2,500. Part III of Veterans Regulation No. 1 (a), as amended, makes no provision for the payment of pension to the widow or children of a World War veteran. The bill would provide such a pension.

The following criteria would govern eligibility for pension in addition to the service requirements heretofore set forth:

(1) The period of the World War would be deemed to have ended November 11, 1918, unless the veteran served in Russia, in which case the date would be extended by virtue of section 1 of Public, No. 344, Seventy-fourth Congress, August 20, 1935 (38 U. S. C. 704a), to April 1, 1920. Section 5 of Public, No. 304, Seventy-fifth Congress, which provides that "except as to emergency officers' retirement pay, reenlistment in the military or naval service on or after November 12, 1918, and before July 2, 1921, where there was prior service between April 6, 1917, and November 11, 1918, shall be considered as World War service under the laws providing benefits for World War veterans and their dependents," would also be applicable.

(2) The above-described income limitation would be applicable only in the case of children, in view of the provision of the bill which limits payment of compensation to dependent widows. The condition of dependency would be determined under regulations prescribed by the Veterans' Administration.

(3) The term "widow", as defined by section 2 of the bill, would mean a woman who was married prior to July 3, 1921, to the person who served; or who was married prior to May 13, 1938, to the person who served, provided a child was born of such marriage; and the following provisions of section 3 of the act of May 13, 1938 (Public, No. 514, 75th Cong.) would govern the determination of eligibility of a widow for benefits under the proposed act:

"That all marriages shall be proven as valid marriages according to the law of the place where the parties resided at the time of marriage or the law of the place where the parties resided when the right to compensation accrued. Compensation shall not be allowed a widow who has remarried either once or more than once, and where compensation is properly discontinued by reason of remarriage it shall not thereafter be recommenced. No compensation shall be paid to a widow unless there was continuous cohabitation with the person who served from the date of marriage to date of death, except where there was a separation which was due to the misconduct of or procured by the person who served, without the fault of the widow."

(4) The term "child" would be that as described in paragraph VI, Veterans Regulation No. 10, as amended, which provides that:

"The term 'child' shall mean a legitimate child or a child legally adopted, unmarried and under the age of eighteen years, unless prior to reaching the age of eighteen, the child becomes or has become permanently incapable of self-support by reason of mental or physical defect, except that the payment of pension shall be further continued after the age of eighteen years and until completion of education or training (but not after such child reaches the age of twenty-one years), to any child who is or may hereafter be pursuing a course of instruction at a school, college, academy, seminary, technical institute, or university, particularly designated by him and approved by the Administrator, which shall have agreed to report to the Administrator the termination of attendance of such child, and if any such institution of learning fails to make such report promptly the approval shall be withdrawn."

(5) The administrative and penal provisions of title I, Public, No. 2, Seventy-third Congress, and the Veterans' Regulations would be applicable.

While Congress has not heretofore seen fit to enact a service pension law on behalf of widows and children of World War veterans, Public, No. 484, Seventy-third Congress, June 28, 1938, as amended by Public, No. 108, Seventy-sixth Congress, July 19, 1939, provides benefits on account of non-service-connected death as follows:

"(a) To the surviving widow, child, or children of any deceased person who served in the World War before November 12, 1918 (or before April 2, 1920, if the person was serving with the United States military forces in Russia), who,

while receiving or entitled to receive compensation, pension, or retirement pay for 10 per centum disability or more presumptively or directly incurred in or aggravated by service in the World War, died from a disease or disability not service connected;

"(b) To the surviving widow, child, or children of any deceased World War veteran who served within either of the above-described periods and who was honorably discharged after having served ninety days or more (or who, having served less than ninety days was discharged for disability incurred in the service in line of duty), and who died from a disease or disability not service connected and at the time of death had a disability directly or presumptively incurred in or aggravated by service in the World War for which compensation would have been payable if 10 per centum or more in degree."

The foregoing benefits are not payable to a widow without child, or to a child if such person's annual income exceeds \$1,000, or to a widow with a child if she has an income which exceeds \$2,500.

There is enclosed as part of this report a comparative chart showing widows' and children's rates of pension payable under the Spanish-American War Service Pension Act of May 1, 1926, under Public, No. 484, Seventy-third Congress, as amended, under Veterans Regulation No. 1 (a), as amended, part II and part III, and those proposed by S. 3834.

While the proposed rates are lower than those prescribed by section 2 of the Spanish-American War Service Pension Act of May 1, 1926 (38 U. S. C. 364a), as reenacted by Public, No. 260, Seventy-fourth Congress, August 13, 1935 (38 U. S. C. 368), the standards of entitlement are different.

For example, the act of May 1, 1926, requires that 90 days military or naval service must have been rendered wholly within the period of the Spanish-American War, Boxer Rebellion, or Philippine Insurrection; whereas under the bill the 90-day period may have begun prior to the World War or have extended after the war, provided a part of such service was rendered during the World War period. The act of May 1, 1926, does not require continuous cohabitation on the part of the widow of a veteran of the Spanish-American War (although it is required of widows of veterans of the Boxer Rebellion and Philippine Insurrection); whereas the bill, by incorporating an applicable provision of section 3 of the act of May 13, 1938, supra, makes continuous cohabitation a prerequisite to a widow's entitlement. Under the act of May 1, 1926, only a legitimate child is included within the definition of that term; whereas the bill would include an adopted child. Under the act of May 1, 1926, pension on behalf of a child is discontinued when the child reaches the age of 16 years; whereas the bill would permit an unmarried child to receive benefits until its eighteenth birthday and thereafter until 21 years of age if attending an approved course of training.

In every instance the rates prescribed by the bill exceed those provided by part III of Veterans Regulation No. 1 (a), as amended, based upon non-service-connected death and limited to widows and children of Spanish-American War veterans. The proposed rates approximate those prescribed for a widow under 50 years of age by part II, Veterans Regulation No. 1 (a), as amended, based upon service-connected death in other than a period of war service. Enactment of such rates would, therefore, disturb the balance now existing between rates based upon service-connected death resulting from a period of service other than wartime, and those based upon wartime non-service-connected death.

In view of the unprecedentedly large numbers involved and the increasing yearly cost, it is believed that any legislation proposing a service pension on behalf of widows and children of World War veterans should be considered in the light of the historical background and circumstances surrounding the original legislation with respect to World War veterans and their dependents, and also in the light of recently enacted laws granting benefits to dependents of deceased World War veterans where the death was not due to service but the veteran at time of death was suffering from a service-connected disability.

The original World War veterans legislation was predicated on a desire to overcome the disadvantages of the pension system as it existed in the United States prior to the World War and to evolve an entirely new plan including liberal provision of compensation based upon workmen's compensation standards rather than the idea of a Government pension, provision for vocational rehabilitation,

and other benefits in keeping with the modern attitude of the Government's responsibility toward those who incurred disability or the dependents of those who died as a result of military or naval service. The new plan was designed to replace the old policy whereby pensions were granted not only on account of disability or death incurred as a result of military service but also on account of death or disability in no way connected with that service. It was designed by the Government, after expert thought and study, for the purpose of obviating what were deemed to be defects in the old pension system.

Since the enactment of original legislation with respect to World War veterans, numerous liberalizations have occurred, including the World War Adjusted Compensation Act, whereby monetary relief was afforded to thousands of widows and children of World War veterans, and legislation permitting the indulgence of legal presumption of service connection of certain disabilities whereby compensation was awarded to thousands of World War veterans and their dependents who could not otherwise prove service connection. These and other enactments granting enlarged benefits to the World War group have served as the ground for not reviving the principles and policies followed by the Government in extending relief to veterans of wars prior to the World War and the dependents of such veterans.

The act of June 28, 1934 (Public, No. 484, 73d Cong.), provided compensation for dependents of deceased World War veterans if the veteran at the time of death from a non-service-connected cause, not due to misconduct, was suffering from a service-connected disability of at least 30-percent degree. The underlying theory of this law was that it could not reasonably be said that a 30-percent service-connected disability was not a contributory cause of death. In other words, the law provided a presumption that the service-connected disability, if 30 percent or more, was a contributory cause of death regardless of what the evidence showed in the individual case. Section 1, Public, No. 844, Seventy-fourth Congress, June 29, 1936, eliminated the misconduct bar and included presumptively service-connected cases. The act was further liberalized by Public, No. 304, Seventy-fifth Congress, August 16, 1937, by reducing to 20 percent the 30 percent disability requirement, and by Public, No. 514, Seventy-fifth Congress, May 13, 1938, the percentage requirement was still further reduced to 10 percent. A still further liberalization was provided by Public, No. 198, Seventy-sixth Congress, July 19, 1939, as heretofore set forth.

It is believed that the committee will wish to bear in mind that the Government's first obligation properly extends to those disabled in active duty in the military or naval service and to the dependents of such persons who die as the result of such disability. In at least one instance in the past, relief extended to non-service-connected groups, as the result of economic depression, resulted in decreased relief to service-connected groups, as witness the effect of Public, No. 2, Seventy-third Congress, March 20, 1933.

With regard to the matter of cost, it is estimated that the bill would make eligible for compensation during the first year, 30,500 widows alone, 66,700 widows with children, and 23,500 children alone. The estimated maximum first-year cost for the foregoing dependents is approximately \$39,914,000. However, if it can be assumed that only one-half of these cases would file claim and be paid the first year, the actual cost for the first year would approximate \$19,957,000, bringing on the rolls the dependents of approximately 60,300 deceased World War veterans. There would be an additional cost to include widows who were married between July 3, 1921, and May 13, 1938, where a child was born of the marriage but the child is now over 18 years of age and not in school. However, no estimate of cost can be made for this group as there are no figures available on which to base an estimate. No deduction has been made for the dependency provision for widows, as recited in the bill, as there has been no experience on which to base such an estimate. However, it can be stated that there would be a greater number of cases disallowed because of the dependency requirement than would be disallowed under the income limitation heretofore cited.

For the reasons heretofore set forth, the Veterans' Administration is unable to recommend S. 3834 to the favorable consideration of your committee.

Advice has been received from the Bureau of the Budget that the enactment of the proposed legislation would not be in accord with the program of the President.

Very truly yours,

FRANK T. HINES, *Administrator.*

Comparison of widows' and children's rates payable under the act of May 1, 1920, under Public, No. 484 (73d Cong.), as amended, under Veterans Regulation No. 1-Series, Parts II and III, and those proposed by S. 3834 (76th Cong.)

	S. 3834 ¹	Act of May 1, 1920 ¹	Public, No. 484 ¹	Veterans Regulation No. 1-Series			
				Part II ⁴			Part III ⁵
				Under 50	50-65	Over 65	
Widow, regular	\$20	\$30	\$30	\$22	\$26	\$30	\$15
Widow, child	28	36	38	\$ 20-33	\$ 33-37	\$ 37-41	20
Widow, 2 children	34	42	42	35-42	39-46	43-50	23
Parent, child	4	6	4	\$ 6- 9	\$ 6- 9	\$ 6- 9	3
Parent, 2 children	12	20	15	15	15	15	12
Parent, 3 children	18	24	22	24	24	24	18
Parent, 4 children	24	28	30	34	34	34	20
Parent, 5 children	30	36	38	42	42	42	27
Parent, 6 children	36	42	42	50	50	50	34
Parent, 7 children	42	48	48	60	60	60	42
Parent, 8 children	48	54	54	70	70	70	50
Parent, 9 children	54	60	60	80	80	80	58
Parent, 10 children	60	66	66	90	90	90	66
Total payable	50	(*)	64	56	56	56	27

¹ Non-service-connected death, World War veteran—no requirement that veteran be suffering from any disability.

² Non-service-connected death, World War veteran while suffering from service-connected disability.

³ Service-connected death, regular establishment.

⁴ Non-service-connected death, War with Spain, Boxer Rebellion, and Philippine Insurrection.

⁵ Dependent upon age of child. Lower rate payable if child under 10.

⁶ Total amount equally divided.

⁷ No limit.

NOTE—Where award would otherwise exceed the stated amount, that amount may be apportioned as Administrator may prescribe.

Senator GEORGE. Dr. Altmeier, will you please come around?

STATEMENT OF HON. ARTHUR J. ALTMAYER, CHAIRMAN, SOCIAL SECURITY BOARD

Senator GEORGE. Doctor, the committee would like to hear from you on a question that was raised in the House hearings, I believe. I do not know whether you appeared before the House committee or not.

Mr. ALTMAYER. No; I did not.

Senator GEORGE. With reference to any duplication of payments under this bill, H. R. 9000, or the similar Senate bill, and the payments made under the Social Security Act, or, rather, payments made now, if any. You may proceed, if you will be good enough to give us your opinion.

Mr. ALTMAYER. This committee will recall that at the last session of Congress the Federal Contributory Old Age Insurance System was amended to become an Old Age and Survivors Insurance System, and the benefits thereunder were extended to include not only the workers upon retirement from gainful occupation after age 65, but also the widows and orphans, and in some cases aged dependent parents of insured workers, regardless of the age at which the worker died.

The benefits are related to the average wage of the worker. However, there is no exact actuarial relationship between his contributions and the benefits since under a social insurance system greater proportionate protection must be furnished the low-paid and older workers than the high-paid and younger workers.

As I understand it, the committee would like to know about the amount of overlapping, that is, the number of cases and the amount

involved where the dependents of a veteran would qualify under the provisions of H. R. 9000 or the companion Senate bill, and would also qualify under the revised Federal Old Age and Survivors Insurance System.

Senator GEORGE. That is correct, Doctor.

Mr. ALTMAYER. Or, putting it more concretely, what would be the saving to the Federal Government if, in those instances, the person or persons who could qualify under both H. R. 9000 (or the companion Senate bill) and under title II of the Social Security Act, would be required to elect to receive the higher of the two benefits, but not receive both.

We have made some estimates of the amount of overlapping as I have just defined it. It should be borne in mind that for the first year the amount of overlapping would be rather small, due to the fact that these survivors' benefits are payable only when the death occurred after December 31, 1939; in other words, on and after January 1, 1940, so that all of the dependent parents and widows and orphans of veterans who died prior to that date would receive no monthly benefits under the amended Old Age and Survivors Insurance System.

If we assume that the person entitled to benefits under this proposed legislation would be required to choose the benefit under this legislation or under the Federal Old Age and Survivors Insurance System, whichever is greater, the aggregate saving to the Federal Government we estimate would be, in the year 1940, \$1,400,000; 1941, \$4,300,000; in 1942, \$6,900,000; in 1943, \$9,200,000; in 1944, \$11,000,000, and so on, until by 1950 we estimate the saving to be about \$20,000,000 per year; by 1960, \$35,000,000 per year, and by 1970, \$40,000,000 per year, or a total estimated saving during the course of the next 30 years of approximately \$750,000,000.

I should point out that for the most part, with the exception of the proposed pension to dependent parents under H. R. 9000, the benefits under the Federal old-age and survivors-insurance system would be equal to or in excess of the benefits proposed under H. R. 9000 in the vast majority of cases. However, no monthly benefits are paid under the insurance system to a widow unless she has a child under the age of 18 in her care and custody or unless she is 65 years of age. It should also be borne in mind that probably half of the veterans dying would not be insured under the old age and survivors insurance system. Of course, as the coverage of the old age and survivors insurance system is extended to include occupations now excluded, that percentage would change.

Senator GEORGE: Thank you very much, Doctor.

There is a witness here who advises me that he desires to return to his home today, and the committee will hear Mr. Kinsolving now, before hearing others who wish to appear.

STATEMENT OF CHARLES M. KINSOLVING, CHAIRMAN, LEGISLATIVE COMMITTEE, WILLARD STRAIGHT POST, THE AMERICAN LEGION, NEW YORK AND BROOKLYN, N. Y.

Senator GEORGE. Mr. Kinsolving, whom do you represent?

Mr. KINSOLVING. I represent the Willard Straight Post, the American Legion, No. 842, New York and Brooklyn.

Senator GEORGE. Do you desire to be heard on H. R. 9000 and the companion bills?

Mr. KINGSOLVING. I do, sir.

Senator GEORGE. Very well, you may proceed.

Mr. KINGSOLVING. Mr. Chairman and Members of the United States Senate:

We deeply appreciate the courtesy accorded us of being allowed to make this presentation of our position with regard to H. R. 9000 and S. 3834, which seek to offer a gratuitous pension to the widows of ex-service men who served 90 days or more in the armed forces of the United States during the World War, 1914-18. We desire to preface our presentation with the assurance that our post is interested primarily in the principle underlying this bill—that of compensating ex-service men or their dependents gratuitously, irrespective of disability sustained or service rendered. The financial equations involved and the cost to the Treasury are of secondary importance.

We realize that we represent a minority of the rank and file of the Legion membership. We are satisfied, however, that we are presenting herewith the point of view of thousands of veterans who do not enjoy membership in the Legion, and we are positive that the criticism that we are about to make of this bill will be made in the best interests of the majority of our fellow citizens. In short, we feel that it is in the public interest that the full significance of this bill be brought to public notice through the representations you have so graciously permitted us to make before this committee.

It would seem that the public generally has been deluded into the belief that it is the obligation of the Nation to accede to any and all demands made upon Congress by veterans' organizations. We concede that, if it is the will of the American people, after public opinion is enlightened on this subject, that we should be the constant beneficiaries of drains on the public purse, we should abide democratically by the decision of the majority to continue to grant us these preferences. Our post feels, however, that the public has not been sufficiently apprised of the full significance of this bill and its attendant departure from sound principle.

We hear much criticism of the legislative department of the American Legion for its sponsorship of legislative measures affecting veterans which seek to broaden the benefits dispensed to ex-service men and their dependents. We hold that much of the legislation emanating from our legislative headquarters here in Washington is excellent. It should be borne in mind, however, that these offices representing special groups always ask for more than they can get, in the hope that they will have accomplished something for the interests they represent, even if a small part of their legislative program goes through. We feel that the real responsibility for the misunderstandings created by this type of legislation should be laid at the door of Congress itself. The whole welter of veterans' legislation reminds one of the pyramiding of some of our gigantic public utility holding companies. One small group seeks some special benefit, while, in the background, some larger group is lobbying for something even greater. The resultant log rolling and dove-tailing has had a tendency to liberalize our laws to the extent that ultimately we may look forward to a legislative structure which will crash of its own weight and seriously impair the security of the truly deserving.

If money is available for the extension of further benefits to ex-service men, it is our opinion that such moneys should be devoted to those who suffered as a result of service and the dependents of those who died as the result of such service. If the Government is not providing adequate relief for such veterans and their dependents, let these benefits be increased. Our post has no war with the idea of increasing benefits to the truly deserving. It is the thought of our group, however, that the Government of the United States and the States of the Union have shown a proper and generous regard for the sacrifice and patriotism of all of the four-and-three-fourths-million-odd men who were under arms during the World War, no matter where they served.

It has been generally conceded that the members of the American Legion are better off financially today than are most of their fellow-citizens. As members of the Legion, we hold firmly to the principle that able-bodied citizens who served in the World War and came out of that war unscathed should be accorded no different treatment than that accorded to their fellow-citizens who did not wear a uniform in time of war.

As President Roosevelt pointed out in 1935 in his veto of the bill calling for prepayment of the adjusted-service certificates, commonly known as the bonus, the World War veteran who is "war-disabled" owes his condition to the war. The healthy veteran who is unemployed or in want owes his condition either to economic circumstances or to his own limitations, and not to the World War. The "war-disabled" veteran should be preferred above all other citizens and the well-being of himself and his dependents is a sacred obligation to all the people.

It is our opinion that there is always a danger that special dispensations of this kind to healthy veterans and their dependents have a tendency to detract from the deserved attention of the people and the Congress which should be directed to the "war-disabled" veterans. Furthermore, the initiation of this type of legislation brings about misunderstanding in veterans' ranks and, in many cases, is both brutal and cruel in that it persuades unenlightened ex-service men that these benefits are their just due. Disillusionment and bitterness result when measures of this type are vetoed or fail to command the necessary number of votes for enactment into law.

We hold that it is proper that perpetual treatment go to those who were wounded, hurt, or became ill as a result of war service. The Congress knows those to be in a great minority of the 4,750,000 under arms during the World War. The total casualties at the end of the World War were 255,970 out of the 4,750,000-odd that served; 35,560 were killed in action, an additional 14,720 died of wounds, 205,690 were wounded. I take my statistics from page 35 of Official Summary of America's Part in the War, volume VII, Source Records of the Great War, edited by Charles F. Horne and Walter F. Austin. Many others sustained injuries or disabilities which, under the Veterans' Administration regulations, can be directly attributed to their service. All of these should be and are being adequately provided for. If not, then all veteran appropriations should be, in our opinion, expended on this element and on this element alone.

Permit me, therefore, gentlemen, to enumerate briefly our criticisms of S. 3834.

This bill will put the widow of a man who served 90 days in training and who, in most cases, came out of the service in better condition than when he went in, in the same preferred position as the widow of a man who died in France with a German bullet through his body.

It would establish the doctrine that the widows and children of ex-service men who served 90 days in a training camp are in a preferred class over and above other husbands, fathers and sons who, notwithstanding the fact that they did not happen to be of fighting age during the last war, are equally as patriotic as those so privileged.

The term "widow" carries with it an emotional connotation of sacrifice and pathos which is deceiving to the public and it is the opinion of our post that once this bill is passed, legislation will be initiated for general pensions to all ex-service men, based upon the precedents of the past, which will disregard every effort heretofore undertaken by Congress to offset the demand for this type of legislation through war risk insurance, adjusted compensation, hospitalization, vocational training, and all other benefits which have been voted those who bore arms in the last war.

No effort is being made in this presentation to discredit the service rendered by patriotic veterans whose privilege it was to render their service on this side of the Atlantic. A truly patriotic veteran so privileged does not ask for these "hand-outs." The American Legion itself does not discriminate between overseas and nonoverseas veterans in its qualifications for membership.

This bill would entirely abolish the principle of service-connected disability as a basis for Federal compensation and attempts to eliminate the difference between the "war-disabled" veteran and the disabled "war veteran." It should be noted that we consider it superfluous to bring up the issue of patriotism itself. We believe that it is the belief of most of the members of the American Legion that service to the Nation in time of war is the duty of every able-bodied citizen. Specious intelligences seek to point out the deprivation and hardships undergone by men drafted from their homes and held in the camps in the United States during the last war.

In this connection, it may be pertinent to ask, "Is it the thought of the Congress that public service lasting from 3 months to 1 year on the part of an American citizen in a time of national emergency is too much to ask of such a citizen out of a lifetime of from 40 to 60 years, if he is adequately paid and cared for?"

Finally, we feel that the bill in principle contradicts the spirit of the preamble to the constitution of the American Legion where we pledge ourselves "to combat the autocracy of both classes and the masses," in that it places us who sustained no handicap as a result of our war service in a preferred position over and above fellow citizens not so privileged to serve. We therefore recommend, gentlemen, that before this bill be given to the consideration of the Senate there be inserted in line 17 of page 2 of the bill as originally presented to the Senate, after the word "served", "and whose death can be directly attributed to injury or disability incurred in line of duty during such service."

Senator GEORGE. We thank you, Mr. Kinsolving.

Mr. Kirby.

Do you wish to address yourself now to the three bills that have been discussed?

STATEMENT OF THOMAS KIRBY, NATIONAL LEGISLATIVE CHAIRMAN, DISABLED AMERICAN VETERANS OF THE WORLD WAR

Mr. Kirby. Yes; Mr. Chairman, I would like to give our comments on the three bills that have been discussed so far.

The first bill introduced by the chairman of this committee, at the request of the D. A. V., S. 3835, proposes that there be a control placed over the amounts of money now going overseas from the Veterans' Administration, which we have reason to know or believe is not reaching those for whom it is intended.

I believe, upon reconsideration of the statistics, you will find that 9,000 of these checks a month are going overseas. It is true that some of these are going to the American insular possessions, and under this bill there would be no stoppage there; however, it has been proven satisfactorily that much of this money going to the dictator nations is not reaching the persons for whom it is intended, but it is being diverted to the governments and, in effect, is being used to build armaments in which this country is in competition.

This bill, in brief, would place authority in the hands of the Administrator for regulations to compel these people to prove to his satisfaction that they were receiving this money, and if they cannot prove it satisfactorily, there would be up to \$1,000 impounded and when they did offer the proof the money would be paid them.

This whole subject has been discussed fully in recent magazine articles. With international affairs in such condition as they are, knowing this money is not reaching the persons for whom it is intended, and even when it does reach them they have no freedom of use, we think it is simply a dissipation of American money, and should be stopped; and we think if the situation is known generally in the country, you would find support of S. 3835, which, as Mr. Rankin says, the Veterans' Committee of the House is planning to favorably report.

The second bill is H. R. 8930, which has been passed by the House, and is described as the so-called green-light bill, having administration approval. The committee has had this bill fully described. We favor what is in this bill, but we do not believe that the bill has gone far enough. We have proposed, among other matters, to the House committee that whenever a service-connected case is hospitalized, that he be granted the full rate. In other words, a man may have a disability for which he is paid, say, \$20 a month, he is then sent to a hospital and he is paid on the basis of \$20 a month, when, as a matter of fact, he is 100 percent economically disabled while away from his usual pursuits taking treatments for a disability from which he would not be suffering were it not for the war. So, regardless of what he may receive out of the hospital we feel in service-connected cases he should receive the full amount during hospitalization.

The precipitous enactment of the Economy Act in 1933 threw off the compensation rolls thousands of men who had been placed there under the so-called presumption. It is medically sound, and it has been so testified before congressional committees, that in the chronic diseases it is impossible for anyone to give the time and place and incident that brought about a mental condition or a tubercular condition, or any of the other chronic disabilities. This section was

eliminated through the Economy Act and the reaction was so severe that provision was made for committees throughout the country to review each of these cases and if, in the judgment of the board, they should go back to the rolls, they were placed back. However, the difficulty is that instead of going back at 100 percent, many of the so-called presumptives are back at 75 percent, so we now have the position where we have two groups of service-connected compensable men: One, the historically connected getting 100 percent; the other presumptively, who were paid 25 percent less.

We believe a man is either service-connected or not service-connected, and if he is service-connected he should be paid on the same basis.

This is a matter of constant disturbance among those men. They received, prior to 1933, the assurance of the Government that they did not have to prove certain things; it would be presumed that it was true. Since then, the doctors have died, their companions have died, it is impossible to build up a continuity of evidence that would justify the proof now required, and we think the solution is to put them all on the same basis. This would affect several thousand men who honestly believe that if they have service-incurred disabilities they are entitled to the same basis of compensation.

Another cruel effect of the Economy Act was the removal of the presumption of soundness at the time of enlistment. By that I mean originally the act stated that if a man was accepted for service and there was no disability noted in his examination, it was presumed that no disability existed. That was eliminated and the Veterans' Administration was allowed the right of rebuttal, so we now have men coming up more than 20 years after the war denied rights because the Veterans' Administration claims the disability from which they are suffering was brought by them to the service. So that we think there should be a reenactment of the presumption of soundness that existed in the law prior to the Economy Act. There will not be so many cases but they are most deserving cases.

And General Hines said, the Veterans' Administration recently broadly liberalized the provisions for permanent and total rating, but it so happens that in doing that this regulation mostly assists the non-service-connected cases and is based on the 1933 rating schedule. Prior to the Economy Act we had the rating table of 1925, and most of the service-connected cases obviously were rated under that, because their service connection was established prior to 1933, but this regulation which has been promulgated provides that this lessening of requirements for permanent and total applies only to the latter schedule, meaning that it has far less effect on the service-connected cases and the effect is almost entirely upon the non-service-connected group.

Now as the result of the Economy Act, the 1925 schedule as it had existed is "frozen," and while the Veterans' Administration had authority to issue this regulation which is doing a great deal of good to the non-service-connected, it will require legislation if the same principles of justice be applied to the service-connected who, we think, have right to expect at least the same liberality of policy.

So we have had prepared here a proposed amendment to include the 1925 schedule. With the permission of the chairman, rather than reading it, I will incorporate it in the record.

Senator GEORGE. You may put it in the record.
(The amendment referred to is as follows:)

Total disability ratings under Public, No. 2, Seventy-third Congress, and the 1925 and 1933 rating schedules may be assigned without regard to the specific provisions of the rating schedules except as outlined herein, when the disabled person is, in the judgment of the rating agency, unable to secure or follow a substantially gainful occupation as a result of his disabilities: *Provided*, That if there is only one disability this disability shall be retable at 60 percent or more, and that, if there are two or more disabilities, there shall be at least one disability rateable at 40 percent or more, and sufficient additional disability to bring the combined ratings to 70 percent or more. Total disability ratings, when the above conditions are met, may be granted for deafness, the organic loss of speech, for the amputation or loss of use of either hand or of either lower extremity above the knee (as to these amputations and losses of use, when followed by continuous unemployability after incurrence), as single disabilities or for other organic disabilities or combinations including organic disabilities. For the purpose of Veterans' Regulation 1 (a), part III, only, the above specified 60, 40, and 70 percentage requirements may be reduced by 10 percent on the attainment of the age 60; and by an additional 10 percent on the attainment of age 65; and there shall be no percentage requirements for total disability ratings in the case of unemployable veterans who have attained the age of 70. The attainment of age 70 will not of itself warrant rating as permanently and totally disabled; in addition thereto disability sufficient to produce unemployability will be required. Nothing contained in this paragraph will prevent a total disability rating for such disabilities and combinations of disabilities, including loss of use of two extremities, or loss of sight of both eyes, or being helpless or bedridden, and other disabilities, as are assigned specific ratings of 100 percent for the severity in question, but if the disabled person is employable, compliance with the terms of the schedules for such ratings will be required. When total disability under this paragraph is under consideration the veteran will be required to submit a statement in affidavit form covering his employment, or unemployment, over a period of at least 1 year.

Mr. KIRBY. As I said, we are for H. R. 8930 with the amendments proposed.

As to H. R. 9000, the Disabled American Veterans is composed exclusively of men whose disabilities are of service origin. There has been discussed from time to time pension legislation, but each time no action has been taken by our organization, and the D. A. V. appears before you here today mute on the idea of H. R. 9000.

There is not included in these bills any provision relative to treatment of the widows of the service-connected group. As the committee realized when the pension legislation was first proposed here, and it did not make any great advance, we recommended that the man carrying a compensable disability at the time of death should have his widow cared for, regardless of the immediate cost. The first percentage requirements were for 30 percent at the time of death. That was dropped to 20 percent. It was later dropped to 10 percent, and it has finally dropped down to 1 percent.

So we have no quarrel with the provision on the widows of the service-connected group except on rates. The rates are now palpably inadequate and unfair. So we feel if there is any serious consideration given to the reporting of H. R. 9000, that this committee should give most serious thought to raising the rates on the widows of those men concededly suffering from service-connected disability. The rate is \$38 and we favor raising that rate to \$60. I certainly think if there is a non-service-connected pension to come out of Congress in this session, it should include more equitable treatment of the dependents of those who, at their deaths, had disabilities resulting from war service.

Our convention also favors the advancing age of the disabled man be a factor in evaluating compensation. While age alone has never

been officially concerned in the ratings for compensation we feel the time has now arrived when this committee might seriously consider age as an element in making these awards. It is realized that this is a somewhat radical departure from the policies that have been in effect over the years, and will require considerable study before it is approved by this committee. Nevertheless, the organization has voted that the present compensation ratings should be increased by 10 percent when a man reaches the age of 45, another 10 percent at the age of 55, and another 10 percent at the age of 60. As I have stated this is somewhat of an innovation, but it is a matter we feel Congress should most seriously consider, looking toward incorporating this principle in the whole scheme of compensation ratings.

Mr. Chairman, that is as brief a general statement as I can make. I will be glad to answer any questions that you want me to answer.

Senator GEORGE. Thank you very much.

Mr. KIRBY. We appreciate this opportunity to be heard on this legislation.

Senator GEORGE. The committee is very glad to have you appear.

Colonel Taylor, do you desire to be heard on behalf of the American Legion?

Colonel TAYLOR. Yes.

STATEMENT OF COL. JOHN THOMAS TAYLOR, NATIONAL LEGISLATIVE COMMITTEE, THE AMERICAN LEGION

Colonel TAYLOR. Mr. Chairman, I just want to make a brief reference to the appearance here of Mr. Kinsolving, the chairman of a legislative committee of a post of the American Legion. The Legion has been appearing before Congress for so many years that I am sure the chairman understands that all legislative action and activities are directed through the national legislative committee of the American Legion as the result of resolutions adopted by its national convention.

But I do want to call to the attention of the chairman the carefulness with which this statement of Mr. Kinsolving was prepared when he referred to the increase of the compensation paid to the so-called service-connected widow and then winds up with a recommendation to this committee that they insert, when this bill is favorably reported, in line 17 at page 2, after the word "served," the language "and whose death can be directly attributed to injury or disability incurred in line of duty during such service." Thereby Mr. Kinsolving recommends in the same prepared statement that the compensation both be increased and then decreased to the \$20 provided in the present legislation.

I want to first of all, in line with the other speakers, of course, go on record in favor of H. R. 8930, and also to endorse Mr. Rankin's suggestion that the disability allowance be raised to \$40 a month, as it was in the original legislation, for the permanently and totally non-service-connected men, and which was reduced by the Economy Act first to \$20 a month and then later raised to \$30 a month, where it stands today.

I take issue with General Hines in his suggestion that there be an amendment offered to the so-called Walter-Logan bill, in which the General suggests that the same language be written into that bill which now exists in existing law so far as the Veterans' Administration is concerned. We believe in judicial review, particularly of the administrative functions of the Veterans' Administration.

I will now, Mr. Chairman, confine my remarks to the bill introduced by you, Senate bill S. 3834, to provide \$20 per month to the widow of the non-service-connected man, with \$8 for the first child, \$6, for the second, and \$4 for children thereafter.

Mr. Chairman, today we are paying to non-service-connected veterans, as has been repeatedly stated, who are permanently and totally disabled, \$30 a month, and the moment that that man dies, his widow and orphaned children get nothing. In other words, we provide the \$30 a month to the permanently and totally disabled man to take care of his family, and the moment he dies it is taken away from his dependents. That is an injustice which should be corrected, and I am sure the Congress wants to correct it, because, as has been repeatedly stated and cannot be stated too often, the widows and the orphaned children of the veterans of all other wars are taken care of.

They started that legislation for the Civil War veterans in 1890 and then for the Spanish-American War veterans on May 16, 1918. You heard General Hines make that statement. Now on May 16, 1918, this country was at war. We were engaged in a war at the very time the legislation was passed by the Congress to take care of the widows and orphans, of all widows and orphans of the Spanish-American War veterans. So that by innuendo and by vigorous statements and stories in the press, reference to the situation, the condition which is confronting this country at this time and by just those references alone, we have the necessity for appropriating large sums of money for national defense. Why, everybody is for it.

Certainly the American Legion is 100 percent for the appropriation of all the funds necessary for national defense, but, Mr. Chairman, it should be remembered always that after any conflict in which this country is engaged, there is an aftermath. There are men wounded, disabled; there are men killed, leaving widows and children, and, Mr. Chairman, that is as much a part of the cost of the war as the money appropriated for arms and ammunition, and it is time that the country as a whole must recognize that fact. Always there is criticism heaped upon any legislation which seeks to take care of that aftermath of war. They can pour out billions of dollars for W. P. A. and P. W. A., they can pour out billions of dollars for relief and social security and for everything under the sun except to take care of the aftermath of a war, which is as much a part of the cost of war as the arms and ammunition provided to carry on that conflict.

I hope that now this Congress, when considering this legislation, will keep that very fact in mind. Maybe, as a matter of fact, Mr. Chairman, that will be a very definite deterrent against becoming involved in any other conflict.

Always the Veterans' Administration and the departments of the Government point to the cost. That is the one thing, and particularly now they raise that argument because of the number affected. Why, Mr. Chairman, the veterans of the World War had nothing to do with the number involved in that war. We had nothing to say about the 5,000,000 men that were called upon for service. That was the Government's objective itself, and now they raise that as an issue, the number involved and as the result thereof the cost involved, when the veteran himself had nothing to do with it.

Mr. Chairman, this is legislation which is being suggested to the Congress and to the country at a very late date, as Mr. Kirby pointed

out, for the widows and orphaned children of the service-connected men, men that the American Veterans' Association and Mr. Kinsolving, and even the Veterans' Administration, weep so copiously about. The widows and orphans of the service-connected disabled men, they have only finally been taken care of by this last session of Congress. Since 1931 we have been coming before your committee asking that all widows and orphaned children of all veterans of the World War be taken care of, and, as Mr. Kirby pointed out, year by year you have progressed so far as the service-connected disabled man's widow and orphans are concerned, last year finally wiping out the remaining objection of the 10 percent.

Now we come back to you after these 9 years, asking that you recognize exactly what has been done for the widows and the orphans of the veterans of all other wars, that that discrimination be wiped out and that now the same rights and the same benefits, while not in amount at least in principle, shall be granted to the widows and orphans of the World War veterans.

In closing, let me call this to your attention, Mr. Chairman, because I heard the statement made by someone about the necessity of the man being married at the time he was in the service so that his widow and orphaned children might be taken care of. Now what was the age of the man that was involved in the World War service? Did our Government want the married man with children? Not at all. It sought the young men that were not married at that time. But there is a very large group that our Government did take into the service who were men with wives and with children.

Over 80,000 veterans of the World War, Mr. Chairman, are over 60 years of age. I say that because I want to bring this to your attention. The Spanish-American War was in 1898. That is 42 years ago. The man who went in then at 18 years or 19 years of age is now 60 to 61 years of age. His widow and children are taken care of when he dies at 60, 61, 63, or 65 years of age. But there are 80,000 veterans of the World War who are over 60 years of age, who are dying and leaving widows and children, and they are not taken care of. Now, Mr. Chairman, why should this group who were engaged in the Spanish-American War of that particular age, why should their widows and children be taken care of and this man over here, who went into the service in the World War at such an advanced age, because if he is 60 today, 62 or 63, he must have been 40, and we have some veterans in the World War who are over 80 years of age; in fact, the records of the Veterans' Administration show there are 4 who are 94 years of age for some reason or other, and yet those in the same age group, their widows and children are denied and these others who went in the service of the Spanish-American War at such an early age, they are taken care of.

Mr. Chairman, I plead with you on behalf of the American Legion and on behalf of all of the veterans of the World War. There is no difference of opinion amongst them. Yes, they may come down here to this committee, men like Mr. Kinsolving, and other men who are well fixed in this life, or speak for people who are well fixed, but we are speaking for the ordinary rank and file of the men who went into the service.

I was particularly well pleased to hear Dr. Altmeyer point out to this committee the fact that social security would only affect less than one-half of the veterans, because many, many of the veterans are

engaged in that kind of occupation today that does not come under the social security, and in addition to that he pointed out to this committee that the man must have actually been contributing to the fund in order that his widow and his children might be taken care of. That does not cover our widows and orphans at all. We are pleading that this discrimination against the World War widow and orphan now be taken away, wiped from the books, and that our widows and orphans be given the same benefits, if not in amount at least in principle, as the widows and orphans of the veterans of all other wars.

We shall appreciate sincerely your favorable report on this legislation. If there are any questions, I shall be glad to answer them.

Senator GEORGE. Thank you very much.

Colonel TAYLOR. Thank you, Mr. Chairman.

Senator GEORGE. Mr. Rice, do you desire to be heard on either, any, or all of these matters?

Mr. RICE. I do; yes, sir.

STATEMENT OF MILLARD W. RICE, LEGISLATIVE REPRESENTATIVE, VETERANS OF FOREIGN WARS OF THE UNITED STATES

Mr. RICE. Mr. Chairman, our organization, the Veterans of Foreign Wars of the United States, being an organization composed of men who have served in combat service, in the several wars, campaigns, and expeditions in which the country has engaged, is very much interested in the bills before this committee.

May I first take up the provisions of H. R. 8930. Many of the provisions of that bill were proposed in a bill which our organization had sponsored before the House, H. R. 8355, to bring about greater uniformity, to bring about greater equity, to remove some of the inequalities in the law administratively and as to certain benefits which do not involve any great expense.

We are in favor of all such provisions which have been explained to you by General Hines, and I will not go over them again. We do believe, however, that there are several items which ought to be attached to that bill which we consider to be of very pressing importance at this time.

Perhaps the most needful group of World War veterans are those who are permanently and totally disabled by reason of disabilities not proven to be due to their service, who are unemployable, who have no source of income whatsoever except the \$30-per-month pension which they now are entitled to receive from the Veterans' Administration, except such supplementary assistance as they may be able to secure from friends or relatives, from various veterans' organizations or service organizations, from various local charitable organizations or from some municipality, county, or State relief agencies.

Certainly a man and wife and his children cannot maintain even a decent bare existence upon an income of only \$30 per month, and if he is forced to the necessity of doing so, he is going to have to deprive his children of necessary nourishment, of necessary clothes. It is really a crying shame that this Nation should expect World War veterans who are unemployable to live on a miserly pension of \$30 per month. There is no emergency in this Nation that can be of such importance as to justify the continuance of such a deplorable situation.

Although there may be a necessity for increasing national defense appropriations, and expenditures for this country—and, by the way,

the Veterans of Foreign Wars is in hearty accord with the objective recently voiced by the President of the United States—for an additional appropriation to take care of the national defense—nevertheless the fact that there might be additional hundreds of millions or billions of dollars needed for national defense purposes, should not in any way mitigate against the necessity for providing adequate pensions for veterans who are a total burden upon organized society.

This matter has been too long delayed. These men who are receiving only \$30 per month ought to receive at least \$60 per month, the same as is now being paid the veterans of the Spanish-American War who are adjudged permanently and totally disabled. There is no reason whatsoever why there should be any distinction in the amounts of pension payable to these two groups of men who are permanently and totally disabled.

The V. F. W. was very much gratified with the liberalized definition of permanent and total disability recently promulgated by the Administrator of Veterans' Affairs in his service letter of April 2, 1940. We believe that such a liberalized definition of permanent and total disability had long been justifiable. We believe that there are thousands of veterans who will thereby be enabled to prove themselves entitled to a rating of permanent and total disability. That liberalized definition will be of benefit to those who have been trying to prove themselves entitled to a rating of permanent and total disability on the basis of their unemployability, but it is absolutely of no benefit to those who are already rated as permanently and totally disabled, because it does not in any way increase the amount of pension to which they are entitled.

There are some 55,000, now, receiving this penurious pension of only \$30 per month. There will be some additional thousands who will be so rated during this year, and we believe that those who in the future will be so rated ought to be entitled to the same amount of pension as has long been payable to veterans of the Spanish-American War suffering with permanent and total disability.

Certainly some increase ought to be granted by this committee this year for this very needy group. Too frequently it is passed over that these men have wives. About 90 percent of them have wives, and a wife, after all, is due as much consideration as is a widow. Too frequently it is passed over that these permanently and totally disabled veterans have minor children, growing children. What will be the impression or the attitude of those children, what will be the impression or the attitude of the neighbors of those children who observe that a rich Government pays these men only \$30 per month when they are permanently and totally disabled? That is half as much as they pay the veterans of the Spanish-American War suffering with the same non-service-connected disabilities.

The fact that we are increasing our expenditures for national defense purposes should have nothing to do with it. That is being used as an excuse for denying the increase to this group. The fact that we are faced with an emergency ought to lend support to our request that legislation be enacted to provide these men with a greater amount of pension. It would be an investment in patriotism, as a matter of fact, to provide a greater amount of pension for these men.

What must the young men of this Nation think who observe that veterans of foreign wars are permitted to become mere forgotten heroes, and expected—even though permanently and totally disabled

and unemployable—to live on a miserable pension of \$30 per month? In many instances it would be better not to pay them anything whatsoever, because the amount of charity to which they would be entitled from local municipalities, counties, or States, would be more than \$30 per month. Because they are receiving something from the Federal Government it is very difficult and in some cases impossible to receive any supplemental assistance whatsoever.

These men, being unemployable because of their permanent total disability, are not eligible for W. P. A. If they were, they would be entitled to salaries ranging from \$30 per month to \$95 per month, depending upon where they were employed and in what occupation they were classified.

May I point out that the amount of wages paid by the W. P. A. ranges very widely, depending upon the local communities in which that employment is performed.

At this point I would like to have permission to insert in my testimony tables which will give the amount of W. P. A. wages for each of the various regions throughout the country, so it may be used for comparative purposes.

Senator GEORGE. You may put them in the record.

(The tables referred to are as follows:)

FEDERAL WORKS AGENCY, WORK PROJECTS ADMINISTRATION, GENERAL ORDER
No. 1

By virtue of and pursuant to the authority vested in me by the provisions of subsection (a) of section 15 of the Emergency Relief Appropriation Act of 1939, approved June 30, 1939 (Public Res. No. 24, 76th Cong.), I hereby establish the following schedule of monthly earnings:

The schedule of monthly earnings applicable to any county shall be based upon the 1930 population of the largest municipality within the county, in accordance with the following schedule: Except that the schedule of monthly earnings applicable to counties in which the 1930 population of the largest municipality was 100,000 or more shall be applicable to the entire area included within the following metropolitan districts as such districts are defined by the Fifteenth Census of the United States, 1930: Baltimore; Boston; Buffalo-Niagara; Chicago; Cincinnati; Cleveland; Detroit; Kansas City, Kansas-Kansas City, Missouri; Los Angeles; Milwaukee; Minneapolis-St. Paul; New York City-Northeastern New Jersey; Philadelphia; Pittsburgh; Providence, Rhode Island-Fall River-New Bedford, Massachusetts; St. Louis; San Francisco-Oakland; Scranton-Wilkes-Barre; Washington, D. C.

Schedule of monthly earnings

Area: Counties in which the 1930 population of the largest municipality was—	Wage class				
	Unskilled "B"	Unskilled "A"	Intermediate	Skilled	Professional and technical
Wage region I:					
100,000 and over.....	\$52.00	\$57.20	\$68.90	\$89.70	\$94.90
25,000 to 100,000.....	48.10	52.00	62.40	81.90	84.50
5,000 to 25,000.....	42.90	48.10	57.20	74.10	76.70
Under 5,000.....	39.00	42.90	52.00	67.60	68.90
Wage region II:					
100,000 and over.....	52.00	57.20	68.90	89.70	94.90
25,000 to 100,000.....	48.10	52.00	62.40	81.90	84.50
5,000 to 25,000.....	46.80	50.70	61.10	79.30	81.90
Under 5,000.....	44.20	49.40	59.80	76.70	78.00
Wage region III:					
100,000 and over.....	46.80	50.70	61.10	79.30	81.90
25,000 to 100,000.....	42.90	48.10	57.20	74.10	75.40
5,000 to 25,000.....	36.40	40.30	48.10	62.40	65.00
Under 5,000.....	31.20	35.10	42.90	54.00	55.00

Wage Region I includes.—Connecticut, Delaware, District of Columbia, Illinois, Indiana, Iowa, Maine, Maryland, Kansas, Massachusetts, Michigan, Minnesota, Missouri, Nebraska, New Hampshire, New Jersey, New York, North Dakota, Ohio, Pennsylvania, Rhode Island, South Dakota, Vermont, West Virginia, Wisconsin.

Wage Region II includes.—Arizona, California, Colorado, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, Wyoming.

Wage Region III includes.—Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia.

Certified trainees assigned to household workers training projects.—The monthly earnings applicable to this class of work shall be 50 percent of the schedule of monthly earnings applicable to the unskilled "B" wage class in the locality in which the household workers training project is being operated.

Territories and island possessions

	Unskilled "B"	Unskilled "A"	Inter- mediate	Skilled	Profes- sional and tech- nical
Alaska.....	\$52.00	\$57.20	\$68.90	\$89.70	\$94.90
Puerto Rico.....	19.50	22.10	27.30	35.10	36.40
Virgin Islands.....	10.50	22.10	27.30	35.10	36.40
Hawaii:					
All islands except Oahu.....	36.40	40.30	48.10	62.40	65.00
Island of Oahu.....	42.90	48.10	57.20	74.10	75.40

Except as otherwise provided by regulations of the Work Projects Administration, the earnings of all persons engaged upon projects financed in whole or in part from funds appropriated by the Emergency Relief Appropriation Act of 1939 to the Work Projects Administration or prior emergency relief appropriation acts shall be on a monthly basis in accordance with the Schedule of Monthly Earnings established by this general order.

The earnings of persons engaged upon such projects shall differ according to the various classes of work, namely, unskilled "B," unskilled "A," intermediate, skilled and professional and technical, as prescribed in the Schedule of Monthly Earnings.

The Schedule of Monthly Earnings prescribed herein shall become effective September 1, 1939. Payment for work performed prior to September 1, 1939, shall be paid in accordance with the Schedule of Monthly Earnings in effect prior to that date. Payment for work performed subsequent to August 31, 1939, shall be in accordance with the Schedule of Monthly Earnings set forth herein.

This General Order shall supersede and rescind Administrative Order No. 67 of the Works Progress Administration dated April 11, 1939, and shall rescind on the effective date of this General Order all adjustments to the Schedule of Monthly Earnings which have been authorized on the basis of contiguity, redefinition of regions, adjustments within the range of 10 percent, and specific adjustments for individual projects.

F. C. HARRINGTON,
Commissioner of Work Projects.

Approved August 15, 1939. Effective date, September 1, 1939.

Mr. RICE. I would also like to insert in the record a brief résumé of the old-age insurance benefits and survivorship benefits which are now payable by the Social Security Board, on the basis of certain minimum and maximum contributions in the form of taxes, to limited classes of beneficiaries who might have title thereto.

Examples of old-age insurance benefits for a single worker, and for a worker and his wife, or for a worker and 1 dependent child

Average monthly wages	Monthly benefit payments to -		Average monthly wages	Monthly benefit payments to -	
	Worker	Worker and wife		Worker	Worker and wife
3 years' coverage:			20 years' coverage:		
\$50	\$20.00	\$30.00	\$50	\$24.00	\$30.00
\$100	25.75	38.03	\$100	30.00	45.00
\$150	30.90	46.35	\$150	36.00	54.00
\$250	41.20	61.80	\$250	48.00	72.00
5 years' coverage:			30 years' coverage:		
\$50	21.00	31.50	\$50	26.00	30.00
\$100	26.25	39.38	\$100	32.50	48.75
\$150	31.50	47.25	\$150	39.00	58.50
\$250	42.00	63.00	\$250	52.00	78.00
10 years' coverage:			40 years' coverage:		
\$50	22.00	33.00	\$50	28.00	40.00
\$100	27.50	41.25	\$100	35.00	52.50
\$150	33.00	49.50	\$150	42.00	63.00
\$250	44.00	66.00	\$250	56.00	81.00

Examples of family benefits for widows, dependent children, or dependent parents

Average monthly wages of deceased worker	Monthly benefit payments to -			Average monthly wages of deceased worker	Monthly benefit payments to -		
	Widow	Widow and 1 child	1 child or 1 parent		Widow	Widow and 1 child	1 child or 1 parent
3 years' coverage:				20 years' coverage:			
\$50	\$15.45	\$25.75	\$10.30	\$50	\$18.00	\$30.00	\$12.00
\$100	19.31	32.10	12.88	\$100	22.50	37.50	15.00
\$150	23.18	38.63	15.15	\$150	27.00	45.00	18.00
\$250	30.00	51.50	20.00	\$250	35.00	60.00	24.00
5 years' coverage:				30 years' coverage:			
\$50	15.75	26.25	10.50	\$50	19.50	32.50	13.00
\$100	19.69	32.52	13.13	\$100	24.38	40.63	16.25
\$150	23.63	39.38	15.75	\$150	29.25	48.75	19.50
\$250	31.50	52.50	21.00	\$250	39.00	65.00	26.00
10 years' coverage:				40 years' coverage:			
\$50	16.50	27.50	11.00	\$50	21.00	35.00	14.00
\$100	20.63	34.38	13.75	\$100	26.25	43.75	17.50
\$150	24.75	41.25	16.75	\$150	31.50	52.50	21.00
\$250	33.00	55.00	22.00	\$250	42.00	70.00	28.00

Mr. RICE. I call your attention to the fact that pensions which are payable to veterans, or to the dependents of veterans, are payable in precisely the same amounts, no matter where they live. If a veteran of the World War be adjudged to be permanently and totally disabled, then under the present law he is entitled to receive a pension of \$30 per month in Mississippi or in New York, in the State of Minnesota or in the State of Georgia; it makes no difference.

We believe veteran pensions the most equitable means for distributing purchasing power—inasmuch as it appears there must be some means by which to distribute purchasing power through the Federal Government—: by the payment of pensions to veterans who are sorely in need thereof, and to their dependents. No more equitable method could be devised for distributing purchasing power evenly to those who are in need.

It is not going to add to the total burden of organized society to pay these men some pension more commensurate with their needs. They are now a burden upon local society some place, in part upon the

Federal Government, and in part upon local communities. We believe the entire burden should be assumed by the Federal Government, which has always previously assumed it as to unemployable veterans of previous wars. One of the primary reasons for it is because of the fact that veterans have shifted from community to community, from State to State, following their return from World War service.

Those who had the experience of World War service touched elbows with men from other States, and when they returned back home they decided to search for health or search for jobs, and that took them to other States, sometimes influenced by the contacts which they had made during World War service.

At this point, Mr. Chairman, I would like to insert in the record a table which would show the distribution of veterans throughout the various States.

Senator GEORGE. That is already in the House hearings?

Mr. RICE. Yes, it is.

Senator GEORGE. You may put it in. I would not like to get this record too large.

Mr. RICE. Thank you. It just seemed to me, Mr. Chairman, that this is a very pertinent set of statistics, because it demonstrates that veterans are distributed in various States ranging from about 1.6 percent of the population in some States to nearly 7 percent of the population in other States.

(The table referred to is as follows:)

Comparative study of World War veterans by State of residence

State of residence	Receiving compensation, pension, or retirement— June 30, 1938		Estimated living—June 30, 1938			Percent of estimated living received benefits	Individuals in service during World War	
	Number	Percent of total	Number	Percent of total	Percent of States population		Number	Percent of total
Alabama	8,205	2.13	59,586	1.47	2.24	13.62	84,477	1.80
Arizona	3,271	1.85	12,550	.31	2.88	26.06	12,582	.27
Arkansas	8,004	2.07	50,818	1.25	2.71	15.81	70,496	1.50
California	30,445	7.91	237,623	5.90	4.18	12.83	162,719	3.46
Colorado	5,590	1.42	39,326	.98	3.79	14.14	43,421	.92
Connecticut	5,273	1.37	50,816	1.26	3.16	10.37	67,746	1.44
Delaware	394	.10	5,750	.14	2.41	6.85	9,255	.20
District of Columbia	4,065	1.05	22,596	.51	6.60	12.47	27,651	.59
Florida	5,549	1.52	147,216	1.17	3.21	12.39	42,318	.90
Georgia	8,403	2.18	67,850	1.69	3.23	12.28	103,786	2.21
Idaho	1,310	.34	15,746	.39	3.53	8.32	22,357	.49
Illinois	18,546	4.81	293,586	7.29	3.84	6.32	325,307	6.92
Indiana	10,378	2.69	169,004	2.71	3.26	9.52	133,645	2.85
Iowa	5,968	1.55	90,851	2.26	3.67	6.57	114,292	2.43
Kansas	4,742	1.23	65,769	1.63	3.49	7.21	81,724	1.74
Kentucky	11,925	3.09	73,008	1.81	2.47	16.33	94,448	2.01
Louisiana	5,923	1.54	63,142	1.57	3.00	9.38	76,727	1.63
Maine	2,221	.58	24,682	.61	3.09	9.00	33,040	.70
Maryland	5,123	1.33	55,452	1.38	3.40	9.23	32,495	1.34
Massachusetts	17,622	4.57	156,534	3.89	3.68	11.26	169,364	4.24
Michigan	11,763	3.05	156,128	3.88	3.22	7.53	164,699	3.51
Minnesota	11,068	2.87	97,255	2.42	3.83	11.38	119,360	2.54
Mississippi	9,060	2.36	42,880	1.06	1.67	21.20	62,607	1.37
Missouri	12,974	3.36	128,699	3.20	3.54	10.06	163,172	3.13
Montana	2,551	.65	21,046	.52	3.91	12.12	40,160	.86
Nebraska	3,013	.78	46,048	1.14	3.34	6.54	57,329	1.22
Nevada	472	.12	3,794	.09	4.16	12.14	5,457	.12
New Hampshire	1,334	.35	14,130	.35	3.03	9.44	18,965	.40
New Jersey	7,713	2.00	135,348	3.36	3.34	5.70	144,794	3.06
New Mexico	2,568	.67	11,664	.29	2.75	22.02	14,761	.31
New York	28,684	7.44	440,062	10.93	3.49	5.52	494,020	10.52
North Carolina	6,039	1.80	73,374	1.82	2.31	9.43	86,898	1.85

See footnotes at end of table.

Comparative study of World War veterans by State of residence—Continued

State of residence	Receiving compensation, pension, or retirement—June 30, 1938		Estimated living—June 30, 1938			Percent of estimated living received benefits	Individuals in service during World War	
	Number	Percent of total	Number	Percent of total	Percent of States population		Number	Percent of total
North Dakota.....	1,690	.44	18,539	.46	2.72	9.15	27,591	.59
Ohio.....	21,601	5.60	210,100	5.22	3.16	10.28	241,483	5.14
Oklahoma.....	8,396	2.17	77,868	1.93	3.21	10.74	90,632	1.93
Oregon.....	4,315	1.13	41,817	1.04	4.38	10.37	43,630	.93
Pennsylvania.....	24,844	6.44	298,891	7.42	3.09	8.31	361,869 ^a	7.70
Rhode Island.....	2,113	.55	23,578	.59	3.42	8.96	27,865	.59
South Carolina.....	4,838	1.26	40,464	1.00	2.32	12.01	63,300	1.35
South Dakota.....	2,099	.51	28,039	.65	3.72	8.06	32,017	.68
Tennessee.....	8,672	2.28	67,049	1.67	2.56	12.92	90,295	1.92
Texas.....	17,259	4.47	174,185	4.33	2.99	9.91	192,829	4.10
Utah.....	1,395	.36	16,362	.41	3.22	8.53	21,555	.46
Vermont.....	1,236	.32	9,436	.23	2.62	13.10	13,640	.29
Virginia.....	5,685	1.47	71,728	1.78	2.90	7.93	92,047	1.96
Washington.....	5,265	1.36	65,900	1.64	4.21	7.99	67,408	1.44
West Virginia.....	3,960	1.03	49,729	1.24	2.87	7.96	58,289	1.24
Wisconsin.....	9,785	2.54	100,110	2.49	3.37	9.77	120,676	2.53
Wyoming.....	1,022	.26	12,822	.32	5.68	7.97	12,345	.26
Total, United States.....	385,656	100.00	4,026,480	100.00	3.29	9.58	4,697,994	100.00

^a Based on number of adjusted service certificates in force in June 1938.

^b Estimated number of living June 30, 1938, exceeds the number in service from these States.

All figures furnished by Veterans' Administration, except in fifth column, which is compiled on the basis of the 1930 census.

Mr. RICE. There is an undue concentration of veterans in certain States and, therefore, to expect local communities in those States to assume the burden of taking care of the unemployable disabled veterans is going to bring upon them a load too heavy to bear, if it has not already happened in many communities and in many States.

Since it is a burden that must be borne by organized society, we believe that that burden should be borne solely by the Federal Government.

There has been considerable said as to whether or not there is an obligation on the part of the Federal Government because of their service during time of war to take care of these men. We believe there is. They served the United States during its time of emergency. They gave it from 1 to 2 years which they might otherwise have had as experience in the economic structure or in education. Certainly many of them were unable, because of the fact that their jobs were taken while they were gone, to get back into the economic structure. The Federal Government asked for their service during time of war, during its time of emergency, and now these men have an emergency and we believe they ought to be entitled to the service of the Federal Government.

Let me call your attention to the fact that prior to the so-called Economy Act on March 20, 1933, a disability allowance of \$40 a month was paid to veterans of the World War suffering with permanent and total disability. Immediately following the enactment of that act, the President, on the basis of the authority provided thereby, issued a regulation which took away all of the disability allowances except for those who were permanently and totally disabled, and reduced their disability allowances from \$40 to \$30 per month.

It will be recalled that the purchasing value of the dollar in 1931, 1932, and the first part of 1933, was fairly strong; that since then the purchasing power of the dollar has gone down, by reason of the effect of some inflation; therefore, the man who is getting \$30 per month now can purchase about 30 percent less of the needs for his living as compared with the amount that he could purchase for that \$30 back in 1933. Having received \$40 per month prior to the Economy Act, his \$30 now will purchase only about half of that his \$40 would then purchase. To give him the same purchasing power as he had in 1932, his pension would now have to be increased to about \$60.

So if it were for no other reason than because of the increased cost of living, we believe that the amount payable to these veterans ought to be restored at least to the amount which they were getting before the enactment of the so-called Economy Act, and if at all possible, ought to be increased up to \$60 per month, the same as is paid the veterans of the Spanish-American War suffering with similar disabilities.

We sincerely hope that the committee will attach an amendment to H. R. 8930 so as to provide for an increased pension to this very needy group and for their wives and growing children.

Now, as to the provisions of H. R. 9000, to provide pensions for the dependent widows and orphans of the honorably discharged 90-day World War veterans, and to their dependent mothers and fathers, may I say our organization is in hearty accord with the principles of this bill. We hope it will be enacted by this session of Congress.

Pensions are payable to the dependent widows and orphans of deceased World War veterans, not only because it is a matter of their being entitled thereto because of the fact of the World War service of the deceased veterans, but also because they need the help of organized society. Society has discovered that the best way to take care of the widows and orphans of deceased World War veterans is by payment of pensions to them by the Federal Government and not by their being taken care of by local communities.

Precisely the same amount of pensions should be paid to them, no matter where they live. The burden would be shifted from local communities to the Federal Government, thereby increasing local purchasing power which would serve as additional taxation resources in every State, which, in turn, would make it possible for every State to provide more adequate social security benefits for their other needy citizens, more adequate Old-age Assistance, Aid to the Blind, Aid to Dependent Children, and so forth.

A large portion of the dependent children who are now receiving Aid to Dependent Children benefits from the various States are the dependent children of deceased World War veterans. The burden of taking care of them would be shifted from the States to the Federal Government by this bill.

It is true that under present law the Federal Government, through the Social Security Board, matches one-half of the amount expended by the State government for certain social-security benefits within certain limitations. Congressman Rankin inserted into the record a table which shows the amount of old-age assistance paid in the various States, which, in effect, shows that those benefits range from about \$6 per month to about \$38 per month. In other words, Federal money is being pumped out more than six times as fast to certain

States per each case of old-age assistance, than it is being pumped out to other States for each such case.

That would not be true as to pensions payable to veterans or the dependents of deceased veterans; rather, by the veteran-pension method of distributing Federal purchasing power, you would tend to equalize and raise the economic and social level in those States that are now classified by the President as within economic problem No. 1 States. It would be highly desirable to shift the burden from the local States to the Federal Government, and thus at the same time to make it possible for those States to pay out more generous social security benefits to their citizens, and thus be entitled to more matching money from the Federal Social Security Board. Federal pensions for unemployed disabled veterans, and the dependents of deceased war veterans, would thus have a direct bearing upon the demand for increased old-age pensions for other needy citizens.

Because of the economic result we believe that the bill should continue to include a provision for pensions to the dependent mothers and fathers of deceased World War veterans. They will be a decreasing group, as related by the previous witnesses, but they are a group which, on the whole, cannot now be taken care of by social security benefits.

I here insert a table showing the average amounts of aid to dependent children benefits paid in the various States, ranging from \$8.12 per month per family of children in Arkansas to \$60.43 in Massachusetts, as follows:

Aid to dependent children in States with plans approved by the Social Security Board, by regions and States, January 1940

[Data reported by State agencies, corrected to Feb. 15, 1940]

State	Number of recipients		Average amount per family	Number of recipients per 1,000 estimated population under 16 years
	Families	Children		
Total.....	311,690	753,705	\$32.33	25
Maine.....	1,440	3,642	38.06	15
Massachusetts.....	11,202	28,787	60.43	20
New Hampshire.....	612	1,003	42.66	12
Rhode Island.....	1,170	3,172	46.18	18
Vermont.....	488	1,420	31.39	14
New York.....	36,433	72,025	48.97	23
Delaware.....	502	1,294	31.64	19
New Jersey.....	10,803	23,723	30.13	21
Pennsylvania.....	30,997	70,918	35.72	24
District of Columbia.....	949	2,692	37.37	21
Maryland.....	7,331	19,813	31.75	17
North Carolina.....	8,350	21,459	15.70	44
Virginia.....	2,090	6,762	20.63	8
West Virginia.....	7,290	20,562	20.38	32
Michigan.....	16,618	41,817	37.27	32
Ohio.....	10,002	28,060	37.58	16
Indiana.....	17,111	35,210	27.77	38
Wisconsin.....	12,053	27,616	38.59	31
Alabama.....	5,343	16,344	14.25	16
Florida.....	4,034	10,488	20.77	22
Georgia.....	3,885	10,140	20.18	10
South Carolina.....	3,145	9,395	16.17	14
Tennessee.....	13,324	34,451	18.40	37
Minnesota.....	8,357	20,169	35.08	28
Nebraska.....	5,245	11,837	31.61	31
North Dakota.....	2,267	6,329	31.59	27
Arkansas.....	4,051	11,035	8.12	16
Kansas.....	6,138	13,880	28.55	27

Aid to dependent children in States with plans approved by the Social Security Board by regions and States, January 1940--Continued

State	Number of recipients		Average amount per family	Number of recipients per 1,000 estimated population under 16 years
	Families	Children		
Missouri.....	9,902	23,318	\$23.39	23
Oklahoma.....	17,482	40,261	12.24	49
Louisiana.....	12,048	34,337	20.32	60
New Mexico.....	1,761	6,136	25.14	34
Arizona.....	2,482	6,877	32.20	64
Colorado.....	8,248	12,938	29.69	44
Idaho.....	2,729	6,612	27.67	43
Montana.....	2,291	6,445	28.08	36
Utah.....	3,300	7,949	34.31	45
Wyoming.....	714	1,761	31.53	26
California.....	14,613	35,533	43.94	26
Oregon.....	1,918	4,490	39.92	17
Washington.....	4,811	10,960	29.86	28
Hawaii.....	1,069	3,467	33.45	23

May I add something to the statement made by Dr. Altmeyer with reference to what will be done by the Social Security Board as to survivorship benefits to widows and orphans? May I call your attention first to the fact that perhaps not more than half of the widows and orphans will be entitled to any survivorship benefits whatsoever, and that the widows will be entitled to such survivorship benefits only so long as there are any minor children. Thus, for example, as to a wife who was married to a World War veteran prior to the World War, let us say, at the age of 20, she would now be age 42; she had children that were born during and shortly after the World War; her husband did not have any service-connected disability; he dies during the year 1940; all of her children are now grown up; she would not be entitled to any social security survivorship benefits whatsoever until she had attained the age of 65.

This social security provides survivorship benefits to the widow of a covered person only so long as she has minor children, and then those payments are completely suspended until she attains the age of 65. Therefore, taking that into consideration, the probability is that not more than one-fourth of the dependent widows of deceased World War veterans would be provided for by these social security survivorship benefits.

Let me also call your attention to the fact that such survivorship benefits were supposedly paid for by the veteran, in the form of taxes which were collected from his employer and which were deducted from his salary. This is insurance that he has paid for and which should not be taken into consideration in determining the amount of pension payable to a dependent widow and orphan. True, it may be taken into consideration by the Veterans' Administration in determining whether or not that widow is dependent, but it should not be deducted from any amount to which she should be entitled, because you do not deduct any private insurance benefits that she might otherwise be entitled to.

However, we might still be willing that that point be considered, but it does not seem to me that that is a matter that needs to be

considered at this session of the Congress, because the number who would be affected by survivorship benefits would be very, very few, and the percentage of them would be very small, as testified to by Dr. Altmeyer.

There are several additional provisions that we believe merit the attention of this committee, and which we believe ought to be attached as amendments to H. R. 8930. We believe, for example, that there ought to be a provision to provide a minimum rating of 1 percent for any veteran who suffered with a disability during his military service or received treatment therefor, even though it may not now be ratable by the Veterans' Administration. That would extend eligibility to the dependent widows and orphans of such veterans under the provisions of Public Law 198 and would also extend liberalized eligibility as to civil-service examinations and appointments. As Captain Kirby has mentioned, there ought not to be any reduction of compensation or pension for a service-connected veteran because of the fact he undergoes hospitalization. We would propose, as a compromise, that there be no reduction of compensation during at least the first 90 days of his hospitalization. Certainly at least such a concession could be made in the law, because it is very drastic, indeed, to provide for an immediate reduction of compensation as soon as hospitalization is undergone, and it discourages many men from undertaking the hospitalization and treatment which they badly need.

We believe it ought to be permissible that claims be adjudicated after the death of the veteran where the evidence is already in the files, and that accrued compensation be payable to his estate or next of kin.

We believe hospitalization ought to be extended to campaign and expedition veterans on the same basis as war veterans.

We believe there ought to be a provision in this bill to the effect that where an adjusted-compensation certificate has been withheld from a veteran, or where he cannot secure the possession thereof, that the Veterans' Administration ought to be given the authority to issue a duplicate thereof so that he can forfeit his certificate and secure the adjusted-service bonds which are redeemable by United States Treasury checks.

That would not increase the cost ultimately, but would serve a great convenience to those who cannot now secure their benefits.

With reference to compensation being paid to veterans in foreign countries, we are in sympathy with the objective that there ought to be some administrative control so as to prevent the payment of compensation funds to veterans residing in foreign countries where such benefits do not substantially reach him, and, therefore, we are inclined favorably to the bill which has been introduced to that end, S. 3835. However, in view of the recommendation of the Veterans' Administration that some additional study might be desirable on the part of the Veterans' Administration and the State Department, we do not desire to press for immediate enactment thereof.

We believe, also, that there is a great need for changing the definition of "misconduct" so that it should be considered as misconduct only in the event that it is felonious misconduct.

We believe, also, that so far as entitlement to widows and orphans is concerned, that it ought to be a uniform provision so as, in effect,

to provide that any widow otherwise entitled should be entitled if she has been married to the veteran and was living with him for at least 2 years preceding his death, and has had a child by that veteran, so there should not need to be any subsequent amendment to the law from time to time thereafter. We would also provide for this uniform definition of "widow" under H. R. 9000 now before this committee.

There are many other provisions in which we are interested and concerning which we should like to have the opportunity of appearing before this committee, but we acknowledge that they would cost rather substantial sums, and therefore assume that they would not be appropriate for being inserted as a part of H. R. 8930, but we would like very much to have an opportunity of presenting them to the committee at some later time. Those that I have suggested, however, would not be expensive items of legislation. Some of them are very, very needful. The one that is the most needful of all is the proposed amendment to provide an increased pension for those who are permanently and totally disabled.

Mr. Chairman, there are several pieces of evidence that I should like to have the privilege of inserting in my testimony at the proper point, if it may be permitted, which I believe to be pertinent to the discussion of this subject.

Senator GEORGE. You may do so, Mr. Rice; yes, sir.

Mr. RICE. Because of the fact that time is passing fast and I know you want to get to the Senate floor, I shall refrain from discussing other features of the bill. We hope the committee will be disposed to report out these two bills as soon as possible with the proposed amendments, so that action can be taken by this session of Congress.

As my parting word, may I say there should be no hesitancy on the part of the committee because of the unquestionable necessity for vastly increased national defense appropriations. If this Nation can afford to get itself involved in war, it can afford to pay for the costs of the aftermath of war. Payment of pensions to needy disabled veterans, and the dependents of deceased war veterans, would bring huge dividend returns in Americanism—an investment in patriotism! As a matter of fact, the fact that there is now an emergency facing the world in all the more reason why this kind of legislation ought to be enacted during this session of the Congress.

I thank you.

Senator GEORGE. I thank you very much, Mr. Rice.

The subcommittee would like to finish its work. There are several other witnesses here and probably some supplemental statements might be made by some of those who have appeared from the Administration. I would like to know how much time is desired by the other witnesses.

Mr. Bull?

Mr. BULL. I believe about 5 or 10 minutes for me, Senator.

Senator GEORGE. Very well. Come around here, Mr. Bull. Obviously if these matters are to come before the full committee, we ought to get the matters finished as soon as we can.

**STATEMENT OF CORNELIUS H. BULL, GENERAL COUNSEL,
AMERICAN VETERANS' ASSOCIATION**

Mr. BULL. Mr. Chairman, I have a rather brief statement to make.

On last Monday, May 13, the House passed and sent to the Senate H. R. 9000, a bill to pension needy widows, children, and dependent parents of all deceased soldiers and sailors of the World War, whether or not they had service-connected disabilities and whether their deaths were in any way connected with their war service. That bill is now here for consideration, and I appear in opposition to it on behalf of the American Veterans' Association.

The association which I represent believes this bill should not be passed for three reasons:

First, there is no ethical or moral justification for putting the beneficiaries mentioned in this bill in a special privileged class above other American groups in equal need.

Second, even if there were justification for it, the long-range cost is such that it would put a very serious added burden upon the Federal financial structure, particularly in the present international situation, which forces the country to spend vast sums to bring its national defenses up to the point made necessary by developments in Europe.

Third, this bill is a step in a progression toward general pensions for all veterans and dependents such as have followed the Civil War and the Spanish-American War, and as such is a threat to the whole conception of Federal treatment of veterans that was set up at the close of the World War.

I should like to speak very briefly on these three points.

As regards the first, the American Veterans' Association believes strongly that widows and dependents of soldiers and sailors who die as a result of war service are a very definite responsibility of the Federal Government. As a matter of fact, our association believes that the Government is not now according them the treatment that they deserve. The widow of a man who died in France with a German bullet in his body now receives \$38 a month, and it is far too little. We should like to see it increased to \$60 a month as the plain duty of the Government toward this class.

But the bill you are now considering does nothing for this class. It is concerned only with dependents of veterans who have not been able to show even a presumption of service-connected disability. In all fairness, gentlemen, we submit that such dependents do not have a just claim upon the Federal Government, over and above others in equal need.

Under the democratic system, a war effort is the effort of the entire people. All of them must undertake burdens, must make sacrifices for the good of the country, and in modern war, they must all face bombs and artillery. We say that those in the armed services who suffered no disability in, or as the result of, their service, should be treated on a par with others who took part in the war effort in other fields. Surely the man who makes ammunition is equally as important in the war effort as the man who uses it. More than that, the risks he assumes are far greater than those assumed by a soldier who never faced the enemy. And as only one-quarter of our World War army went into battle, it is a reasonable statement that three-quarters of

the dependents benefitted by this bill will be relatives of veterans who did no actual fighting whatever.

I think it is highly significant that no representative of the Disabled American Veterans has come forward to speak for this bill. Of all veterans, the members of the D. A. V. are entitled to most respect. They are the men who know what war is, and the fact that they are not for this bill shows that they do not consider it justifiable legislation. If they did, they would openly support it, for they have a very able legislative representative, one of whose duties is to support measures favored by the organization.

I turn now to the fact that this country cannot in the present state of things support the added expense that this pension bill would mean. In the first place, you gentlemen know that it is going to be necessary to raise either new taxes or the Federal debt limit in order to finance our defense appropriation. The financial burden on the Treasury is already tremendous, and the soundness of that Treasury is the keystone of national defense. It must be protected. If the Allies lose this war, there will be in the whole world no ally to whom we can turn for adequate help. We will be on our own, and we must be prepared for such a contingency.

Proponents of this bill argue that it shifts a burden from the States to the Federal Government, and thus enables the States to do more for relief of the needy. Gentlemen, there are functions which the States cannot perform, which only the Federal Government can handle. National defense is one. Those burdens that must be handled by the Federal Government because there is no one else competent to do the job, are becoming increasingly heavy. There are other burdens which the States can bear if they must.

Is it not, therefore, the course of reason in these times and conditions to forbear from shifting to the Federal Government from the States, burdens that can be carried by the States? Not only does this seem to us reasonable from the point of view of the ability of the Federal Government to carry the load, but also from the point of view of States' rights. I feel strongly about States' rights, and I recognize the fact that when a State shifts from its shoulders to that of the Federal Government responsibilities which it can carry itself, by the same act it surrenders some of its power to the Federal Government.

Proponents of the bill argue that the first-year cost of the bill is not great. Mr. Rankin has, I believe, estimated the first-year cost at around \$6,000,000. I think he is quite conservative in that estimate, and certainly the Veterans' Administration places the figure much higher. But even if Mr. Rankin were right, the fact remains that this is not a 1-year proposition. It will go on for many, many years, and it will grow larger every year until, according to Mr. Costello, it will be costing "a cool billion a year." Then it will taper off gradually, but I call to the attention of the committee, that the Veterans' Administration is still paying a pension to a dependent of a veteran of the War of 1812, more than a century and a quarter after the war ended.

That brings me to my third point, that this bill is a step toward general pensions. I quote from an article by Millard W. Rice, legislative representative of the Veterans of Foreign Wars. The article appeared in the April issue of Foreign Service, the official

V. F. W. publication. This is what Mr. Rice, one of the leaders in the pension fight, wrote in that article:

Several years ago the Veterans of Foreign Wars decided that, if a serious attempt were made to secure the enactment of one all-inclusive bill to provide uniform pensions, there would be grave danger that in the process of securing the enactment of same—keeping in mind the inevitable compromises which are made—it would be probable that various classifications of veterans, and their dependents, would suffer reductions of current benefits in the process of equalizing all veteran benefits.

It was therefore decided that the much better strategy would be to seek the enactment of "piecemeal" legislation, holding what we have, and gradually securing eligibility for certain benefits of various classifications of veterans, and the dependents of veterans, not previously entitled thereto, and increased benefits for certain classes of beneficiaries, more nearly, or if possible precisely, on the same basis and in the same amounts as previously granted to other groups of veterans, and the dependents of deceased veterans.

Gentlemen, no words of ours could possibly describe what is going on as well as those that Mr. Rice has written here. I believe you should consider those two paragraphs very seriously, for they come from a responsible course, and show precisely where this bill fits into the general program of veterans pension proponents.

In this connection, I may tell you that Mr. Rankin's committee has before it a bill providing pensions for all disabled veterans, regardless of service connection, and that this measure defines a veteran as disabled at the age of 65. That fact, in connection with the remarks of Mr. Rice, just quoted, is highly significant. In the light of the evidence I have presented, it is clear that this bill is but a step in a march toward general pensions.

I have said that this bill is a threat to the whole veterans structure erected after the World War. Veterans of that war receive benefits never before accorded to veterans. Among them are hospitalization, vocational training, the adjusted service certificates and insurance. They cost a great deal of money, and they were set up, as was stated on the floor of the House at the time, in order to make general pensions unnecessary. This move toward general pensions is an attempt to negative that entire program, which has cost billions of dollars.

Finally, gentlemen, I refer to three other arguments advanced by proponents of the bill. The first is that pensions are an integral part of the cost of war. We hold that that is true only in cases of service-connected disability. Then, and only then, does this responsibility justly devolve upon the Federal Government.

The second is that in many cases service records were lost, or improperly filed out, making it impossible for soldiers to prove service-connected disabilities. This is undoubtedly true in some cases, but it is surely reasonable to suppose that they constitute a very small minority and lay evidence is given full credence by the Veterans' Administration. And now it is proposed to open the gates to all because there have been mistakes—mistakes which the Veterans' Administration makes every effort to correct—in the cases of a relatively few men. That does not appeal to us as a valid argument for this bill.

The third is that in many cases men coming out of the service did not realize they had suffered disabilities, and that they are just now turning up. Gentlemen, the war ended nearly a quarter of a century ago, and doctors tell us that the whole human body renews itself every

7 years. Surely such disabilities would have appeared long ago, if they were truly service-connected.

That is all, gentlemen. I appreciate your courtesy in hearing me, and I hope with all my heart that you will not approve this bill. Thank you.

That is all, Mr. Chairman. I appreciate your courtesy in permitting me to appear.

Senator GEORGE. Mr. Church.

STATEMENT OF HERBERT A. CHURCH, NATIONAL LEGISLATIVE CHAIRMAN, THE MILITARY ORDER OF THE PURPLE HEART

Mr. CHURCH. Mr. Chairman, without assuming either side in the matter under discussion between Colonel Taylor and Mr. Kinsolving, we want to underscore heavily what Mr. Kinsolving has said concerning the attitude toward the veteran who gained his disability on the front line. We, as you understand, represent the men who were wounded on the front line.

May I say also that this was written before I had heard anything from General Hines with regard to the effort he is making toward securing better disability ratings for the combat men. It goes back, of course, to the discussion that was held last year, when the committee decided to eliminate section 7 of H. R. 5452. So that what I am saying here is not based on what General Hines has said this morning.

We appreciate the courtesy that has been extended to the Military Order of the Purple Heart in permitting its representative to appear before your committee today.

On the occasion of the hearing held before this committee on May 18, 1939, when the two bills, H. R. 2296 and H. R. 5452, were under discussion, section 7 of the bill H. R. 5452 was under general consideration. I will read that section now:

The Administrator of Veterans' Affairs is hereby authorized and directed to insert in the rating schedules of the Veterans' Administration a minimum rating of permanent partial 10 per centum for any person wounded, gassed, injured, or disabled by an instrumentality of war in a zone of hostilities incurred in active military or naval service of the United States during the World War.

At that point in the proceedings, the Military Order of the Purple Heart, through its representative, expressed endorsement of this section, but it was finally eliminated by a vote of the Senate committee. This information was conveyed in the report of the Finance Committee of the Senate. A discussion for the reason for the elimination of this section appears in the Congressional Record of July 6, 1939, pages 12094 and 12095.

The information conveyed in the report of the Senate Finance Committee was to the effect that owing to a serious objection on the part of the Veterans' Administration, the committee felt that the inclusion of such a provision in the bill would not be advisable. The Veterans' Administration estimated that a total of such cases would lie between the figures 80 and 85 thousand. However, offsetting the elimination of this section by the committee, the Administrator of Veterans' Affairs agreed to establish a board out of the Board of Veterans Appeals to rate all wounded cases, in order to produce a uniformity of rating throughout the country. At a hearing held

before the World War Veterans' Committee, February 12, 1940, the information developed at the time of this hearing that the Veterans' Administration had made very little progress in the direction of rerating the cases of combat wounded veterans.

As we appear before your committee today, we are faced with practically the same condition as existed in July of 1939. Out of the total number of men wounded in action, 192,369, there are between 80 and 85 thousand who are receiving no compensation whatsoever. The fraction, of course, as you can see is about one-half. One-half of the wounded men are receiving no compensation. In view of this large number just referred to, we herewith request consideration of H. R. 7927 as an amendment to H. R. 9000, which provides for a statutory award of \$10 a month to any World War veteran who was wounded, gassed, injured, or disabled by an instrumentality of war in a zone of hostilities and for other purposes.

We do not criticize the contents of H. R. 9000, but do contend that some provision for the care of combat wounded veterans should be included in the bill under consideration. In the light of the statement concerning the number of combat wounded men who are receiving no compensation, we feel that some consideration should be extended to these men.

I thank you.

Senator GEORGE. Thank you very much, Mr. Church.

Mr. Hines.

STATEMENT OF H. J. HINES, REPRESENTING THE REGULAR VETERANS ASSOCIATION

Senator GEORGE. Mr. Hines, whom are you representing?

Mr. HINES. The Regular Veterans Association, sir.

Senator GEORGE. You may proceed.

Mr. HINES. The Regular Veterans Association, whose membership is comprised of enlisted men who have voluntarily served in the armed forces of the country during the time of war and time of peace, and who are now serving in the armed forces of our country, gives its wholehearted approval to H. R. 8030 and H. R. 9000.

Thank you, sir.

Senator GEORGE. Thank you, sir.

This concludes the list of witnesses who were scheduled either by request of their own or by request of the committee.

General Hines, is there any supplementary statement that you wish to make or file?

General HINES. Mr. Chairman, in the event that the committee does give serious consideration to some of the proposed amendments, particularly that to pay permanent and total disability for hospitalization, and some of the other changes suggested by Mr. Rice, I would like an opportunity of submitting our views on those.

Senator GEORGE. We will be pleased to have you do so, General.

I think it is rather obvious that if certain of the matters that have heretofore been presented to the President are tacked into this bill and presented again, either one of the bills, it would probably insure its veto. I do not think the committee would be permitted to go very far afield.

General HINES. I would not care to prolong the hearing until you reach some conclusion on that.

Senator GEORGE. We will be glad to give you an opportunity to present your views on any amendment, if the committee is of the opinion that it should be considered, to go into any one of the bills before us.

General HINES. Thank you.

Senator GEORGE. Thank you very much for appearing this morning. If there are no other witnesses, the hearing will be closed and the subcommittee will adjourn.

(Whereupon, at 12:55 p. m., the subcommittee adjourned.)

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